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James Sanchez, City Attorney  
Shirley Concolino, City Clerk  
John F. Shirey, City Manager  
John Colville, Interim City Treasurer



**Agenda**

**City Council**

**Financing Authority**

**Housing Authority**

**Public Financing Authority**

**Redevelopment Agency**

**Successor Agency**

**City Hall-Council Chamber**

**915 I Street, 1<sup>st</sup> Floor**

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(916) 808-5163**

**SUPPLEMENTAL MATERIAL**

**For the Meeting of:** June 14, 2016

**Item Number:** Item 25

**Title:** Adoption of the FY2016/17 Operating and Capital Improvement Program (CIP) Budgets and Amending the FY2016/17 Fee and Charge Report Related to Pedicab and Bike Permit Fees (Noticed 06/03/2016) **[To Be Delivered]**

**Contact Information:** John F. Shirey, City Manager, (916) 808-7213, Office of the City Manager; Leyne Milstein, Director, (916) 808-8491; Dawn Holm, Budget Manager, (916) 808-5574, Department of Finance

**Description of Change:** Material not available at the time of publishing.

**Meeting Date:** 6/14/2016

**Report Type:** Public Hearing

**Report ID:** 2016-00321

**Title: Adoption of the FY2016/17 Operating and Capital Improvement Program (CIP) Budgets and Amending the FY2016/17 Fee and Charge Report Related to Pedicab and Bike Permit Fees (Noticed 06/03/2016)**

**Location:** Citywide

**Recommendation:** Conduct a public hearing and upon conclusion pass a Resolution approving the FY2016/17 Operating and CIP Budgets, and amending the FY2016/17 Fee and Charge Report to increase fees relating to Pedicab and bike permits.

**Contact:** John F. Shirey, City Manager, (916) 808-7213, Office of the City Manager; Leyne Milstein, Director, (916) 808-8491; Dawn Holm, Budget Manager, (916) 808-5574, Department of Finance

**Presenter:** Dawn Holm, Budget Manager, (916) 808-5574, Department of Finance

**Department:** Finance

**Division:** Budget Office

**Dept ID:** 06001411

**Attachments:**

- 1-Description/Analysis
- 2-Budget Resolution
- 3-Exhibit 1 (Budget Changes)
- 4-Exhibit 2 (Summary of FTE)
- 5-Exhibit 3 (FY2016-17 Measure U Programming)
- 6-Exhibit 4 (Approved Operating Budget)
- 7-Exhibit 5 (Approved CIP)

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**City Attorney Review**

Approved as to Form  
Matthew Ruyak  
6/10/2016 1:13:43 PM

**Approvals/Acknowledgements**

Department Director or Designee: Dawn Holm - 6/9/2016 5:20:42 PM

## Description/Analysis

**Issue Detail:** The City Manager's FY2016/17 Proposed Budget (Budget) was released on April 25, 2016. During the budget hearings staff identified and presented additional adjustments necessary to implement the Budget. The following summarizes the changes presented to date:

- May 10, 2016
  - Council-approved utility rate increases will require adjustments to revenues and expenditures:
    - Water Fund – revenues will be increased by \$9.1 million and expenditures will be increased by \$6.6 million.
    - Wastewater Fund – revenues will be increased by \$2.7 million and expenditures will be increased by \$5.6 million.
    - General Fund – revenues will be increased by \$1.3 million and the Utility Rate Assistance (I14130100) program expenditure budget will be increased and expanded to include non-profit organizations that provide housing.

- Information Technology Centralization (excluding public safety):

Department	FTE in Proposed	FTE Change	Revised FTE
Community Development	237.00	(10.00)	227.00
Convention and Cultural Services	118.69	(3.00)	115.69
Finance	88.00	(1.00)	87.00
Information Technology	91.00	50.40	141.40
Parks and Recreation	716.95	(3.40)	713.55
Public Works	736.35	(11.00)	725.35
Utilities	547.90	(22.00)	525.90
<b>Total FTE Transferred</b>	<b>2,535.89</b>	<b>0.00</b>	<b>2,535.89</b>

- Convention and Cultural Services Department – increase the expenditure budget by \$100,000 from the Winchester G. and Mary Alice Felt Fund for a professional services agreement with the Historic Old Sacramento Foundation (HOSF).
- Fee and Charge Report Amendments – following the adoption of the FY2016/17 Citywide Fees and Charges it was determined that five fees related to pedicabs and bikes had only been partially updated. The amended fees are included in Exhibit 1.

- May 17, 2016

- Capital Improvement Program (CIP):

CIP Name	FY2016/17 Proposed	Proposed Change	FY2016/17 Total
14th Avenue Extension	-	407,288	407,288
Boys and Girls Club (New CIP)	-	500,000	500,000
City Hall Hearing Rooms Technology Program (New CIP)	-	125,000	125,000
Digital Strategy	607,614	1,111,358	1,718,972
ERP Systems Replacement Program	(557,614)	(151,147)	(708,761)
North 12th Complete Street	-	986,255	986,255
Ramona Avenue Extension	-	1,103,452	1,103,452
Residential Water Meter Program	3,000,000	5,000,000	8,000,000
Wastewater Combined Sewer System Capital Program	4,000,000	5,211,063	9,211,063
<b>Total</b>	<b>7,050,000</b>	<b>14,293,269</b>	<b>21,343,269</b>

- Students Today Achieving Results for Tomorrow (START) - As discussed at the May 17 budget hearing, the City was notified by the Sacramento City Unified School District (SCUSD) that START Programs at seven sites put out for competitive bidding by the SCUSD will be awarded to other providers for the FY2016/17 school year. The City is working with SCUSD on the transition of these sites as well as with the employee organizations affected by this change. The budget resolution (Attachment 1) has been amended to authorize the City Manager to implement changes in revenues, expenditures and positions in the Approved Budget as necessary.

- May 31, 2016

- Homeless Housing Initiative – As discussed by Council the following initiatives are being added to the FY2016/17 General Fund Budget and 5-year forecast, except as noted below.

- Keep the VOA – “A” Street Shelter open 24/7
      - \$177,500 - to be matched by Sutter Health
    - Fund 20 women’s beds at the Salvation Army Shelter year-round
      - \$104,500 - to be matched by Sutter Health
    - Keep the Salvation Army Shelter open 24/7
      - \$151,000 - to be matched by Sutter Health
    - Explore “Pay for Success” financing model
      - \$25,000 – one-time funding
      - Estimated at \$170,000 – additional funding will come from the County of Sacramento and Sutter Health

Detailed information on the recommended changes is included in the Budget Resolution, Attachment 1 (changes highlighted in bold italics) and as presented in Exhibits 1-3. This report recommends the Committee forward the Budget to Council for adoption, scheduled for June 14, 2016.

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

**Economic Impacts:** Not applicable.

**Environmental Considerations:**

**California Environmental Quality Act (CEQA):** This report concerns administrative activities, government fiscal activities, and the modification of fees that do not constitute a "project" as defined by the CEQA Guidelines Sections 15378 and California Public Resources Code section 21080 and are not subject to the provisions of CEQA (CEQA Guidelines 15060(c)(3)).

**Sustainability:** There are no new sustainability considerations applicable to the Budget.

**Commission/Committee Action:**

Planning and Design Commission: Sacramento City Code Section 2.112.060 requires the Planning and Design Commission to review the City's five-year CIP for consistency with the City's General Plan and to report its findings to the City Council. The 2016-2021 CIP was presented to and approved by the Planning Commission on May 12, 2016.

Budget and Audit Committee: On June 9, 2016 the Budget and Audit Committee discussed the Budget and recommended forwarding the Budget to the City Council for adoption with the following adjustments:

- Direct the value of \$240,000 in electronic billboard revenues to the Community Neighborhood Improvement Projects for infrastructure investment in the districts where the billboards are located:
  - District 2 - \$120,000
  - District 4 - \$60,000
  - District 8 - \$60,000

Authority has been added to the budget resolution directing the Council members of these districts to work with the City Manager to identify projects and allocate funding.

- Add 1.0 FTE Senior Auditor to the Office of the City Auditor to be offset by a reduction in the General Fund grant match associated with the loss of eight START program sites.
- Delete a vacant 1.0 FTE Senior Accountant Auditor in START administration.

**Rationale for Recommendation:** The Budget as amended reflects City Council direction, including growth to fund key initiatives and reorganizations to better align programs and services.

**Financial Considerations:** The changes presented during the budget hearings maintain fiscal sustainability (projected revenues exceed ongoing expenditures) in both the General and Measure U Funds. The Budget Resolution (Attachment 1) including Exhibits 1-3 outline these changes.

The City's Enterprise and other funds are balanced. However, it is important to note that storm drainage user rates have not been increased since 1997, making necessary investment in capital replacement difficult. The Utilities Department is working on a Storm Drainage Infrastructure Program and Financing Plan with the Utilities Rate Advisory Commission.

**Local Business Enterprise (LBE):** Not applicable.

## RESOLUTION NO.

Adopted by the Sacramento  
City Council

### **APPROVING THE FISCAL YEAR 2016/17 OPERATING AND CAPITAL IMPROVEMENT PROGRAM BUDGETS FOR THE CITY OF SACRAMENTO AND AMENDING THE FY2016/17 FEE AND CHARGE REPORT RELATED TO PEDICAB AND BIKE PERMIT FEES**

#### **BACKGROUND**

- A. The City Manager is required to present a balanced budget to the Mayor and City Council no less than 60 days prior to the beginning of each fiscal year pursuant to Article 9, Section 111 of the City Charter.
- B. The City of Sacramento, through the leadership and direction of the Mayor and City Council, has maintained a sustainable budget philosophy. Given this concept of fiscal sustainability, the Council adopted the following Core Budget Policies on March 17, 2015 (Motion No. 2015-0059) and modified them on March 1, 2016 (Motion No. 2016-00265), for the development of an annual budget:
  1. City Council must adopt a balanced budget.
  2. The Economic Uncertainty Reserve (EUR) is to be increased gradually to Council's goal of 10 percent of the General Fund revenue.
    - a. Unbudgeted one-time revenues from an unexpected source must go to the reserve.
    - b. Unbudgeted one-time revenues from an expected source (surpluses) will be allocated at the discretion of the Mayor and City Council and may be dedicated to the reserve.
    - c. Council can allocate other sources of revenue to the reserve at any time.
  3. Measure U uses
    - a. Restorations, not new programs.
    - b. Resources will not be used to balance the General Fund Budget.
    - c. Resources will not be used to increase employee compensation.
    - d. Resources will be set aside for contingency funding, one-time expenses, and transition with expiration in 2019.
  4. Innovation and Growth Fund

- a. Directed new property taxes resulting from the dissolution of redevelopment to the fund.
  - b. Directed proceeds from the sale of surplus General Fund properties to the fund.
  - c. Fund is used to invest in projects and programs that will grow revenue.
- C. In addition to Core Budget Policies, the City Council also adopted the following budget guidelines on March 17, 2015 (Motion No. 2015-0059) and modified them on March 1, 2016 (Motion No. 2016-00265):
1. Maintain a fiscally sustainable, balanced budget.
  2. The Mayor and Council's priorities, based on community input, should drive the budget creation.
  3. Continue a community-based budget process where city residents are engaged and educated on budget processes and provide feedback on budget priorities.
  4. Look for ways to grow the reserve beyond its current goal.
  5. All budget actions must be considered in a five-year context, with new revenues not counted or spent until realized. One-time resources should be used for one-time needs, not ongoing expenses.
  6. Do not make spending decisions in isolation. Avoid spending money on one-off projects or without looking at the big picture. Understand long-term consequences and opportunity costs.
  7. Keep Council informed on the fiscal condition of the City and conduct continuous evaluations for efficiencies and effectiveness.
  8. The City must consistently look for opportunities to proactively grow revenues instead of simply being reactive.
  9. Make every effort to identify private financing or federal and state grant opportunities before using City resources. Pursue new and enhance existing revenue sources.
  10. Before new expenditures are made, identify return on investments and impacts; fiscal and social benefits.
  11. Address unfunded long-term liabilities.
  12. Remain a full-service City.
- D. The FY2016/17 Approved Operating Budget and the 2016-2021 Approved Capital Improvement Program (CIP) (which includes the FY2016/17 CIP Budget) are consistent with City Charter requirements and Council's adopted Core Budget Policies and Budget Guidelines.

- E. The Mayor and City Council conducted hearings during the months of May and June 2016 related to the adoption of the City's FY2016/17 Operating and CIP Budgets.
- F. On May 10, 2016 the City Council approved the adjustments to the FY2016/17 Citywide Fees and Charges. Following that date, it was determined that five fees related to Pedicabs and bikes had only been partially updated. The amended fees are included in Exhibit 1, attached.

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

- A. The Summary of Changes in Appropriations, attached as Exhibit 1, the Summary of FTE attached as Exhibit 2, and the Measure U Programming attached as Exhibit 3 are hereby approved.
- B. The FY2016/17 Operating and CIP Budgets (collectively the "Approved Budget"), as defined in Section 2.1, are hereby approved.
- C. The 2016-2021 CIP, which provides a comprehensive five-year plan for the City's capital project expenditures, is hereby approved.
- D. Sections 1 through 17 below, which define the authority and responsibilities of the City Manager in implementing the Approved Budget, are hereby approved.
- E. The City Manager is authorized to incorporate final decisions of the City Council, and refine/add content, as may be needed to meet Government Finance Officers Association (GFOA) and California Society of Municipal Finance Officers (CSMFO) budgeting award requirements, into the Proposed Operating and CIP Budgets in order to create the FY2016/17 Approved Budget.
- F. The City Manager is authorized to transfer the "triple flip" (Proposition 57) true-up payment from the State of California, estimated at \$4.2 million, to the EUR when received.
- G. ***The City Manager is authorized to include the use of \$500,000 in General Funds from FY2015/16 closed CIPs in the FY2016/17 Budget for the Digital Strategy Program (A07000700) to implement the Automated Bids, Contracts, and Digital Signatures project (ABCDs).***
- H. ***The use of Measure U Funds in the Police and Fire Departments is authorized beginning in FY2015/16 for the continuation of background investigations, recruit academies, and overtime associated with restored programs/operations until all positions have been filled. Funds may only be used in the respective fiscal years.***
- I. The attached Exhibits 1 through 5, inclusive, are part of this resolution.

## **SECTION 1. SCOPE**

- 1.1 This resolution defines the authority and responsibilities of the City Manager in implementing the Approved Budget of the City of Sacramento and supersedes Resolution 2015-0169.

## **SECTION 2. DEFINITIONS**

- 2.1 “Approved Budget” consists of the following documents:
  - (1) The Approved Operating Budget (“Operating Budget”), which is attached as Exhibit 4, and which reflects the FY2016/17 Proposed Operating Budget, as amended by the City Council to incorporate the approved summary of changes in appropriations attached as Exhibit 1, summary of FTE attached as Exhibit 2, and Measure U Restorations attached as Exhibit 3; and
  - (2) The Approved CIP Budget (“CIP Budget”), which is attached as Exhibit 5, and which reflects the FY2016/17 Proposed CIP Budget, as summarized in Schedule 4 of the FY2016/17 Operating Budget and detailed in the 2016-2021 CIP, as amended by the City Council to incorporate the Proposed CIP and the summary of changes in appropriations attached as Exhibit 1.
- 2.2 “Base Budget” is the current year budget modified pursuant to labor agreements, one-time expenditures, citywide changes, and midyear changes.
- 2.3 “Budget Categories” reflect internal reporting structures based on established budgets:
  - (1) “Department” represents major budgetary groupings such as: Mayor and City Council; City Manager; City Attorney; City Clerk; City Treasurer; Convention and Cultural Services; Community Development; Economic Development; Finance; Fire; Human Resources; Information Technology; Parks and Recreation; Police; Public Works; Utilities; Projects; Debt Service; Citywide and Community Support; and Fund Reserves.
  - (2) “Dept ID” represents an organizational sub-unit within a Department.
  - (3) “Division” represents a roll-up of Dept IDs within a Department.
  - (4) “Account” is the primary accounting field in the budget used to describe the nature of the financial transaction.

- (5) “Expenditure Class” is a categorical grouping of individual similar accounts for purposes of reporting expenditures (i.e. Employee Services, Other Services and Supplies, Property, Debt Service, Labor/Supply Offset, Contingency, and Operating Transfers).
- 2.4 “City Manager” means the City Manager or, if so designated, the Director of Finance.
- 2.5 “Current Budget” is the FY2015/16 Approved Budget, incorporating any subsequent appropriation increases, decreases, or transfers and adjustments as approved by the City Council or City Manager, as appropriate.
- 2.6 “Full Time Equivalent” (FTE) means the decimal equivalent of a position, e.g., one full-time position is 1.00 FTE and one quarter-time position is 0.25 FTE.

### **SECTION 3. AUTHORIZED STAFFING AND APPROPRIATIONS**

- 3.1 The City Manager is authorized to make any expenditure and resource adjustments to the Operating Budget based on final City Council action to adopt the Operating Budget.
- 3.2 The City Manager is authorized to establish the appropriations and FTE staffing as shown in Schedules 1A, 1B, 1C, 1D, and fund summaries, including transfers as shown on Schedule 2A and 2B, as displayed in Exhibit 4.
- 3.3 The City Manager is authorized to modify the classifications by department as necessary to implement the reclassifications and studies authorized and outlined by Schedule 8, as displayed in Exhibit 4.
- 3.4 The City Manager is authorized to revise any appropriation made in the Approved Budget where the revision is of a technical nature and is consistent with City Council intent.
- 3.5 The City Manager is authorized to adjust any appropriation made in the Approved Budget to reflect changes from amounts budgeted for updated labor, vehicle, energy, contingencies, cost plan, and risk management changes, such as retirement rates, payroll taxes, health benefits, fleet, and risk management costs from designated funds or reserves.
- 3.6 Following budget approval, the City Manager is authorized to revise indirect cost rates to be applied to hourly salary rates in order to achieve full cost recovery of services and is authorized to adjust the Operating Budget to reflect the indirect cost plan for FY2016/17.

## **SECTION 4. APPROPRIATION INCREASES/DECREASES**

- 4.1 All appropriation changes (increases or decreases) in excess of \$100,000 to the Approved Budget shall be approved by resolution of the City Council.
- 4.2 The City Manager is authorized, upon completion of the audited financial statements for FY2015/16, to adjust FY2016/17 fund contingencies by the amount of net changes in available fund balance. The available fund balance in the General Fund shall be included and explained in the report to City Council accompanying the Comprehensive Annual Financial Report (CAFR).
- 4.3 Residual balances from unexpended debt proceeds will be reverted to the appropriate fund and utilized for the legal purposes as specified in the conditions of the debt issuance. The City Manager is authorized to establish appropriations and account for the expenditure of these unexpended proceeds.

## **SECTION 5. STAFFING CHANGES**

- 5.1 Any increase or decrease, by department or by fund, in FTE as authorized in the Operating Budget or any subsequent approval by the City Council or by the City Manager in accordance with this resolution, is subject to approval by the City Council, except for renewals or expansion of fully-offset grants or externally funded programs (EFP) as specified in Section 5.2.
- 5.2 The City Manager is authorized to adjust staffing levels for renewals, expansions, or reductions to fully offset City Council-approved operating grants or EFP. Grant/EFP positions shall be terminated upon completion or cancellation of the grant/EFP, unless specifically continued by a resolution that includes a source of replacement funding. Any existing positions which were approved based on the assumption of the City receiving a grant or other reimbursements must have continued funding verified prior to filling the position.
- 5.3 Any reassignment of authorized FTE and employee services funding associated with the FTE, within a department and within the same fund, may be made at the discretion of the department director with the approval of the City Manager as long as there is no net change to authorized FTE and funding levels.
- 5.4 The City Manager is authorized to modify authorized FTE classification(s) as necessary to reflect current incumbent status based on the established flexibly staffed classifications included in labor contracts.

- 5.5 All new job classifications or classification changes (as identified in Exhibit 4, Schedule 8) are subject to classification review and approval by the Director of Human Resources.
- 5.6 The City Manager is authorized to adjust staffing levels in the Police and Fire Training Academies based on projected vacancies.
- 5.7 The Director of Human Resources is authorized to establish non-budgeted positions (NBP) for:
  - (1) Mayor and Council Offices to be funded from their existing operations budgets.
  - (2) Departments as needed to reflect current staffing needs. Departments must have sufficient labor savings to cover the cost of NBP and each NBP shall not be used for more than one year. Departments will seek budget authority to convert NBP to authorized FTE positions or the NBP will be eliminated during the budget process.

## **SECTION 6. ECONOMIC UNCERTAINTY RESERVE (EUR) POLICIES AND TRANSFERS FROM CONTINGENCY/RESERVE FUNDS**

- 6.1 ***The City Council adopted EUR Policy (April 26, 2016 - Motion Order #2016-00440) established a minimum reserve level equal to 10 percent of annual General Fund revenues and a target reserve level equal to two months of regular on-going General Fund expenditures, including transfers (17% of General Fund expenditures). Resources to fund this reserve will be identified on an ongoing basis and can include positive year-end results or other one-time resources available to the General Fund.***
- 6.2 The General Fund EUR is currently \$38.9 million. This reserve will be maintained for the purpose of bridging a gap between projected revenue and expenditures during periods of significant revenue declines and/or expenditure growth. Consistent with Governmental Accounting Standards Board Statement No. 54 (*Fund Balance Reporting and Governmental Fund Type Definitions*), Council adopted parameters for using the EUR are as follows:
  - (1) The City Manager may recommend a release from the EUR when the gap between projected revenue and expenditures is greater than \$1 million in the proposed budget.
  - (2) Any release from the EUR must be approved by the City Council.
  - (3) These parameters may only be changed by resolution of the City Council.

- 6.3 The City Manager is authorized to make appropriation changes (increases or decreases) not exceeding \$100,000 by fund from available fund balance. Appropriation changes (increases and decreases) in excess of \$100,000 must be approved by the City Council, except for payments to employees for vacation and sick leave termination, which may be approved by the City Manager.
- 6.4 The City Manager is authorized to make appropriation changes (increases or decreases) not exceeding \$100,000 to any department or project from Administrative Contingency established in the General Fund. Appropriation changes (increases and decreases) in excess of \$100,000 to the department or project must be approved by the City Council.
- 6.5 Transfers shall not be made from available fund balance or Administrative Contingency if the transfer will result in a negative balance.
- 6.6 Use of committed fund balance reserves must be approved by resolution of the City Council.
- 6.7 The City Manager is authorized to make annual loan repayments to the Risk Fund from the Community Center Fund subject to the availability of funds. As of June 30, 2015, the Risk Fund loan to the Community Center Fund totaled approximately \$6.0 million.

## **SECTION 7. OTHER APPROPRIATION TRANSFERS**

- 7.1 Operating appropriation transfers within the same department and same fund, including the department's established fleet multi-year operating project must be approved by the City Manager.
- 7.2 Appropriation transfers between two or more departments, up to and including \$100,000, must be approved by the City Manager. Such transfers in excess of \$100,000 must be approved by resolution of the City Council.

## **SECTION 8. UNSPENT APPROPRIATIONS AND ENCUMBRANCES**

- 8.1 All appropriations in the Operating Budget which remain unencumbered or unexpended on June 30, 2016, after adjustments specifically provided for in other sections of this resolution, shall revert to the available fund balance of the respective funds. Any budgetary surplus in the General Fund, determined as part of the fiscal year-end close process, will be reported in the CAFR as Assigned for Next Year's Budget, Unassigned, or as specifically directed in a subsequent resolution.

- 8.2 All unrealized investment gains determined and reported as part of the fiscal year-end close process will be reported in the CAFR as Assigned for Unrealized Investment Gains because the resources are not available for appropriation.
- 8.3 All purchase order commitments outstanding on June 30, 2016, and associated appropriations, are hereby continued.
- 8.4 Unobligated appropriations in existence on June 30, 2016, for the City Council operations budget shall be carried over to the next fiscal year.
- 8.5 Unobligated appropriations in existence on June 30, 2016, for the arts stabilization program funded by a portion of the General Fund allocation of the transient occupancy tax, shall be carried over to the next fiscal year.
- 8.6 The Rental Housing Inspection Program Fees and Medical Marijuana Permit Fees have been established to recover the costs of the program. The City Manager is authorized to commit excess revenues for these programs provided the full cost of the current year operations for these programs have been recovered.
- 8.7 Unobligated appropriations in existence on June 30, 2016, in the Information Technology (IT) Department operations General Fund budget as well as the Citywide IT budget in Citywide and Community Support shall be transferred to the Digital Strategy Program (A07000700) reserve to create a funding mechanism for future citywide technology initiatives which will be reviewed on an annual basis by the City Manager.
- 8.8 Unobligated appropriations in existence on June 30, 2016 in the Parks and Recreation Department, Recreation Services Division shall be transferred to a new Recreation Facility Improvement (L19800200) project, provided the department has positive results, to create a funding mechanism for the repair and replacement of furniture, fixtures and equipment used by these programs.
- 8.9 Available resources in the City's California Public Employees' Retirement System (CalPERS) budget accounts (413170/413230) at the end of the fiscal year, which are not required to balance the budget, shall be appropriated in the next fiscal year and contributed to the City's other post-employment benefit (OPEB) trust.

## **SECTION 9. REVENUE BUDGET**

- 9.1 The FY2016/17 revenue budget is summarized in Exhibit 4, Schedule 6.

- 9.2 Any increase or decrease greater than \$100,000 by fund in estimated revenue by department to the Approved Budget by fund requires City Council approval.
- 9.3 The City Manager is authorized to implement biennial Consumer Price Index (CPI) increases if the increases are warranted based on the adopted Fees and Charges Policy.
- 9.4 Proceeds from the sale of General Fund and Redevelopment Agency Successor Agency (RASA) surplus land, unless otherwise specified, shall be budgeted in the Innovation and Growth Fund (Fund 2031).
- 9.5 Unbudgeted one-time general revenue received in a fiscal year, which is not required to balance the budget as part of the midyear review or fiscal year-end close, shall be added to the General Fund EUR.

## **SECTION 10. CAPITAL IMPROVEMENTS**

- 10.1 Capital projects and/or appropriations shall be used for:
  - (1) Repairs, maintenance, improvements, or acquisitions with a total cost of at least \$20,000 and a useful life that exceeds one fiscal year; and
  - (2) Community/Neighborhood projects as approved in separate resolutions by the City Council.
- 10.2 City Council approval is required for the establishment and/or cancellation (without completion) of a CIP, except as provided below:
  - (1) Capital projects for internal City operations related to improvements and minor construction of existing City-owned/occupied buildings may be approved and established by the City Manager provided the total cost to deliver the project does not exceed \$100,000 and shall be managed in the City Facility Improvement (C15100000) project;
  - (2) Capital projects may be subdivided into separate sub-projects as needed to administer, manage, and deliver the original scope of the project, without further City Council action;
  - (3) Credit projects established in accordance with Sacramento City Code (SCC) Chapter 18.18. For purposes of recording the asset of these already constructed projects, the City Manager is authorized to make all the necessary adjustments when the improvement is accepted by the City.

- 10.3 Capital appropriations shall be used solely for the originally approved project or projects except as provided for in this section.
- 10.4 Annually, completed or inactive projects will be closed, except for projects that have existing litigation or payment disputes. An inactive project is defined as one where transaction activity is less than \$1,000 over the prior three years. Closures are the responsibility of the designated project manager. The managing department and/or City Manager have the authority to process the necessary documentation to close inactive projects.
- 10.5 All multi-year CIP projects in existence on June 30, 2016, shall be continued in FY2016/17, except as provided otherwise in Section 10.4. The FY2016/17 CIP Budget is summarized on Schedules 2 and 4 as displayed in Exhibit 4 and on Schedule 4 as displayed in Exhibit 5.
- 10.6 Unencumbered appropriations for all inactive projects, as defined in Section 10.4, will expire on June 30, following the third full year of the last appropriation to the project. Projects requiring continuing appropriations will require City Council action through programming within the CIP or through a separate appropriation to the project.
- 10.7 Each fiscal year, on June 30, the balance of each CIP project must be zero or have a positive balance by fund. Projects in excess of the budget from all funding sources (i.e., with a negative balance) shall be treated as follows:
  - (1) If the project balance exceeds the budget by \$100,000 or less, the project account shall first be corrected within each fund and, second, any remaining negative balance shall be corrected by a transfer from the project manager's department Operating Budget (all transfers of \$100,000 or less shall be made as provided for in Section 6.3); or
  - (2) If the project balance exceeds the budget by more than \$100,000, a corrective plan of action shall be submitted to City Council for approval by resolution.
- 10.8 Except in the General Fund, the City Manager is authorized to transfer appropriations up to and including \$100,000:
  - (1) From Project A to Project B if:
    - (a) Project A is complete and has savings; or
    - (b) Project A has not been completed and a revised project estimate confirms that there will be project savings upon completion;

- 10.9 Upon completion and closure of a capital project, the City Manager is authorized to transfer any remaining project balance:
- (1) To the available fund balance of the respective fund, the Capital Projects Base Reserve in the Utilities CIP or, in the case of the General Fund, Administrative Contingency; or
  - (2) As provided for in Section 10.8.
- 10.10 Except as provided for in Section 10.9, the City Manager is authorized to increase or decrease project budget appropriations by not more than \$100,000 for each project. Appropriation changes exceeding \$100,000 in total for any project must be approved by resolution of the City Council. The City Manager's administrative authority to adjust budgets for capital projects shall be reset after budgetary actions are authorized by the City Council.
- 10.11 Community/Neighborhood projects and appropriations established with one-time funding sources under Resolution 2000-682 (11/21/00), 2001-765 (11/20/01), 2003-412 (6/17/03), 2004-551 (6/29/04), 2006-367 (5/23/06), and associated staff reports, are governed by the following procedures:
- (1) Savings of up to \$50,000 due to lower than expected costs or the securing of alternative funding sources, may be administratively reprogrammed into other projects within the same City Council District, at the request of the City Council District Office and with the approval of the City Manager; or
  - (2) Savings above \$50,000 may be reprogrammed upon approval by resolution of the City Council.
- 10.12 Measure A Sales Tax (Fund 2001) expenditure and revenue budgets can be loaded into the City's financial system prior to Sacramento Transportation Authority (STA) Board approval. Work on CIP projects in this fund is done prior to receiving funding. Project funding/appropriations shall be as follows:
- (1) The City Manager is authorized to enter the revenue/expenditure budgets as reflected in the Approved Budget (revenues) and CIP Budget (expenditures);
  - (2) The City Manager is authorized to enter expenditure/ revenue budgets prior to STA Board approval; and
  - (3) STA Board approval is required for all Measure A reallocations. In cases where the City Council takes action on recommended Measure A reallocations prior to STA Board action, City Council approval shall be contingent on STA Board approval.

10.13 Projects funded by New Measure A Project Construction Sales Tax are included within the CIP Budget for planning purposes. Work on CIP projects funded by New Measure A Project Construction Sales Tax (Fund 2023) is done prior to receiving funding, and project funding/authorization for these projects shall be as follows:

- (1) Fund 2023 expenditure and revenue budgets will not be loaded into the City's financial system until Sacramento Transportation Authority (STA) Board approval and Council appropriation through separate Council action.

10.14 Projects funded by the following reimbursable (grant) funds are included within the Operating and CIP Budgets for planning purposes: Funds 3702, 3703, 3704, 6205, 6206, 6207, and 6211. Work on CIPs funded by these sources is done prior to receiving funding, and project funding/authorization for these projects shall be as follows:

- (1) Funds 3702, 3703, 3704, 6205, 6206, 6207, and 6211: Expenditure and revenue budgets will not be loaded into the City's financial system until agreements (Program Supplements/E-76's, Cooperative Agreements, etc.) have been executed between the City and the funding authority.
- (2) Funds 3703 and 3704: The City of Sacramento is eligible to receive federal and/or state funding for certain transportation projects through the California Department of Transportation (Caltrans). Master Agreements, Program Supplemental Agreements, Fund Exchange Agreements, and/or Fund Transfer Agreements must be executed with Caltrans before such funds can be claimed. The City Manager is authorized to execute all Master Agreements, Program Supplemental Agreements, Fund Exchange Agreements, Fund Transfer Agreements, and any amendments thereto with Caltrans.

The City Manager is authorized to transfer matching funds as specified in the approved CIP from the state and federal Grant Match Program (T15007200) and to enter the revenue/expenditure budgets as reflected in the grant agreement, provided that the amount is not more than \$100,000 different from what was reflected in the Approved CIP Budget which authorized the project funding. Project agreements that exceed \$100,000 difference from the anticipated budget shall be submitted to the City Council for approval by resolution.

10.15 The 2016-2021 CIP Budget (Schedule 4, Exhibits 4 and 5) includes projects that are directly supported by user and developer fees and utility rebates. The City Manager is authorized to adjust department

revenue budgets and CIP expenditure budgets for projects as identified in the General Government Section of the CIP which are directly supported by fees and rebates based on the actual fees and rebates collected, less any operating costs associated with delivering the service.

- 10.16 *The FY2016/17 General Fund budget in the City Council Community Neighborhood Improvement (D01000000) project shall be allocated to the Districts where the billboards are located. Councilmembers shall work with the City Manager to identify capital improvement projects and allocate funding.***

## **SECTION 11. OPERATING GRANTS**

- 11.1 City Council approval is required for the establishment and/or cancellation (without completion) of an operating grant except as follows:
- (1) Where the operating grant is under \$100,000 and does not require any of the following:
    - (a) Any increase or decrease, by department or by fund, in FTE as authorized in the Approved Budget or by any subsequent approval by the City Council or by the City Manager in accordance with this resolution; or
    - (b) Matching funds from City resources; or
    - (c) Any ongoing service or funding by the City.
  - (2) The City Manager is authorized to establish operating grants and to authorize spending and allocation of resources in excess of \$100,000 in advance of formal agreements when in response to governmental requests for public safety assistance related to disasters and national security risks. The department responding to these events shall report to the City Council within 60 days of receiving formal program documents from the requesting governmental agency (agencies) to obtain approval to enter into agreements and accept reimbursements.
  - (3) Operating grants may be subdivided into separate sub-projects as needed to administer, manage, and deliver the original scope of the project, without further City Council action.
- 11.2 The City Manager is authorized to adjust FTE and associated service and supplies budget, in accordance with Section 5.2, for renewals or expansions of fully offset grants previously approved by City Council.

- 11.3 If a grantor requires City Council action as a condition of funding the grant, then establishment of the grant shall require approval by the City Council regardless of the grant amount.
- 11.4 All multi-year operating grant budgets in existence on June 30, 2016, shall be continued in FY2016/17.
- 11.5 The City Manager is authorized to adjust revenue and expenditure budgets for renewals, up to the amount previously approved by City Council, and augmentations up to \$100,000 of fully offset grants.
- 11.6 The City Manager is authorized to establish revenue and expenditure budgets for federal/state grant-funded youth programs, and parks and recreation programs based on the prior year award prior to receipt of signed agreements. Project funding/appropriations shall be adjusted based on the final grant agreement. In the event the grant is not renewed or is changed by more than \$100,000, the managing department must return to the City Council for corrective action.
- 11.7 Each fiscal year, on June 30, the balance of each grant budget must be zero or have a positive balance by fund. Grants in excess of the budget from all funding sources (total budget has a negative balance) shall be treated as follows:
  - (1) If the project balance exceeds budget by \$100,000 or less, the project account shall first be corrected within each fund and, second, any remaining negative balance shall be corrected by a transfer from the project manager's department Operating Budget (all transfers of \$100,000 or less shall be made as provided for in Section 6.3); or
  - (2) If the project balance exceeds budget by more than \$100,000, a corrective plan of action shall be submitted to City Council for approval by resolution.
- 11.8 The City Manager is authorized to adjust grant and operating expenditure budgets to account for Council approved grant match and retention obligations.
- 11.9 The City Manager is authorized to adjust revenue and expenditure operating grant budgets to reflect actual revenues received and expenditures incurred upon closure of a project in compliance with the original grant award and any amendments.

## **SECTION 12. EXTERNALLY FUNDED PROGRAMS (EFP)**

- 12.1 City Council approval is required for the establishment and/or cancellation (without completion) of an EFP, except as follows:

- (1) Where the EFP is under \$100,000 and does not require any of the following:
    - (a) Any increase or decrease, by department or by fund, in FTE as authorized in the Approved Budget or by any subsequent approval by the City Council or by the City Manager in accordance with this resolution; or
    - (b) Matching funds from City resources; or
    - (c) Any ongoing service or funding by the City.
  - (2) EFPs may be subdivided into separate sub-projects as needed to administer, manage, and deliver the original scope of the project, without further City Council action.
- 12.2 All multi-year EFP budgets in existence on June 30, 2016, shall be continued in FY2016/17.
- 12.3 The City Manager is authorized to adjust revenue and expenditure budgets for EFP renewals, up to the amount previously approved by City Council, and augmentations up to \$100,000.
- 12.4 Each fiscal year, on June 30, the balance of each EFP budget must be zero or have a positive balance by fund. EFPs in excess of the budget from all funding sources (total budget has a negative balance) shall be treated as follows:
- (1) If the project balance exceeds budget by \$100,000 or less, the project account shall first be corrected within each fund and, second, any remaining negative balance shall be corrected by a transfer from the project manager's department Operating Budget (all transfers of \$100,000 or less shall be made as provided for in Section 6.3); or
  - (2) If the project balance exceeds budget by more than \$100,000, a corrective plan of action shall be submitted to City Council for approval by resolution.

### **SECTION 13. MULTI-YEAR OPERATING PROJECTS (MYOP)**

13.1 MYOPs are used for:

- (1) Economic Development Assistance and Development Programs (e.g., inclusionary housing);
- (2) Planning, audit, and other consultant studies that will take more than one fiscal year to complete;

- (3) Department fleet (vehicle and/or equipment) charges from the Fleet Management internal service fund; and
  - (4) Other projects and activities that are multi-year in nature and are not capital improvement projects.
- 13.2 City Council approval is required for the establishment and/or cancellation (without completion) of a MYOP.
- 13.3 MYOPs may be subdivided into separate sub-projects as needed to administer, manage, and deliver the original scope of the project, without further City Council action.
- 13.4 Unobligated appropriations in existence on June 30, 2016 for all existing MYOPs shall be carried over to the next fiscal year, except as noted in Sections 13.8 through 13.10.
- 13.5 MYOPs shall be used solely for the originally approved program or study. Annually, completed or inactive MYOPs will be closed. An inactive project is defined as one where transaction activity is less than \$1,000 over the prior three years. Closures are the responsibility of the designated project manager. The managing department and/or City Manager have the authority to process the necessary documentation to close inactive projects.
- 13.6 Each fiscal year, on June 30, the balance of each MYOP must be zero or have a positive balance by fund. Projects in excess of the budget from all funding sources (total budget has a negative balance) shall be treated as follows:
  - (1) If the MYOP balance exceeds budget by \$100,000 or less, the MYOP shall first be corrected within each fund and, second, any remaining negative balance shall be corrected by a transfer from the MYOP manager's Operating Budget (all transfers of \$100,000 or less shall be made as provided for in Section 6.3); or
  - (2) If the MYOP balance exceeds budget by more than \$100,000, a corrective plan of action shall be submitted to City Council for approval by resolution.
- 13.7 The City Manager is authorized to increase or decrease MYOP budget appropriations by not more than \$100,000 for each project. Transfers that exceed \$100,000 in total for any MYOP shall be submitted to the City Council for approval by resolution.
- 13.8 The City Manager is authorized to review MYOPs on an annual basis and return excess funds to the fund balance or contingency of the respective fund.

- 13.9 Beginning in FY2016/17 the Utility Rate Assistance MYOP (I14130100) will be budgeted based on a review of the actual expenditures in the prior two fiscal years and any anticipated changes to the program that may result in the need for additional funding. Funding shall not exceed the \$3.7 million attributed to the FY2012/13 through FY2014/15 rate increases.
- 13.10 Unobligated fiscal year appropriations in the Measure U MYOPs (Fund 2401) at the close of the fiscal year shall be returned to Measure U fund balance.

#### **SECTION 14. IN-LIEU PROPERTY TAXES AND IN-LIEU FRANCHISE FEE**

- 14.1 An in-lieu property tax and in-lieu franchise fee are hereby imposed on the Community Center (Fund 6010) and Parking (Fund 6004) funds in the amounts provided in Schedule 3 as displayed in Exhibit 4. The City Council finds that the in-lieu property tax as detailed in Schedule 3 represents the property tax revenue which would be received by the General Fund if the real and personal property owned by these enterprises were taxable under private ownership. The in-lieu franchise fee as detailed in Schedule 3 represents the franchise fees which would be received by the City from private entities as a rental or a toll for the use of city streets and rights-of-way.

#### **SECTION 15. APPROPRIATION LIMITS**

- 15.1 The appropriation limit and the appropriations subject to the limit are hereby amended pursuant to Article XIII B of the California Constitution for FY2016/17 as detailed in Schedule 5 as displayed in Exhibit 4.

#### **SECTION 16. MIDYEAR FINANCIAL REPORT**

- 16.1 The City Council shall be provided a Midyear Financial Report including a revised estimate of the financial condition of all funds, revised estimated revenues and expenditures, and recommendations for eliminating any projected fund deficits.
- 16.2 The City Council shall act on any projected fund deficits as part of the midyear review.

#### **SECTION 17. MISCELLANEOUS CONTROLS/CONSIDERATIONS**

- 17.1 No expenditures by fund at the department level shall exceed the Operating Budget as amended by any subsequent approval of the City Council or by the City Manager in accordance with this resolution.
- 17.2 Subject to approval by the City Manager and pursuant to the sections governing transfers and appropriations, projected deficiencies in any department by fund shall be corrected by:

- (1) Reducing expenditures in the department (e.g., freezing vacant positions, restricting purchase orders); or
- (2) Making an appropriation transfer from Administrative Contingency and/or available fund balance subject to the provisions of Section 6.

17.3 The City Manager is authorized to:

- (1) Adjust budgets to reflect all required debt service and related payments, including adjustments to rate stabilization reserves, pursuant to City debt agreements;
- (2) Adjust revenue and expenditure budgets in special revenue funds based on actual revenues collected to provide appropriation authority for operating costs associated with delivering the service;
- (2) Establish and adjust budgets for private development activities (Funds 2016 and 2018) managed in MYOPs, that are fully offset by development fees;
- (3) Establish and/or adjust revenue and expenditure budgets for EFPs, MYOPs, and operating grants as detailed in Schedule 9 as displayed in Exhibit 4;
- (4) Transfer appropriations from the Operating Budget to MYOPs for fleet replacement and projects as detailed in Schedule 9 as displayed in Exhibit 4.
- (5) Adjust the spay/neuter revenue account (Account 341380, Program 13006) in the Community Development Department operating budget and increase the Animal Care Low Income Spay/Neuter Program (I13000600) multi-year operating project expenditure budget in the General Fund (Fund 1001) to reflect 50 percent of the penalty fees collected per Sacramento City Code section 9.44.215.D.
- (6) Eliminate funds as required for proper accounting and fiscal management when the purpose of a fund has expired and its fund balance has been expended.
- (7) Adjust the revenue and expenditure budgets in the Old Sacramento Garbage Service Courts (M17700000), Old Sacramento District Improvements (M17700100), and the Joe's Crabshack Repairs (B18119000) projects based on actual rent proceeds available after payment of all fees to the State of California and funding of annual required maintenance costs.

- (8) Adjust the revenue budget in the City Clerk's Office to reflect actual passport revenues collected and increase the expenditure budget in the City's Clerk's Technology CIP (A04000100) for the amount of revenues collected in excess of the annual cost of providing the program.
- (9) Adjust the Convention and Cultural Services revenue budget for Theater Facility Fee revenues and the Theater Renovation project (M17100100) expenditure budget based on the actual fees collected, less any operating costs associated with delivering this service.
- (10) Increase the revenue (Account 391320) and fleet replacement expenditure (Account 474210) budgets in the Fleet Fund (Fund 6501) upon completion of audited financial statements to allow the continued purchasing of prior year funded replacement vehicles.
- (11) Adjust the revenue budget for the Public Works Department marina operations to reflect actual revenues received and increase the expenditure budget by a like amount in the Harbor Dredging CIP (M17500000).
- (12) Adjust the revenue and expenditure budgets in the Energy Reinvestment Program (C13001900) to reflect actual energy rebates and/or incentives received.
- (13) Adjust the revenue and expenditure budgets for facility maintenance and repair services provided to outside agencies/entities (15004521-338020) and for private property concrete maintenance/sidewalk repairs (15001641-343010) to reflect actual revenues received for these services.
- (14) ***Adjust revenues, expenditures, and positions in the START Fund (Fund 2501) as needed to address the loss of contracted school sites.***

17.4 In all staff reports that come before the City Council, net budgetary impacts on all funds shall be stated clearly and concisely, including indirect impacts, so that the Council has a full understanding of the financial considerations and impacts of their decisions.

#### **Table of Contents:**

- Exhibit 1: Budget Changes
- Exhibit 2: Summary of FTE
- Exhibit 3: Measure U Programming
- Exhibit 4: Approved Operating Budget
- Exhibit 5: Approved Capital Budget

**BUDGET CHANGES**

**Operating Budget Adjustments**

Department	Fund Name (Number)	Revenue Adjustment	Expenditure Adjustment	Description
Convention and Cultural Services	Felt Fund (5015)	-	100,000	Increase the expenditure budget for a professional services agreement with the Historic Old Sacramento Foundation (HOSF).
Office of the City Auditor / Parks and Recreation	General Fund (1001) / START (2501)	-	-	Transfer \$101,151 in General Fund savings from the START Program grant match to offset the cost of 1.0 FTE and associated services and supplies in the Office of the City Auditor.
Utilities	Water (6005)	9,118,892	1,238,936	Increase revenues and expenditures based on the March 2016 approved rate increases.
Utilities	Wastewater (6006)	2,739,597	425,937	Increase revenues and expenditures based on the March 2016 approved rate increases.
<b>Net Department Changes:</b>		<b>\$11,858,489</b>	<b>\$ 1,764,873</b>	

**Multi-year Project Appropriations**

Project Name (Number)	Fund Name (Number)	Revenue Adjustment	Expenditure Adjustment	Description
Boys and Girls Club Facility (B15000100)	General (1001)	-	500,000	Establish a project to add a facility for a Boys and Girls Club adjacent to the Valley Hi Library property.
Community Neighborhood Improvements (D01000000)	General (1001)	-	240,000	Direct the value of one-third of FY2016/17 electronic billboard revenues for capital investments in District 2 (\$120k), District 4 (\$60k), and District 8 (\$60k), offset by a reduction in estimated fund balance.
Digital Strategy (A07000700)	General (1001)	-	651,000	Increase budget to \$1.7 million for the Automated Bids, Contracts, and Digital Signatures (ABCDs) based on bids that came in higher than initially projected.
ERP Systems Replacement Program (A07000600)	General (1001)	-	(151,147)	Transfer resources to the Digital Strategy Program (A07000700).
Homeless Housing Initiative (I02000200)	General (1001)	-	458,000	Increase budget to \$1.458 million to keep the VOA - A Street Shelter open 24/7, fund 20 women's beds at the Salvation Army year-round, keep the Salvation Army Shelter open 24/7, and explore pay for success financing models.
Utility Rate Assistance (I14130100)	General (1001)	1,304,434	1,304,434	Increase budget to \$2.4 million to provide rate assistance to low-income customers to offset the FY2016/17 approved Water and Wastewater rate increases. The revenue for this project is budgeted in Citywide and Community Support operations.
<b>Subtotal General Fund:</b>		<b>\$ 1,304,434</b>	<b>\$ 3,002,287</b>	
Digital Strategy (A07000700)	Various <i>(Community Center-\$44k, Parking-\$34k, Solid Waste-\$107k, Storm Drainage-\$66k, Wastewater-\$52k, and Water-\$157k)</i>	-	460,358	Increase budget to \$1.7 million for the Automated Bids, Contracts, and Digital Signatures (ABCDs) based on bids that came in higher than initially projected.
14th Avenue Extension (T15098600)	2006 Army Depot Taxable (3802) and 2007 Army Depot Tax-exempt (3803) Bonds	-	407,288	Extend 14th Avenue from Power Inn Road to Florin-Perkins Road.
City Hall Hearing Rooms Technology Program (A07001000)	Capital Reimbursement (3702)	-	125,000	Establish a project for improvements to the Council Chambers and Historic Hearing room.
North 12th Complete Street (T15165000)	2003 Alkali Flat Tax-exempt (3801) and 2006 River District Taxable (3818) Bonds	-	986,255	Convert the western-most travel lane on North 12th Street from Richards Boulevard to H Street into a two-way cycle track.
Ramona Avenue Extension (T15018400)	2006 65th Street Taxable (3804)	-	1,103,452	Extend Ramona Avenue north to intersect with Folsom Boulevard.
Residential Water Meter Program (Z14010000)	Water (6005)	-	5,000,000	Increase budget to \$8 million for the installation of residential water meters.
Wastewater Combined Sewer System Capital Program (X14010000)	Wastewater (6006)	-	5,211,063	Increase budget to \$9.2 million for improvements to the Combined Sewer System.
Water Planning and Management (I14400000)	Water (6005)	-	342,500	Increase budget to \$3.1 million for water conservation activities including various rebate programs.
<b>Subtotal Other Funds:</b>		<b>\$ -</b>	<b>\$ 13,635,916</b>	
<b>Total Multi-year Project Changes:</b>		<b>\$ 1,304,434</b>	<b>\$ 16,638,203</b>	

**Schedule 8 - Reclassification Requests**

*(all requests are subject to Human Resources approval)*

Department	Budgeted Classification	Union (Rep. Unit #)	FTE
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**Parks and Recreation**

Park Maintenance Worker I Stationary Engineers, Local 39 (03) 1.00

**FY2016/17 Fee and Charge Report Amendments**

Fee #	Department	Fund	Fee Name	Action	FY2015/16 Fee	5/10 Change	Recommended Fee	Justification	Proposition 26
298	Finance	General	New Pedicab Driver Permit Fee	Fee Change	\$284.00	\$115.00	\$193.00	A study was conducted of the Pedicab Permit process. It was decided to change to a two year permit. The cost includes application intake, manager review, Code Enforcement inspection of bikes, and time for Finance and Code Enforcement staff to perform field review as necessary.	This charge is not a tax under Proposition 26, as it falls under Exception 3, a charge imposed for the reasonable regulatory cost for issuing a permit.
299	Finance	General	Renewal Pedicab Driver Permit Fee	Fee Change	\$269.00	\$115.00	\$193.00	A study was conducted of the Pedicab Permit process. It was decided to change to a two year permit. The cost includes application intake, manager review, Code Enforcement inspection of bikes, and time for Finance and Code Enforcement staff to perform field review as necessary.	This charge is not a tax under Proposition 26, as it falls under Exception 3, a charge imposed for the reasonable regulatory cost for issuing a permit.
302	Finance	General	New Pedicab Bike Permit Fee	Fee Change	\$72.00	\$202.00	\$230.00	A study was conducted of the Pedicab Permit process. It was decided to change to a two year permit. The cost includes application intake, manager review, Code Enforcement inspection of bikes, and time for Finance and Code Enforcement staff to perform field review as necessary.	This charge is not a tax under Proposition 26, as it falls under Exception 3, a charge imposed for the reasonable regulatory cost for issuing a permit.
303	Finance	General	Renewal Pedicab Bike Permit Fee	Fee Change	\$56.00	\$202.00	\$230.00	A study was conducted of the Pedicab Permit process. It was decided to change to a two year permit. The cost includes application intake, manager review, Code Enforcement inspection of bikes, and time for Finance and Code Enforcement staff to perform field review as necessary.	This charge is not a tax under Proposition 26, as it falls under Exception 3, a charge imposed for the reasonable regulatory cost for issuing a permit.
304	Finance	General	Additional Bikes at Initial Inspection	New Fee	\$0.00	\$93.00	\$121.00	The new fee for additional bike inspections is reduced because no travel time for the Code Enforcement Officer to get to the inspection site is included for additional bikes.	This charge is not a tax under Proposition 26, as it falls under Exception 3, a charge imposed for the reasonable regulatory cost for issuing a permit.

## Position Changes

Department / Fund Name	Job Classification	Union (Rep. Unit #)	FTE Change	Description
<b>MAYOR AND CITY COUNCIL</b>				
General Fund	Senior Auditor	Unrepresented	1.00	Additional position for the Office of the City Auditor
<b>COMMUNITY DEVELOPMENT</b>				
General Fund	Department Systems Spclst II	Local 39 (16)	(1.00)	IT Reorganization
General Fund	GIS Specialist I/II/III	Local 39 (17)	(3.00)	IT Reorganization
General Fund	IT Supervisor	SCXEA (01)	(1.00)	IT Reorganization
General Fund	IT Support Specialist I	Local 39 (16)	(2.00)	IT Reorganization
General Fund	Senior Applications Developer	SCXEA (01)	(1.00)	IT Reorganization
General Fund	Senior Department Sys Spclst	Local 39 (16)	(1.00)	IT Reorganization
General Fund	Systems Engineer	SCXEA (10)	(1.00)	IT Reorganization
<b>CONVENTION AND CULTURAL SERVICES</b>				
Community Center Fund	IT Manager	SCXEA (01)	(1.00)	IT Reorganization
Community Center Fund	Systems Engineer	SCXEA (10)	(2.00)	IT Reorganization
<b>FINANCE</b>				
General Fund	GIS Specialist II	Local 39 (17)	(1.00)	IT Reorganization
<b>INFORMATION TECHNOLOGY</b>				
General Fund	Applications Developer	SCXEA (10)	1.00	IT Reorganization
General Fund	Data Entry Technician	Local 39 (16)	1.00	IT Reorganization
General Fund	Department Systems Spclst I/II	Local 39 (16)	4.00	IT Reorganization
General Fund	GIS Specialist I/II/III	Local 39 (17)	12.40	IT Reorganization
General Fund	IT Manager	SCXEA (01)	1.00	IT Reorganization
General Fund	IT Supervisor	SCXEA (01)	5.00	IT Reorganization
General Fund	IT Support Specialist I/II	Local 39 (16)	9.00	IT Reorganization
General Fund	IT Trainee	Local 39 (16)	1.00	IT Reorganization
General Fund	Program Specialist	SCXEA (01)	2.00	IT Reorganization
General Fund	Senior Applications Developer	SCXEA (01)	1.00	IT Reorganization
General Fund	Senior Applications Developer	SCXEA (01)	1.00	Support new customer information and billing system, offset by the Wastewater Fund
General Fund	Senior Department Sys Spclst	Local 39 (16)	4.00	IT Reorganization
General Fund	Senior Engineering Technician	Local 39 (16)	1.00	IT Reorganization
General Fund	Senior IT Support Spclst	Local 39 (16)	1.00	IT Reorganization
General Fund	Senior Systems Engineer	SCXEA (10)	1.00	IT Reorganization
General Fund	Systems Engineer	SCXEA (10)	5.00	IT Reorganization
<b>PARKS AND RECREATION</b>				
General Fund	GIS Specialist III	Local 39 (17)	(0.40)	IT Reorganization
General Fund	IT Supervisor	SCXEA (01)	(1.00)	IT Reorganization
General Fund	IT Support Specialist II	Local 39 (16)	(2.00)	IT Reorganization
START Fund	Senior Accountant Auditor	SCXEA (01)	(1.00)	Program Reduction
<b>PUBLIC WORKS</b>				
General Fund	Applications Developer	SCXEA (10)	(1.00)	IT Reorganization
General Fund	GIS Specialist I/II	Local 39 (17)	(3.00)	IT Reorganization
General Fund	IT Support Specialist II	Local 39 (16)	(2.00)	IT Reorganization
General Fund	Senior Systems Engineer	SCXEA (10)	(1.00)	IT Reorganization
Fleet Fund	IT Trainee	Local 39 (16)	(1.00)	IT Reorganization
Parking Fund	Systems Engineer	SCXEA (10)	(1.00)	IT Reorganization
Solid Waste Fund	GIS Specialist III	Local 39 (17)	(1.00)	IT Reorganization
Solid Waste Fund	IT Support Specialist I	Local 39 (16)	(1.00)	IT Reorganization
<b>UTILITIES</b>				
Water Fund	Customer Service Specialist	Local 39 (16)	1.00	Support the accelerated meter program
Water Fund	Customer Service Representative	Local 39 (16)	(0.50)	Part time FTE not needed
Water Fund	Customer Service Representative	Local 39 (16)	0.50	Need full time FTE for workload
Water Fund	Department Systems Spclst I/II	Local 39 (16)	(3.00)	IT Reorganization
Water Fund	IT Supervisor	SCXEA (01)	(1.00)	IT Reorganization
Water Fund	Senior Department Sys Spclst	Local 39 (16)	(2.00)	IT Reorganization
Wastewater Fund	Data Entry Technician	Local 39 (16)	(1.00)	IT Reorganization
Wastewater Fund	GIS Specialist II/III	Local 39 (17)	(4.00)	IT Reorganization
Wastewater Fund	IT Supervisor	SCXEA (01)	(2.00)	IT Reorganization
Wastewater Fund	IT Support Specialist II	Local 39 (16)	(2.00)	IT Reorganization
Wastewater Fund	Program Specialist	SCXEA (01)	(2.00)	IT Reorganization
Wastewater Fund	Senior Department Sys Spclst	Local 39 (16)	(1.00)	IT Reorganization
Wastewater Fund	Senior Engineering Technician	Local 39 (16)	(1.00)	IT Reorganization
Wastewater Fund	Senior IT Support Spclst	Local 39 (16)	(1.00)	IT Reorganization
Wastewater Fund	Systems Engineer	SCXEA (10)	(1.00)	IT Reorganization
<b>Total Change</b>			<b>2.00</b>	

Union	Rep. Unit #	Represented Unit Name
SCXEA	01	Sacramento City Exempt Employees Association Exempt Management
SCXEA	10	Sacramento City Exempt Employees Association Confidential/Administrative
Local 39	16	Stationary Engineers, Local 39 Office & Technical
Local 39	17	Stationary Engineers, Local 39 Professional - Miscellaneous

## Exhibit 2

### FY2016/17 SUMMARY OF FULL-TIME EQUIVALENT (FTE) BY FUND AND DEPARTMENT

	FY2015/16 Amended	FY2015/16 Midyear Adjustments	Add	Measure U	Other Reductions	Reorganization	FY2016/17 Approved
<b><u>General Fund</u></b>							
General Fund							
Mayor/Council	37.00	-	1.00	-	-	-	38.00
City Attorney	47.00	-	-	-	-	-	47.00
City Clerk	15.00	-	-	-	-	-	15.00
City Manager	17.00	-	1.00	-	(1.00)	-	17.00
City Treasurer	13.00	-	-	-	-	-	13.00
Citywide and Community Support	1.00	-	-	-	-	-	1.00
Community Development	219.00	11.00	7.00	-	(1.00)	(9.00)	227.00
Convention and Cultural Services	25.20	-	-	-	-	-	25.20
Economic Development	11.00	-	1.00	-	-	-	12.00
Finance	86.00	-	2.00	-	(1.00)	-	87.00
Fire	674.00	-	11.00	(7.00)	-	-	678.00
Human Resources	32.00	-	0.92	-	-	5.00	37.92
Information Technology	85.00	-	6.00	-	-	50.40	141.40
Parks and Recreation	447.91	3.00	5.00	4.28	(0.78)	(3.40)	456.01
Police	1,049.80	-	8.66	2.00	(8.00)	-	1,052.46
Public Works	420.00	-	6.00	-	(4.00)	(10.00)	412.00
<b>Subtotal General Funds</b>	<b>3,179.91</b>	<b>14.00</b>	<b>49.58</b>	<b>(0.72)</b>	<b>(15.78)</b>	<b>33.00</b>	<b>3,259.99</b>
<b><u>Enterprise Funds</u></b>							
Community Center							
Convention and Cultural Services	94.49	-	2.00	-	(3.00)	(3.00)	90.49
Parking							
Public Works	60.25	-	2.00	-	-	(1.00)	61.25
Solid Waste							
Public Works	158.00	-	3.30	-	-	(2.00)	159.30
Storm Drainage							
Utilities	213.72	-	-	-	(1.00)	(85.72)	127.00
Wastewater							
Utilities	72.00	-	1.00	-	-	6.18	79.18
Water							
Utilities	252.18	-	11.50	-	(0.50)	58.54	321.72
<b>Subtotal Enterprise Funds</b>	<b>850.64</b>	<b>-</b>	<b>19.80</b>	<b>-</b>	<b>(4.50)</b>	<b>(27.00)</b>	<b>838.94</b>
<b><u>Internal Service Funds</u></b>							
Fleet Management							
Public Works	87.00	-	4.00	-	(4.00)	(1.00)	86.00
Risk Management							
Human Resources	20.00	-	-	-	-	(5.00)	15.00
Workers' Compensation							
Human Resources	20.00	-	-	-	-	-	20.00
<b>Subtotal Internal Service Funds</b>	<b>127.00</b>	<b>-</b>	<b>4.00</b>	<b>-</b>	<b>(4.00)</b>	<b>(6.00)</b>	<b>121.00</b>
<b><u>Other Government Funds</u></b>							
4th R Program							
Parks and Recreation	119.02	-	-	-	(1.47)	-	117.55
Golf							
Parks and Recreation	1.00	-	-	-	-	-	1.00
Marina							
Public Works	6.80	-	-	-	-	-	6.80
START <sup>1</sup>							
Parks and Recreation	139.99	-	-	-	(2.00)	-	137.99
City/County Office-Water Planning							
Citywide and Community Support	4.00	-	-	-	-	-	4.00
<b>Subtotal Other Governmental Funds</b>	<b>270.81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3.47)</b>	<b>-</b>	<b>267.34</b>
<b>Total</b>	<b>4,428.36</b>	<b>14.00</b>	<b>73.38</b>	<b>(0.72)</b>	<b>(27.75)</b>	<b>0.00</b>	<b>4,487.27</b>

<sup>1</sup>Reductions related to the changes in START Program are not included in this chart and will be included in the Approved Budget. Page 29 of 36

FY2016/17 MEASURE U PROGRAMMING

Measure U Revenues and Expenditures (in 000s)	FY17 Approved <sup>F</sup> TE	FY17 <sup>1</sup> Approved	FY18 Projection	FY19 Projection	FY20 Projection
<b>BEGINNING FUND BALANCE</b>		<b>35,927</b>	<b>30,605</b>	<b>29,490</b>	<b>17,339</b>
<b>REVENUES</b>		<b>43,732</b>	<b>45,614</b>	<b>36,800</b>	<b>-</b>
<b>EXPENDITURES</b>					
<b>Fire Department</b>					
SAFER Grant Retention	27.00	2,803	2,803	2,803	2,803
Fire Company Restorations	48.00	7,141	7,355	7,576	7,803
Fire Station 43	15.00	2,276	2,344	2,415	2,487
Two Medic Units - January 2014 <i>(partially offset by \$1.2 million in new revenues)</i>	12.00	764	787	811	835
Fire Support <i>(Technology, Fiscal, and Human Resources)</i>	-	-	-	-	-
Fire Prevention	1.00	153	158	162	167
Recruit Academy	-	-	-	-	-
Capital Investment	-	-	-	-	-
<b>Fire Subtotal</b>	<b>103.00</b>	<b>13,137</b>	<b>13,447</b>	<b>13,766</b>	<b>14,095</b>
<b>Police Department</b>					
COPS Hiring Program Match and Retention <i>(CHP and CHRP)</i>	60.00	5,483	5,483	5,483	5,483
COPS Hiring Program (CHP) Match and Retention FY13 - New in FY15	10.00	775	960	1,409	1,451
COPS Hiring Program (CHP) Match and Retention FY14 and 15 vehicles in FY16	15.00	1,004	1,361	2,072	2,134
COPS Hiring Program (CHP) Match and Retention FY15 and 15 vehicles in FY17	15.00	1,066	1,094	1,361	2,072
Police Officers	15.00	860	1,665	1,800	1,872
BWC Pilot Program	2.00	535	325	-	-
ShotSpotter	-	210	210	210	210
Public Safety Counter <i>(Kinney Station)</i>	3.00	228	247	256	267
Field & Operations <i>(12.0 new FTE in FY15)</i>	61.00	7,590	8,087	8,404	8,656
Overtime	-	-	-	-	-
Investigations <i>(2.0 new FTE in FY15)</i>	8.00	1,145	1,283	1,292	1,331
Forensics	6.00	606	636	646	665
Communications	4.00	343	408	429	442
Crime Analysis	1.00	109	113	116	120
Hiring Pipeline	22.50	1,000	1,000	1,000	1,000
Summer Night Lights	-	-	-	-	-
Fair & Impartial Policing Training	-	-	-	-	-
<b>Police Subtotal</b>	<b>222.50</b>	<b>20,954</b>	<b>22,872</b>	<b>24,478</b>	<b>25,703</b>
<b>Public Safety Total</b>	<b>325.50</b>	<b>34,091</b>	<b>36,319</b>	<b>38,244</b>	<b>39,798</b>
<b>Parks and Recreation Department</b>					
Aquatics	36.85	2,054	2,116	2,179	2,244
Community Centers	22.80	1,484	1,529	1,574	1,622
Park Maintenance <i>(includes Park Rangers)</i>	53.00	4,035	4,106	4,229	4,356
Senior Programs	4.48	342	352	363	374
Teen Services	10.05	696	717	738	761
Neighborhood Services <i>(includes Gang prevention, Hotspots and Summer at City Hall)</i>	2.65	334	344	354	365
Other Recreation Programs	5.25	554	571	588	605
4th R	-	340	-	-	-
Capital Investment	-	4,453	-	-	-
<b>Parks and Recreation Subtotal</b>	<b>135.08</b>	<b>14,292</b>	<b>9,734</b>	<b>10,026</b>	<b>10,327</b>
<b>MISCELLANEOUS RESTORATIONS</b>					
Animal Control Officer	2.00	165	170	175	180
Gang Prevention Task Force	-	-	-	-	-
Capital Investment - Garcia Bend Bike Trail Study	-	-	-	-	-
Library Restoration	-	506	506	506	506
<b>Miscellaneous Subtotal</b>	<b>2.00</b>	<b>671</b>	<b>676</b>	<b>681</b>	<b>686</b>
<b>Total Measure U Restorations</b>	<b>462.58</b>	<b>49,054</b>	<b>46,728</b>	<b>48,951</b>	<b>50,811</b>
<b>ENDING FUND BALANCE</b>		<b>\$ 30,605</b>	<b>\$ 29,490</b>	<b>\$ 17,339</b>	<b>\$ (33,472)</b>

<sup>1</sup>FY17 beginning fund balance has been adjusted based on audited FY2014/15 year-end results.

**FY2016/17 APPROVED OPERATING BUDGET**

Insert when Approved

**FY2016/17 SUMMARY OF FULL-TIME EQUIVALENT (FTE)  
BY FUND AND DEPARTMENT** *(continued)*



**APPROVED 2016-2021 CAPITAL IMPROVEMENT PROGRAM**

Insert when Approved

**FY2016/17 SUMMARY OF FULL-TIME EQUIVALENT (FTE)  
BY FUND AND DEPARTMENT** *(continued)*

