



**City of Sacramento  
City Council**

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**Meeting Date: 7/19/2012**

**Report Type: Staff/Discussion**

**Title: Revenues for Fire/Paramedic Services**

**Report ID: 2012-00660**

**Location: Citywide**

**Recommendation: Discussion**

**Contact: John F. Shirey, City Manager (916) 808-5704, Office of the City Manager**

**Presenter: John F. Shirey, City Manager (916) 808-5704, Office of the City Manager**

**Department: Finance**

**Division: Budget Office**

**Dept ID: 06001411**

**Attachments:**

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1-Description/Analysis

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**City Attorney Review**

Approved as to Form  
Grace Arupo  
7/11/2012 4:37:20 PM

**Approvals/Acknowledgements**

Department Director or Designee: Leyne Milstein - 7/11/2012 3:56:45 PM

## Description/Analysis

**Issue:** On June 26, Council Member McCarty requested that Council hold a policy discussion at the July 19 meeting regarding possible new revenues such as those from AB 678 and/or additional fees that could be used for fire and paramedic services.

For Council's information the following language related to unbudgeted revenues is included in the Labor Agreement with Sacramento Area Fire Fighters, Local 522 (Local 522), which appears as Item 9 on this agenda:

### Section 8 of the Agreement

FY 2012-13 Fire Department revenues and expenditures will be continually evaluated by City staff. If actual budgetary results for the Fire Department are estimated to be positive at the end of the fiscal year, the City Manager shall recommend to the City Council that additional resources be applied to the Fire Department in the following priority order: 1) overall Fire Department budget; 2) restoration of the additional fire company scheduled for brownout at the end of December 2012 pursuant to the existing contract; and 3) restoration of the additional previously staffed browned out fire companies through overtime rather than hiring and promoting staff. Revenues will include ambulance fees, AB 678, and any other Fire Department revenues.

One suggestion for your consideration is that part of the above language be formalized as Council policy by adding it to the budget principles you adopted for the current fiscal year. The existing principles adopted by the City Council are as follows:

1. Budget Development Principles:
  - a. Develop a 2-year sustainable budget plan.
    - i. FY2012/13 actions need to be considered within a multi-year context.
  - b. Use one-time resources strategically.
  - c. Reductions should be made to achieve permanent savings and not temporary or one-time savings.
  - d. Any new revenue proposals will not be counted as revenues until realized.
  - e. Reserve for Economic Uncertainty will be protected and increased gradually.

In addition, Council adopted a resolution on June 19, 2012 (Resolution 2012-187) directing unbudgeted one-time general revenue received in a fiscal year, not required to balance the budget as part of the midyear review or year-end close for that fiscal year, to the General Fund Economic Uncertainty Reserve.

**Policy Considerations:** The adopted budget principles provide a framework for development and management of the City's budget that reflect the structure and discipline necessary to regain fiscal sustainability.

**Economic Impacts:** None

**Environmental Considerations:** Not applicable.

**California Environmental Quality Act (CEQA):** This report concerns administrative activities that will not have a significant effect on the environment, and that do not constitute a "project" as defined by CEQA Guidelines Section 15061(b)(3); 15378(b)(2).

**Sustainability:** Not applicable.

**Commission/Committee Action:** Not applicable.

**Rationale for Recommendation:** This report provides information as requested by the City Council.

**Financial Considerations:** Budget sustainability requires that annual base operating costs be held to a level below annual revenue growth. However, the structural deficit will persist unless additional permanent corrective actions are implemented. The revenues received by the Fire Department are General Fund revenues and can be utilized to offset the City's costs for providing services.

**Emerging Small Business Development (ESBD):** Not applicable.