



City of Sacramento City Council

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915 I Street, Sacramento, CA, 95814
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Meeting Date: 1/24/2012

Report Type: Staff/Discussion

Title: FY2012/13 Budget Development Principles

Report ID: 2012-00083

Location: Citywide

Recommendation: Pass a motion approving principles to guide the development of the FY2012/13 Proposed Budget.

Contact: Leyne Milstein Finance Director, (916) 808-8491), Finance Department

Presenter: John F. Shirey, City Manager; and Leyne Milstein Finance Director, (916) 808-8491), Finance Department

Department: Finance

Division: Budget Office

Dept ID: 06001411

Attachments:

1-Description/Analysis

City Attorney Review

Approved as to Form
Marcos A. Kropf
1/19/2012 9:19:55 AM

Approvals/Acknowledgements

Department Director or Designee: Leyne Milstein - 1/18/2012 2:11:52 PM [Via Email]



Description/Analysis

Issue: As part of the annual budget process the Mayor and City Council consider and provide direction on principles and parameters for the development of the proposed budget. Staff is recommending that Council approve the following principles:

Budget Development Principles:

- Develop a 2-year sustainable budget plan
 - FY13 actions need to be considered within a multi-year context
- Use one-time resources strategically
- Reductions should be made to achieve permanent savings and not temporary or one-time savings
- Any new revenue proposals will not be counted as revenues until realized
- Reserve for Economic Uncertainty will be protected and increased gradually

Policy Considerations: After four consecutive years of reductions, the City continues efforts to achieve budget stability and sustainability. It is clear that we can no longer continue to use short-term solutions for what is clearly a long-term problem. As such the development of the budget will continue to necessitate difficult decisions.

The proposed principles provide a framework for the development of the Proposed Budget that reflects the goals and outcomes shared with Council earlier this month. These principles will provide the structure and discipline necessary to regain fiscal sustainability.

Environmental Considerations: Not applicable to this report.

Sustainability: None.

Commission/Committee Action: None.

Rationale for Recommendation: As part of the City Manager's Office responsibility for the FY2012/13 Proposed Budget, staff is recommending adoption of principles to guide budget development and consideration.

Financial Considerations: Consistent with the City Charter requirements, the City Manager will present the FY2012/13 Proposed Budget by May 1, 2012.

Emerging Small Business Development (ESBD): Does not apply.