



City of Sacramento City Council

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915 I Street, Sacramento, CA, 95814
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Meeting Date: 1/29/2013

Report Type: Staff/Discussion

Title: Fiscal Year (FY) 2012/13 Midyear Budget Report

Report ID: 2013-00051

Location: Citywide

Recommendation: Pass a Resolution 1) amending the FY2012/13 Approved Budget as necessary to implement the City's financial plan for the remainder of the year; and 2) authorizing the Director of Finance to implement the approved budget adjustments.

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

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

Department: Finance

Division: Budget Office

Dept ID: 06001411

Attachments:

- 1-Description/Analysis
- 2-Attachment 1-Quarterly Financial Report
- 3-Attachment 2-Citywide Staffing Summary
- 4-Attachment 3-Entry Level Class
- 5-Resolution.

City Attorney Review

Approved as to Form
Grace Arupo
1/23/2013 8:13:13 AM

Approvals/Acknowledgements

Department Director or Designee: Leyne Milstein 1/22/2013; 1:38:15 PM



Description/Analysis:

Issue: The midyear review of the current fiscal year, FY2012/13, is intended to update the City Council on major changes since the adoption of the Approved Budget and includes recommendations necessary to implement the City's financial plan for the remainder of the fiscal year.

As outlined in the FY2011/12 Comprehensive Annual Financial Report (CAFR), the fiscal year ending June 30, 2012 resulted in one-time General Fund budgetary resources of \$9.35 million, the majority of which is the result of departmental savings and one-time revenues. The City Manager is recommending that these funds be used as follows:

Adjustments (\$ in millions)	Description
4.20	Economic Uncertainty Reserve
	\$2.7 million from FY2011/12 year end savings; and \$1.5 million from the City's escheat process.
2.00	Establish a trust fund for retiree healthcare costs (other post employment benefits-OPEB)
1.40	Identified departmental shortfalls:
	\$1.2 million reduction in the Public Works revenue budget to address projected shortfall of on-street parking enforcement collections.
	\$187,500 to correct error in FY2012/13 CIP for Sutter's Landing and carryover \$18,700 for Southside swimming pool operations in FY2011/12 billed in the current year.
1.00	Multi-year projects
	\$250,000 to the Technology Innovation Project (I07000800).
	\$250,000 to the IT Equipment Replacement Program (A07000300).
	\$500,000 to the Citywide Strategic Planning Project (I02000400) to address high priority citywide needs (e.g. labor negotiations, railyards, information technology, etc.).
0.75	Unanticipated year-end budgetary adjustments
9.35	Total Adjustments

As identified above staff is recommending the addition of \$4.2 million in General Funds to the General Fund Economic Uncertainty Reserve (EUR). Additionally, consistent with City Council Resolution 2012-248 the \$1.9 million received from the settlement reached with the County of Sacramento relative to the administration of property taxes has been added to the EUR. These additions will bring the reserve to \$26.3 million or 7.13% of General Fund revenues. The City Council's goal is 10% of General Fund revenues.

Midyear Analysis

Staff presented a General Fund five-year forecast to Council on January 15, 2013. This report included a discussion on the major components of the General Fund revenues. Based on a review of the major revenue assumptions included in the FY2012/13 Approved Budget, staff has determined that no adjustments to the General Fund's major tax revenues are necessary at this time. However, a review of departmental budgets has identified the need for adjustments which are outlined below.

The City's enterprise funds (*Community Center, Parking, Solid Waste, Storm Drainage, Wastewater and Water Funds*) with the exception of the Marina Fund as discussed below are projected to come in on budget, and as such there are no recommended budget adjustments for these funds. The departments responsible for managing these funds, Convention, Culture and Leisure (CC&L), Public Works and Utilities, respectively, have indicated that any shortfall in revenues will be offset with expenditure controls and operational efficiencies.

In addition to the information provided below, the second quarter financial report is included as Attachment 1. The following provides details on the recommended midyear actions based on a review of major revenue sources, department projections, and identified project needs (Exhibit A provides a summary of recommended adjustments). In all cases, funding sources are identified within the recommendation.

General Fund Adjustments

1. City Clerk: The department is responsible for the costs incurred for elections. As a result of the added ballot measures the City's election costs will exceed the budget. Staff is recommending authority to transfer up to \$150,000 from the elections budget in the Citywide and Community Support Department to the City Clerk's budget to cover costs incurred for the November 2012 elections.
2. Fire: The Fire Department's Strike Team incurred higher than budgeted expenditures and will be fully reimbursed by the State of California for deployment to 25 events throughout California during the summer and fall of 2012. As such it is necessary to increase the revenue and expenditure budget for this program by \$790,000.
3. Fire: The department is projecting to receive higher than budgeted revenues and is also experiencing higher than anticipated labor costs related to staff efforts to address issues identified in the Fire Prevention audit presented to the City Council on September 11, 2012. Therefore, staff is recommending that the Fire Department revenue and expenditure budgets be increased by \$386,000.
4. Information Technology: To continue the City's efforts to improve and enhance functionality of the City's website, the Information Technology Department is requesting a one-time transfer of \$100,000 from the department's service and supply budget to the City's Webgrant Restructuring project (I07000900).

5. Public Works: Parking Services has identified a mid-year shortfall in the on-street parking enforcement revenue budget of \$1.2 million, resulting from a decrease in annual ticket volume. While volume is increasing, it is expected that overall ticket volume will continue to be lower than prior years as compliance has increased.
6. Citywide and Community Support: Revised estimates of the obligations to be funded by distributions from the County's Redevelopment Property Tax Trust Fund will reduce the FY2012/13 Successor Agency Administrative Budget from \$1.2 million to \$1.0 million. Staff is recommending reducing both the revenue and expenditure budgets for the Successor Agency Administrative Budget by \$200,000.

Other Fund Adjustments

1. Convention, Culture and Leisure – Marina Fund: Due to record low occupancy levels at the Marina, the Department requested that the California Department of Boating and Waterways (DBW) reduce the debt service due of \$1.1 million to \$204,000. The City proposed a reduced restructured debt payment plan. DBW accepted a reduced payment amount for FY2012/13 of \$204,000. A long-term restructuring plan is under consideration by DBW. It is recommended that Debt Services be decreased by \$895,112 for FY2012/13 to reflect this reduction in annual loan payment.
2. General Services – Fleet Fund: On January 2, 2013, the President signed the American Taxpayer Relief Act of 2012 into law. The Act provides tax credits affecting alternative fuels, including liquefied natural gas (LNG). The tax credit, equal to 50 cents per gallon of LNG fuel sold, is extended until December 31, 2013 and is retroactive to calendar year 2012. For FY2012/13, the Fleet Fund anticipates receiving a tax credit in the amount of \$382,854. Staff recommends that this credit be budgeted in the Fuel Management and Support Equipment Program capital improvement project (C13000100) which will provide resources for the replacement of the Meadowview LNG fuel station.
3. Public Works – Gas Tax Fund: The budget for the replacement of two patch trucks was erroneously under-budgeted by \$200,000, the result of a clerical error whereby the cost of each patch truck of \$114,000 was budgeted at only \$14,000. Secondly, the additional features required for the replacement of two tool trucks destroyed in a fire including emulsion tanks, overhead safety lighting, and radios were not included in the original budget, a shortfall of \$75,000. These additional costs of \$275,000 will be fully offset by Gas Tax and no general funds will be required.

Policy/Other Information

Other Post-Employment Benefits (OPEB)

As presented to the City Council on January 8, 2013, the City has \$950 million in unfunded long-term liabilities for post-employment benefits to be paid to retired employees and their survivors. These benefits include pensions, the retiree medical benefit, and payoff of leave balances upon separation or retirement. Rounded to the nearest billion dollars and expressed on an actuarial basis, the combined long-term liability for these benefits is approximately \$3 billion, but only \$2 billion has been set aside to fund those benefits. In actuarial terms the retiree medical benefit is totally unfunded because no funds have been placed in trust to prefund the benefit during the working years of our employees.

Governmental Accounting and Standards Board (GASB) Statement 45 required the City to begin reporting our annual OPEB cost and disclosing the unfunded actuarial liabilities for past service costs effective July 1, 2007, in our Comprehensive Annual Financial Report (CAFR). The City's unfunded retiree medical benefit liability is one factor bond rating agencies consider when establishing and monitoring the City's credit rating. In an effort to begin addressing retiree healthcare costs the City Manager is recommending the establishment of a trust with an initial investment of \$2 million. The annual discussion with the Council on budget principles is scheduled for mid-February and will include a discussion on establishing principles and a policy related to funding the City's OPEB Trust.

Reclassifications/Staffing Changes

Consistent with the annual Budget Resolution, City Council authority is required to increase or decrease full-time equivalent (FTE) positions except for positions fully funded by grants. Attachment 2 provides a current listing of FTE positions by department. The following provides information on recommended changes that will allow for more accurate budgeting of positions as well as minor changes in FTE that have occurred or are being recommended:

1. Human Resources: Labor contracts identify several classifications which are "flexibly staffed." When employees meet certain qualifications they are promoted to the next classification in the series, e.g., Building Inspector I to Building Inspector II. However, the authorized budgeted position remains the same. To provide consistency with labor contracts and increase accuracy in position budgeting, a modification to Resolution 2012-185 is recommended as follows:
 - a. Section 5 – The City Manager is authorized to modify the authorized FTE classification and its associated budget as necessary to reflect current incumbent status based on the established flexibly staffed classifications (Attachment 3) included in the City's classification plan.

2. Information Technology (IT) – Reclassification: The IT Department is undertaking major citywide projects to redesign the City’s network, data center, and fiber infrastructure. As such it is essential to have the proper qualifications and knowledge of a Telecommunications Engineer I to support the City’s mission critical communication systems and service level agreements with partner agencies. To accomplish this the department is proposing a reclassification of 1.0 FTE Senior IT Support Specialist (Local 39) to a Telecommunication Engineer I (Western Council of Engineers). The proposed reclassification is cost neutral to the General Fund.
3. Parks and Recreation - FTE Changes: The 21st Century grant from the State Department of Education was not renewed for FY2012/13 and 7.15 FTE non-career positions funded by the grant have been eliminated. In addition, the Workforce Investment Act grant was renewed and increased by \$49,000 from the prior year providing resources for 2.0 FTE non-career positions. The net change in the Department’s positions is a decrease of 5.15 FTE.

Policy Considerations: This report is consistent with Council’s direction and adopted budget principles to use one-time resources strategically, increase the General Fund EUR, maintain a fiscally sustainable balanced budget, and keep the Council informed on the fiscal condition of the City.

Economic Impacts: None

Environmental Considerations:

California Environmental Quality Act (CEQA): The ongoing operations funded under the FY2011/12 Approved Budget are not subject to CEQA review. CEQA review for any project, which uses funds allocated within this report, has been or will be reviewed in conjunction with planning, design, and approval of each specific project as appropriate.

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: The actions recommended in this report address the adjustments necessary in both the General and Enterprise Funds to implement the City’s financial plan for the remainder of the current fiscal year.

Financial Considerations: The midyear update reflects the City’s continuing need for ongoing efforts to manage expenditures. As a result, staff is recommending the adjustments outlined above and detailed in Exhibit A. Staff will continue to work with departments to meet budget goals for the remainder of the fiscal year.

Emerging Small Business Development (ESBD): No goods or services are being purchased under this report.

Attachments:

- Attachment 1 - 2nd Quarter Financial Report
- Attachment 2 - Citywide Staffing Summary
- Attachment 3 - List of Flexibly Staffed Positions
- Attachment 4 - Budget Resolution
 - Exhibit A - Chart of Financial Changes



Quarterly Financial Report
For Quarter Ending 12/31/12

OVERVIEW

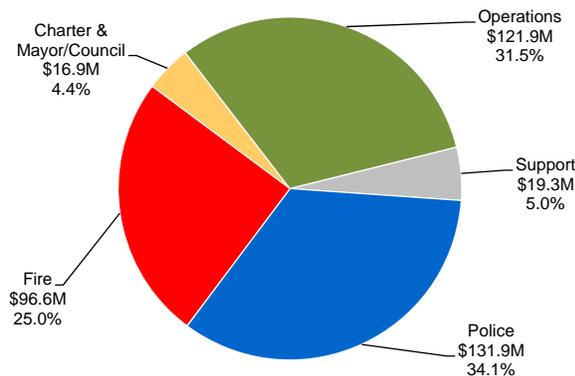
The FY2012/13 Approved Budget as Amended includes:

- \$1.059 billion and 4,002.99 authorized full time equivalent (FTE) positions (all funding sources);
- \$368.2 million and 2,749.24 FTE in the General Fund;

GENERAL FUND

The following graph represents the City's Gross General Fund expenditure budget based on major departmental groupings:

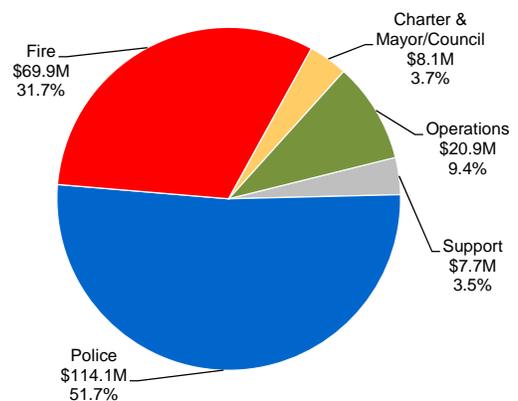
FY2012/13 Gross General Fund Expenditures
\$386.6 Million



- Charter includes: City Attorney; City Clerk; City Manager; and City Treasurer.
- Operations includes: Community Development; Convention, Culture & Leisure; Economic Development; General Services; Parks and Recreation; and Public Works.
- Support includes: Finance; Human Resources; and Information Technology.

The following graph represents the City's Net General Fund expenditure budget based on major departmental groupings:

FY2012/13 Net General Fund Expenditures
(expenditures less reimbursements and revenues)
\$220.7 Million



At the end of the second quarter, it is too early to identify major financial trends since the County of Sacramento distributes property taxes in January and May.

General Fund Financial Condition. Based on a review of the major revenue assumptions included in the FY2012/13 Approved Budget, staff has determined that no adjustments to the General Fund's major tax revenues are necessary at this time.

General Fund (\$ in '000s)

	Budget	YTD	
		Actuals	Percent
Balance, Beginning of FY	-	-	
Revenues	369,260	131,749	36%
Expenditures	369,140	185,056	50%
Total:	120	(53,307)	

This chart reflects budget and actual expenditures for all activities in the General Fund (department operations, capital projects, debt service, etc.).

As shown, the General Fund balance at the end of the 2st quarter is negative. This is typical for the General Fund and indicates the cyclical cash flow pattern of revenues versus expenditures described in the Revenue section.



City of Sacramento

Quarterly Financial Report For Quarter Ending 12/31/12

Department Projections. Department revenue projections are summarized below:

GENERAL FUND REVENUES			
Department	Budget	YTD Actuals	Projected Year-End Variance
City Attorney	52,000	27,855	10,164
City Clerk	85,169	9,202	-
City Treasurer	2,681,000	363,182	-
Community Development	15,798,676	6,648,149	(98,676) ¹
Convention, Culture & Leisure	1,559,938	1,055,695	-
Economic Development	1,230,251	1,020,466	-
Finance	2,042,351	296,414	-
Fire	22,986,604	8,610,450	1,176,000
General Services	1,135,000	485,185	(14,745) ¹
Human Resources	272,000	79,370	(120,000) ¹
Parks and Recreation	1,055,656	1,004,263	-
Police	9,883,000	3,120,169	(1,353,731) ¹
Public Works	16,082,104	7,102,419	(1,255,156)
Total General Fund:	74,863,749	29,822,819	(1,656,144)

¹Department revenue shortfalls will be offset by savings in expenditures. Additional detail will be provided as part of the FY2012/13 Midyear Report.

The Department of Public Works is projecting a budget deficit. Details on the projected deficit are as follows:

Public Works Department

Parking Services has identified a mid-year shortfall in the on-street parking enforcement revenue budget of \$1.2 million, resulting from a decrease in annual ticket volume. While volume is increasing, it is expected that overall ticket volume will continue to be lower than prior years as compliance has increased. A reduction in the revenue budget of \$1.2 million has been proposed as part of the Midyear Report.

Department expenditure projections are summarized below:

GENERAL FUND EXPENDITURES			
Department	Budget	YTD Actuals	Projected Year-End Variance
Mayor/Council	2,957,722	1,259,426	-
City Attorney	3,877,516	1,826,524	501,452
City Clerk	1,346,146	490,986	-
City Manager	1,522,358	430,544	115,931
City Treasurer	1,791,429	880,486	28,339
Community Development	19,768,717	8,757,654	137,468 ²
Convention, Culture & Leisure	4,757,553	2,328,583	-
Economic Development	2,925,099	1,013,034	144,158
Finance	4,474,306	1,443,997	132,204
Fire	93,533,309	46,249,408	(1,176,000)
General Services	9,193,209	4,951,790	97,465 ²
Human Resources	2,225,304	821,798	95,000 ²
Information Technology	3,292,548	2,666,493	-
Parks and Recreation	13,811,332	11,008,775	-
Police	124,024,178	60,138,461	2,566,334 ²
Public Works	6,958,899	11,792,012	55,684 ²
Total General Fund:	296,459,625	156,059,971	2,698,035

²Department expenditure savings will be used to offset projected revenue shortfall. Additional detail will be provided as part of the FY2012/13 Midyear Report.

The Fire Department is projecting revenues and expenditures that exceed budget in excess of \$ 1.0 million. Details are as follows:

Fire Department

The Fire Department's Strike Team incurred higher than budgeted expenditures and will be fully reimbursed by the State of California for deployment to 25 events throughout California during the summer and fall of 2012. An adjustment to increase the revenue and expenditure budget for this program by \$790,000 has been proposed as part of the Midyear Report. Also, the department is projecting to receive higher than budgeted revenues and is also experiencing higher than anticipated labor costs related to staff efforts to address issues identified in the Fire Prevention audit presented to the City Council on September 11, 2012. Therefore, staff is recommending that the Fire Department revenue and expenditure budgets be increased by \$386,000.



**Quarterly Financial Report
For Quarter Ending 12/31/12**

Revenues. The City's top six revenues account for 69% of total General Fund revenues. By focusing on these revenue sources, we can begin to see the trend of our revenue position for the fiscal year. However, for this second report because many revenues are not received on a monthly basis, it is difficult to evaluate actuals to date as a percent of budget. In these cases, it will be important to utilize any important information on each revenue source to evaluate the potential revenue variance. Additional information for the analysis of a particular revenue source is provided in the descriptions below if available.

TOP GENERAL FUND REVENUES (in '000s)

Revenue Type	Budget	YTD Actuals
Property Tax	118,982	35,438
Utility User Tax ³	58,982	24,912
Sales Tax	62,794	19,613
Business Operations Tax ³	8,163	4,345
Public Safety Sales Tax	4,365	1,525
Transient Occupancy Tax ³	3,192	1,027
Total:	256,478	86,860

³ After the end of each month, businesses have 30 days to remit UUT, BOT, and TOT revenue to the City. After the 30-day remittance period, the City processes/reconciles the transactions over the following 10 days. The monthly reporting data is available by the 15th of the following month (45 days after the reporting period ends).

City's Major Revenue Sources

Property Tax. Property taxes are the largest General Fund revenue source, accounting for approximately 32% of all General Fund revenues. Revenues related to Property Taxes are affected by fluctuations in the real estate market, levels of new construction activity, and the corresponding changes to the tax rolls. The majority of current secured property tax revenues are received in mid-December and mid-April, while the balance of current secured, current unsecured, supplemental, and miscellaneous property tax revenues are received in late January and late May.

The first apportionment of the City's FY2012/13 property taxes was received in December 2012. The first secured roll payment was approximately \$1 million or 3% lower than the same payment received in FY2011/12. While property values continue to stabilize, transaction volume in the region remains stagnant.

Sales and Use Tax. Sales and Use Taxes make up approximately 17% of General Fund revenue. The sales tax is imposed on all retailers for the privilege of selling tangible personal property in the state, whereas the use tax is imposed on the purchase for storage, use, or other consumption of tangible personal property purchased from any retailer. The City receives monthly apportioned payments and a true-up payment for the prior period at the end of each quarter. The first true-up payment for this fiscal year was received in December. Sales tax was up statewide 8.1%, comparing the third quarter of 2012 to the third quarter of 2011, while Sacramento increased just 1.3%. New auto sales contributed to large sales tax increases throughout the region however, the City has fewer auto dealerships proportionately compared to surrounding jurisdictions.

Utility User Tax (UUT). UUT is 16% of the General Fund revenue and is the City's third largest source of General Fund revenue. Measure O was approved by the voters on November 4, 2008, and reduced the 7.5% tax rate to 7.0% on telecommunication services but expanded to include Voice over Internet Protocol (VoIP), text messaging and many other previously excluded technologies. The 7.5% tax rate continues to be in effect for gas, electric, and cable services. Revenue collected is in line with the budget through the November 2012³ period.

Other City Revenue Sources

Business Operations Tax (BOT). Business Operations Taxes are remitted annually by individuals and businesses that commence, transact, engage in or carry on any business, trade, profession, calling, occupation, or gainful activity in the City. Business Operations Taxes make up approximately 2% of General Fund revenues. Revenue collected is in line with the budget through the December 2012³ period.

November 2012 Essential Services Protection Measure - Measure U. Voter approval of Measure U in November 2012 authorized the implementation of an additional one-half cent transaction and use tax effective April 1, 2013. We anticipate receipt of monthly revenues beginning in late June 2013. In FY2012/13 Measure U revenues are estimated at approximately \$5 million. Staff is recommending establishing a separate fund to account for the Measure U funds. Recommendations for the estimated \$5 million are included in the FY2012/13 Midyear Budget Report. The



**Quarterly Financial Report
For Quarter Ending 12/31/12**

\$5 million is recommended to be allocated to address critical program needs and to establish a reserve should revenues come in lower than anticipated.

Public Safety Sales Tax. On November 2, 1993, California voters enacted Proposition 172, which established a permanent statewide half-cent sales tax for support of local public safety functions in cities and counties. Public Safety Sales Tax represents approximately 1% of General Fund revenue. Revenue collected is in line with the budget through the November 2012³ period.

Transient Occupancy Tax (TOT). The current rate of 12% is charged to all transient guests of hotels, motels, inns, and bed and breakfasts within City limits. The General Fund portion of TOT revenues is equal to 2 percentage points of the 12% rate of total TOT revenues. The remaining TOT revenues collected are for use by the Community Center Fund. TOT represents approximately 1% of General Fund revenue. Revenue collected is in line with the budget through the November 2012³ period.

Economic Indicators. The following chart reflects key economic indicators utilized by staff in projecting General Fund revenues.

Key Economic Indicators	12/2011	12/2012
City Unemployment Rate (UR)	12.8%	11.7%
County UR	10.9%	10.0%
State UR	11.1%	9.8%
National UR (Sep/10 vs. Sep/11)	8.5%	7.7%
CPI (10/2011-12/2011 vs. 10/2012-12/2012)	3.29%	1.87%
30-Year Fixed Mortgage Rate	3.96%	3.35%

Revenues to Watch. The following revenues are subject to state and/or federal legislation and enforcement. Staff will continue to monitor and provide updates to the City Council on these revenues, as well as pending legislation that may affect City revenues.

California Assembly Bill 678: Medi-Cal Ground Emergency Medical Transport (GEMT). A committee of California Fire personnel is currently working with the State of California to develop an acceptable format for submitting claims to the Federal government to provide supplemental reimbursement of approved Medi-Cal costs. It is anticipated that this committee will submit the suggested format to the responsible federal agency within the next 30 days.

The Federal agency has 90 days from receipt to review the format. If the format is acceptable and approved, the next step would be the submission of the first test claims from select fire committee agencies. At this time it is unknown when the City will be able to submit a claim for GEMT revenues.

Medical Marijuana. Federal enforcement action on City of Sacramento dispensaries has decreased. A few dispensaries have reopened in their original locations. It is still difficult for the dispensaries to relocate and meet all of the City's sensitive use requirements. Even with a little over half of the dispensaries operating, the 4% tax is coming in ahead of budget. This revenue stream will be watched closely given the unknown level of federal enforcement action.

ENTERPRISE FUNDS

Enterprise Fund revenues and expenditures are reflected below:

ENTERPRISE FUNDS EXPENDITURES			
Fund Name	Budget	YTD Actuals	Projection
Marina	2,304,077	755,362	1,231,382
Community Center	22,339,908	12,650,900	20,888,072
Parking	17,152,390	7,025,064	17,152,390
Water	68,488,093	23,921,110	67,249,293
Wastewater	21,785,281	9,450,702	20,354,664
Solid Waste	50,713,829	21,342,396	50,171,631
Storm Drainage	33,195,003	14,755,674	31,610,625
Total Enterprise Funds:	\$215,978,581	\$89,901,208	\$208,658,057

ENTERPRISE FUNDS REVENUE			
Fund Name	Budget	YTD Actuals	Projection
Marina	1,415,500	589,807	1,250,000
Community Center	23,450,000	9,581,128	23,425,000
Parking	17,803,386	8,964,528	18,169,000
Water	85,797,246	46,945,827	87,171,090
Wastewater	24,353,216	12,705,660	25,095,617
Solid Waste	60,251,000	22,935,646	60,861,926
Storm Drainage	35,435,206	17,918,807	35,966,413
Total Enterprise Funds:	\$248,505,554	\$119,641,403	\$251,939,046



Citywide Staffing Summary

	FY2012/13 Approved as Amended on July 31, 2012	Change	FY2012/13 as of Midyear
Mayor/Council	29.00	-	29.00
City Attorney	47.00	-	47.00
City Clerk	13.00	-	13.00
City Manager	12.00	-	12.00
City Treasurer	12.00	-	12.00
Community Development	164.50	-	164.50
Convention, Culture & Leisure	135.78	-	135.78
Economic Development	11.00	-	11.00
Finance	77.00	-	77.00
Fire	589.50	-	589.50
General Services	374.50	-	374.50
Human Resources	69.00	-	69.00
Information Technology	49.00	-	49.00
Parks & Recreation	562.75	(5.15)	557.60
Police	913.96	-	913.96
Public Works	409.50	-	409.50
Utilities	510.50	-	510.50
Citywide and Community Support	23.00	-	23.00
Grand Total	4,002.99	(5.15)	3,997.84

Entry-Level Class	Class Code	Journey-Level Class	Class Code	Second Journey-Level Class	Class Code
Account Clerk I	016001	Account Clerk II	016002		
Architectural Technician I	016214	Architectural Technician II	016215	Architectural Technician III	016216
Building Inspector I	016011	Building Inspector II	016012	Building Inspector III	016229
Buyer I	016015	Buyer II	016016	Buyer III	016017
Central Services Assistant I	016232	Central Services Assistant II	016233	Central Services Assistant III	016234
Clerk I	016019	Clerk II	016020		
Community Service Officer (Limited-Term)	002037	Community Service Officer	002036		
Community Service Officer (Limited-Term)	002037	Police Officer	002027		
Community Service Representative I	016023	Community Service Representative II	016125		
Computer Operator I	016024	Computer Operator II	016231		
Construction Inspector I	016025	Construction Inspector II	016026	Construction Inspector III	016027
Customer Service Trainee	016914	Customer Service Assistant	016971	Customer Service Representative	016972
Development Services Technician I	016004	Development Services Technician II	016005		
Dispatcher I	002049	Dispatcher II	002050		
Electrical Construction Inspector I	016039	Electrical Construction Inspector II	016040	Electrical Construction Inspector III	016041
Electronic Maintenance Technician Trainee	003614	Electronic Maintenance Technician I	003615	Electronic Maintenance Technician II	003616
Engineering Aide I	003608	Engineering Aide II	003609		
Engineering Technician I	016930	Engineering Technician II	016931	Engineering Technician III	016939
Equipment Body Mechanic I	012057	Equipment Body Mechanic II	012002		
Equipment Mechanic I	012009	Equipment Mechanic II	012003		
Fire Prevention Officer Trainee	005064	Fire Prevention Officer I	005065	Fire Prevention Officer II	005066
Fire Recruit	005083	Firefighter	005010		
Forensic Investigator I	016047	Forensic Investigator II	016048		
Geographic Information Systems Specialist I	017026	Geographic Information Systems Specialist II	017027	Geographic Information Systems Specialist III	017028
Information Technology Trainee	016221	Application Developer	010703		
Information Technology Trainee	016221	Department Systems Specialist I	016217	Department Systems Specialist II	016218
Information Technology Trainee	016221	Geographic Information Systems Specialist I	017026		
Information Technology Trainee	016221	Information Technology Support Specialist I	016219	Information Technology Support Specialist II	016220
Information Technology Trainee	016221	Programmer	010710		
Instrument Technician Trainee	003646	Instrument Technician I	003648	Instrument Technician II	003649
Junior Architect	011013	Assistant Architect	011014	Associate Architect	011015
Junior Engineer	011010	Assistant Civil Engineer	011011	Associate Civil Engineer	011012

Entry-Level Class	Class Code	Journey-Level Class	Class Code	Second Journey-Level Class	Class Code
Junior Engineer	011010	Assistant Electrical Engineer	011019	Associate Electrical Engineer	011020
Junior Engineer	011010	Assistant Mechanical Engineer	011021	Associate Mechanical Engineer	011022
Junior Landscape Assistant	011024	Landscape Assistant	011017	Associate Landscape Architect	011016
Junior Planner	017004	Assistant Planner	017002	Associate Planner	017003
Landscape Technician I	016209	Landscape Technician II	016054		
Media Production Specialist I	017013	Media Production Specialist II	017025		
Neighborhood Resources Coordinator I	016968	Neighborhood Resources Coordinator II	016969		
Park Safety Ranger Assistant	002060	Park Safety Ranger	002061		
Planning Technician I	016111	Planning Technician II	016112		
Plans Examiner I	016007	Plans Examiner II	016008		
Police Cadet	002035	Police Officer	002027		
Police Clerk I	016066	Police Clerk II	016067		
Police Records Specialist I	016933	Police Records Specialist II	016934		
Police Recruit	009123	Police Officer	002027		
Real Property Agent I	017032	Real Property Agent II	017033	Real Property Agent III	017034
Revenue Services Trainee	016952	Revenue Services Representative	016953		
Sanitation Worker I	003662	Sanitation Worker II	003663		
Stenographer Clerk I	016084	Stenographer Clerk II	016085		
Stores Clerk I	016088	Stores Clerk II	016089		
Street Construction Laborer Trainee	003690	Street Construction Laborer	003688		
Supervising Building Inspector	015095	Senior Supervising Building Inspector	015096		
Survey Technician I	003924	Survey Technician II	003925		
Telecommunications Engineer I	011023	Telecommunications Engineer II	011025	Telecommunications Engineer III	011026
Telecommunications Systems Analyst I	017029	Telecommunications Systems Analyst II	017030	Telecommunications Systems Analyst III	017035
Telecommunications Technician Trainee	003682	Telecommunications Technician I	003683	Telecommunications Technician II	003684
Traffic Control/Lighting Technician Trainee	003635	Traffic Control/Lighting Technician I	003637	Traffic Control/Lighting Technician II	003636
Traffic Investigator I	016202	Traffic Investigator II	016203	Traffic Investigator III	016204
Tree Maintenance Worker Trainee	003917	Tree Maintenance Worker	003660		
Tree Pruner Trainee	003638	Tree Pruner I	003639	Tree Pruner II	003640
Typist Clerk I	016094	Typist Clerk II	016095		
Utility Customer Service Technician I	016224	Utility Customer Service Technician II	016225		



RESOLUTION NO. 2013-XXXX

Adopted by the Sacramento City Council

**AMENDING THE FISCAL YEAR (FY) 2012/13
APPROVED BUDGET**

BACKGROUND

- A. The FY2012/13 Approved Budget was adopted on June 12, 2012. Annually, staff undertakes a Midyear Review of revenues and expenditures to ensure the continued validity of the adopted budget and to recommend any adjustments necessary to implement the City's financial plan for the remainder of the current fiscal year. Based on staff's review, several budget adjustments and technical corrections are necessary in order to ensure that the City doesn't overspend its budgetary resources, and can address identified improvements, efficiencies and critical needs.
- B. The City's FY2011/12 Comprehensive Annual Financial Report (CAFR) was prepared presenting the City's financial condition and the results of its activities for the fiscal year ending June 30, 2012. The CAFR financial statements were audited, as required by the City Charter, by an independent public accounting firm. The General Fund's FY2011/12 year end results provided \$9.35 million in resources to address the City's budget requirements outlined in the FY2012/13 Midyear Report.
- C. Exhibit A includes the recommended adjustments to the FY2012/13 Approved Budget that are necessary to implement the City's financial plan for the remainder of the fiscal year.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL
RESOLVES AS FOLLOWS:**

- Section 1 The FY2012/13 Approved Budget is hereby amended to include the Summary of Adjustments to the FY2012/13 Approved Budget as detailed in Exhibit A.
- Section 2 The Director of Finance is authorized to release \$9.4 million from FY2011/12 General Fund budgetary results, and appropriate as summarized on Exhibit A.
- Section 3 The Director of Finance is authorized to establish a Trust fund for retiree healthcare costs.

- Section 4 The Director of Finance is authorized to establish the Citywide Strategic Planning Project (102000400).
- Section 5 The City Manager is authorized to modify the authorized FTE classification and its associated budget as necessary to reflect current incumbent status based on the established flexibly staffed classifications included in labor contracts.
- Section 6 The request to reclassify 1.0 FTE Senior Information Technology Support Specialist to a Telecommunications Engineer I in the Information Technology Department is approved and the proposed classification is subject to the review and approval of the Director of Human Resources.
- Section 7 Exhibit A is part of this resolution.

Exhibits:

Exhibit A – FY2012/13 Midyear Operating Budget Adjustments

FY2012/13 Midyear Budget Adjustments

Department	Fund(s)	Revenue Adjustment	Expenditure Adjustment	Description
Department Corrective Actions				
FY2011/12 Year End Results	General (1001)	\$ -	\$ (9,354,000)	Utilize the FY2011/12 year end General Fund budgetary results.
Economic Uncertainty Reserve	General (1001)	\$ -	\$ 4,200,000	Transfer from the FY2011/12 General Fund budgetary results to the economic uncertainty reserve .
OPEB Trust Fund	General (1001)	\$ -	\$ 2,000,000	Commit FY2011/12 General Fund budgetary results to establish a retiree healthcare trust.
Administrative Contingency	General (1001)	\$ -	\$ 747,800	Transfer from the FY2011/12 General Fund budgetary results to the administrative contingency for unanticipated year-end budgetary adjustments
Citywide and Community Support	General (1001)	\$ -	\$ (150,000)	Transfer funding to the City Clerk for the November 2012 election costs up to \$150,000
City Clerk	General (1001)		\$ 150,000	Transfer funding from the Citywide and Community Support Department to fund the November 2012 election costs up to \$150,000.
Citywide and Community Support	General (1001)	\$ (200,000)	\$ (200,000)	To reduce revenue and expenditure budgets as a result of revised estimates on the obligations to be funded by distributions from the County's Redevelopment Property Tax Trust Fund.
Fire	General (1001)	\$ 790,000	\$ 790,000	Increase revenue and expenditure budget to reflect actual costs and reimbursements from the State for Strike Team Deployments
Fire	General (1001)	\$ 386,000	\$ 386,000	Increase revenue and expenditure budget to address increased costs related to the Fire Prevention audit.
Information Technology	General (1001)	\$ -	\$ (100,000)	Transfer of funds to the Webgrant Restructuring Project (I07000900) to allow for continual upgrades and improvements to the City's website.
Parks and Recreation	General (1001)	\$ -	\$ 18,700	Funding from the FY2011/12 General Fund budgetary results for 2012 YMCA services for Southside Pool operations billed in current year.
Pubic Works	General (1001)	\$ (1,200,000)	\$ -	Funding from the FY2011/12 General Fund budgetary results to reduce revenue budget to align with lower on-street parking collections
Pubic Works	General (1001)	\$ -	\$ -	\$250,000 increase in expenditures to be offset by the Gas Tax Fund (Fund 2002) for vehicle and equipment replacement (no net cost to the General Fund)
Correct Action Total:		\$ (224,000)	\$ (1,511,500)	
Other Fund Corrective Actions				
Convention, Culture & Leisure	Marina (6009)	\$ -	\$ (895,112)	Reduce Marina debt service budget to match actual payment amount
Convention, Culture & Leisure	Marina (6009)	\$ -	\$ 895,112	Reduce Marina debt service budget to match actual payment amount
General Services	Fleet (6501)	\$ 382,854		Increase Fleet revenue budget due to tax credit received for usage of alternative fuels.
Pubic Works	Gas Tax (2002)	\$ -	\$ -	\$250,000 decrease in fund balanceand increase in reimbursements to the General Fund (Fund 1001) for vehicle and equipment replacement (no net cost to the General Fund)
Net Enterprise Fund Change:		\$ 382,854	\$ -	
Multi-Year Project Appropriations				
Project Name (Number)	Fund Name (Number)	Revenue Budget	Expense Budget	Description
Sutters Landing Park Phase 2 Project (L19167000)	1001		\$ 187,500	Record expenditure budget as revenue budget from the billboard lease at Sutter's Landing was included in the Approved budget.
IT Equipment Replacement Program (A07000300)	1001		\$ 250,000	Funding from Year End General Fund budgetary results to the IT Equipment Replacement Program for updating and improving hardware and software.
Citywide Strategic Planning Project (I02000400)	1001		\$ 500,000	Funding to address high priority citywide needs (labor negotiations, railyards, information technology, etc.)
Fuel Management and Support Equipment Program (C13000100)	6501		\$ 382,854	Replace the Meadowview LNG fuel station with funds received from a tax credit for usage of alternative fuels.
Technology Innovation Project (I07000800)	1001		\$ 250,000	Funding from Year End General Fund budgetary results to the Technology Innovation Project for improvements to the City's technology.
Webgrant Restructuring Project (I07000900)	1001		\$ 100,000	Transfer of funding from IT operations for continual updating and improvement of the City's website.
Net Enterprise Fund Change:		\$ -	\$ 1,670,354	
TOTAL		\$ 158,854	\$ 158,854	