



REPORT TO COUNCIL City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

PUBLIC HEARING
May 15, 2007

Honorable Mayor and
Members of the City Council

Title: Fiscal Year 2007/08 Proposed Budget Overview

Location/Council District: Citywide (All)

Recommendation: Staff recommends an intent motion to adopt the FY2007/08 Proposed Operating and Capital Improvement Program Budgets.

Contact: Leyne Milstein, 808-8491

Presenters: Gus Vina, Assistant City Manager; Russell Fehr, Finance Director; Leyne Milstein, Budget Manager

Department: City Manager's Office, Department of Finance

Division: Budget, Policy and Strategic Planning

Organization No: 0310, 1140

Description/Analysis:

Issue: City Charter, Article IX, Section 111 requires the City Manager to deliver budget recommendations to the Mayor and City Council no later than 60 days prior to the start of the new fiscal year. The FY2007/08 Proposed Operating and Capital Improvement Program Budget documents were delivered to the Mayor and City Council on May 1, 2007. This report provides an overview of the FY2007/08 Proposed Budget.

A series of public hearings and special reports will be heard by City Council during May and June, with final adoption of the Approved FY2007/08 Operating and Capital Improvement Budgets scheduled for June 12, 2007. A tentative hearing schedule is included as Attachment 1 (page 4).

Policy Considerations: This report and the recommendations contained herein reflect the Council's Strategic Planning - Strategic Budgeting approach. Consistent with the Strategic Planning - Strategic Budgeting process, the

FY2007/08 Proposed Operating Budget includes only the expenditures necessary to maintain staffing levels and fund prior commitments in the upcoming fiscal year. In addition, the Proposed Budget includes the addition of four priority initiatives identified by the City Council during the FY2006/07 budget planning cycle and prioritized for inclusion in the Proposed Budget through the Strategic Planning – Strategic Budgeting process. These priorities include:

- Addition of 911 dispatchers
- Conversion of park maintenance contracts to City staff
- Implementation of the 311 Call Center
- Labor adjustments for Police Department civilian staff

Any additional budget changes, including those funded with new revenues or cost offsets within the budget, will be included in the Budget only after Mayor and City Council approval during the budget hearings.

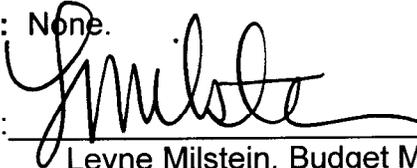
Environmental Considerations: This report concerns administrative activities that will not have any significant effect on the environment, and that do not constitute a "project" as defined by the California Environmental Quality Act (CEQA) [CEQA Guidelines Sections 15061(b)(3); 15378(b)(2)].

Rationale for Recommendation: Staff recommends that the City Council adopt intent motions at each budget hearing, as necessary, in order to document and summarize Council's direction for final budget adoption.

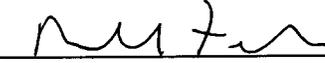
Financial Considerations: The FY2007/08 Proposed Operating Budget is balanced and totals \$964.6 million from all funding sources and supports 5,222 full time equivalent (FTE). The General Fund totals \$428.6 million and 3,906 FTE.

The Proposed FY2007/08 Capital Improvement Program Budget totals \$112.9 million from all funding sources, including State and Federal grant funding and funding from the Enterprise Funds. The General Fund total for capital expenditures in FY2007/08 is \$4.5 million. The five-year program totals \$331.9 million from all funding sources. The General Fund portion of the five-year program is \$22.9 million.

Emerging Small Business Development (ESBD): None.

Respectfully Submitted by: 

 Leyne Milstein, Budget Manager

Approved by: 

 Russell Fehr, Finance Director

Recommendation Approved:

for  _____
Ray Kerridge
City Manager

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Pg 4 Attachment A: Tentative Hearing Schedule

**PROPOSED FY2007/08 BUDGET - CITY COUNCIL HEARING SCHEDULE
(AS OF MAY 3, 2007)**

Date	Afternoon Meeting	Evening Meeting
Tuesday, May 15	Budget Hearing FY2007/08 Proposed Operating and CIP Budget Overview Base Budget - General Fund Overview Additions to Base Intent Motion to Adopt Base Operating and CIP Budgets	Budget Hearing CRCIP Status Update
Tuesday, May 22	Budget Hearings Hold for Hearing if Necessary	Budget Hearing Police Department Masterplan
Tuesday, May 29	Budget Hearing Economic Development Strategy	Budget Hearing Fire Department Masterplan Youth Coordinator
Tuesday, June 5	Budget Hearings Report Back on Growing our Business Finance Issues – State and County Budget	Budget Hearings Enterprise Funds Overview Big Picture - High level assumptions Rate Hearing Utilities Department Initiatives Reports Back
Tuesday, June 12	Budget Hearings Reports Back (if necessary)	Budget Hearing Budget Summary FY2007/08 Operating and CIP Budget Adoption

