

RESOLUTION NO. 2013-0045

Adopted by the Sacramento City Council

February 12, 2013

APPROVING THE FY2013/14 BUDGET DEVELOPMENT PRINCIPLES, PRINCIPLES FOR THE USE OF MEASURE U RESOURCES, AND THE FY2012/13 ALLOCATION OF MEASURE U RESOURCES

BACKGROUND

- A. Budget Development principles have been adopted by the Council at the beginning of the annual budget process in order to establish the framework for developing and discussing the City's proposed budget for next fiscal year.
- B. Voter approval of the Essential Services Protection Measure (Measure U) in November 2012 authorized the implementation of an additional one-half cent transaction and use tax effective April 1, 2013, and the establishment of an Oversight Committee. In FY2012/13 Measure U revenues are estimated at approximately \$5 million based on existing transaction volume and Board of Equalization sourcing rules. Annual revenues beginning in FY2013/14 are estimated to be approximately \$27 million
- C. On January 15, 2013, draft principles for the use of Measure U resources were presented to City Council. The principles have been modified to reflect Council direction.
- D. Measure U resources are to be used for the restoration and protection of essential public safety and other essential City services.

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

- Section 1 The FY2013/14 Budget Development Principles as reflected below are approved:
- Focus reductions on achieving permanent savings in order to reduce future year deficits
 - FY2013/14 actions need to be considered within a multi-year context
 - New revenues will not be counted or spent until realized
 - One-time resources for one-time needs

- Invest to increase efficiency, yield future year savings, and/or address the City's deferred maintenance backlog
- The Economic Uncertainty Reserve should be increased gradually to achieve the Council's goal of having a reserve equal to 10 percent of the General Fund revenue budget

Section 2 The Measure U Principles as reflected below are approved:

1. Resources will be allocated to the protection and restoration of City programs/services specifically enumerated in the Measure U ballot question as follows:
 - a. essential public safety services including:
 - i. 9-1-1 response
 - ii. police officers
 - iii. gang/youth violence prevention
 - iv. fire protection/emergency medical response
 - b. other essential services including:
 - i. park maintenance
 - ii. youth/senior services
 - iii. libraries
2. Resources will not be allocated for new programs/services/facilities.
3. Restorations may not look/operate in the same manner as those that were eliminated in order to take advantage of effective and efficient means of program/service delivery wherever possible.
4. Resources will not be used to balance the base General Fund budget, except where funds would provide for the protection of programs/services specifically included in the Measure U ballot question as identified above.
5. Resources will not be used to increase employee compensation.
6. Resources will be set aside annually to be used for the following:
 - a. Contingency funding should revenues fall short of estimates
 - b. One-time funding for one-time expenses related to the delivery of the restored programs/services
 - c. Funding to transition programs and services in FY2019/20 when Measure U resources will no longer be available
7. The City Manager will prepare a transition plan to scale back the use of Measure U resources over time or identify alternate sources of funding for critical programs and services.
8. Resources will be accounted for and reported separately in order to facilitate review by the Council and the Oversight Committee established by the ballot measure.

Section 3 The Director of Finance is authorized to establish a separate fund to account for Measure U resources.

Adopted by the City of Sacramento City Council on February 12, 2013 by the following vote:

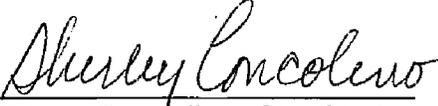
Ayes: Councilmembers Ashby, Cohn, D Fong, Hansen, McCarty, Pannell, Schenirer, Warren, and Mayor Johnson.

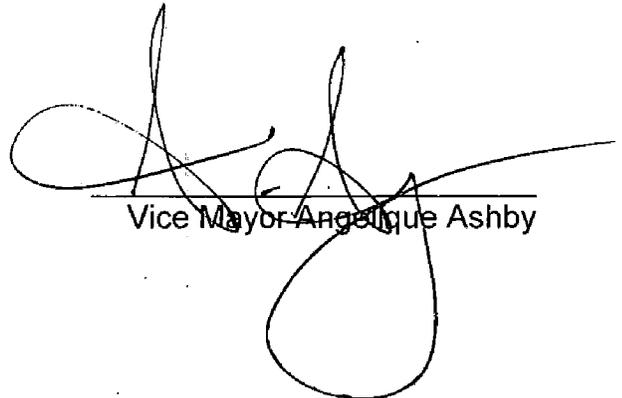
Noes: None.

Abstain: None.

Absent: None.

Attest:


Shirley Concolino, City Clerk


Vice Mayor Angelique Ashby