



REPORT TO COUNCIL City of Sacramento

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PUBLIC HEARING
May 16, 2006

Honorable Mayor and
Members of the City Council

Subject: Proposed Augmentations to the Fiscal Year 2006/07 Proposed Budget

Location/Council District: Citywide (All)

Recommendation:

Staff recommends an intent motion to approve the proposed augmentations to the Fiscal Year (FY) 2006/07 Proposed Budget (excluding Utilities).

Contact: Leyne Milstein, Budget Manager, 808-8491

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

Department: City Manager's Office; Finance

Division: Budget, Policy & Strategic Planning

Organization No: 0310; 1140

Description/Analysis:

Issue: The FY2006/07 Proposed Budget includes only the appropriations and estimated revenues necessary to maintain staffing levels and fund prior program and service commitments in the new year. Any 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 in the budget hearings.

This report addresses the recommended augmentations to the FY2006/07 Proposed Budget, excluding changes relating to the Utilities Department which will be heard on June 8, 2006. These augmentations reflect programs and services identified by the City Manager that could be expanded for the benefit of City residents and customers. Additional detail related to these proposals is included as Attachments 1-3, pages 4-6. These recommendations are separate from those that will be considered as part of the Strategic Budgeting - Strategic Planning focus area discussions.

There are three categories of budget augmentations:

Offset Augmentations - These augmentations total \$8.4 million and include the addition of 50.91 full time equivalents positions (FTE). These costs are completely offset by either new revenues or reallocation of funding within the budget such that there is no impact to the discretionary funding available in the General Fund.

High Priority General Fund Augmentations - These augmentations total \$675,815 and include the addition of 4.0 FTE. These costs are considered high priority uses of the General Fund as they will enhance citywide services. These costs will be funded by the \$7.5 million growth initiatives reserve that was established with the FY2004/05 Comprehensive Annual Financial Report.

Department Priorities - Based on the FY2004/05 year end results, Council designated \$3 million of available fund balance for future department priorities. At subsequent planning sessions in January and February, Council provided direction as to the use of this funding source to include: \$350,000 for E-Payments, \$1.8 million for Electronic Content Management and the addition of 5.0 FTE, \$425,000 for fire turnouts and \$425,000 for police vehicles.

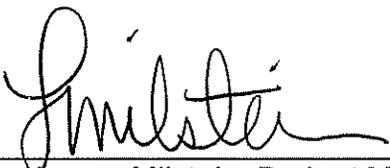
Policy Considerations: This report and the recommendations contained therein are consistent with the City's sustainable budget policy and reflect the Council's recently adopted Strategic Planning - Strategic Budgeting approach.

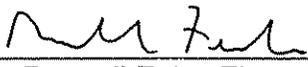
Environmental Considerations: This report concerns administrative activities that will not have any significant effect on the environment, and that do not constitute a "project" as defined by the California Environmental Quality Act (CEQA) [CEQA Guidelines Sections 15061(b)(3); 15378(b)(2)].

Rationale for Recommendation: Approval of these augmentations will enable the City to maximize resources in the delivery of City programs and services to our residents and customers. Staff recommends the City Council adopt intent motions at each budget hearing in order to document and summarize Council's direction for final budget adoption.

Financial Considerations: The FY2006/07 Proposed Budget augmentation totals \$9.1 million and 54.91 FTE. Of this amount, \$8.4 million and 50.91 FTE will be funded by offsets that include new revenues or funding reallocation within the base budget. The balance of \$675,815 and 4.0 FTE represents high priority General Fund costs that if approved, will be funded from the \$7.5 million growth initiatives reserve that was established with the FY2004/05 Comprehensive Annual Financial Report. Finally, the \$3.0 million and 5.0 FTE in department priority augmentations will be funded with one-time results from FY2004/05 year end that Council designated for this purpose.

Emerging Small Business Development (ESBD): None.

Respectfully Submitted by: 
Leyne Milstein, Budget Manager

Approved by: 
Russell Fehr, Finance Director

Recommendation Approved:

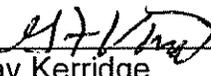
for 
Ray Kerridge
City Manager

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Proposed Offset Augmentations
\$8.4 Million, 51 FTE
(Excludes Utilities)

Code Enforcement (3.0 FTE, \$265,000)

Building Inspectors (2.0 FTE) and Clerical Support Staff (1.0 FTE) (3.0 FTE, \$265,000) Three positions are being added to implement the Rental Housing Inspection Program Pilot which will focus on proactive inspection of rental properties to promote greater compliance with health and safety standards and reduce substandard conditions in the City's rental housing stock. The on-going cost will be offset by revenue generated from the inspection activity.

Convention, Culture & Leisure (1.0 FTE, \$201,667)

Utility Worker (0.5 FTE, \$11,000) The City Cemetery is a 31-acre facility and is currently maintained by 2 FTE. Additional staffing is required to keep the City Cemetery in adequate condition and address deferred maintenance issues. This adjustment will be absorbed within existing resources.

Marina Supply and Services (\$26,852) Increase the Marina supply and services budget by \$6,852 to address recent growth, and adjust the revenue and expense budget by \$20,000 to reflect actual fuel usage at the Marina. This is funded with pass through revenue.

Event Services Manager (\$60,697) Increase the Community Center budget by \$60,697 and add one Event Services Manager. An additional Event Services Manager is required to address the increased number of events held at the Convention Center. The funding and FTE for this position will be partially offset by the deletion of one FTE (Account Clerk II). The remainder will be offset through a reduction in other expenses.

Interpretive Programming and Marketing (\$71,000) Increase the Old Sacramento budget by \$71,000. Additional funding is necessary to expand interpretive programming and marketing. This adjustment will be offset with increased revenue received from parking meters and concessions not included in the base budget.

Art Program Assistant (0.5 FTE, \$32,118) Increase the Metro Arts budget by \$32,118 and .5 FTE. Additional staffing is required to address increased demand for arts programming. This position will be absorbed within existing resources.

Development Services (2.0 FTE, \$246,000)

Facility Permit Program (2 FTE, \$246,000) Increase the Development Services budget by \$246,000 and 2.0 FTE to expand the Facility Permit Program. The Facility Permit Program provides the opportunity for large facilities (high rise, malls, etc.) that have multiple tenants to have a Development Services staff member personally assigned to review and inspect work. This augmentation is completely offset by fees collected from the facility owners and has no impact of the General Fund.

Fire (27.0 FTE, \$5,926,725)

Turnouts (\$804,026) The Fire Department needs to provide a second set of turnouts (protective clothing) to each firefighter in order to provide for needed cleaning and maintenance. In addition, the budget for turnouts is not adequate to provide turn outs for all of the new fire recruits coming out of the academy. The addition of this funding will provide the needed resources for this critical safety equipment. ALS funds will be used to fund this portion of the turnout purchase, the balance is proposed for funding through the department priorities.

Mobile Data Computers (\$1,274,199) The Fire Department is currently using Mobile Data Terminals (MDTs) which are outdated and replacement parts are no longer available. In addition, MDTs are no longer compatible with equipment used in other public safety agencies. Conversion to Mobile Data Computers (MDCs) will provide reliable equipment that is compatible with other public safety agencies and maintainable. The requested funding will be used for the MDC purchase and consultant services to assist with the Fire Department's conversion from MDT to MDC technology. Fire District revenues will provide the needed funding for this project.

Fire Prevention Officers (5.0 FTE) and Typist Clerk (2.0) (7.0 FTE, \$596,000)

The additional staff are needed to perform State mandated inspections of schools, daycares, hospitals and similar facilities. As a result of growth and current staffing levels the Fire Department is not able to complete the inspection of all State mandated facilities each year. During the FY2005/06 budget process the City Council approved a fee for fire inspection permits. Program costs will be offset by permit revenues charged when facilities are inspected.

Firefighter/Paramedics (6.0), Battalion Chief (1.0) and Administrative Analyst (1.0) (8.0 FTE, \$1,308,500) The Fire Department is requesting the addition of a Medic Unit, support staff and three additional ambulances for the City's Advanced Life Support (ALS) services to address increased calls for service resulting from the continued growth in the North and South portions of the

City. The costs associated with the augmentation will be recovered from fees charged for ALS services.

Firefighters (12.0 FTE, \$1,944,000) The Fire Department staffing is currently inadequate to provide the necessary staffing when personnel are out due to illness, jury duty and vacations. As a result, firefighters are often on mandatory overtime in order to maintain mandated staffing levels. The addition of 12.0 FTE firefighters will be paid for through historically significant labor savings which will be realigned to provide additional budget authority for the added FTE and adjustments to the existing overtime budget.

General Services (4.0 FTE, \$337,614)

Painter (1.0 FTE, \$88,712) General Services is requesting the addition of 1.0 FTE Painter to provide maintenance work on traffic signal poles. The cost of this position will be funded by Gas Tax from the Department of Transportation.

Service Worker (1.0 FTE) and Equipment Mechanic II (2.0 FTE) (3.0 FTE, \$248,902) The City's Fleet Management operation has had the same level of staffing since 1994, while the fleet has increased by 800 units. In addition, the opening of the North Area Corporation Yard fleet maintenance facility requires additional staff in order to provide coverage of both the day and night shifts. The staff requested will be fully offset by fleet charges.

Parks and Recreation (4.91 FTE, \$296,805)

Technology Support Specialist I/II (1.0 FTE, \$95,000) The new Parks and Recreation registration and reservation system licensing costs are higher than the previous system and the technology requires additional technical support. The costs to maintain the new system, including the FTE will be offset by fee revenue.

Fiscal Resource Student Trainee (0.25 FTE, \$8,600) This position will assist with grant application development (design, budget estimates, photos, renderings, etc) to help support grant growth and will be offset by Capital Improvement Program (CIP) funds.

Accounting Technician (1.0 FTE, \$50,000) The capital grant program has grown to \$19 million spread across 75 projects, with the majority of grant closure dates between 2007 and 2010. This position will monitor the grant program and will be offset by CIP funds.

Park Maintenance Worker I (1.0 FTE, \$33,000) The recycling program in City parks is currently understaffed, and Solid Waste has agreed to fund this additional position.

Program Leader (1.0 FTE, \$38,951) Due to growth in the Skateboard Park Program, this position will provide on-site supervision, stability in operation and safety oversight. This position will be funded by fees charged for usage of the skateboard park.

Triple R Program (-5.0 FTE, -\$272,000) A pilot Triple R site in Sacramento County opened in partnership with Jewish Family Services was closed in February 2006 due to low program enrollment. The participants displaced by the closure have been integrated into the three remaining sites. In order to right-size the program, the Triple R budget is being reduced.

Program Leader (net 2.66 FTE, \$128,968) The Access Leisure Program needs to stabilize staffing and oversight at four existing program sites by deleting 1.34 non-career FTE and adding 4 FTE Program Leaders (career). Funding is offset by grant funds.

Program Supervisor (2.0 FTE, \$164,286) The span of control for the START Program's existing five Program Supervisors is unmanageable at 10 schools each. The additional FTE will help make the workload manageable and will be offset by new program revenue resulting from a change in state legislation.

Program Developer (1.0 FTE, \$50,000) Three new 4th R Program sites will be coming online in the next 12 – 24 months. This position will provide supervision, guidance, and consistency when working with parents, school staff, and youth to launch new program sites. The position will be supported by program fees.

Police (4.0 FTE, \$755,628)

Technology Support (4.0 FTE, \$755,628) Increase the Police Department by \$755,628 and 4 FTE to provide technology support for the Fire Department and one-time service and supply expenses. Costs for technology staff are ongoing and are offset by fire district revenues. One-time service and supply costs are funded through the receipt of asset forfeiture revenues which are one-time in nature.

Transportation (5.0 FTE, \$412,409)

Program Analyst (1.0 FTE, \$85,355) Ensure fulfillment of accessibility requirements for projects by adding a Physical Access-ADA Coordinator position

for the Right of Way Accessibility Program. This position will be offset by CIP funding.

Street Construction Laborer (2.0 FTE, \$157,523) Improve and increase project deliverability of the In-Source Concrete team, particularly for the annual curb ramps CIP project, by adding two additional Construction Laborer positions.

These positions will be offset by CIP reimbursement and funding from the Department of Utilities.

Sr. Maintenance Workers (2.0 FTE, \$169,531) The additional staff will improve response time to repair traffic signal conduit damage and replacement of traffic signal and street light lamps. These positions will be funded through transportation funding sources outside of the General Fund.

Proposed High Priority General Fund Augmentations \$676K

Information Technology (1.0 FTE, \$88,000)

IT Support Specialist I (1.0 FTE, \$88,000) The Help Desk provides citywide IT support. The position will support the call volume on the Help Desk which has increased due to the City's growing technology needs. The current position is limited term and the addition of this FTE will make it a permanent position.

Labor Relations (1.0 FTE, \$112,040)

Investigator (1.0 FTE, \$112,040) The addition of an Investigator will save the City time and money by shortening the investigatory period as well as the time an employee being investigated is on paid administrative leave. An experienced investigator also produces a higher quality of fact finding, thereby causing employees to resign or retire in-lieu of termination. Investigators also cause employees/unions to settle appeals without going to ALJ/CSB hearing or arbitration.

Police (2.0 FTE, \$475,775)

Deputy Chief and Captain (2.0 FTE, \$475,775) These FTE will provide the management and oversight resources necessary as a result of the recent growth of the Department. This includes funding for vehicles for these positions.

Department Priorities \$3.0 Million

E-Payments (\$350,000)

The City Treasurer is working on the implementation of technology improvements to ensure the City is providing the desired service in today's technological environment. This funding will provide for business system improvements which eventually will allow our customers to access various billings on-line.

Electronic Content Management (5.0 FTE, \$1,800,000)

Electronic Content Management will provide a tool to allow staff to streamline internal business processes related to the development, utilization storage and retrieval of City documents. Implementation of ECM will provide for automated document workflows, e-government/web-enabled services, e-forms and e-signatures. Ongoing costs of the 5.0 FTE are \$624,000.

Fire Turnouts (\$425,000)

The Fire Department needs to provide a second set of turnouts to each firefighter in order to provide for needed cleaning and maintenance. In addition, the budget for turnouts is not adequate to provide turn outs for all of the new fire recruits coming out of the academy. This funding, in addition to the \$804,026 proposed in the offset adjustments, will provide the needed resources for this critical safety equipment.

Police Vehicles (\$425,000)

The City has added 67 officers over the last two fiscal years. Initial funding for these positions did not include the purchase of vehicles for all of the additional officers. This funding will provide for the purchase of seven fully equipped patrol vehicles.

Attachment D

**FY2006/07 City of Sacramento
Proposed Budget**

Operating Department Initiatives

May 16, 2006

Offset Augmentations

\$8.4 Million

- Code Enforcement
 - \$265,000, 3.0 FTE
- Convention, Culture & Leisure
 - \$201,667, 1.0 FTE
- Development Services
 - \$246,000, 2.0 FTE
- Fire
 - \$5,926,725, 27.0 FTE

Offset Augmentations (cont.)

- **General Services**
 - \$337,614, 4.0 FTE
- **Parks and Recreation**
 - \$296,805, 4.91 FTE
- **Police**
 - \$755,628, 4.0 FTE
- **Transportation**
 - \$412,409, 5.0 FTE

High Priority General Fund Augmentations

\$676K

➤ Information Technology

– \$88,000, 1.0 FTE

➤ Labor Relations

– \$112,040, 1.0 FTE

➤ Police

– \$475,775, 2.0 FTE

Department Priorities

\$3 Million

- City Clerk
 - \$120,000, 1.0 FTE
- City Treasurer
 - \$350,000
- Fire
 - \$425,000
- Information Technology
 - \$1,680,000, 4.0 FTE
- Police
 - \$425,000