



City of Sacramento

Approved Budget

FISCAL YEAR 2018/19

APPROVED

CITY OF SACRAMENTO

FISCAL YEAR 2018/19 BUDGET

DARRELL STEINBERG
Mayor

ANGELIQUE ASHBY
Councilmember, District 1

ALLEN WARREN
Councilmember, District 2

JEFF HARRIS
Councilmember, District 3

STEVE HANSEN
Vice Mayor, District 4



JAY SCHENIRER
Councilmember, District 5

ERIC GUERRA
Councilmember, District 6

RICK JENNINGS, II
Councilmember, District 7

LARRY CARR
Councilmember, District 8

HOWARD CHAN
City Manager

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Interim Assistant City Manager

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City of Sacramento - Organization Chart
(updated 06.20.2018)

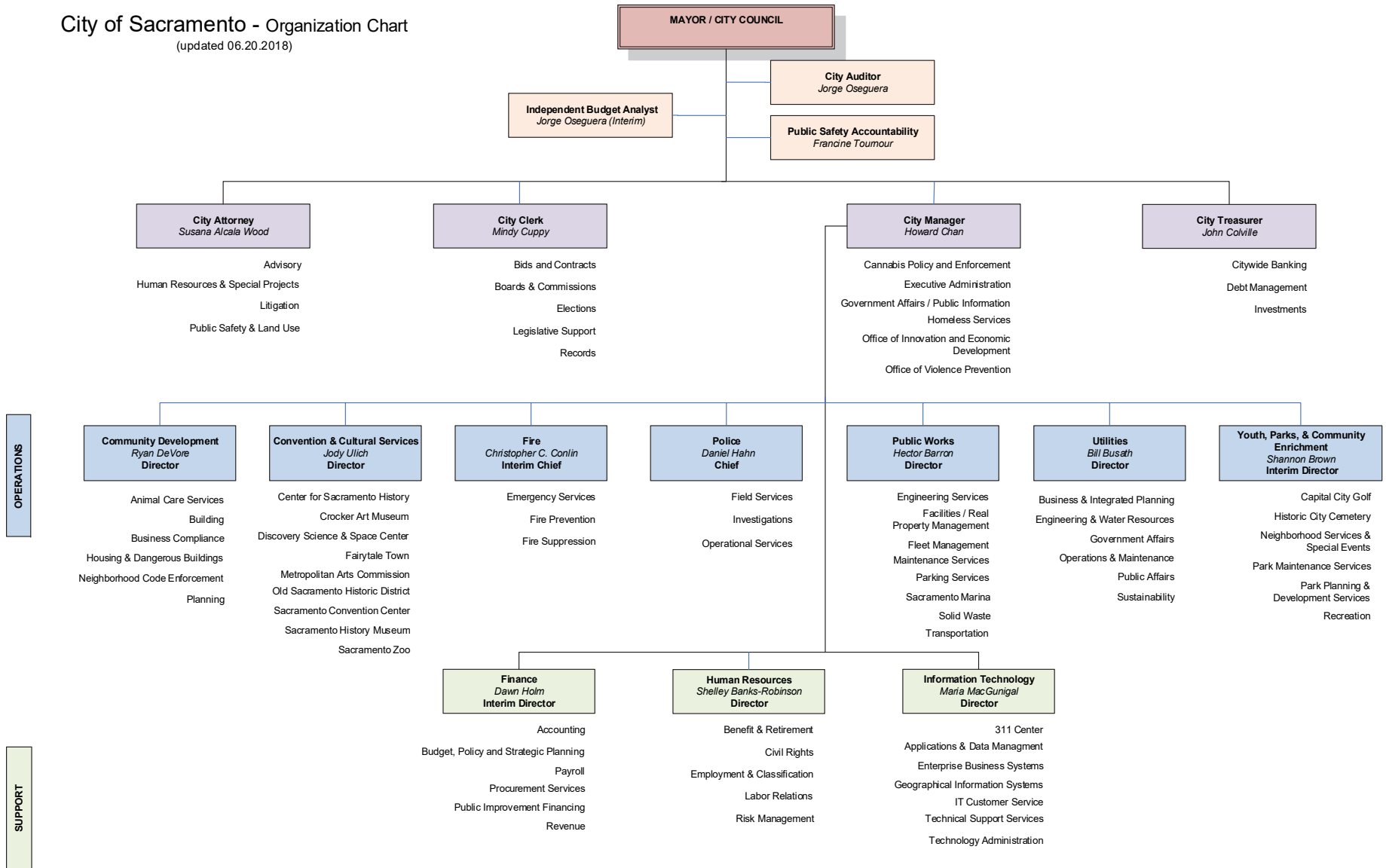


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SECTION – 1 **Budget Message**

City of
SACRAMENTO
Office of the City Manager

Howard Chan
City Manager

City Hall
915 I Street, Fifth Floor
Sacramento, CA 95814-2604
916-808-5704

July 1, 2018

Honorable Mayor and City Council
Sacramento, California

Dear Mayor and Members of City Council:

I am pleased to present the Approved Budget for fiscal year (FY) 2018/19 totaling \$1.1 billion for operations and capital improvement projects. The Budget represents the City's financial plan for the upcoming year and reflects an increase of \$41 million, or 3.9%, compared to the FY2017/18 Approved Budget. The total General Fund budget of \$487.9 million represents an increase of \$29 million, or 6.2%, compared to the prior year approved budget. With conservative management of expenses and robust revenue growth that reflects a stronger economy, this budget is balanced.

Sacramento continues to see great growth, and its pioneering spirit is woven into projects like the Railyards development, branding of the Waterfront, adoption of the Creative Edge Cultural Plan, establishing Sacramento as an Innovation Hub, and much more. Such ventures have sparked record levels of development activity across all market segments. In the past year, Sacramento delivered over 3,000 new housing units, the most in over a decade. Attraction of employers like Centene Corporation (*a Fortune 100 Company*) will bring more than 5,000 high wage jobs to the area, and new civic amenities will strengthen community culture, education, and vibrance. Sacramento is the place to be!

This past year, the City Council (Council) has focused on and prioritized the City's commitment to our youth. In January, the City launched the new Youth, Parks, & Community Enrichment Department (YPCE) focused on empowering youth, strengthening neighborhoods, and providing life-enriching programs for a vibrant, livable community. While there is much to do in this area, the Budget reflects this priority and staff is committed to ensuring that ALL Sacramento youth are valued and reach their fullest potential.

Our key economically sensitive revenue sources continue to experience strong growth that has helped to restore General Fund services over the last several years. However, as reflected in the five-year forecast, General Fund expenditures are anticipated to exceed revenues beginning in FY2019/20. To address the anticipated shortfalls, the budget was developed with the goal of limiting additional ongoing costs in the General Fund while maintaining existing service levels and programs. We worked with departments to realign existing staff and resources to address critical needs to support the following programs and services that were included in the Proposed Budget:

- Council's commitment to YPCE, including the addition of a Youth Policy Manager in the City Manager's Office;
- Sacramento Regional Fire/EMS Communications Center cost increases;

- Expansion of Police Impact Teams;
- Increased funding to support crime analysis and body-worn camera programs.

Following six public meetings during May and June, the City Council approved the budget on June 12 as presented, with minor adjustments to revenues and expenditures. The following highlights a few of the changes approved by Council:

- Sales tax revenues were increased by \$1.1 million based on updated sales tax estimates that included revenues from Delta Shores and the Downtown Commons.
- 6.0 full-time equivalent (FTE) Firefighter/Paramedic positions and associated equipment were added (\$1.3 million revenue and expenditure adjustment) to staff the new Medic 4 unit.
- 2.0 FTE vacant positions for the Sacramento Zoo were transferred to support the City's Homeless Services Division.

I'm proud of the progress we've made as Sacramento continues to creatively address program/service challenges in a responsible and fiscally prudent manner. As we move forward, it is important to recognize that our growing infrastructure needs, retirement costs and OPEB (other post-employment benefits) health benefit liabilities continue to put pressure on the City's limited resources.

With the strategic use of one-time resources, the General Fund forecast is balanced through FY2019/20. While the General Fund five-year forecast is projecting deficits, we continue to seek out innovative ways to efficiently deliver services and to pursue creative opportunities to work with other public and private organizations to leverage our limited resources and achieve service delivery goals. Staff continues to evaluate existing fees to ensure that where appropriate and consistent with City policies, the full cost for delivering services are being recovered. New revenue opportunities are also being evaluated and revenues from newer sources like cannabis are being monitored closely so that they can be added to the forecast as soon as a trend has been established.

I would like to thank Council for your leadership and continued commitment to the budget process and I look forward to working with you as we continue to watch our city grow and prosper.

Respectfully submitted,



Howard Chan
City Manager

Operating Budget Excellence Award



The City's FY2017/18 Approved Operating Budget received the Operating Budget Excellence Award from the California Society of Municipal Finance Officers (CSMFO). The award process includes peer reviews of cities' operating budget. Peer review methods are employed to maintain standards, improve performance, and provide credibility.

In preparing the FY2018/19 Budget document, the award criteria were followed and prepared in accordance with generally accepted accounting principles. This document will be submitted to the CSMFO for consideration for the Fiscal Year 2018/19 Operating Budget Excellence Award.

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SECTION – 2 Budget Overview

Approved Budget Overview

The FY2018/19 Operating and Capital Improvement Program (CIP) Budgets were approved by the City Council on June 12, 2018. The Approved Budget is \$1.1 billion from all funding sources and supports 4,554.98 authorized full-time equivalent (FTE) positions. The General Fund total \$487.9 million and 3,407.05 authorized FTE, and Enterprise and all other Funds total \$599 million and 1,147.93 FTE.

The City Council held four meetings during May and June to review and discuss the Proposed Budget. Following those discussions, the changes as summarized in the subsequent charts were approved by the City Council.

Operating Budget Adjustments

Department	Fund Name (Number)	Revenue Adjustment	Expenditure Adjustment	Description
Office of the City Manager	General Fund (1001)	-	185,522	Adjust offsets for the homeless services program and the gang prevention/intervention program.
Citywide and Community Support	General Fund (1001)	1,100,000	-	Increase sales tax revenues estimate based on third quarter sales tax report.
Convention and Cultural Services	General Fund (1001)	-	(134,273)	Eliminate two vacant Zoo Attendant II positions (2.0 FTE).
Finance	General Fund (1001)	-	(8,538)	Adjust the reimbursements for the Whole Person Care program to offset position costs.
Fire	General Fund (1001)	1,321,403	1,061,403	Provide staffing (6.0 FTE Firefighter Paramedics) and funding (including \$260,000 in the ALS Equipment Program [F12000200]) for Medic 4, offset by an increase in the revenue budget.
Public Works	General Fund (1001)	-	1,054,000	Reduce the budgeted reimbursements in the Facilities and Real Property Management Division.
Youth, Parks, and Community Enrichment (YPCE)	General Fund (1001)	-	(299,537)	Eliminate one-time funding provided in FY2017/18 for the START Program.
Subtotal General Fund (Fund 1001):		\$ 2,421,403	\$ 1,858,577	
YPCE	START (2501)	-	196,810	Eliminate \$299,537 in one-time funding (General Funds) provided in FY2017/18 for the START Program and 11.95 FTE to offset the loss of the 21st Century grant.
Subtotal Other Funds:		\$ -	\$ 196,810	
Net Operating Changes:		\$ 2,421,403	\$ 2,055,387	

FY2018/19 Approved Budget

Multi-year Project Appropriations

Project Name (Number)	Fund Name (Number)	Expenditure Adjustment	Description
Advanced Life Support Equipment Program (F12000200)	General Fund (1001)	260,000	Funding to purchase an ambulance and durable equipment for the addition of Medic 4.
City Facility Reinvestment Program (C13900000)	General Fund (1001)	(170,000)	Transfer resources for the removal of the History Museum Escalator project.
Gang Prevention and Intervention (I02000600)	General Fund (1001)	62,350	Increase the project budget based on receipt of the California Violence Intervention and Prevention Grant.
History Museum Escalator Removal (C15000810)	General Fund (1001)	170,000	Establish a new project and expenditure budget with a transfer from C13900000.
Homeless Housing Initiative (I02000200)	General Fund (1001)	(106,737)	Transfer resources to the City Manager's Office expenditure budget to fund staff costs directly vs. through project reimbursements.
Subtotal General Fund (Fund 1001):		\$ 215,613	
Measure U Park Improvements (L19706000)	Measure U (2401)	(100,000)	Transfer resources to pay for the Oki Park Restroom Renovation and Tahoe Park Restroom/Utility Building projects.
Oki Park Restroom Renovation (L19186100)	Measure U (2401)	50,000	Funding for the renovation of the restroom at Oki Park.
Oki Park Restroom Renovation (L19186100)	Park Development Impact Fee (3204) Quimby Act (2508)	(50,000)	Replace the budgeted funding with Measure U Funds.
Stanford Park Restroom Replacement (L19167400)	Park Development Impact Fee (3204) Quimby Act (2508)	-	Fund the restroom replacement with Fund 3204 instead of Fund 2508.
Tahoe Park Restroom/Utility Building (L19168200)	Measure U (2401)	50,000	Funding to renovate the restroom and utility building at Tahoe Park.
Tahoe Park Restroom/Utility Building (L19168200)	Park Development Impact Fee (3204)	(50,000)	Replace the budgeted funding with Measure U Funds.
Subtotal Other Funds:		\$ (100,000)	
Net Project Changes:		\$ 115,613	

POSITION CHANGES

Department Fund Name	Job Classification	Union (Rep. Unit #)	FTE Change	Description
CITY MANAGER				
General	Program Analyst	SCXEA (01)	1.00	Provide additional staff for the Office of Homeless Services.
General	Administrative Analyst	SCXEA (01)	1.00	Provide additional staff for the Office of Homeless Services.
Subtotal FTE Change:			2.00	

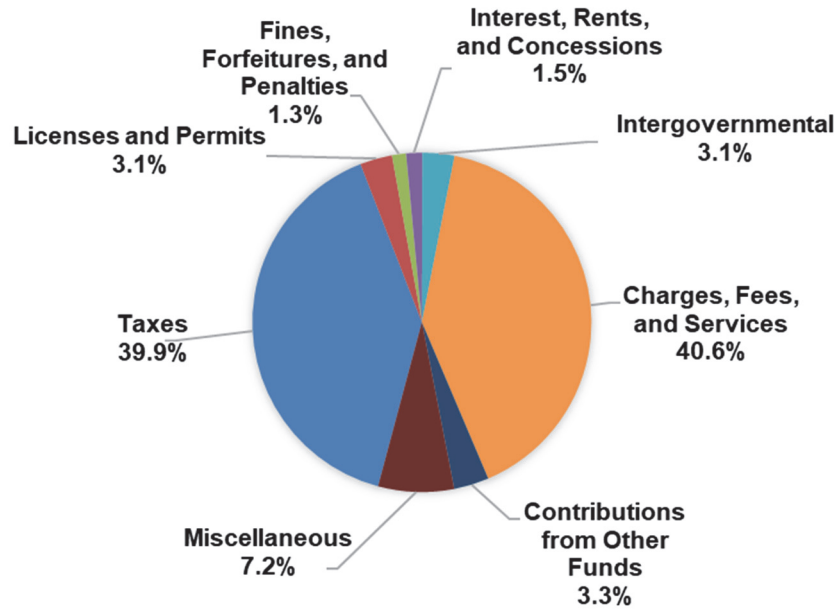
FY2018/19 Approved Budget

POSITION CHANGES (cont.)

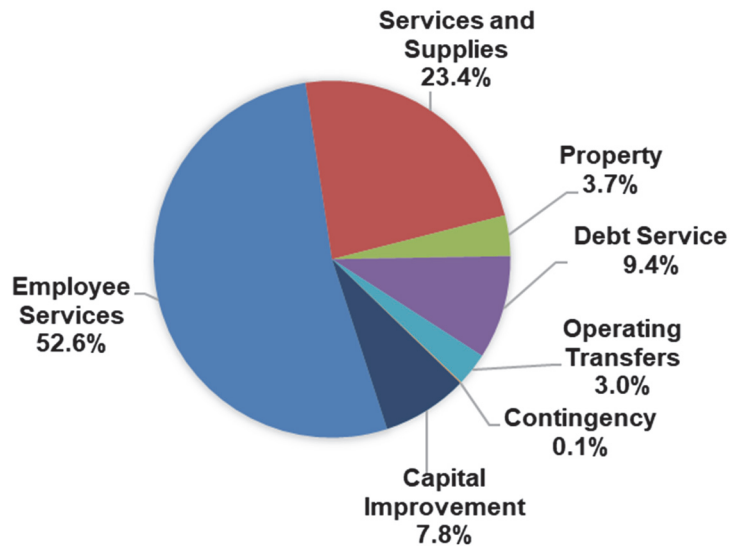
Department Fund Name	Job Classification	Union (Rep. Unit #)	FTE Change	Description
CONVENTION AND CULTURAL SERVICES				
General	Zoo Attendant II	Local 39 (03)	(2.00)	Eliminate two vacant positions and transfer the General Fund resources to the Office of Homeless Services to support additional staffing.
Subtotal FTE Change:			(2.00)	
FIRE				
General	Firefighter Paramedic	Local 522 (05)	6.00	Provide staffing (6.0 FTE Firefighter Paramedics) for Medic 4.
Subtotal FTE Change:			6.00	
YOUTH, PARKS, AND COMMUNITY ENRICHMENT (YPCE)				
START	Program Coordinator	Local 39 (16)	(2.00)	Eliminate positions due to the loss of the 21st Century Grant
START	Program Leader	Local 39 (16)	(2.25)	Eliminate positions due to the loss of the 21st Century Grant
START	Recreation Aide	Unrepresented	(7.70)	Eliminate positions due to the loss of the 21st Century Grant
Subtotal FTE Change:			(11.95)	
Total Change:			(5.95)	

Total Approved City Budget: \$1.1 Billion

Revenues



Expenditures



Note: The above charts do not include other sources and uses as represented in Schedules 2A and 2B.

Proposed Budget Overview

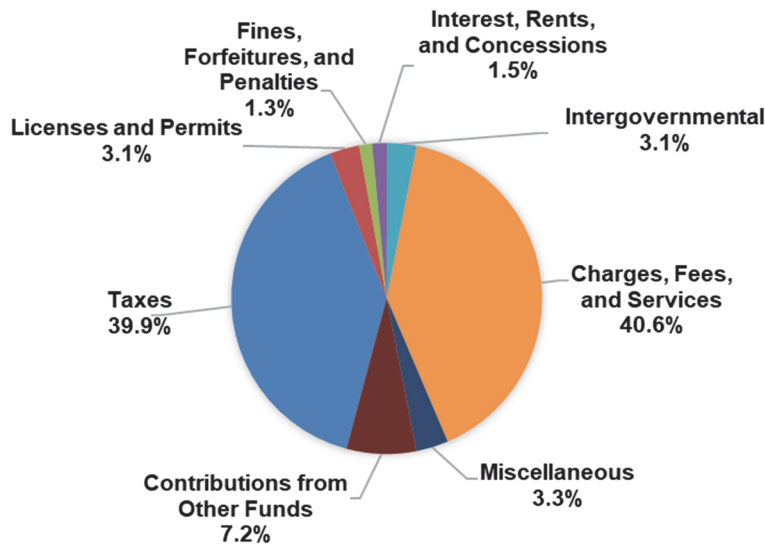
(As written on April 23, 2018, with technical adjustments as necessary to reflect Council intent.)

INTRODUCTION

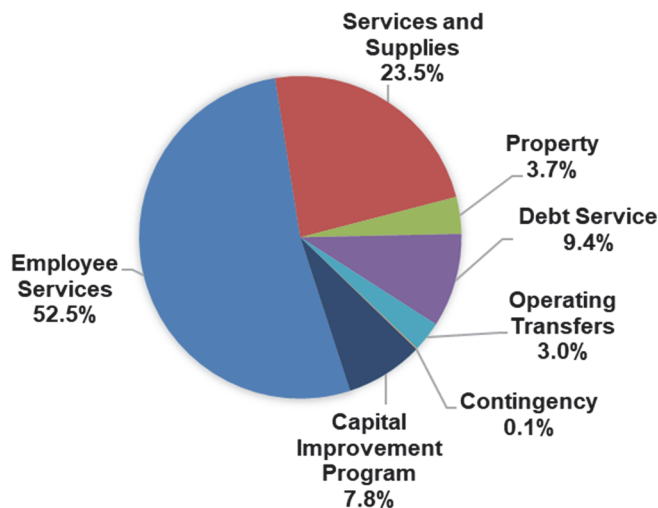
The FY2018/19 Proposed Budget (Budget) is balanced and reflects adopted Council priorities, City policies, goals, and planning/programming guides. The Budget outlines anticipated revenues and program/service resource allocation recommendations.

The Budget totals approximately \$1.1 billion from all funding sources and supports 4,555.93 full-time equivalent (FTE) positions. This includes \$484.4 million for General Fund operations and capital projects, and \$598.3 million for operations and capital projects for the City's Enterprise Funds and other fund activities. The following charts provide a summary of the Budget:

Revenues



Expenditures



Note: The above charts do not include other sources and uses as represented in Schedules 2A and 2B.

History of the City of Sacramento

The City of Sacramento was established in 1849 and became the capital for the State of California in 1854. Sacramento also serves as the seat of Sacramento County government. It is the seventh largest city in California with a population estimated at 493,025¹. The population of the County of Sacramento is estimated at 1,514,770.¹ Sacramento encompasses 100.1 square miles and is located in the northern section of California's Central Valley.

Sacramento is a charter city and operates under a Council-Manager form of government that currently provides for a nine-member elected City Council (Council), including an elected Mayor. There are no other elected City officials. Members of the Council serve alternating terms of four years, with the Councilmembers representing odd numbered districts up for reelection in 2018, and the Mayor and Councilmembers representing even numbered districts up for reelection in calendar year 2020. All registered voters in the City vote for the Mayor, while Councilmembers are elected by voters in specific districts. The Council appoints the City Manager, City Attorney, City Clerk, and the City Treasurer to carry out its adopted policies.

The City provides a full range of municipal services including police, fire, water, sewer, storm drainage, solid waste, code enforcement, construction and maintenance of parks and streets, planning and development, recreation and cultural activities, and general administration.

The Sacramento City Charter requires that the City Manager submit a proposed budget to the Council at least 60 days prior to the commencement of each fiscal year. Once approved by Council, this annual budget serves as the foundation for the City of Sacramento's financial planning and control. Budgetary control is maintained at the department level, by fund. Budgetary control for capital improvement projects is maintained at the individual project level.

The following information summarizes the City's key demographics and community profile.

¹ Based on California Department of Finance estimates as of January 1, 2017.

Demographics

The information presented is based on the 2012-2016 American Community Survey (ACS) 5-Year Estimates from the United States Census Bureau unless indicated otherwise.

Population by Sex

Percent female persons	51.3%
Percent male persons	48.7%

Race and Origin

White	33.6%
Black or African American	13.2%
American Indian and Alaska Native	0.3%
Asian	18.1%
Native Hawaiian and Other Pacific Islander	1.5%
Some other race	0.4%
Two or more races	4.7%
Hispanic or Latino (of any race)	28.1%

Housing Status

Total	194,034
Occupied	179,865
Owner-occupied	84,113
Renter-occupied	95,752

Average Household Size

Owner-occupied unit	2.72
Renter-occupied unit	2.58

Residential Vacancy Rate

Vacant	14,169
Homeowner vacancy rate	1.4%
Rental vacancy rate	5.1%

Home Values

Median value of owner-occupied units	\$259,400
Occupied units paying rent	93,336
Median gross rent	\$1,057

Commuting to Work

Mean travel time to work in minutes	24.9
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Occupation

Management, business, science, and arts occupations	82,939
Service occupations	42,860
Sales and office occupations	53,936
Natural resources, construction, and maintenance occupations	15,661
Production, transportation, and material moving occupations	19,857

Household Income

Total households	179,865
Median household income	\$52,071
Mean household income	\$70,598

Individual Income

Per capita income	\$27,146
Median earnings for workers	\$31,292

Education

Percent high school graduate or higher	83.7%
Percent bachelor's degree or higher	30.7%

Community Profile

The information presented is based on the City of Sacramento's Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2017.

Principal Employers

State of California	74,462
Sacramento County	12,514
Kaiser Permanente	10,517
UC Davis Health System	10,467
U.S. Government	10,322
Sutter Health	9,911
Dignity Health	8,039
Intel Corporation	6,000
Apple, Inc.	5,000
Elk Grove Unified School District	4,620
City of Sacramento	4,458

Capital Asset Statistics

Police:

Number of stations	4
Number of patrol units	234
Number of aircraft	4
Number of watercraft	5

Fire:

Number of stations	24
Number of fire suppression, support or prevention vehicles	162
Number of watercraft	1

Public Works:

Miles of streets	3,075
Number of street lights	42,627
Number of City parking spaces	4,775
Miles of off-street bikeways	57
Number of City garages and open parking lots	7

Youth, Parks, & Community Enrichment:

Number of parks	227
Park acreage	3,177
Number of community centers	13
Number of swimming pools (including wading pools)	27

Utilities:

Miles of water mains and distribution lines	1,604
Miles of sanitary sewers and storm drainage	1,876

Miscellaneous:

Number of boat harbor slips	475
Number of Community Convention Center events	430
Community Convention Center event attendance	905,733
Number of Zoo attendance	500,573

Budget Presentation

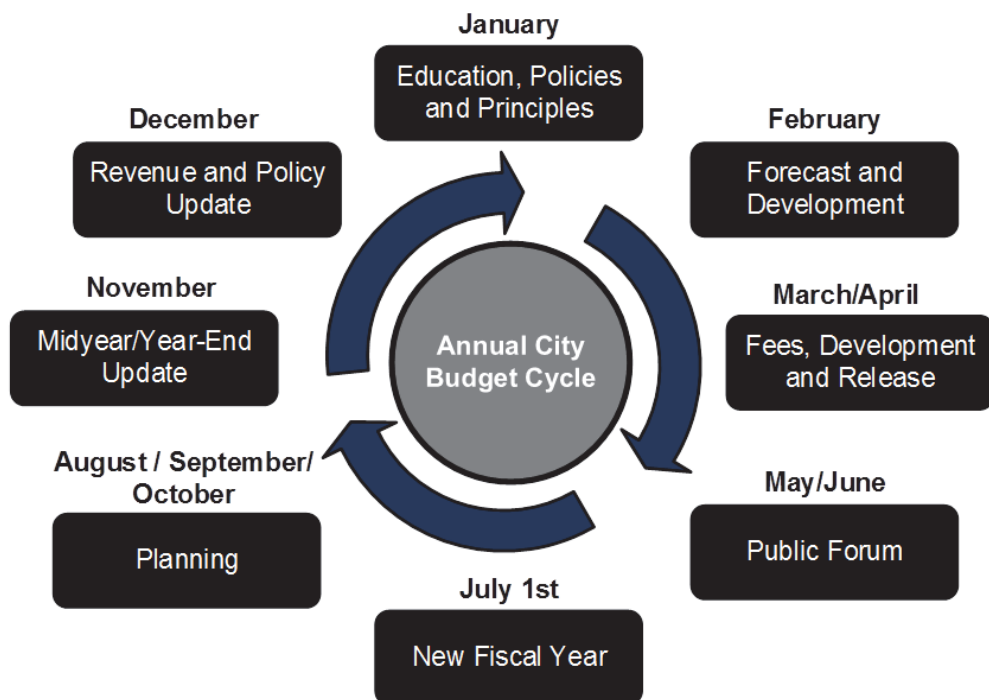
The presentation of the Budget is included in two documents: the FY2018/19 Proposed Operating Budget and the 2018-2023 Proposed Capital Improvement Program, which includes the FY2018/19 Capital Improvement Program (CIP) Budget. The Proposed budget document is available on the City’s website at:

www.cityofsacramento.org/finance/budget.

The Proposed Operating Budget includes the technical information concerning operating departments and estimated citywide revenues and expenses. The Forecast section provides an outline of anticipated revenue, including an explanation of assumptions and a five-year General Fund forecast (revenues and expenditures). The department sections provide a summary of appropriations and source of funds including the change from the prior year budget, as well as a summary of FTE positions. The Budget Schedules include a detailed estimate of staffing, revenues and expenditures for the General Fund, the Enterprise Funds, and other special revenue funds. The Staffing section provides a list of authorized positions for each department, by classification, including the changes in FTE.

The Budget Process

The Council continued efforts to engage and educate the community in the budget process and the City’s financial challenges over the long-term holding several community meetings in November 2017 through January 2018, including a community budget survey, and holding discussions at the Budget and Audit Committee (Committee) in January and Council meetings in February. The following graphic represents the City’s budget/program planning cycle:



The City's fiscal year is July 1 through June 30. As such, the Council adopts the City's operating and capital budgets for a single fiscal year beginning July 1 and ending June 30 in the subsequent calendar year.

To establish the annual budget, the Budget Division of the Finance Department, in coordination with the City Manager and the City's operating departments, develops a proposed revenue and expenditure plan for the coming fiscal year. The existing approved expenditure plan is carried over from the prior year and:

- Labor costs are updated to reflect current salaries and adjustments for taxes as well as salary and benefit changes called for in union contracts, estimates are also established for unrepresented employees.
- Cost Plan allocations which reimburse the General Fund for support provided to other funds are updated based on services (accounting, budget, facility maintenance, human resources, information technology (IT), payroll as well as Council and Charter Offices) provided.
- Debt service is updated to reflect the actual payments required.
- Fleet (City vehicles) expenditures including vehicle acquisition, fuel, operations and maintenance, and motor pool are updated based on prior year actual costs/usage and anticipated cost increases.
- General Liability and Auto Liability costs are updated based on annual experience and exposure cost allocation studies.
- Retiree health care costs and pension payments for the Sacramento City Employee's Retirement System (SCERS) are updated based on actuarial reports.

Departments are also provided with an opportunity to request budget changes to address ongoing initiatives like body worn cameras, IT security, utilities and staffing needs. These requests are submitted and reviewed by the City Manager's Office. Those that are approved are included in the budget augmentation summary in the letter and detailed in charts included in this section and the department operating budget sections.

A five-year revenue model is developed based on prior year actual revenue receipts and economic and revenue indicators to determine what resources, tax revenues, and other discretionary revenues will be available to support operating requirements. Detailed information on the revenue forecast is included in the Forecast Section. Similarly, capital improvement programs and projects are identified and funded with available General Funds, Enterprise Funds, Internal Service Funds, grants, transportation, and other funding sources as identified in Schedule 4 and detailed in the CIP.

This process creates the Budget that is presented to the Council for consideration in May and June. The direction provided by the Council during this public process may result in changes to the Budget which are incorporated after budget adoption. The City's

Approved Budget reflects the Budget as proposed and changes approved by the Council.

Financial Management Policies

The City of Sacramento develops its annual budget according to Council-adopted sustainable budget policies. These policies call for one-time funding sources to only be used for one-time operating and capital expenditures. Ongoing expenditures are to be matched with ongoing financing sources. Reserves are to be used in a planned and strategic manner. Five-year forecasts of the General Fund are to be updated as new information becomes available. Full reviews of revenue receipts in comparison to the budgetary estimates are to be performed and corrective actions recommended, if necessary.

The ongoing core of the Council's budget philosophy continues to be sustainability. The Council has adopted the following financial management policies that guide the development of the budget, financial decision making, and fund management:

- Emergency Medical Services (EMS) Revenue Recovery
- Budget Control
- Debt Management
- Development Stabilization Contingency Reserve (DSCR) and Development Services Fund Management
- General Fund Economic Uncertainty Reserve (EUR)
- Interfund Loans
- Investment
- Measure U Financial Management
- Other Post-Employment Benefits (OPEB)
- Pension Funding
- Risk Management Funding and Reserve

These policies are included in the Financial Policy Section of the document.

Budget Hearings

On May 1, 2018, the Committee will hold the first public hearing on the Budget. The Council will consider the budget during May and June with adoption scheduled for June 12, 2018. These meetings provide the Council and public with an opportunity to provide input on the Budget. The following reflects the planned hearing schedule, it is important to note that meeting dates may change as needed to address other City business.

FY2018/19 Budget Hearing Schedule¹

Legislative				
Date	Day	Time	Body	Subject
05/01/18	Tuesday	2:00 PM	Budget and Audit Committee	FY2018/19 Proposed Budget Overview and Fees & Charges Report
05/08/18	Tuesday	5:00 PM	City Council	(1) FY2018/19 Proposed Budget Overview and (2) Consolidated Department Budgets
05/15/18	Tuesday	2:00 PM	City Council	(1) 2018-2023 Capital Improvement Program, (2) Citywide Fees and Charges, and (3) YPCE Department budget and Measure U update
05/15/18	Tuesday	5:00 PM	City Council	(1) Fire Department budget and Measure U update, (2) Police Department budget and Measure U update
05/22/18	Tuesday	2:00 PM	City Council	HOLD
05/22/18	Tuesday	5:00 PM	City Council	HOLD
05/29/18	Tuesday	2:00 PM	Budget and Audit Committee	Adoption of the FY2018/19 Budget
05/29/18	Tuesday	5:00 PM	City Council	HOLD
06/07/18	Thursday	5:00 PM	City Council	HOLD
06/12/18	Tuesday	5:00 PM	City Council	Adoption of the FY2018/19 Budget

¹Schedule is subject to change, refer to agendas at: http://sacramento.granicus.com/ViewPublisher.php?view_id=21

Council Priorities

On February 14, 2017, the Council adopted the following Core Budget Policies and Guidelines (Resolution 2017-0078) for the annual Budget.

Core Budget Policies

1. City Council must adopt a balanced budget.
2. Funding decisions should be consistent with Council adopted policies.
3. The Economic Uncertainty Reserve shall be maintained at a minimum of 10% of budgeted General Fund revenues. Resources shall be added to maintain this level through the budget and midyear processes as necessary.

Budget Guidelines

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.

Budget Guidelines (continued)

5. All budget actions must be considered in a 5-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 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.

The budget hearings scheduled in May and June include the opportunity for the Council to review and provide direction on these policies and guidelines as well as other citywide priorities.

FY2018/19 Program and Service Improvements

The addition of ongoing positions/costs was limited, for the most part, to areas of critical operational need offset by increased revenues or cost recovery to minimize growth in the General Fund. Limited use of one-time resources for one-time expenses has also been proposed to address critical needs in several operating departments, invest in the City's infrastructure, and continued investment in energy and technology improvement focused on streamlining processes and implementing efficiencies.

The following chart details proposed net funding for the augmentations included in the Budget. A summary of the significant program and service improvements included in the Budget for the General Fund and the Enterprise Funds is provided below and additional information is provided in department sections.

General Fund

Department	Request	FTE Change	Net Budget Change
City Attorney	Add a position to address structural changes to the department divisions/programs, fully offset by labor savings and increased revenues.	1.00	-
City Manager	Add a position to support the Gang Prevention Intervention Task Force (GPITF), fully offset by the GPITF Program.	1.00	-
City Manager	Add two positions to support the Riverfront and Railyard projects, fully offset by these programs, along with identified labor savings, and provide funding to acquire properties located along the Riverfront, offset by a transfer of resources from existing multi-year operating projects (MYOPs).	2.00	-
City Manager	Provide funding for formations of Enhanced Infrastructure Financing Districts (EIFD), offset by a transfer of resources from existing MYOPs.	-	-
City Manager	Add a position to lead the Citywide Youth Development Plan.	1.00	176,610
City Treasurer	Add a position to support more intensive and complex investments, fully offset by labor savings.	1.00	-
Community Development	Add a position to support the Graffiti Abatement Program, fully offset by the Landscaping and Lighting Fund.	0.50	-
Community Development	Increase funding for medical and veterinary supplies for the Animal Care Division, offset by a realignment of General Fund resources in the Department.	-	-
Convention & Cultural Services	Add a position at the Sacramento History Center to manage digital assets and film collections, fully offset by revenues and a reduction in service and supplies.	1.00	-
Fire	Increase funding to the Sacramento Regional Fire/EMS Communications Center (SRFECC) Joint Powers Authority (JPA) to cover the increased cost of operations pursuant to the City's agreement with SRFECC.	-	400,000
Human Resources	Provide funding to cover costs associated with new employee orientations, training, class and compensation studies, and retiree benefit communications.	-	70,000
Information Technology	Provide funding to increase system security, add a Payment Card Industry (PCI) administration workstation, and upgrade the Enterprise SQL Server License (Microsoft Database Licenses).	-	33,000
Police	Add positions to address the increased workload associated with the management and release of BWC video.	4.00	353,292
Police	Add a position to support crime analysis, fully offset by a reduction of service and supplies.	1.00	-
Police	Provide funding to continue the expansion of Impact Teams from four days to seven days a week.	-	160,000
Public Works	Add positions to support increased roadway/bikeway maintenance efforts based on increased funding from SB 1, fully offset by reimbursements to the capital improvement program.	3.00	-
Public Works	Add a position to support ongoing high priority sustainability program initiatives, including electric vehicle strategy implementation and citywide energy conservation programs, fully offset from labor savings.	1.00	-
Youth Parks and Community Enrichment	Add positions to staff the new youth division created in FY2017/18 as part of the department reorganization.	2.00	170,693
Youth Parks and Community Enrichment	Add positions to staff the Tahoe pool complex previously managed by a nonprofit organization and to staff Camp Sacramento, fully offset by increased revenues and a reduction of service and supplies.	4.29	-
Youth Parks and Community Enrichment	Add funding to provide security for City Cemetery previously funded by Risk Management.	-	50,000
Total General Fund:		22.79	\$ 1,413,595

FY2018/19 Approved Budget

Other Funds

Department / (Fund)	Request	FTE Change	Amount
Information Technology (Enterprise)	Provide funding to increase system security, add a PCI administration workstation, and upgrade the Enterprise SQL Server License (Microsoft Database Licenses).	-	39,284
Public Works (Solid Waste)	Add a position to support a new statewide mandate (SB 1383) requiring the reduction of organic waste.	1.00	115,577
Utilities (Storm Drainage)	Add staffing to provide maintenance of generators, to complete the Security Master Plan, and to maintain compliance with all applicable regulations.	5.00	907,664
Utilities (Water)	Add staffing and services and supplies to meet customer service performance goals, to meet regulatory requirements, and to support the Asset Management Program.	9.00	1,750,629
Total Enterprise Funds:		15.00	\$ 2,813,154

2018-2023 CIP

The FY2018/19 CIP Budget totals \$84.5 million, funding 125 projects in all program areas in various geographic areas of the city. The General Fund total for capital expenditures in FY2018/19 is \$8.8 million. The five-year program totals \$350.9 million from all funding sources. The General Fund portion of the five-year program is \$42.4 million. The following chart highlights several new and/or significant investments included in the FY2018/19 CIP Budget.

General Fund

CIP Name / (Number)	Description	Budget
Body Worn Camera Program (F11100500)	New program with annual funding to support equipment, storage, and technology.	275,000
Fire Safety Equipment Program (F12000500)	Annual funding increase to address the required replacement cycle for personal protective equipment (PPE).	600,000
Police IT Critical Infrastructure (F1110600)	New program with one-time funding for the purchase of mission critical technology infrastructure including data storage, network infrastructure and backup solutions.	839,000
Total General Fund:		\$ 1,714,000

Other Funds

CIP Name / (Number) (Fund Name)	Description	Budget
Bell Avenue - Complete Street Rehabilitation (T15145600) (Federal Capital Grants)	Rehabilitate pavement and provide continuous sidewalk and bike lanes on Bell Avenue.	4,845,024
Body Worn Camera Program (F11100500) (CalEPA Fund)	New program with annual funding required to support equipment, storage, and technology.	587,000
Fruitridge Road Streetscape Enhancements (T15036300) (Federal Capital Grants)	Provide streetscape enhancements including new curbs, gutters and sidewalks on Fruitridge Road.	2,971,000
Meadowview Road Streetscape (T15145500) (Federal Capital Grants)	Provide streetscape enhancements including medians, bike lanes and separated sidewalks on Meadowview Road.	4,093,000

Other Funds (continued)

CIP Name / (Number) (Fund Name)	Description	Budget
North 12th Complete Street (T15165000) (Federal Capital Grants)	Provide a two-way bicycle track with streetscape to connect the American River bike trail to downtown Sacramento.	2,858,000
Street & Bikeway Overlays & Seals Program (R15182000) (Road Maintenance and Rehabilitation Fund)	Projects to address the growing maintenance backlog for the roadway maintenance program with funding from the Road Maintenance and Rehabilitation Fund and the Gas Tax fund in accordance with SB 1.	8,800,000
Two Rivers Trail Phase II (K15125000) (Other Capital Grants Fund)	Funding to design and construct a bike trail on the south side of the American River between State Route 160 and H Street.	3,333,000
Total Other Funds:		\$ 27,487,024

Performance Measurement

A performance management program is an important tool in city management. It offers a method of measuring the success of programs and activities in achieving outcomes that reflect public priorities. The establishment and evaluation of performance metrics and business improvement activities will serve to inform operational and strategic decision-making throughout the organization. As a management tool, it will aid in evaluating how well programs are providing quality services.

The National Performance Management Advisory Commission’s “*A Performance Management Framework for State and Local Government*,” provides a model for public sector performance management based on seven key principles, which can be applied to local government planning, budgeting, management, and evaluation to bring together critical processes and decision making to improve results. The seven principles ensure that:

1. ***A results focus permeates strategies, processes, the organization culture, and decisions.*** While compliance with prescribed processes can assure fairness, fiscal integrity, or adherence to the law, it does not necessarily result in substantial benefits to the public. Performance management assures that the organization’s culture and processes are aligned with the goals the organization wishes to achieve.
2. ***Information, measures, goals, priorities, and activities are relevant to the priorities and well-being of the government and the community.*** To achieve results, an organization must first establish goals and performance targets that are relevant to stakeholders. It then must ensure that all levels of the organization (e.g., policy makers, managers, staff, and others) understand how to implement performance management tools that will achieve those goals.
3. ***Information related to performance, decisions, regulations, and processes is transparent, i.e., easy to access, use, and understand.*** The transparency (i.e., completeness, organization, and understandability) of performance

information is critical to fostering evidence-based planning, budget, and decision making.

4. **Goals, programs, activities, and resources are aligned with priorities and desired results.** Effective performance management systems ensure alignment among an organization’s goals, priorities, programs, activities, resources, and desired results.
5. **Decisions and processes are driven by timely, accurate, and meaningful data.** Collecting, storing, and applying performance data is essential to tracking and understanding results.
6. **Practices are sustainable over time and across organizational changes.** “Performance management is not an event, a program, or a quick fix...” Efforts must be sustainable, flexible, and adaptable enough to keep up with inevitable changes, whether those changes take place within the organization’s leadership or the community in which the organization is located.
7. **Performance management transforms the organization, its management, and the policy-making process.** An organization that has been truly transformed by performance management uses evidence-based planning and management, objective goal setting, and alignment of its structure, systems, and resources to achieve its desired results.

The City has been working on performance management with departments to identify measures that address these principles. While department sections include a few key measures, there are many additional measures being tracked citywide. The City Manager’s Office directly oversees this program and is working to focus on strengthening existing measures and adding measures that are important to the Council, our community, and the operating departments/management.

On the Horizon – Future Fiscal Challenges

Although there is good news relative to revenue growth, it is important that residents, Council, and staff keep in mind the challenges ahead. By now, these are familiar topics as increasing labor costs and liabilities continue to compete with Council and community needs and priorities. The following summarizes a few of the challenges ahead, which are not only General Fund issues as costs in the Enterprise Funds continue to grow as well.

Rising Labor Costs

While the Council recently approved two-year contracts with the majority of its recognized employee organizations (REOs), the City’s contract with the Sacramento City Exempt Employees Association (SCXEA), its management group, will expire in June 2018 and the Sacramento Area Firefighters Local 522 (Local 522) will expire in December 2018. Given the deficits projected in the General Fund forecast (see

Forecast Section), assumptions for future labor cost increases for these groups have not been included in the FY2018/19 budget or five-year forecast.

Annual Pension Costs—California Public Employees’ Retirement System (CalPERS)

On December 21, 2016, the CalPERS Board of Administration (Board) voted to lower the discount rate from 7.5% to 7%. Based on estimated rate increases provided by CalPERS, the City’s pension cost in the General Fund alone will increase by \$67 million over the eight-year phase in which began in FY2017/18. The final year of the phase in for this change is FY2024/25.

In February 2018, CalPERS voted to change their amortization policy effective June 30, 2019. This change will shorten the period over which actuarial gains and losses are amortized from 30 years to 20 years. This change will only apply to new gains/losses established on or after the effective date of the policy change. The Board also approved an updated experience study in February which includes a review of the economic and demographic changes since the prior study (March 2014). The economic review focuses on price inflation, wage inflation, payroll growth, and the long-term expected rate of return on assets. The demographic review focuses on how long members are working, what benefits members will receive (service retirement, disability retirement, death benefits, refund of contributions), how long retirees live, and salary increases. This study is completed every four years and plan assets are adjusted based on the results of the study.

The CalPERS valuation reports for FY2019/20 will include the changes related to the discount rate, the amortization period as well as the new experience study. The Forecast section of the Budget provides additional information on pension cost increases.

General Liability and Auto Liability Insurance (GL&AL)

Insurance premiums have been rising in recent years, primarily excess liability premiums. These increases are driven by the City’s loss history, which has seen an increase in large liability losses since FY2011/12. Additionally, the excess liability insurance market for public entities has tightened nationwide due to challenges related to recent highly publicized liability claims.

The General Fund contribution to the GL&AL Fund was increased from \$12.71 million in FY2017/18 to \$15.71 million in FY2018/19. Risk Management is projecting annual increases to the GL&AL of 15-20% and a 10% increase in workers’ compensation and property premiums. The Forecast section of the Budget provides additional information on GL&AL cost increases.

Measure U

Measure U, the City’s half-cent transactions and use tax was approved by voters in November 2012 and became effective on April 1, 2013, for a six-year term, expiring on March 31, 2019. Measure U resources for FY2018/19 are estimated at \$52.3 million (estimated revenues of \$36.5 million and available fund balance of \$15.8 million). These

valuable resources provide the Police, Fire, and Youth, Parks, & Community Enrichment Departments the funding needed to maintain programs and services through this fiscal year. Additional detail on Measure U programming is included in the Forecast and department sections of this document.

Measure U Renewal: The Committee has directed staff to begin working on information relative to the impact of the loss of Measure U resources and options for the renewal/extension of Measure U in November 2018. This information will include an outline of the programs and services currently funded by Measure U and an approach for phasing reductions with the loss of these revenues. Until there is an affirmative vote to renew/extend this revenue source, staff will continue to provide Council a financial forecast that reflects the expiration of Measure U in March 2019.

It should be noted that based on current fund reserves and planned spending in the current year, resources will be depleted by year-end. If the proposed ballot measure in November 2018 to renew Measure U fails, a plan for the elimination of the programs and services restored will be presented to Council for consideration as part of the FY2018/19 Midyear Budget.

Other Post-Employment Benefits (OPEB)

The City currently provides a medical insurance subsidy to retirees who meet certain longevity standards, on a pay as you go basis. The benefit has been eliminated for new employees, except for employees in Local 522.

Several years ago, the Governmental Accounting Standards Board (GASB) set new standards (GASB Statement 45, subsequently updated by GASB Statements 74 and 75) that required reporting of the cost of the retiree medical benefit on an accrued actuarial basis and to put forward a plan to fund the benefit. At that time, the unfunded accrued liability for retiree benefits was estimated to be \$380 million. In an effort to address this liability, the City, for the first time in FY2015/16, began contributing annually (\$1.2 million for FY2018/19) to the City's OPEB Trust (Trust) and adopted the OPEB Funding Policy. This policy directed staff to continue efforts to reduce and eventually eliminate this liability. Council also authorized the transfer of any available resources in the CalPERS budget accounts at the end of the fiscal year to the Trust.

Continuation of this funding is included in the Budget and is assumed in the General Fund five-year forecast. The current estimated OPEB liability is \$416 million as of June 30, 2017 and there is currently \$29.8 million in the Trust (\$1.8 million of this is for a separate trust for Local 522 employees/retirees) to fund this liability. This does not include the transfer of FY2016/17 year-end resources (\$5.3 million) directed to the Trust. This transfer will be done after adoption of the FY2018/19 Budget.

Transportation Funds

Dedicated transportation funds include state gas tax apportionments, newly adopted revenue through SB 1, the California Road Repair and Accountability Act (adopted April 6, 2017), and the City's share of countywide transportation sales tax. These are used to

sustain operational needs, emergency repairs, comply with regulatory requirements, and where available to replace and modernize aging infrastructure and equipment. Historically, about 70% of transportation funding has been used to maintain ongoing operations funding staff, equipment, vehicles, materials, and supplies to maintain the system used by hundreds of thousands of automobiles, trucks, cyclists, buses, and pedestrians daily. The Budget focuses on funding critical and mandated day-to-day transportation operations, critical projects, and key priorities, including active transportation, transportation technology, and safety improvements.

There has been an effort to place a measure on the November 2018 ballot to repeal SB 1. If SB 1 revenues were to be repealed, all projects proposed to be funded with this revenue, including maintenance projects and grant-funded projects, would need to be halted. The FY2018/19 CIP Budget includes \$8.2 million for street and bikeway overlays and seals program (R15182000) that would be affected.

Golf Special Revenue Fund

Beginning in FY2000/01 the revenues in the Golf Fund were insufficient to support operational and capital expenditures. Over the course of five years, five loans totaling \$6.2 million were made from the City's Risk Fund to cover capital improvements and bridge the gap between revenues and expenditures. Efforts to right-size the fund included changing from an enterprise fund to a special revenue fund in FY2005/06 to reduce administrative costs associated with operating an Enterprise Fund (\$800,000 annual savings). Subsequently in October 2011, the City entered into a public/private partnership with Morton Golf, LLC to maintain the City's golf courses as Morton was able to demonstrate that it could deliver these services, absent the existing operating debt, within program revenues.

Currently, there are two existing loans from the Risk Fund, one for capital and one for operations. With interest these loans now total \$6.9 million. The capital loan has a current balance of \$2.2 million and is being paid from revenues received from Morton Golf. The operating loan has a current balance of \$4.7 million and the General Fund is making interest only payments.

Based on a review of the existing debt and lease agreement it does not appear that there will be adequate resources in the Golf Fund to repay this operating loan until FY2021/22 provided the terms of the agreement with Morton Golf, LLC are not modified.

General Fund Revenues: Options and Opportunities

The fiscal reality is that current expenditure commitments are unsustainable given the lack of significant revenue growth above expected expenditures. The City's multi-year labor agreements, coupled with growing pension and benefit costs, are driving expenditure growth well in excess of revenue growth. Budget sustainability requires that annual operating cost increases be held to a level at or below annual revenue growth and/or cutting, reducing or eliminating expenditures. As stewards of the City's resources, the Council must consider all options and opportunities to ensure that the City's financial position is sustainable over the long-term.

- **Evaluate revenue potential related to the regulation of the cannabis industry:** As the City moves forward with the implementation of regulations on the cannabis industry additional Business Operations Tax (BOT) and Sales Tax revenues will be received. Staff will develop a model to estimate revenues based on applications received and permits issued for the various types of businesses that will be regulated. Revenue estimates will be provided as information becomes available.
- **Update BOT (requires voter approval):** In 2010 the national consulting firm Management Partners recommended that the City pursue changes to Sacramento's BOT. BOT rates have not been adjusted since 1991. During the 2010 budget hearings the changes were briefly considered but were subsequently withdrawn from consideration by the Council at the request of the business community. Options include, but are not limited to, providing for a cost-of-living adjustment and resetting the BOT minimums and caps.
- **Direct revenue from redevelopment dissolution to the General Fund:** Council adopted Resolution 2015-0172 directing the revenue resulting from the dissolution of redevelopment to the Innovation and Growth Fund. These are General Fund revenues and could be used to support the City's ongoing programs and services.
- **Support state legislative efforts to maximize sales and property taxes for local government:** The City will continue to oppose legislation that calls for additional unfunded mandates on local governments. Further, the City will support legislation that increases and protects state-shared revenue, expands local opportunities for public-private partnerships, and collection of revenue from non-traditional vendors in the areas of transient occupancy taxes for online travel companies and Utility User Tax (UUT). The City will also advocate for a solution to disabled parking placard abuse to ensure access for those with disabilities and to collect meter revenue lost due to ongoing abuse.
- **Negotiate additional cost sharing of CalPERS cost increases:** All of the current REO contracts include a requirement for employees to pay a portion of the City's increased costs to CalPERS. As costs continue to increase many cities have been successful in negotiating with their REOs for employees to share in the burden of the cost increases to reduce costs to the City.

Conclusion

While revenues continue to experience strong growth, increasing pension costs, labor contract pressures, and the expiration of Measure U will challenge General Fund budget sustainability over the long-term. In FY2019/20 the City will again be challenged with ongoing expenditures exceeding ongoing revenues. With this fiscal reality, the Budget reflects a status quo budget, with very limited increases in positions most of which are fully offset and minimal ongoing General Fund increases in critical areas.

3

SECTION – 3 The Forecast

Revised Financial Forecast

General Fund: The changes to the FY2018/19 Proposed Budget as summarized in the Budget Overview resulted in changes to General Fund revenues and expenditures. The General Fund forecast as shown below has been updated to reflect the budget as approved.

FY2018/19 General Fund Forecast

General Fund (\$ in 000s)	FY19 Approved	FY20 Projection	FY21 Projection	FY22 Projection	FY23 Projection	FY24 Projection
Beginning Fund Balance	8,784	2,880	1,203	-	-	-
Revenues	493,549	498,653	503,670	511,752	520,201	528,933
Total Resources	502,333	501,533	504,873	511,752	520,201	528,933
Expenditures						
Operations	468,259	487,335	502,902	515,090	529,225	538,976
Capital/Multi-year Projects	20,194	18,995	19,266	19,825	19,820	19,820
Total Expenditures	488,453	506,330	522,168	534,915	549,045	558,796
Annual Surplus/(Deficit)¹	5,096	(7,677)	(18,498)	(23,163)	(28,844)	(29,863)
Commitments/Transfers						
Commitment for Pension Liabilities (existing balance is \$5 million)	(8,500)	6,000	7,500	-	-	-
Economic Uncertainty Reserve	(2,500)					
Ending Fund Balance	2,880	1,203	(9,795)	(23,163)	(28,844)	(29,863)
Loss of Measure U / Measure U Reserve	-	(48,589)	(49,885)	(50,842)	(51,997)	(53,152)
Ending Fund Balance w/Loss of Measure U	2,880	(47,386)	(59,680)	(74,005)	(80,841)	(83,015)

¹Revenues less Total Expenditures

Measure U: No changes were made between the FY2018/19 Proposed Budget to the Approved Budget for programs and projects supported by the Enterprise Funds.

Enterprise Funds: No changes were made between the FY2018/19 Proposed Budget to the Approved Budget for programs and projects supported by the Enterprise Funds.

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Proposed Financial Forecast

(As written on April 23, 2018, with technical adjustments as necessary to reflect Council intent.)

Financial Forecast

The purpose of financial forecasting is to evaluate current and future fiscal trends and conditions to serve as a guide for policymakers in the consideration and prioritization of policy and programmatic decisions. The financial forecast is a fiscal management tool that presents estimated information based on past, current, and projected financial conditions. This tool helps identify future revenue and expenditure trends that may have an immediate or long-term influence on government policies, strategic goals, or community services.

This section includes five-year forecasts for the General, Measure U, and Enterprise Funds. The information in these forecasts provides a current picture of the fiscal condition of the fund, establishing an important context to the decision-making necessary in efforts to maintain both essential community services and fiscal stability.

General Fund Overview

With conservative management of expenses and robust revenue growth that reflects a stronger economy, the General Fund budget is balanced with ongoing General Fund expenditures expected to be below projected revenues in the budget year. Revenues are projected to grow by 6.0% compared to the FY2017/18 Approved Budget, while expenditures are expected to grow by 5.5%. This positive balance is the result of significant growth in major tax revenues, particularly property taxes, described in the General Fund Revenue section.

Council approved labor agreements with eight of the City's nine recognized employee organizations (REOs) in FY2017/18, the majority of which were two-year contracts expiring at the end of FY2018/19. The existing contract with the Sacramento City Exempt Employees Association (SCXEA) will expire in June 2018 and contracts with the Auto, Marine and Specialty Painters (Local 1176) and Sacramento Area Firefighters (Local 522) will expire in December 2018. In FY2018/19 employee service costs increased by \$38.8 million over the prior year, \$11.9 million (31%) of this increase is related to increased payments to CalPERS.

The five-year forecast has identified fiscal challenges beginning in FY2019/20 when expenditures (primarily due to CalPERS discount rate changes) are predicted to surpass revenues. Any salary increases beyond those already included in the approved REO agreements will further increase the gap between revenues and expenses in future years.

The Five-Year General Fund Forecast

Given the Council's sustainable budget policy, proposed fiscal actions are evaluated in both a short and longer-term context. The five-year forecast is an essential tool in the City's long-range financial planning process, providing a multi-year view of revenues

and expenditures, allowing an assessment of the fiscal consequences of both prior and current funding decisions in the context of forecasted revenues and expenditures. The forecast is based on the most recent national, state, regional and local economic data and changes in both economic conditions and anticipated future costs are key components of the long-range forecasting process. The forecast is developed during the annual budget process and updated at midyear based on identified changes to revenue and expenditure indicators and trends. Additionally, if there were significant changes to either revenues and/or expenditures during the year the impact of those changes would be reported to Council as soon as practicable.

The FY2018/19 General Fund forecast anticipates a \$4.8 million surplus at the end of FY2018/19. This can mainly be attributed to strong revenue growth, 6% above FY2017/18 across several revenue sources. While General Fund revenues increased by \$27.8 million from the FY2017/18 Approved budget, expenditures grew by \$25.2 million, and overall expenditures are projected to surpass revenues in all future years of the five-year model.

The five-year forecast allows the City to anticipate potential challenges and make course corrections via budget and operational adjustments. While we will operate with a structurally balanced budget again this year, our five-year budget outlook continues to show that the City will face increasing cost pressures going forward that must be addressed in future years. The most pressing challenges in the forecast are familiar:

- CalPERS pension costs will increase by \$47.3 million or 58% over the next five years.
- Labor contracts settled with eight REOs during FY2017/18 added significant ongoing costs. One contract will be negotiated over the next few months for the remaining unit and could add additional ongoing expenditures to the General Fund.
- Rising OPEB costs as the City sees more of the baby boomer generation begin retirement.

The Budget includes the addition of \$8.5 million to the existing \$5 million commitment of General Fund resources to address future pension increases. These resources will be used to address a portion of the annual pension increases anticipated as a result of the CalPERS discount rate change. Commitments of General Fund resources and existing fund balance, while one-time in nature, will provide the City with the opportunity to address projected deficits in FY2019/20 and help in reducing the deficit in FY2020/21. However, consistent with Council's adopted policies and guidelines relative to the use of one-time funding, it will be necessary to align ongoing expenditures and revenues over the long-term.

The chart below reflects the variance between ongoing revenues and ongoing expenditures over the term of the forecast. It is essential to understand and evaluate indicators/issues that affect the assumptions included in the forecast. The model used

to develop the forecast relies on detailed assumptions related to both revenues and expenditures, distinguishing between ongoing and one-time revenue and costs to further refine the estimates. Details on the assumptions used to develop the forecast are also outlined below.

FY2018/19 General Fund Forecast

General Fund (\$ in 000s)	FY19 Projection	FY20 Projection	FY21 Projection	FY22 Projection	FY23 Projection	FY24 Projection
Total Revenues	491,128	495,532	500,249	507,731	515,980	524,712
Operations	466,400	485,216	500,704	513,015	527,106	536,857
Capital/Multi-year Projects	19,978	19,039	19,389	19,825	19,864	19,864
Total Expenditures	486,378	504,255	520,093	532,840	546,970	556,721
Annual Surplus/(Deficit)	4,750	(8,723)	(19,844)	(25,109)	(30,990)	(32,009)

Consistent with the Council adopted Measure U Policy, the City Manager was directed to prepare a transition plan to address the expiration of Measure U in March 2019. Unfortunately, given the significant growth in General Fund expenditures, adequate resources have not been available to transition Measure U programs to the General Fund with the exception of minor adjustments needed to maintain fiscal balance in the Measure U Fund. The following table depicts the current five-year forecast, including the expiration of Measure U in March 2019.

FY2018/19 General Fund Forecast Including Measure U and Fund Balance

General Fund (\$ in 000s)	FY19 Projection	FY20 Projection	FY21 Projection	FY22 Projection	FY23 Projection	FY24 Projection
Beginning Fund Balance	8,784	2,534	311	-	-	-
Revenues	491,128	495,532	500,249	507,731	515,980	524,712
Total Resources	499,912	498,066	500,560	507,731	515,980	524,712
Operations	466,400	485,216	500,704	513,015	527,106	536,857
Capital/Multi-year Projects	19,978	19,039	19,389	19,825	19,864	19,864
Total Expenditures	486,378	504,255	520,093	532,840	546,970	556,721
Annual Surplus/(Deficit)	4,750	(8,723)	(19,844)	(25,109)	(30,990)	(32,009)
Commitments/Transfers						
Commitment for Pension Liabilities (existing balance is \$5 million)	(8,500)	6,500	7,000	-	-	-
Economic Uncertainty Reserve	(2,500)					
Ending Fund Balance	2,534	311	(12,533)	(25,109)	(30,990)	(32,009)
Loss of Measure U / Measure U Reserve	-	(48,589)	(49,885)	(50,842)	(51,997)	(53,152)
Ending Fund Balance w/Loss of Measure U	2,534	(48,278)	(62,418)	(75,951)	(82,987)	(85,161)

While the City continues to benefit from the economic recovery with revenues growing at a substantial rate, the level of revenue growth forecast for FY2018/19 is unsustainable over the long-term and as stated previously, expenditures are expected to outpace revenues in FY2019/20. Escalating employee salary and benefit costs and the increasing costs of operations and maintenance of aging infrastructure continue to be a challenge.

The strategic use of one-time resources provides a tool to bridge the gap, however, the use of one-time funding for ongoing expenses over the long-term is inconsistent with adopted budget policies and guidelines. Further, this will require extraordinary discipline to ensure those resources remain available for future year budget balancing. Budget sustainability requires that annual operating cost increases be held to a level at or below annual revenue growth and/or cutting or eliminating specific expenditures.

General Fund Expenditures

The single largest expenditure in the General Fund is the cost of our employees who support department operations through the delivery of programs and services to the community. The Budget and forecast include scheduled salary increases based on existing labor agreements. As mentioned above, the forecast does not include future labor cost growth related to upcoming contract negotiations. In FY2018/19 labor costs increased by approximately 8.5% the result of approved salary increases, movement of employees through salary steps and cost increases associated with pension benefits.

The Budget includes two new fiscally responsible actions aimed at addressing known fiscal challenges:

- Commitment for future pension increases: \$8.5 million will be set-aside as a commitment to future pension liabilities bringing the pension reserve to \$13.5 million. These resources will be used in FY2019/20 and FY2020/21 to offset the known CalPERS cost increases.
- Economic Uncertainty Reserve (EUR): \$2.5 million will be added to the EUR. Resources to fund this transfer are offset by an increase in General Fund revenues from the City/County sales tax sharing agreement. Transfer of these resources to the EUR on a one-time basis will maintain the EUR at 10% of revenues over the term of the five-year forecast.

California Public Employees' Retirement System (CalPERS)

On December 21, 2016, the CalPERS Board of Administration (Board) voted to lower the discount rate from 7.5% to 7%. The discount rate reduction was approved after review by the Board of the current funding status of the retirement fund, projected investment return rates over the next decade, an overview of CalPERS assets and liabilities, and discussions with stakeholders. The CalPERS Board last lowered the discount rate, from 7.75% to 7.5%, in 2012.

The reduction plan is as follows, with each change phased in over five years:

FY2018/19: 7.375%
FY2019/20: 7.250%
FY2020/21: 7.000%

The effect of this change will be an increase in employer rates and the associated cost increases will be phased in over an eight-year period. The pension cost (normal cost and unfunded liability combined) in the General Fund alone is projected to be \$134

million in FY2024/25 when the rate change is completely phased in. This reflects an increase of more than \$66.9 million over the eight years which is a 99.6% cost increase from FY2017/18 to FY2024/25. This is equivalent to an 18.3% salary increase over the eight-year phase in, or 2.3% per year.

In addition, in February 2018, CalPERS changed their amortization policy effective 6/30/2019. The amortization policy change is summarized below:

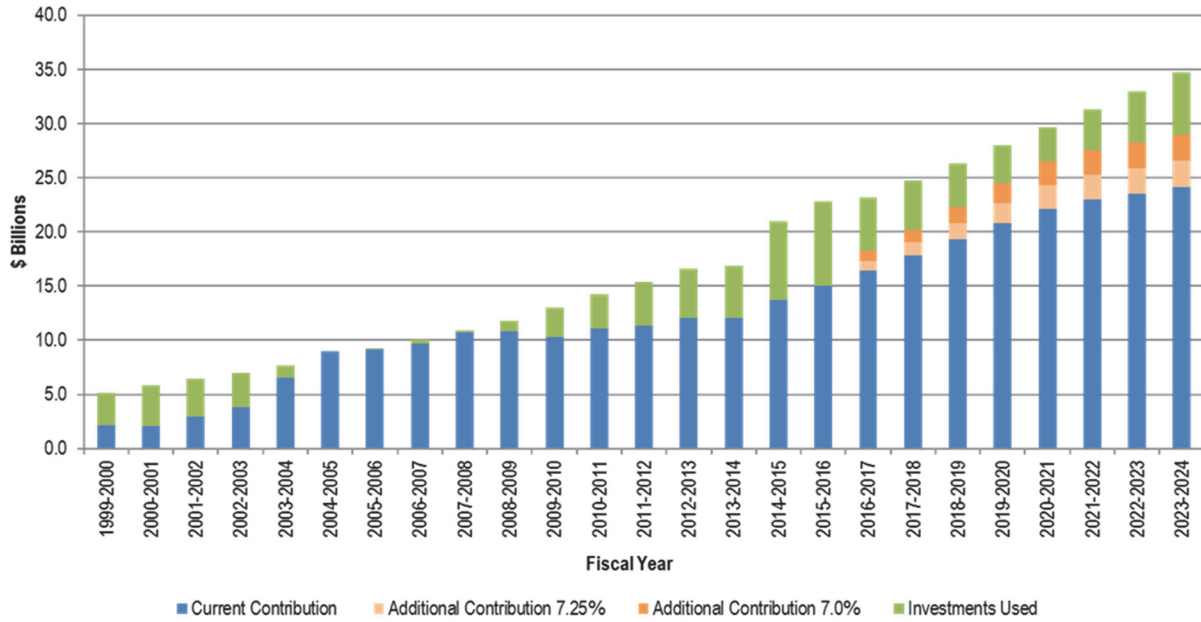
- Shorten the period over which actuarial gains and losses are amortized from 30 years to 20 years. This change applies only to new gains/losses established on or after the effective date of the policy change.
- Amortization payments for all unfunded accrued liability (UAL) bases will be computed to remain a level dollar amount throughout the amortization period. This change applies only to new UAL bases established on or after the effective date of the policy change.
- Remove the 5-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses established on or after the effective date of the policy change.
- Remove the 5-year ramp-down on investment gains/losses established on or after the effective date of the policy change.

CalPERS also recently completed a review of the assumptions used in the actuarial valuations through a process called an experience study. An experience study is a summarization of actual system experience over a defined period and, along with future expectations, is used in setting new actuarial assumptions. Experience studies which include reviews of both economic and demographic assumptions are required at least every four years under the Public Employees' Retirement Law. The last study was conducted in 2013 and approved in March 2014.

The experience study resulted in several assumption changes including: mortality, retirement rates (service and disability), salary scale and inflation. All changes will affect the calculation of the required employer contribution. These assumptions will be implemented in the June 30, 2017 Public Agency actuarial valuation, setting employer contribution requirements effective July 1, 2019 for the FY2019/20 budget year.

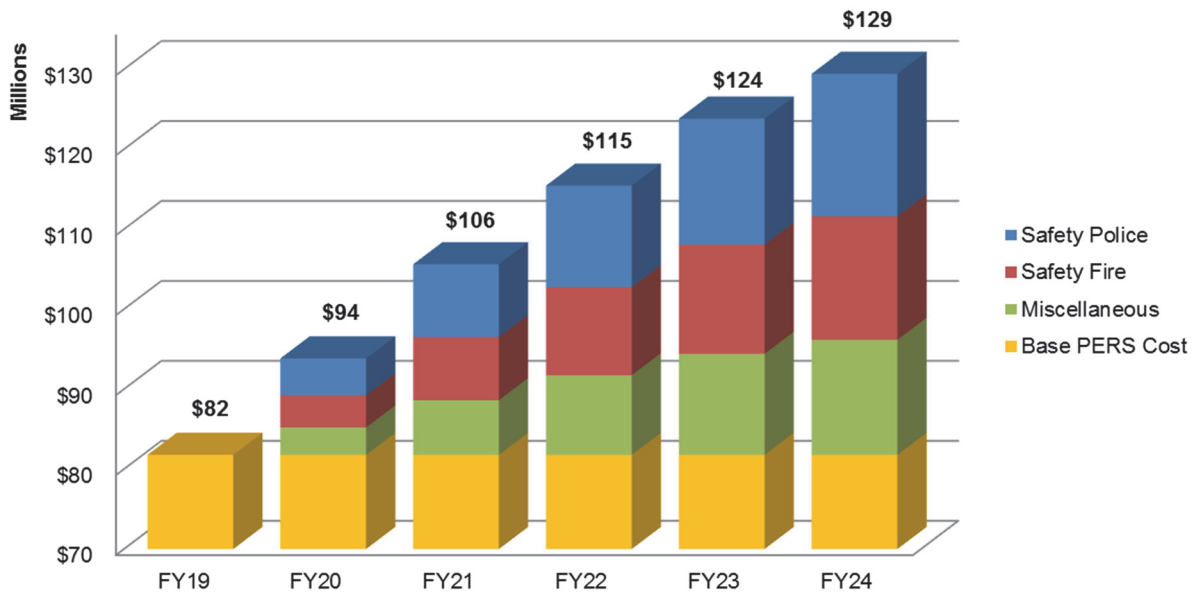
The chart below demonstrates the need for CalPERS to increase contributions to continue to fund pension obligations. Without additional contributions CalPERS will be forced to increase the rate of liquidation of investments to pay benefits (\$9 billion in assets are currently being sold annually), further eroding the sustainability of the fund as represented in the following CalPERS graphic.

Historical & Projected Public Employee Retirement Contributions and Investments for Benefit Payments



The following chart demonstrates the anticipated General Fund cost increases for the City's CalPERS pension benefit.

Approved CalPERS Increases in Pension Costs for City of Sacramento Employees



Based on estimated rate increases provided by CalPERS, the City will experience a \$47 million increase in pension costs over the term of the forecast from the \$82 million budgeted in the General Fund for the current fiscal year to \$129 million in FY2023/24. The final year of the phase in for this change is FY2024/25 when the budgeted amount is estimated to be \$134 million. These estimates do not include changes related to the amortization policy change or recent experience study. Additional information on the impact of these changes will be known in early fall when the City receives valuation reports for FY2019/20 budget development.

Pension cost increases of this magnitude are unsustainable despite 16% revenue growth over the past two fiscal years. Given the current revenue forecast, the City alone cannot absorb the increased costs of providing retirement benefits. Staff will continue to work on strategies to address these cost increases that balances the City's financial capacity with the value of the benefit to our employees. Additional and or updated information will be provided to Council when becomes available.

- **PERS Contributions:** In FY2017/18 PERS also implemented a significant change in how employers remit required contributions. This change establishes how employers will pay for their pension plans. The following explains the two pieces and the change in budgeting.

- **Normal Cost (NC) Rate**, represents the annual cost associated with service accrual for the upcoming fiscal year, for active employees. This is paid biweekly through payroll based on filled positions:
 - NC rates are 8.252% for non-sworn (miscellaneous) employees and 18.693% for sworn plus any incentives.
 - The FY2018/19 estimated payment for the NC is \$45.4 million for all funds, \$39.4 million in the General Fund.

- **PERS Contributions - Unfunded Accrued Liability (UAL)**, represents the amortized dollar amount needed to fund past service credit earned (or accrued) for members who are currently receiving benefits, active members, and for members entitled to deferred benefits, as of the valuation date. This must be paid in a lump sum either annually or monthly.
 - **Miscellaneous plan UAL annual contribution requirement is:**
 - \$19.9 million (if paid monthly)
 - \$19.2 million (if paid by July 31, 2018)
 - **Safety plan UAL annual contribution requirement is:**
 - \$32.3 million (if paid monthly)
 - \$31.2 million (if paid by July 31, 2018)

The City Treasurer has confirmed that there is a financial advantage to the City for making a single lump sum payment for the unfunded liability. Accordingly, the lump sum payment has been included in the Budget as in the previous year. This will be evaluated

annually as the time will come when there will be insufficient cash available at the beginning of the fiscal year to make the lump sum payment.

Workers' Compensation/General Liability & Auto Liability (GL&AL) Insurance

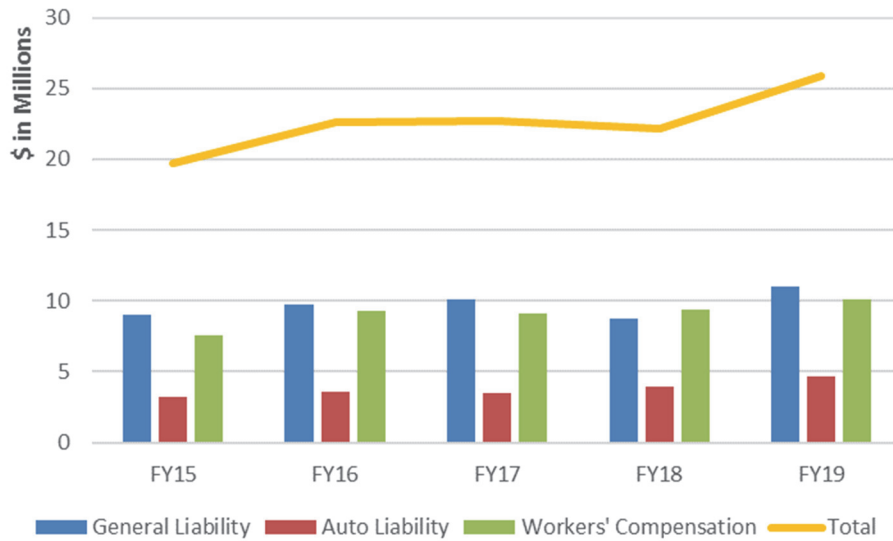
The City contracts with Bickmore Risk Services (Bickmore) to develop an actuarial estimate which establishes the appropriate amount to budget for claim costs for the coming fiscal year as well as the program's liability for outstanding claims. Bickmore utilizes historical City loss data to forecast the upcoming fiscal year's cost of claims and expenses and the City utilizes the actuary's forecast at the recommended 80% confidence level when budgeting for claim costs and expenses. This means that the calculated amounts should be sufficient 80% of the time to cover the fiscal year's costs for the Workers' Compensation (WC) and GL&AL Funds. Consistent with Council's adopted policy, to maintain this funding level, the General Fund contribution to the GL&AL Fund was increased from \$12.71 million in FY2017/18 to \$15.71 million in FY2018/19.

Insurance premiums have been rising in recent years, primarily excess liability premiums. These increases are driven by the City's loss history, which has seen an increase in large liability losses since FY2011/12. Additionally, the excess liability insurance market for public entities has tightened nationwide due to challenges related to recent highly publicized liability claims.

The City Auditor's audit of the Risk Management Division in November 2016, recommended the General Fund pay 100% of its portion of the GL&AL and WC actuarial cost allocations. The City began fully funding the requirement in FY2016/17 on a go forward basis. In addition, the auditor's report recommended increasing General Fund contributions at a greater rate than budgeted in the FY2016/17 five-year forecast to ensure sufficient funding levels in the GL&AL Fund and WC Fund. The FY2018/19 budget includes \$3.7 million above the FY2017/18 funding level and the five-year forecast includes an additional \$3 million over the term of the forecast.

The graph below details the general liability, auto liability and workers' compensation cost allocations for the General Fund over the past five fiscal years.

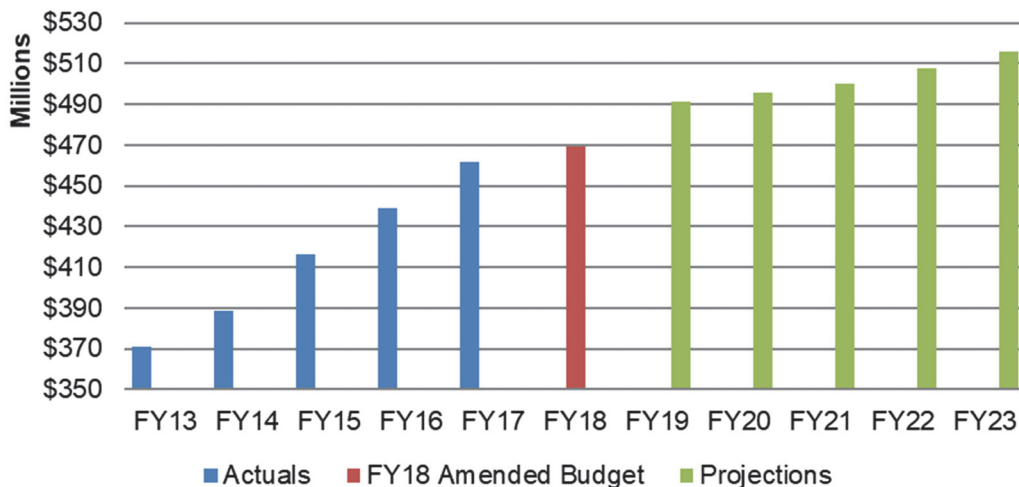
Insurance Cost Allocation for the General Fund



General Fund Revenues

A major highlight in the Budget is that the City's General Fund revenue stream continues to grow across most categories. The two major drivers of the City's improved economic condition continue to be exceptional property and sales tax growth. These two taxes comprise 49% of all General Fund revenue (32% property taxes, 17% sales taxes) and are anticipated to grow 6% and 3.4% respectively in the budget year. Rounding out the top three revenue sources is UUT, at 13%, with estimated growth of just 0.59% for reasons detailed in the UUT section below. Overall General Fund revenues are projected to grow in FY2018/19 by 5.9% compared to the FY2017/18 Approved Budget.

All General Fund Revenue



The following charts provide a summary of the City’s major revenue sources. A detailed explanation, including the current indicators guiding the development of the forecast for specific revenues is included below.

Revenue Source	FY2018/19 Proposed	FY2019/20 Projected	FY2020/21 Projected	FY2021/22 Projected	FY2022/23 Projected
Property Tax	157,875	162,387	167,035	171,824	176,757
Sales Tax	81,271	84,035	86,976	89,759	92,901
Utility User Tax	62,539	62,851	63,165	63,481	63,799
Other Revenue/Other Sources	189,443	186,259	183,073	182,667	182,523
Total General Fund Revenue	491,128	495,532	500,249	507,731	515,980

Property Tax

Property taxes account for 32% of all General Fund revenues. Revenues related to property taxes are affected by fluctuations in the real estate market, levels of new construction activity, and the corresponding changes to the assessed value of those properties on the tax roll.

According to the Urban Land Institute 2018 Emerging Trends in Real Estate, the Sacramento local economy is still improving, and the real estate market shows potential. The National shift towards urban living and the synergetic growth in downtown Sacramento have created a new market for development. The lack of affordability in the Bay Area/Silicon Valley has had a significant effect on the Sacramento market, with more Bay Area transplants moving to Sacramento thereby increasing rent and housing costs.

Overall Real Estate Prospects for the Sacramento Region

Category	National Rank
Median Homes Price 2017-2018 % Change	4th
Development/Redevelopment Opportunities	37th
3 Year Projected Growth	T39th
Investor Demand	40th
Homebuilding Prospects	43rd
Overall Real Estate Prospects	47th
Data provided by the Urban Land Institute 2018 Emerging Trends in Real Estate	

The Sacramento Business Review (January 2018), reported that vacancy rates continue to decline, and rental rates are increasing for both commercial and industrial properties. Investing demand remains high, however supply in the region is limited. A tight labor pool, along with regulatory compliance, permits and fees are key barriers to allowing for more speculative construction. Median homes prices are expected to continue to increase but may be more tempered than last year. Sacramento is still experiencing moderate and continued growth and absorption (the rate at which homes are sold) across all property types and in many different sectors.

Consistent with current Council budget guidelines, property tax growth in the former redevelopment areas will accrue to the Innovation and Growth Fund, except for the possessory interest tax paid on the Golden 1 Center, which will be used for the associated debt service.

Total assessed value for Sacramento County’s 2017-18 secured and unsecured roll surpassed \$157 billion, an increase of 6.41% countywide. Additionally, the Sacramento County Assessor’s (Assessor) 2017 Annual Report and monthly reports have highlighted several positive barometers for the City of Sacramento as follows:

- Total gross assessed value of secured/unsecured properties in the city grew 7% from FY2016/17 to FY2017/18.
- Number of city parcels increased from 169,264 in FY2016/17 to 170,712 in FY2017/18.
- City properties with Proposition 8 assessments (temporary reduction in property taxes due) decreased from 16,161 in March 2017 to 11,409 in March 2018, a 29.4% decrease.

The graph below illustrates the assessed roll value that remains to be restored because of the housing crash during the recession. Restoration of Proposition 13 values happens annually, while reductions as the result of a Proposition 8 appeal can be applied to the tax roll at any time during the year.

Summary of Proposition 8 Assessments by Land Use

Property Type	Prop 8	Prop 13	% of Full Value
Single-Family Residence	3,190,557,722	4,028,092,230	79%
Commercial	1,998,893,702	2,817,330,509	71%
Multi-Family Residence	592,418,722	820,330,357	72%
Industrial	374,604,823	503,398,416	74%
Others	134,580,908	194,960,970	69%
City Total	6,291,055,877	8,364,112,482	75%

Early indications from the Assessor are once again positive and when the 2018 property tax valuations are finalized in early July the City will continue to see Proposition 8 values return to their higher Proposition 13 values. Because the Assessor does not complete the work on the tax roll until after the Budget is adopted, the forecast for property tax revenues is based on the Assessor’s “work in progress” and will be re-evaluated when final information is received in July. Any significant variance will be reported as part of the FY2018/19 Midyear Review.

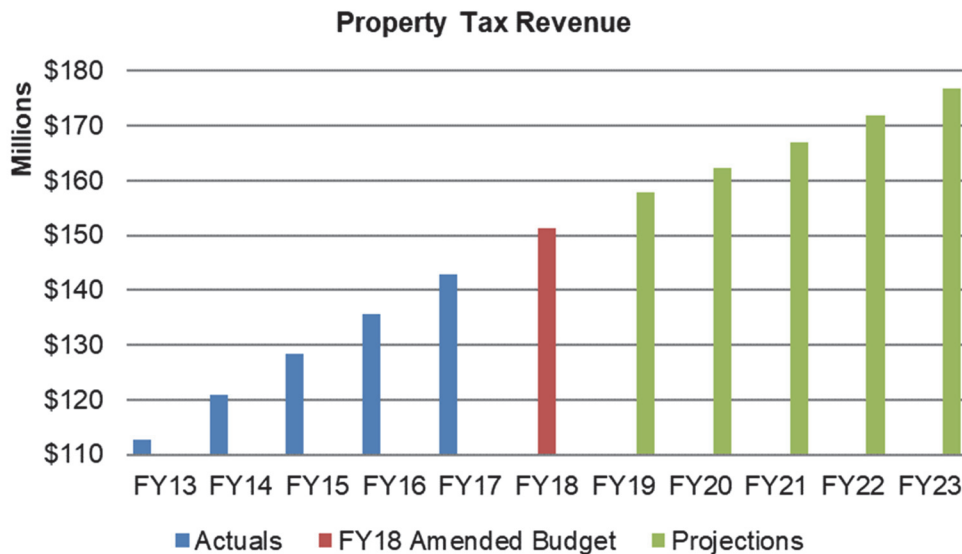
Based on the most recent data from the Assessor and the improving economy in the region, the property tax secured forecast for FY2018/19 is 6% higher than the FY2017/18 Amended Budget and estimates over the term of the forecast include annual growth of 3% assuming the application of the full 2% Proposition 13 growth factor and

that Proposition 8 properties will continue to be restored to their Proposition 13 values on the tax roll over time.

The two property tax categories below increased by \$5.3 million from the FY2017/18 Approved Budget to the FY2018/19 Proposed Budget. These increases account for 19% of the entire FY2018/19 General Fund revenue growth.

Property Tax Revenue Changes (\$ in 000s)

Tax Category	FY2017/18	FY2017/18	FY2018/19
	Approved	Amended	Proposed
Property Tax In Lieu of Vehicle License Fees	39,867	41,487	42,259
Property Transfer Tax	11,500	14,100	14,375
Total Change	51,367	55,587	56,634



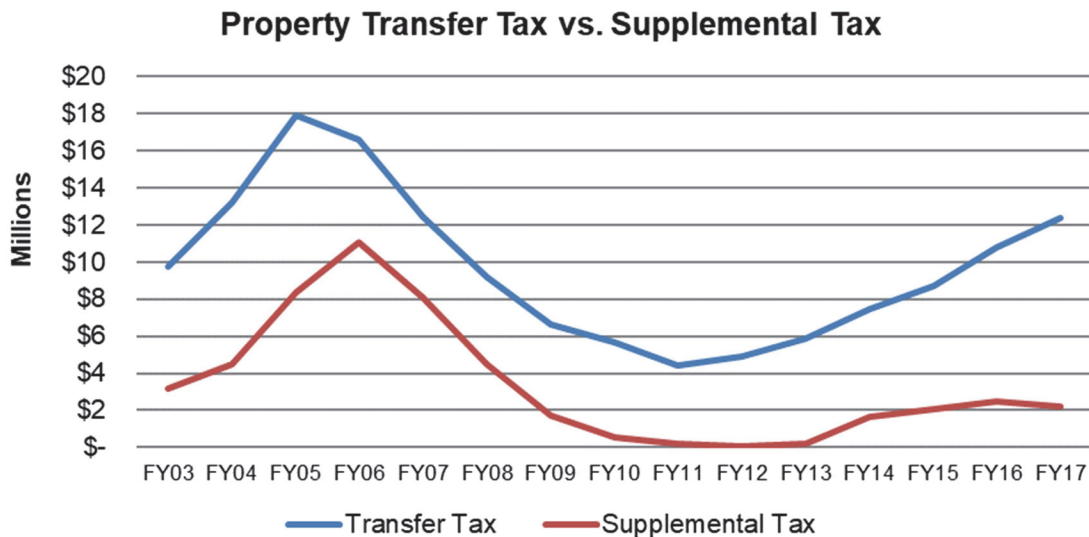
What are Property Transfer Tax and Supplemental Property Tax?

Real Property Transfer Tax - A charge imposed by the City upon the passing of title from one owner to another. The City charges \$2.75 for every \$1,000 of the property’s sale price (0.00275%). This revenue stream has fluctuated significantly ranging as high as \$18 million in FY2004/05 to a low of \$4.4 million in FY2010/11.

Supplemental Property Tax - A supplemental tax bill is generated when a property is reassessed due to a change in ownership (a sale, transfer, or transfer of fractional interest) or the result of new construction. The supplemental tax bill reflects any increase or decrease in property tax generated by the supplemental event.

These two sources of revenue can be very volatile, fluctuating with the housing market, reaching a combined high of \$27.7 million in FY2005/06 and a low of \$4.6 million in FY2010/11. While we remain confident that Property Transfer Tax and Supplemental

Property Tax will continue to rebound from their FY2010/11 low points, the volatility of these revenues make them very challenging to forecast. Both revenue streams are experiencing their seventh consecutive year of growth but remain just 53% of their highs in FY2005/06. The graph below reflects the significant effect the recession had on these revenue sources and the gradual rebound over the past four years. Given the volatility of these revenues it is especially important to be aware of market trends and adjust early should overall sales volume and price decrease dramatically.



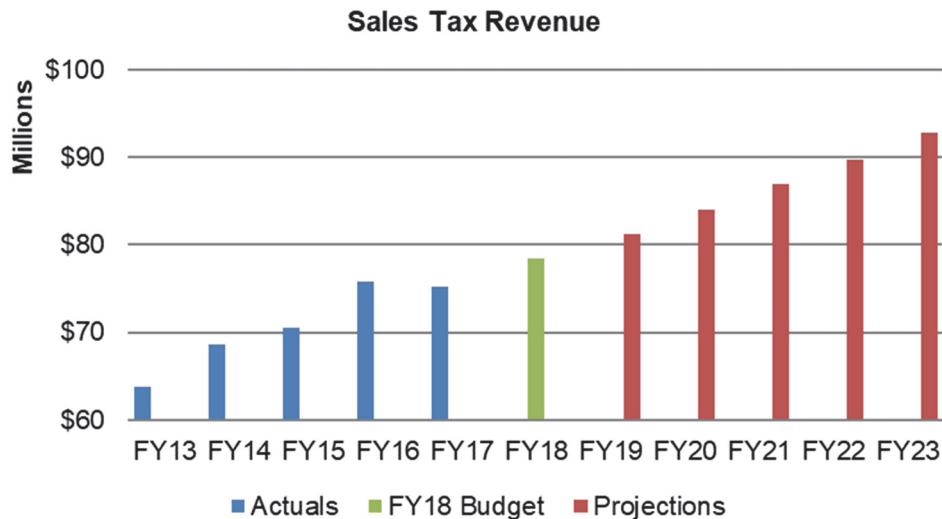
Sales and Use Tax (Sales Tax)

Sales tax is imposed on all retailers for the privilege of selling tangible personal property in the state, whereas use tax is imposed on the purchase for storage, use, or other consumption of tangible personal property purchased from any retailer within the city. Sales tax accounts for 17% of all General Fund revenue. The General Fund receives only 1 cent of every 8.25 cents paid per dollar sale in Sacramento.

Over the last four quarters (1st Quarter 2017 – 4th Quarter 2017), the City’s sales tax has increased 5.9% compared to the prior four quarters. Statewide sales tax increased by 3.6% during the same period. For the benchmark year ending 4th Quarter 2017 the City has seen its highest level of sales tax receipts compared to the previous seven benchmark years across several economic segments including restaurants, wholesale building materials, food markets, retail building materials, auto repair, used auto sales, leasing and electronic equipment.

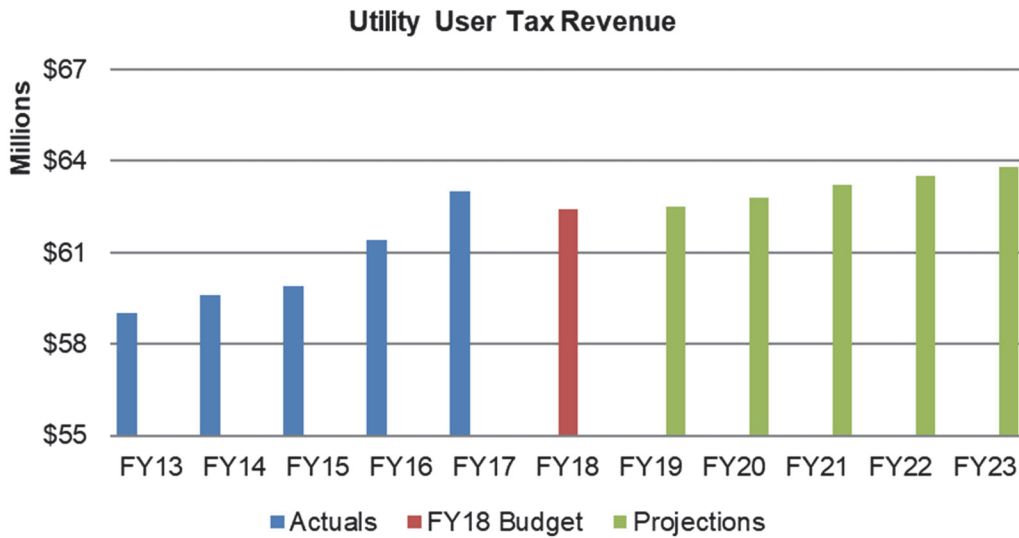
Sales Tax Breakdown by Economic Segment	
General Retail	26.7%
Food Products	23.7%
Transportation	19.5%
Business to Business	14.5%
Construction	13.7%
Miscellaneous	1.9%
Total	100.0%

Based on the most recent information from MuniServices, the City’s sales tax consultant, growth projections are estimated at 3.5% in FY2018/19 and 3.2% - 3.5% annually from FY2019/20 through FY2023/24.



UUT

UUT is a usage tax on communication, electric and gas charges billed to a billing or service address in the City as authorized by City Code (Section 3.40). Measure O was approved by the voters in November 2008, reducing the 7.5% tax rate to 7% on telecommunication services, but was expanded to include Voice over Internet Protocol (VoIP), text messaging and many other previously excluded technologies. The 7.5% tax rate continues to be in effect for gas, electric, and cable services. UUT is the City’s third largest revenue source, accounting for 13% of all General Fund revenue. UUT has been the most consistent revenue stream over the past five years but also faces the most adversity with industry regulation and the market growth of unregulated media platforms.



Following are details on the five components that comprise the UUT.

Cable Subscriptions – Cable revenues fell 5% during FY2016/17. Based on recent market surveys the number one reason for cutting the cord was due to increasing cable prices. Fed up with high-prices and bloated packages millions of Americans "cut the cord" on cable television in 2017 and found a growing list of streaming services which deliver lower prices and competitive channel offerings over the internet and are not currently subject to the UUT. Projections for subscribers cancelling subscriptions in 2018 are expected to reach 31 million with California among the top five states among cord-cutters. The City's cable revenue has increased by 4.7%, or \$281,000, during the first six months of FY2017/18 versus the same period in FY2016/17. Over the long-term customers will likely continue to seek cheaper alternatives as prices continue to rise.

Electricity – According to the most recent data from the Energy Information Administration (EIA), the average U.S. retail price of electricity to the residential sector is projected to be 13.2 cents per kilowatt hours (kWh) in 2018 compared to 12.5 cents in 2017. The EIA projects that retail sales of electricity to the residential sector in 2018 will be 2.9% higher than last year. During the first six months of FY2017/18, the City's electricity UUT revenue increased by 3.8% compared to the same period in FY2016/17. Electricity is the largest component of UUT revenue, accounting for approximately 46% of the revenue stream.

Natural Gas – The EIA forecasts residential natural gas prices to be 11% higher than last year. Although natural gas prices decreased to record levels last year, it did not have a significant impact on the rates charged by the utility providers. According to the EIA, natural gas has surpassed coal as the number one source of fuel generation and will continue to grow in importance. The City's UUT revenue associated with natural gas represents 13% of the total and has increased by 1% through the first six months of FY2017/18.

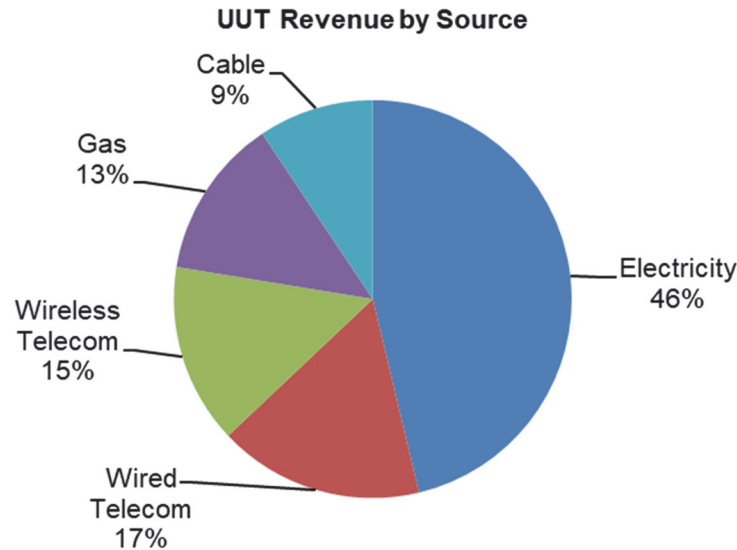
Wired Telecommunications – Wired telecom revenues decreased by 4% in FY2016/17 and this trend is expected to continue. Wired revenues are forecasted to decrease 5-6% nationally in 2018 due to increased competition and the commoditization of services. Revenue forecasts could be affected if any major merger and acquisition activity takes place through a more supportive regulatory environment in Washington.

Customers will continue to switch to wireless and move to cable for Voice Over Internet Protocol {VOIP} as less expensive alternatives. In the business sector, it is expected that wireline companies will continue to face aggressive competition from the cable operators which are building their market share through modernizing their underlying infrastructure via cable/fiber placement and software updates. Wired UUT revenue accounts for approximately 15% of the total UUT base; however, the revenue stream has decreased by 42% since FY1999/00.

Wireless Telecommunications – Wireless revenue decreased by 10% in FY2016/17 or \$935,000. For 2018, the outlook is a continuation of developments that took place in 2017 such as intensified market competition and the increased commoditization of services. The regulatory environment favoring more competition will limit industry consolidation and market share imbalances will prevent significant improvements in short-term industry profitability.

Providers like T-Mobile and Sprint continue to drive the industry by offering lower pricing and unlimited data which has taken a toll on both postpaid and prepaid subscription rates. In addition, cable operators began offering wireless services in the 2nd Quarter of 2017 and will compete to increase their market share in 2018. While the bundling of broadband, wired, wireless and cable TV services allows these providers to sell more products, the price erosion per product typically ensues (given bundle discounts) which then requires growth of multi-play penetration to avoid losing market share. Industry predictions of low-single digit percent revenue declines in 2018 are based on very limited subscriber growth and lower than average revenue per unit (APRU).

If there is a silver lining for Wireless UUT, it will be AB 1717 that went into effect in January 2016. AB 1717 provides a collection mechanism for prepaid (non-contract) wireless services. During the first six months of FY2017/18, wireless UUT revenues have decreased by 10.3% or \$826,000 versus the same period in FY2016/17. Revenues from prepaid wireless have increased by 5.4% or \$62,000 during the same six-month period.



Ups and downs within the five components of UUT revenue have continued to offset each other negating significant losses or gains over the past few years. Based on actual revenues collected over the past five years, UUT is projected to grow by 2.0% in FY2018/19 with annual growth projected from FY2019/20 through FY2021/24 at 0.5% annually. However, three of the five UUT components declined last year and industry trends and regulations have changed and gas/electricity may not be able to continue to sustain growth to offset losses by cable, wired and wireless communications.

Fees and Charges

Local government has the ability to implement fees to fund City facilities, infrastructure, and services. There are five main categories of fees that the City currently implements:

- Impact/development fees
- Penalties/Fines
- Regulatory fees
- Rental fees
- Service fees

On February 7, 2006 (Resolution 2006-106), the Council formally adopted a citywide Fees and Charges Policy. This policy ensures that fees and charges reflect the Council's direction regarding recovery of costs related to providing programs and services. The policy sets the guidelines for cost recovery goals, determines the categories of cost recovery levels and allows for establishment and modification for fees and charges. If a fee is not adjusted in the budget process, to the extent feasible and/or appropriate, it should be increased biennially by a CPI factor to keep pace with inflation.

Beginning in FY2014/15 the City used the State of California Department of Industrial Relations CPI, which is the same index used by the County Assessor to adjust the annual property tax roll for inflation. As part of the annual budget process, the Finance Department takes a report to the Budget and Audit Committee in early May to discuss

FY2018/19 Approved Budget

proposed changes to citywide fees and charges. After the Committee’s feedback is incorporated, the report goes to the Council for adoption as part of the budget hearings. The annual review of citywide fees and charges helps to ensure that the City’s recovery of costs for services keeps pace with changes in the cost-of-living index, as well as changes in methods or levels of service delivery. Fees and charges make up approximately 12% of General Fund revenues.

Measure U Fund

Voter approval of the City of Sacramento Essential Services Protection Measure (Measure U) in November 2012 authorized the implementation of a six-year, one-half cent transaction and use tax effective April 1, 2013, which expires on March 31, 2019. A reserve has been established to provide contingency funding to address unanticipated revenue changes and to continue to provide sufficient funding for the programs through the end of FY2018/19.

FY2018/19 Measure U Fund Forecast

Revenues and Expenditures (in 000s)	FY19 FTE Proposed	FY2017/18 Amended	FY2018/19 Proposed	FY2019/20 Projection	FY2020/21 Projection
BEGINNING FUND BALANCE		35,650	15,753	4,968	(43,621)
Revenues		46,542	36,543	-	-
Expenditures					
Fire Department	90.00	13,139	13,271	13,669	14,079
Police Department	195.00	23,910	23,921	24,640	25,379
Youth, Parks, & Community Enrichment	137.08	9,768	9,630	9,774	9,921
Miscellaneous Restorations	-	668	506	506	506
Total Measure U Expenditures	422.08	47,485	47,328	48,589	49,885
One-time Uses					
Total Measure U One-time Funding		18,954	-	-	-
ENDING FUND BALANCE		15,753	4,968	(43,621)	(93,506)

The Measure U forecast has been updated to reflect the following:

- FY2017/18 – Budget as approved to date by Council
- FY2018/19 – Budget including:
 - Transfer of \$2.7 million in expenditures funding 42.5 FTE positions to the General Fund.
 - No additional capital projects or one-time funding added.
- FY2019/20 – FY2020/21 – forecast assumes:
 - The expiration of the Measure U one-half cent transaction and use tax, but ongoing expenditures.

Revenues: Based on a true up of three quarters of annual receipts for FY2017/18, revenues are projected to be \$36.5 million and reduced to zero for FY2019/20 and beyond given the expiration of the tax in March 2019.

Programs and Services:

The Budget includes \$47.3 million for the restoration of ongoing programs and services in the Fire, Police, and Youth, Parks, & Community Enrichment (YPCE) departments as well as funding for the Sacramento Public Library Authority.

Fire Department – \$13.3 million

- Resources to staff all companies and retain positions associated with the staffing for Fire Emergency Response (SAFER) grant.

Police – \$23.9 million

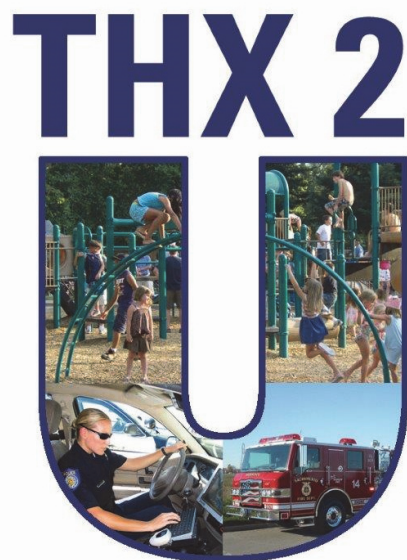
- Match/retention funding associated with grant-funded police officer positions and continued funding of the ShotSpotter audio gunfire detection system.

YPCE– \$9.6 million

- Resources to restore park maintenance operations and park security, operation of 12 City swimming pools and five stand-alone wading pools, children’s summer programs, and year-round sports camps, extension of hours, and programs at the City’s community centers for youth and older adults.

Sacramento Public Library Authority (SPLA) - \$0.5 million

- Restoration of the General Fund Maintenance of Effort (MOE) requirement. Additional information on the MOE is provided in the Citywide and Community Support section of the Budget.



Measure U Restoration Plan

Revenues and Expenditures (\$ in 000s)	FY19 FTE Proposed	FY2017/18 Amended	FY2018/19 Proposed	FY2019/20 Projection	FY2020/21 Projection
BEGINNING FUND BALANCE		35,650	15,753	4,968	(43,621)
REVENUES		46,542	36,543	-	-
EXPENDITURES					
Fire Department					
SAFER Grant Retention	27.00	2,803	2,803	2,887	2,974
Fire Company Restorations	63.00	9,308	10,468	10,782	11,105
Two Medic Units - January 2014 <i>(partially offset by \$1.2 million in new revenues)</i>	-	875	-	-	-
Fire Prevention	-	152	-	-	-
Capital Investment and Equipment	-	5,186	-	-	-
Fire Subtotal	90.00	18,324	13,271	13,669	14,079
Police Department					
COPS Hiring Program Match and Retention <i>(CHP and CHRP)</i>	60.00	5,483	5,483	5,648	5,817
COPS Hiring Program (CHP) Match and Retention FY13 - New in FY15	10.00	1,214	1,435	1,478	1,522
COPS Hiring Program (CHP) Match and Retention FY14 and 15 vehicles in FY16	15.00	1,134	1,920	1,978	2,037
COPS Hiring Program (CHP) Match and Retention FY15 and 15 vehicles in FY17	15.00	1,051	1,370	1,411	1,453
Police Officers	15.00	1,648	1,872	1,928	1,986
Body Worn Cameras (BWC)	-	1,201	-	-	-
ShotSpotter	-	180	180	185	190
Public Safety Counter <i>(Kinney Station)</i>	-	247	-	-	-
Field & Operations <i>(12.0 new FTE in FY15)</i>	61.00	8,539	9,115	9,389	9,671
Investigations <i>(2.0 new FTE in FY15)</i>	8.00	1,131	1,382	1,423	1,466
Forensics	6.00	608	636	655	675
Communications	4.00	359	409	422	435
Crime Analysis	1.00	115	119	123	127
Hiring Pipeline	-	1,000	-	-	-
Vehicles and Equipment	-	1,642	-	-	-
Police Subtotal	195.00	25,552	23,921	24,640	25,379
Public Safety Total	285.00	43,876	37,192	38,309	39,458
Youth, Parks, and Community Enrichment					
Aquatics	38.85	2,153	2,145	2,177	2,210
Community Centers	24.70	1,494	1,691	1,716	1,742
Park Maintenance <i>(includes Park Rangers)</i>	53.00	4,242	4,180	4,243	4,307
Senior Programs	4.48	371	367	373	378
Teen Services	11.30	660	896	909	923
Neighborhood Services	1.00	535	128	130	132
Other Recreation Programs	3.75	313	223	226	230
Capital Investment and Equipment	-	7,246	-	-	-
Youth, Parks, and Community Enrichment Subtotal	137.08	17,014	9,630	9,774	9,921
MISCELLANEOUS RESTORATIONS					
Animal Control Officer	-	262	-	-	-
Capital Investment - Sacramento River Bike Trail	-	2,300	-	-	-
Library Restoration and Capital Investment	-	2,987	506	506	506
Miscellaneous Subtotal	-	5,549	506	506	506
Total Measure U Restorations	422.08	66,439	47,328	48,589	49,885
ENDING FUND BALANCE		15,753	4,968	(43,621)	(93,506)

Enterprise Funds

The Enterprise Funds reflect the anticipated revenues and expenditures necessary to sustain operational needs, replace aging infrastructure, comply with regulatory mandates, and maintain the financial stability of the funds.

The following chart provides an overview of the proposed changes included in the FY2018/19 Budget for the Enterprise Funds:

Department	Description	Fund	Expenditure Change	FTE Change
Public Works	Add a position (1.0 FTE Program Analyst) to support compliance with statewide mandates to reduce organic waste.	Solid Waste	115,577	1.00
Utilities	Add staffing to maintain generators, complete the Security Master Plan, and maintain regulatory compliance.	Storm Drainage	907,664	5.00
Utilities	Add staffing and services and supplies to meet customer service performance goals and regulatory requirements, and to support the Asset Management Program.	Water	1,750,629	9.00
Total Change			\$ 2,773,870	15.00

Additional information on each of these initiatives can be found in the related department sections.

Operational descriptions and updates of each of the City’s Enterprise Funds are shown on the following pages, including a five-year forecast for each fund. The chart below summarizes the status of the Enterprise Funds.

Fund	Status
Community Center	Transient Occupancy Tax (TOT) revenues are projected to grow by 15% in FY2018/19 compared to FY2017/18 approved budget. Expenditures are continually monitored to ensure prudent use of resources and an appropriate fund balance.
Parking	The fund is balanced over the five-year period based on stable revenue growth due to expected occupancy increases and anticipated revenues from the Golden 1 Center. Revenues are projected to remain steady in FY2018/19 and then increase by 1% annually. Expenditures are projected to grow by approximately 2% annually. Debt service costs are expected to decrease beginning in FY2020/21.
Solid Waste	The anticipated revenue from the three-year rate adjustment approved in FY2015/16 did not meet the City's 2035 General Plan growth forecast. As a result, expenditures are continuing to exceed revenues. The use of fund balance is helping to bridge the gap, however, as reflected in the forecast, fund balance will be depleted in FY2020/21 unless rate increases or program changes are approved.
Storm Drainage	No rate increase is included in the five-year forecast. As such, the budget continues to rely on the use of reserves to cover expenditures that exceed revenues. Pursuant to Proposition 218, a voter-approved ballot measure is required to increase rates, which will be necessary in the near future to sustain operational, capital, and regulatory requirements as fund reserves are diminishing.
Wastewater, Water	The anticipated revenue from the four-year rate increased approved by Council beginning in FY2016/17 (10% per year for Water and 9% per year for Wastewater) are included in the forecast. The additional revenues will provide sufficient resources to continue critical infrastructure repair and rehabilitation, as well as to ensure compliance with state and federal regulations.

The following charts provide a snapshot of the five-year forecast for each of the Enterprise Funds. Additional information for each of the forecasts can be found in the following pages.

Community Center Fund

	FY19	FY20	FY21	FY22	FY23
	Proposed	Projection	Projection	Projection	Projection
Beginning Fund Balance	8,929	14,168	21,090	36,603	54,653
Revenue	34,607	32,075	36,439	39,732	42,809
Expenditures	29,038	25,112	28,574	21,432	21,743
Other Source/(Use)	(330)	(41)	7,648	(250)	(250)
Ending Funding Balance	14,168	21,090	36,603	54,653	75,469

Parking Fund

	FY19	FY20	FY21	FY22	FY23
	Proposed	Projection	Projection	Projection	Projection
Beginning Fund Balance	5,235	4,454	3,737	3,465	4,080
Revenue	19,818	20,081	20,331	20,530	20,732
Expenditures	20,586	20,798	20,604	19,915	20,168
Other Source/(Use)	(14)	-	-	-	-
Ending Funding Balance	4,454	3,737	3,465	4,080	4,644

Solid Waste Fund

	FY19	FY20	FY21	FY22	FY23
	Proposed	Projection	Projection	Projection	Projection
Beginning Fund Balance	19,125	15,325	9,118	700	(10,852)
Revenue	63,412	63,881	64,353	64,828	65,307
Expenditures	66,997	70,088	72,770	76,380	80,366
Other Source/(Use)	(215)	-	-	-	-
Ending Funding Balance	15,325	9,118	700	(10,852)	(25,911)

Storm Drainage Fund

	FY19	FY20	FY21	FY22	FY23
	Proposed	Projection	Projection	Projection	Projection
Beginning Fund Balance	18,969	16,987	14,002	9,632	6,753
Revenue	37,589	37,606	37,610	37,615	37,619
Expenditures	39,438	40,591	41,980	40,493	41,838
Other Source/(Use)	(133)	-	-	-	-
Ending Funding Balance	16,987	14,002	9,632	6,753	2,534

Wastewater Fund

	FY19	FY20	FY21	FY22	FY23
	Proposed	Projection	Projection	Projection	Projection
Beginning Fund Balance	11,542	12,241	15,805	13,348	14,699
Revenue	40,875	45,724	45,947	46,037	46,129
Expenditures	40,153	42,161	48,404	44,686	42,743
Other Source/(Use)	(23)	-	-	-	-
Ending Funding Balance	12,241	15,805	13,348	14,699	18,085

Water Fund

	FY19	FY20	FY21	FY22	FY23
	Proposed	Projection	Projection	Projection	Projection
Beginning Fund Balance	64,199	75,325	96,203	104,593	112,619
Revenue	127,223	138,424	138,479	138,536	138,597
Expenditures	115,722	117,545	119,841	130,510	134,211
Other Source/(Use)	(374)	-	(10,248)	-	-
Ending Funding Balance	75,325	96,203	104,593	112,619	117,005

Community Center Fund (6010)

The Community Center Fund supports the operation, debt service, and CIP for the Sacramento Convention Center Complex, which includes the Convention Center, Memorial Auditorium, and Community Center Theater. The fund also provides support to cultural partners and the General Fund. The operational/financial goals for the Community Center Fund include maintaining successful financial performance as an enterprise fund, optimizing facility utilization through aggressive marketing, exceeding industry standards for customer service and facility maintenance, stimulating hotel market demand to generate transient occupancy tax (TOT) revenues, and offering a premier venue to contribute to the economic vitality of the downtown and Sacramento region.

TOT revenues have experienced significant growth in recent years. Revenues are projected to grow by 15% compared to the FY2017/18 Approved Budget.

In 1997, to maintain the financial integrity of the Community Center Fund, the Council approved a loan of up to \$12 million from the Risk Fund to offset any year-end deficit. Total borrowing was \$10.4 million, including interest. Repayment of the interfund loan began in FY2005/06 and has continued each year. An annual payment of \$250,000 is budgeted in FY2018/19 with payments continuing in future years. As of the beginning of FY2017/18, there is a remaining balance due of approximately \$5.6 million.

The City remains committed to providing an accessible, attractive and competitive complex for clients and patrons. On October 18, 2016, Council directed staff to move forward with the Community Center Theater Renovation and Memorial Auditorium Upgrade projects, and to continue to refine the concept plans for the Convention Center Expansion project. Funding for these projects will be through the Convention Center Complex Renovation Program (M17100100).

In FY2016/17, a total of \$11 million was transferred to the Convention Center Complex Renovation Program (M17100100) through interfund loans (\$3.8 million from the General Fund, \$3.8 million from the Innovation and Growth Fund, and \$3.4 million from the Community Center Fund). It is anticipated that the interfund loans will be paid back through financing received from IBank loans and/or bond proceeds for the Convention Center Complex Renovation project.

Community Center Fund (Fund 6010)
Revenue and Expenditure Five-Year Forecast
Dollars in Thousands

	FY18	FY19	FY20	FY21	FY22	FY23
	Approved	Proposed	Projection	Projection	Projection	Projection
BEGINNING FUND BALANCE	4,344	8,929	14,168	21,090	36,603	54,653
REVENUES						
TOT ⁽¹⁾	22,563	26,033	26,324	27,553	30,530	33,299
Charges, Fees, and/or Services ⁽²⁾	7,644	7,725	4,937	8,112	8,274	8,440
Interest	67	200	159	127	275	410
Other (Facility Fee)	628	649	655	647	653	660
TOTAL REVENUES	30,902	34,607	32,075	36,439	39,732	42,809
EXPENDITURES						
Operating - Employee Services	7,264	7,499	5,873	8,408	8,828	9,270
Operating - Other	8,955	8,780	8,630	9,693	9,954	10,223
Debt Service ⁽³⁾⁽⁴⁾	8,179	8,170	8,159	8,148	250	250
Multi-Year Operating Projects	-	-	-	-	-	-
Capital Improvements	3,450	4,589	2,450	2,325	2,400	2,000
TOTAL EXPENDITURES	27,848	29,038	25,112	28,574	21,432	21,743
ANNUAL SURPLUS/(DEFICIT)	3,054	5,569	6,963	7,865	18,300	21,066
Other Source/(Use)	(250)	(330)	(41)	7,648	(250)	(250)
ENDING FUND BALANCE⁽⁵⁾	7,148	14,168	21,090	36,603	54,653	75,469

⁽¹⁾ TOT amounts based on information provided by CBRE on 1/25/2018.

⁽²⁾ The Convention Center and Community Center Theater are anticipated to be closed for most of FY2019/20 for renovation.

⁽³⁾ This does not include any potential increases in debt service due to bonds/loans received for the Convention Center Complex Renovation project.

⁽⁴⁾ The final debt service payments of the 1993 Series A & B bonds on 5/1/2020 and 11/1/2020 will be offset by the Reserve Fund.

⁽⁵⁾ The difference between FY2017/18 ending fund balance and FY2018/19 beginning fund balance is due to budget amendments not included in this forecast.

Parking Fund (Fund 6004)

The City of Sacramento operates five City parking garages and 43 surface parking lots. These include garages and surface parking lots that are managed for the State of California and numerous private owners to increase parking availability for residents and visitors. The Parking Services Division also manages over 60,000 square feet of retail space within the various City parking structures.

Parking fee and administrative fee revenues are not projected to change in total from FY2017/18, however a 1% annual increase is included beginning in FY2019/20. The steady increase in parking fees for FY2019/20 through FY2022/23 is due to expected occupancy increases and anticipated revenues from Golden 1 Center events. Rental revenue is based on current and anticipated leases with no change projected in FY2018/19 but an 11% increase in FY2019/20 due to future anticipated leases and CPI increases to current rents, then an 8% increase in FY2020/21 and 1% increases annually thereafter. Expenses have a 6% increase in FY2018/19, a 3% increase in FY2019/20 and are projected to grow at 2% annually thereafter. Debt service will remain fairly constant at \$7 million per year until FY2020/21 when debt service will begin to decrease as a result of debt retirement.

**Parking Fund (Fund 6004)
Revenue and Expenditure Five-Year Forecast
Dollars in Thousands**

	FY18	FY19	FY20	FY21	FY22	FY23
	Approved	Proposed	Projection	Projection	Projection	Projection
BEGINNING FUND BALANCE	3,658	5,235	4,454	3,737	3,465	4,080
REVENUES						
Parking Fees	18,195	18,120	18,307	18,495	18,686	18,879
Administrative Fees	350	424	424	424	424	424
Interest (Operating Funds)	600	600	600	600	600	600
Real Property Rental	674	674	750	812	820	829
TOTAL REVENUES	19,818	19,818	20,081	20,331	20,530	20,732
EXPENDITURES						
Operating - Employee Services	4,929	5,225	5,396	5,504	5,614	5,726
Operating - Other	7,155	7,258	7,323	7,455	7,810	7,947
Debt Service	7,073	7,045	7,043	6,609	5,676	5,680
Multi-Year Operating Projects	100	321	321	321	100	100
Capital Improvements	991	737	715	715	715	715
TOTAL EXPENDITURES	20,249	20,586	20,798	20,604	19,915	20,168
ANNUAL SURPLUS/(DEFICIT)	(431)	(768)	(717)	(273)	615	564
Other Source/(Use) ⁽¹⁾	-	(14)	-	-	-	-
ENDING FUND BALANCE⁽²⁾	3,228	4,454	3,737	3,465	4,080	4,644

⁽¹⁾ Other source/(uses) reflect required SCERS payment in FY2018/19.

⁽²⁾ The difference between FY2017/18 ending fund balance and FY2018/19 beginning fund balance is due to budget amendments not included in this forecast.

Solid Waste Fund (6007)

The revenues in the Solid Waste Fund are generated through user service fees collected for residential solid waste management services. The Recycling and Solid Waste Division (RSWD) manages the collection and disposal of garbage, yard waste, and recyclables. In addition to direct solid waste services the RSWD provides on-going post closure monitoring of landfills, street sweeping, hazardous waste disposal services, code enforcement services, and illegal dumping cleanups. To meet the state mandated waste diversion requirements the RSWD provides public outreach to educate residents on recycling to reduce contamination, composting and proper disposal of household hazardous waste.

The five-year budget forecast for the Solid Waste Fund includes the following assumptions:

- Projecting lower than anticipated revenue growth in reflecting slower residential development growth (versus that included in the General Plan) and no approved rate increases. This growth pattern will continue to impact Solid Waste revenue projections in the out-years of the forecast.
- Declining reserves as existing revenues are not sufficient to cover current operating and capital expenses.
- Rising legacy landfill related expenses over the next three to five years as the City implements a compliance plan to address mandated State post-closure regulatory requirements. Over \$11 million is included in the forecast to fund these landfill projects.
- Increasing labor costs due to labor contract increases, growing pension costs, and high premiums on general/auto liability and workers' compensation insurances.
- Increasing general inflation on items critical to providing solid waste services such as vehicle operations and maintenance, fuel, and in-region disposal fees.
- New costs associated with securing long-term yard waste and organics disposal locations to meet State diversion requirements.
- Providing new funding for the replacement of the City's Utility Billing System and construction of a Compressed Natural Gas (CNG) facility at the Meadowview City Service Complex.
- Establishing inter agency partnerships and implementing new collection strategies to address illegal dumping issues.

As the cost of solid waste and recycling operations continue to rise and state and federal governments add more stringent regulations, RSWD will continue to evaluate opportunities and collaborate with regional solid waste agencies to increase efficiencies

and reduce costs by continual assessment and modifications to daily collection routes, procurement of cost efficient CNG vehicles, and developing a robust safety training program.

The following chart provides a five-year forecast, which assumes no rate adjustments and continued use of fund reserves. However, as stated above, expenditures continue to exceed revenues and the fund is projected to be in a deficit position in the near-term.

**Solid Waste Fund (Fund 6007)
Revenue and Expenditure Five-Year Forecast
Dollars in Thousands**

	FY18 Approved	FY19 Proposed	FY20 Projection	FY21 Projection	FY22 Projection	FY23 Projection
BEGINNING FUND BALANCE	19,189	19,125	15,325	9,118	700	(10,852)
REVENUES						
Charges, Fees, and/or Services	62,155	62,467	62,936	63,408	63,883	64,362
Interest	-	-	-	-	-	-
Other (Intergovernmental)	845	945	945	945	945	945
TOTAL REVENUES	63,000	63,412	63,881	64,353	64,828	65,307
EXPENDITURES						
Operating - Employee Services	17,207	17,828	18,809	19,843	20,934	22,086
Operating - Other	42,113	42,775	44,347	47,224	51,254	54,088
Debt Service	2,299	1,732	1,693	1,688	1,677	1,678
Multi-Year Operating Projects	1,025	1,000	1,025	1,025	1,025	1,025
Capital Improvements	4,040	3,662	4,215	2,990	1,490	1,490
TOTAL EXPENDITURES	66,685	66,997	70,088	72,770	76,380	80,366
ANNUAL SURPLUS/(DEFICIT)	(3,685)	(3,586)	(6,207)	(8,417)	(11,552)	(15,059)
Other Source/(Use) ⁽¹⁾	-	(215)	-	-	-	-
ENDING FUND BALANCE⁽²⁾	15,504	15,325	9,118	700	(10,852)	(25,911)

⁽¹⁾ Other source/(uses) reflect required SCERS payment in FY2018/19.

⁽²⁾ The difference between FY2017/18 ending fund balance and FY2018/19 beginning fund balance is due to budget amendments not included in this forecast.

Storm Drainage Fund (Fund 6011)

Revenue generated for the purpose of providing storm drainage services is deposited in the Storm Drainage Fund. Revenues are derived primarily from customer service fees and interest earnings. Storm Drainage Fund revenues cover the cost of storm drainage operations for pumping stations, wet weather treatment and storage, collection system maintenance, related engineering services, flood plain management, customer service and billing, education programs, water quality monitoring, innovative “green” infrastructure programs, regulatory compliance, and a capital improvement program. Fund expenditures are divided among operating costs, debt service, and capital improvement and multi-year operating projects. Challenges facing the Storm Drainage Fund include the following:

- Declining reserves as existing revenues are not sufficient to cover current operating and capital expenses.
- Upgrading drainage service to areas outside of the City’s Combined Sewer System (CSS) to meet citywide standards.
- Improving drainage system reliability and contributing to the combined wastewater system repair, rehabilitation, and improvements.
- Maintaining state and federal regulatory compliance, e.g., National Pollution Discharge Elimination System (NPDES), and supporting regional flood control efforts.
- Implementing low impact development standards, green infrastructure, to further minimize urban runoff, conserve water, and preserve resources.

Unlike the water and wastewater utilities, any rate adjustments for the storm drainage utility are subject to a citizen vote. Storm drainage user charges have not been increased since 1996, prior to the implementation of Proposition 218. For this reason, revenue collection has not kept pace with storm drainage system costs, and the utility has been historically underfunded. The City has delayed repair and replacement of critical infrastructure in order to bridge this funding shortfall.

The following chart provides a five-year forecast, which assumes no rate adjustments and continued use of fund reserves. However, as stated above, expenditures continue to exceed revenues and the fund is projected to be in a deficit position in the near-term. Per Proposition 218, a voter-approved ballot measure is required to increase storm drainage rates.

**Storm Drainage Fund (Fund 6011)
Revenue and Expenditure Five-Year Forecast
Dollars in Thousands**

	FY18	FY19	FY20	FY21	FY22	FY23
	Approved	Proposed	Projection	Projection	Projection	Projection
BEGINNING FUND BALANCE	26,694	18,969	16,987	14,002	9,632	6,753
REVENUES						
Charges, Fees, and/or Services	36,062	37,142	37,159	37,163	37,168	37,172
Interest	422	422	422	422	422	422
Other (Intergovernmental)	25	25	25	25	25	25
TOTAL REVENUES	36,509	37,589	37,606	37,610	37,615	37,619
EXPENDITURES						
Operating - Employee Services	15,440	16,628	17,459	18,507	19,247	20,017
Operating - Other	15,554	16,613	17,278	17,969	18,688	19,435
Debt Service	3,657	3,534	3,509	3,242	235	-
Multi-Year Operating Projects	953	1,839	1,943	2,012	2,074	2,136
Capital Improvements	6,205	824	402	250	250	250
TOTAL EXPENDITURES	41,809	39,438	40,591	41,980	40,493	41,838
ANNUAL SURPLUS/(DEFICIT)	(5,300)	(1,849)	(2,985)	(4,370)	(2,879)	(4,219)
Other Source/(Use) ⁽¹⁾	-	(133)	-	-	-	-
ENDING FUND BALANCE⁽²⁾	21,394	16,987	14,002	9,632	6,753	2,534

⁽¹⁾ Other source/(uses) reflect required SCERS payment in FY2018/19.

⁽²⁾ The difference between FY2017/18 ending fund balance and FY2018/19 beginning fund balance is due to budget amendments not included in this forecast.

Wastewater Fund (Fund 6006)

Revenue generated for the purpose of providing wastewater collection service is deposited in the Wastewater Fund. Revenues are derived from customer service fees, recovery of Sacramento Regional County Sanitation District (SRCSD)-related operation and maintenance costs paid for by the fund, interest earnings, and connection charges. Wastewater Fund revenues cover the cost of wastewater collection and maintenance, storage and treatment of wet weather combined sewage, installation of new services, operation of sanitary pumping stations, related engineering services, customer service and billing, and the monitoring of discharge into the wastewater collection system. Fund expenditures are generally divided among operating costs, debt service, capital improvement, and multi-year operating projects.

As the City continues its innovative water quality programs under the Municipal Stormwater NPDES permit, “green infrastructure” will continue to become much more prominent features. Green infrastructure strives to prevent and reduce stormwater pollution, flooding, and water use through water management practices that more closely mimic the natural water cycle than typical “grey” infrastructure (pipes, pumps, etc.). Green infrastructure, when used in conjunction with grey infrastructure can be both cost effective and more community friendly. Examples of green infrastructure to be implemented will include conjunctive use storage projects, turf replacement programs, rain barrels, and enhanced water conservation measures.

The City-operated wastewater collection system consists of a combined wastewater system and a separated wastewater system that, together, serve approximately 60% of the City, primarily the northeastern, central, and southern sections of the City. The SRCSD is the wastewater collection system provider for the other areas of the City. While the City is responsible for limited treatment of its combined wastewater, it partners with SRCSD to treat the majority of the city’s wastewater. The City provides SRCSD with billing and collection services for properties within the service area in which wastewater collection is provided by the City.

The Wastewater Fund presents unique challenges due to the system’s growth potential and the age and nature of the system’s infrastructure. On March 29, 2016, Council approved a four-year rate increase for wastewater services beginning in FY2016/17 through FY2019/20. Issues facing the Wastewater Fund include:

- Compliance with state and federal regulations, including state-mandated rehabilitation of the central city. The CSS collects wastewater from homes and businesses, as well as storm water and urban runoff.
- Continued rehabilitation of the City’s separated wastewater service area. A separated wastewater system collects wastewater from homes and businesses and does not collect storm water.
- Incorporating growth of new wastewater services and the increasing costs for repair and reconstruction of the aging system.

- Maintaining the financial strength of the fund for the purpose of raising sufficient capital to finance rehabilitation of the CSS.

In the past, combined system projects were partially funded by the Storm Drainage Fund. However, as the Storm Drainage Fund has become increasingly underfunded the Wastewater Fund has borne more of these costs, increasing pressure on the Wastewater Fund. The following chart provides a five-year forecast for the Wastewater Fund to address anticipated cost increases and meet regulatory requirements, and includes the following assumptions:

- Bond financing will be pursued in FY2018/19 to partially finance the CSS improvements for the McKinley Park Storage Vault project.
- The four-year rate adjustment adopted for FY2016/17 through FY2019/20 will allow the City to invest in mandated system improvements as required, CSS improvements not funded by financing, as well as make progress towards reaching a 100-year replacement schedule for aging pipes.

**Wastewater Fund (Fund 6006)
Revenue and Expenditure Five-Year Forecast
Dollars in Thousands**

	FY18	FY19	FY20	FY21	FY22	FY23
	Approved	Proposed	Projection	Projection	Projection	Projection
BEGINNING FUND BALANCE	5,818	11,542	12,241	15,805	13,348	14,699
REVENUES						
Charges, Fees, and/or Services ⁽¹⁾	36,216	39,471	44,112	44,151	44,191	44,233
Interest	392	392	559	701	707	711
Other (Intergovernmental)	1,013	1,013	1,053	1,095	1,139	1,185
TOTAL REVENUES	37,620	40,875	45,724	45,947	46,037	46,129
EXPENDITURES						
Operating - Employee Services	9,513	9,803	10,293	10,911	11,347	11,801
Operating - Other	17,428	19,655	20,440	21,258	22,108	22,992
Debt Service ⁽²⁾	2,880	2,841	2,827	2,733	1,999	2,002
Multi-Year Operating Projects	2,838	2,555	3,931	3,500	4,220	3,944
Capital Improvements	2,460	5,299	4,670	10,003	5,012	2,003
TOTAL EXPENDITURES	35,119	40,153	42,161	48,404	44,686	42,743
ANNUAL SURPLUS/(DEFICIT)	2,501	722	3,563	(2,457)	1,352	3,386
Other Source/(Use) ⁽³⁾	-	(23)	-	-	-	-
ENDING FUND BALANCE⁽⁴⁾	8,319	12,241	15,805	13,348	14,699	18,085

⁽¹⁾ City Council approved 9% rate increases in each of the years from FY2017/18 through FY2019/20.

⁽²⁾ This forecast does not include future debt service needed for investment in capital replacement.

⁽³⁾ Other sources/(uses) reflect required SCERS payment in FY2018/19.

⁽⁴⁾ The difference between FY2017/18 ending fund balance and FY2018/19 beginning fund balance is due to budget amendments not included in this forecast.

Water Fund (Fund 6005)

Revenue generated for the purpose of providing water service is deposited in the Water Fund. Revenues are derived from customer fees, interest earnings, development fees, tap sales, and reimbursements from other entities for services provided. Water Fund revenues are structured to cover the costs of providing water service to customers. Services include water treatment, plant maintenance, water distribution system repair and maintenance, water conservation and education programs, water quality monitoring, related engineering services, customer service and billing, the City-County Office of Metropolitan Water Planning, and capital improvements. Fund expenditures are summarized and reflected as operating costs, debt service, capital improvement costs, and multi-year operating projects.

On March 29, 2016, Council approved a four-year rate increase to water services beginning in FY2016/17 through FY2019/20. Key challenges for the Water Fund include the following:

- Ongoing replacement and maintenance of aging infrastructure to provide safe and reliable drinking water to the community and meet state and federal standards.
- Accelerated implementation of the Residential Water Meter Installation Program in support of full meter installation by December 2020, ahead of the State mandated date of 2025.
- Maintaining state and federal regulatory compliance.
- Continued implementation of an aggressive water conservation program consistent with the Water Forum Agreement, integrating actions necessary for providing a regional solution to water shortages, environmental damage, and groundwater contamination.
- Support of regional, long-term water supply planning.
- Development of wholesale and wheeling agreements in support of effective regional water management.
- Meeting future debt service requirements related to the rehabilitation and improvement of intake structures and treatment plants.

The chart below provides a five-year forecast for the Water Fund to address anticipated cost increases and meet regulatory requirements. It includes the following assumptions:

- Capital spending reflects continued implementation of the mandated water meter program and ongoing infrastructure repair and rehabilitation.
- Financing from the State Revolving Fund (SRF) loan program and bond proceeds will fund the water meter program. The remaining bond proceeds and pay-go will fund other needed infrastructure repair and rehabilitation projects.

- Due to the nature of the SRF loan, debt service payments consist of interest only until FY2021/22. Estimated debt service payments including principal are estimated to be \$10.3 million annually from FY2021/22 through FY2040/41. Proceeds of this loan are reimbursements of actual costs of the project. Accordingly, DOU is required to fund project costs with the Water Fund until reimbursement has been received.
- The rate adjustments for FY2016/17 through FY2019/20 will allow the City to continue with the mandated water meter program, as well as make progress towards reaching a 100-year replacement schedule for aging pipes.
- Costs for items that are vital to the collection, purification, and delivery of water, and to meet levels of service continue to rise. The most significant cost increases are for sludge dewatering and the replacement and maintenance of water meters.

**Water Fund (Fund 6005)
Revenue and Expenditure Five-Year Forecast
Dollars in Thousands**

	FY18 Approved	FY19 Proposed	FY20 Projection	FY21 Projection	FY22 Projection	FY23 Projection
BEGINNING FUND BALANCE	60,480	64,199	75,325	96,203	104,593	112,619
REVENUES						
Charges, Fees, and/or Services ⁽¹⁾	115,226	126,638	137,439	137,494	137,552	137,612
Interest	400	400	800	800	800	800
Other (Intergovernmental)	185	185	185	185	185	185
TOTAL REVENUES	115,811	127,223	138,424	138,479	138,536	138,597
EXPENDITURES						
Operating - Employee Services	38,998	41,485	43,559	46,173	48,020	49,941
Operating - Other	27,318	29,501	30,681	31,908	33,184	34,512
Debt Service ⁽²⁾	26,445	29,807	32,249	32,624	40,041	39,399
Multi-Year Operating Projects	2,134	2,895	3,056	3,135	3,261	3,359
Capital Improvements	6,790	12,034	8,001	6,001	6,004	7,001
TOTAL EXPENDITURES	101,684	115,722	117,545	119,841	130,510	134,211
ANNUAL SURPLUS/(DEFICIT)	14,127	11,501	20,879	18,638	8,026	4,385
Other Source/(Use) ⁽³⁾	-	(374)	-	(10,248)	-	-
ENDING FUND BALANCE⁽⁴⁾	74,607	75,325	96,203	104,593	112,619	117,005

⁽¹⁾ City Council approved 10% rate increases in each of the years from FY2017/18 through FY2019/20.

⁽²⁾ Debt service payments consist of interest only until FY 2021/22.

⁽³⁾ Other source/(uses) reflect required SCERS payment in FY2018/19 and deposit to rate stabilization fund in FY2020/21.

⁽⁴⁾ The difference between FY2017/18 ending fund balance and FY2018/19 beginning fund balance is due to budget amendments not included in this forecast.

4

SECTION – 4

How to Read This Document

HOW TO READ THIS DOCUMENT

The Budget for each department is presented in a format that includes the following:

- Department mission statement (if available)
- Budget/staffing changes
- A department level budget summary table showing budget for:
 - FY2015/16 Actuals
 - FY2016/17 Actuals
 - FY2017/18 Approved Budget
 - FY2017/18 Amended Budget (as of February 2018)
 - FY2018/19 Approved Budget
 - Variance

The summary table shows for each year:

- Budgeted expenditures by category
- Funding sources and amounts
- A division level summary budget table:
 - FY2015/16 Actuals
 - FY2016/17 Actuals
 - FY2017/18 Approved Budget
 - FY2017/18 Amended Budget (as of February 2018)
 - FY2018/19 Approved Budget
 - Variance
- A division level summary staffing table:
 - FY2015/16 Actuals
 - FY2016/17 Actuals
 - FY2017/18 Approved Budget
 - FY2017/18 Amended Budget (as of February 2018)
 - FY2018/19 Approved Budget
 - Variance

DEPARTMENT BUDGET SUMMARY TABLE

The Budget for each department is compared with the prior year amended. A sample is as follows:

Human Resources Budget Summary	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Employee Services	7,705,430	8,328,721	9,514,616	9,514,616	10,338,137	823,521
Other Services and Supplies	23,114,930	33,836,653	25,050,886	25,050,886	27,916,713	2,865,827
City Property	39,662	98,264	39,500	39,500	114,500	75,000
Transfers	(68,180)	(46,235)	-	-	-	-
Labor and Supply Offset	3,292,258	3,338,149	3,431,560	3,431,560	3,556,573	125,013
Operating Transfers	-	(55,000)	-	-	-	-
Total	34,084,100	45,500,552	38,036,562	38,036,562	41,925,923	3,889,361

Funding Summary by Fund/Special District	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
General Fund	2,594,229	3,219,318	3,825,470	3,825,470	4,205,622	380,152
Fleet Management	31,354	59,614	59,614	59,614	59,614	-
Interdepartmental Service	1,339,935	1,471,678	1,071,544	1,071,544	1,280,301	208,757
Recycling and Solid Waste	96,901	117,545	117,545	117,545	117,545	-
Risk Mgmt	19,006,908	26,361,469	20,119,257	20,119,257	22,657,530	2,538,273
Storm Drainage	41,706	45,189	45,189	45,189	45,189	-
Wastewater	17,153	18,585	18,585	18,585	18,585	-
Water	53,253	57,700	57,700	57,700	57,700	-
Worker's Compensation	10,902,661	14,149,455	12,721,658	12,721,658	13,483,837	762,179
Total	34,084,100	45,500,552	38,036,562	38,036,562	41,925,923	3,889,361

- Column 1 - FY2015/16 actual expenditures by category and funding amounts by source.
- Column 2 - FY2016/17 actual expenditures by category and funding amounts by source.
- Column 3 - FY2017/18 Approved Budget by category and funding amounts by source.
- Column 4 - FY2017/18 Amended Budget by category and funding amounts by source.
- Column 5 - FY2018/19 Approved Budget by category and funding amounts by source.
- Column 6 - The budget change between the FY2018/19 Approved and the FY2017/18 Amended budget.

DIVISION BUDGET SUMMARY TABLE

The Division Budget Summary table shows approved expenditures for each division in the department. The tables look like the one below:

Human Resources Division Budgets	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Benefits Services Division	-	-	844,081	844,081	956,234	112,153
HR Administration Division	3,254,801	4,419,959	1,992,256	1,992,256	2,202,490	210,234
HRIS Division	-	-	370,810	370,810	403,029	32,219
Labor Relations Division	616,251	733,196	1,109,339	1,109,339	1,264,468	155,129
Recruitment/Organizational Dev Divison	-	-	1,048,052	1,048,052	1,176,009	127,957
Risk Management Administration Division	27,956,779	38,166,195	30,105,621	30,105,621	33,260,051	3,154,430
Workers' Compensation Division	2,256,269	2,181,203	2,566,403	2,566,403	2,663,641	97,238
Total	34,084,100	45,500,552	38,036,562	38,036,562	41,925,923	3,889,361

Column 1 - FY2015/16 actual expenditures by division.

Column 2 - FY2016/17 actual expenditures by division.

Column 3 - FY2017/18 Approved Budget by division.

Column 4 - FY2017/18 Amended Budget by division.

Column 5 - FY2018/19 Approved Budget by division.

Column 6 - The budget change between the FY2018/19 Approved and the FY2017/18 Amended Budget.

STAFFING LEVELS SUMMARY TABLE

The Staffing Levels Summary table shows approved Full-Time Equivalent (FTE) positions for each division in the department. The tables look like the one below:

Human Resources Division Budgets	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Benefits Services Division	-	-	8.00	8.00	9.00	1.00
HR Administration Division	27.00	33.00	11.00	11.00	11.00	-
HRIS Division	-	-	3.00	3.00	3.00	-
Labor Relations Division	5.00	5.92	9.00	9.00	9.00	-
Recruitment/Organizational Dev Divison	-	-	9.00	9.00	10.00	1.00
Risk Management Administration Division	20.00	15.00	17.00	17.00	17.00	-
Workers' Compensation Division	20.00	20.00	19.00	19.00	19.00	-
Total	72.00	73.92	76.00	76.00	78.00	2.00

- Column 1 – FTEs by division in FY2015/16.
- Column 2 – FTEs by division in FY2016/17.
- Column 3 – FTEs by division in the FY2017/18 Approved Budget.
- Column 4 – FTEs by division for the FY2017/18 Amended Budget.
- Column 5 – FTEs by division as Approved for FY2018/19.
- Column 6 – The budget change in FTEs by division between the FY2018/19 Approved and the FY2017/18 Amended Budget.

FINANCIAL INFORMATION

Budget Basis

The City's annual budget is prepared on a modified accrual basis of accounting. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, franchise taxes, licenses, intergovernmental revenue, special assessments, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual, and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Budgets are modified throughout the year when the tax base changes, fees are modified, new revenue sources are identified, or programs are changed. The City Manager is authorized to administratively amend the budget during the year for transactions up to \$100,000 without Council approval. All other appropriation adjustments during the year require Council approval. Unencumbered annual budget appropriations lapse at fiscal year-end except as specifically identified in the annual budget resolution. Multi-year budget appropriations are automatically carried over into the next fiscal year.

Fund Structure

The City uses fund accounting to assure and demonstrate compliance with finance-related legal requirements. A fund is defined as a separate accounting entity with a self-balancing set of accounts recording cash and other financial resources together with related liabilities. Each fund was established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions or limitations. The City has three types of funds:

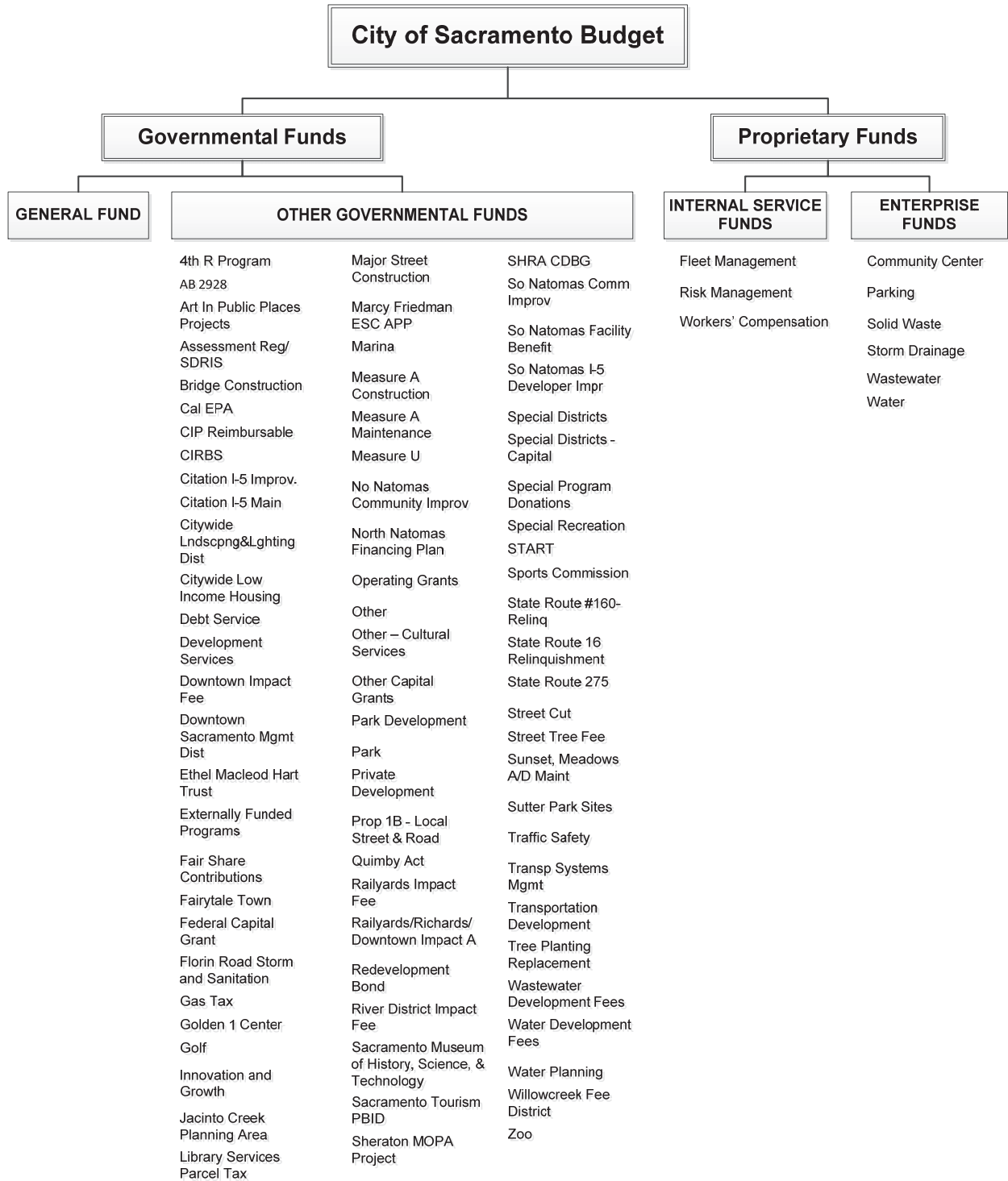
- *Governmental Funds* — Account for activities which are primarily supported by taxes or other mandatory payments. Most of the City's basic services are included in governmental funds. There are two categories of Governmental Funds:
 - The General Fund is the primary operating fund of the City and accounts for all financial resources except for those that are required to be accounted for

in separate funds. Sources of General Fund revenues include taxes, licenses, permits, fees, fines, intergovernmental revenues, and charges for services, special assessments, interest income, and other resources available for discretionary funding.

- The General Fund EUR was established to provide resources for the Mayor and Council to manage the impact of economic fluctuations that negatively impact the City's revenues.
 - The Council-adopted EUR Policy (April 26, 2016 – Motion Order Number 2016-00440) established a minimum reserve level equal to 10% of annual General Fund revenues and a target reserve level equal to two months of regular ongoing 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.
- Other Governmental Funds include:
 - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. These funds are generally required by statute, charter, or ordinance to finance specific governmental functions.
 - Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest, or that are being accumulated for principal and interest maturing in future years.
 - Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for governmental capital assets.
- *Proprietary Funds* — Account for services for which customer fees are intended to finance the costs of operations. There are two types of Proprietary Funds:
 - Enterprise Funds account for programs and services financed and operated similar to business-type activities which include services rendered to the general public on a fee basis.
 - Community Center Fund accounts for the operation and maintenance of the City's Convention Center Complex, including the Convention Center Theater, Memorial Auditorium and the Community Center.

- Parking Fund accounts for the operation and maintenance of five City parking garages and 43 surface parking lots (including lots owned by the State of California and numerous private owners).
- Solid Waste Fund accounts for the collection and disposal of refuse throughout the City and for landfill closure.
- Storm Drainage Fund accounts for the operation and maintenance of the City's surface drainage system.
- Wastewater accounts for the operation and maintenance of the City's wastewater system.
- Water Fund accounts for the operation and maintenance of the City's water treatment and water transmission and distribution systems.
- Internal Service Funds, i.e. the City's Fleet Fund and Risk Management Fund, account for the activities that provide services delivered by one department to another department on a cost reimbursement basis.
- *Fiduciary Funds* — Account for activities that most closely resemble not-for-profit organizations, including trusts and agency activities. The City is:
 - *The trustee, or fiduciary*, for its closed (effective January 1977) defined benefit pension plan – Sacramento City Employees' Retirement System (SCERS).
 - Responsible for other assets, held on behalf of investors, in the City's investment pool and individual investment accounts.
 - Responsible for the assets received by the Successor Agency from the City's former Assembly Bill X1 26 which dissolved redevelopment agencies in California.
 - The agent for bonded assessment and community facilities districts and responsible for ensuring the assets reported in these funds are used for their intended purposes.

Annual budgets are adopted for the General Fund, Enterprise Funds and Special Revenue Funds, and Internal Service Funds. Expenditures are appropriated on a modified accrual basis, except that commitments related to purchase orders and contracts are treated as expenditures in the year of commitment.



5

SECTION – 5 Budget Schedules

Schedule 1A
Current Operations – Appropriations by Fund (in 000s)

	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change Amended/ Approved
General Funds						
General Fund	389,728	426,898	450,145	442,700	478,748	36,048
Subtotal General Funds	389,728	426,898	450,145	442,700	478,748	36,048
Enterprise Funds						
Community Center	25,419	18,007	24,398	24,798	24,529	(269)
Parking	21,247	18,433	19,258	18,673	19,862	1,189
Solid Waste	52,597	53,020	62,645	56,870	63,548	6,678
Storm Drainage	31,488	33,467	35,604	35,316	38,740	3,425
Wastewater	25,490	26,164	32,659	30,790	34,875	4,085
Water	81,889	85,264	94,894	94,352	104,057	9,704
Subtotal Enterprise Funds	238,129	234,355	269,457	260,799	285,611	24,812
Internal Service Funds						
Fleet Management	31,494	34,845	49,669	49,669	47,888	(1,781)
Risk Management	31,336	41,711	33,930	33,930	37,236	3,306
Subtotal Internal Service Funds	62,830	76,556	83,599	83,599	85,124	1,525
Other Governmental Funds						
4th R Program	5,632	5,956	6,085	6,338	6,337	(1)
Assessment Reg and SDRIS	63	62	148	148	148	-
Cal EPA	7	2	-	-	-	-
CIP Reimbursable	37	38	-	-	-	-
Citation I-5 Maintenance	27	42	25	25	63	38
Citywide Low Income Housing	699	2,843	300	300	2,100	1,800
Cultural Services - Other	175	154	112	112	149	37
Debt Service	386,555	13,761	20,247	20,247	17,490	(2,757)
Development Services	(846)	(1,085)	310	310	2,000	1,690
Downtown Impact Fee	897	-	250	250	100	(150)
Downtown Management District	2,702	3,015	2,950	3,094	3,094	-
Externally Funded Programs	13	16	-	-	-	-
Fairytale Town	62	56	50	50	50	-
15_GasTax	8,604	9,587	10,837	11,834	9,736	(2,098)
Golf	2,004	1,372	1,371	1,371	1,317	(54)
Innovation and Growth	(851)	3,828	1,800	1,800	983	(817)
Jacinto Creek	24	34	-	-	45	45
Land Park	148	85	192	192	192	-
Library Services Parcel Tax	7,135	7,267	7,649	7,649	7,949	300
Landscaping and Lighting	15,057	14,156	15,554	15,680	16,262	583
Marina	1,428	1,399	2,058	2,058	2,111	53
Measure A Maintenance	8,648	8,442	8,931	8,931	10,683	1,753
Measure U	506	506	47,928	45,370	47,328	1,959
North Natomas Financing Plan	6,196	8,165	2,721	2,721	1,733	(989)
Operating Grants	22	35	-	-	-	-
Other	172	211	100	100	76	(24)
Park Development	990	1,512	173	173	173	-
Private Development	(191)	44	-	-	-	-
Quimby Act	-	4	10	10	10	-
Redevelopment Bond	(1,787)	-	-	9	9	-
Sheraton MOPA Project	142	174	-	-	-	-
SHRA CDBG	-	-	-	29	29	-
Special Districts	15,425	17,075	17,863	18,528	18,874	346
Special Districts - Capital	928	22	12	12	12	-
Special Program Donations	-	-	250	250	250	-
START	2,674	3,064	560	560	1,019	459
State Route 160	2	1	-	1	-	(1)
State Route 275	170	14	-	3	-	(3)
Street Tree Fee	215	-	-	-	-	-
Traffic Safety	670	765	858	858	500	(358)
Water Planning	955	962	1,380	1,870	1,837	(33)
Zoo	60	54	50	50	50	-
Subtotal Other Governmental Funds	247,764	103,638	150,772	150,931	152,708	1,777
Total	938,452	841,447	953,974	938,029	1,002,191	64,162

FY2018/19 Approved Budget

Schedule 1B
Current Operations – Appropriations by Department (in 000s)

	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change Amended/ Approved
Mayor Offices						
Mayor/Council	5,806	6,506	7,126	7,657	7,307	(350)
Subtotal Mayor Offices	5,806	6,506	7,126	7,657	7,307	(350)
Charter Offices						
City Attorney	7,607	8,058	8,634	8,643	9,071	428
City Clerk	1,872	2,222	2,543	2,543	2,595	52
City Manager	2,939	3,320	7,235	7,300	9,273	1,973
City Treasurer	2,100	2,078	2,479	2,479	2,453	(26)
Subtotal Charter Offices	14,517	15,678	20,892	20,965	23,393	2,428
Operating Offices						
Community Development	25,701	30,072	32,863	33,448	38,998	5,550
Convention and Cultural Services	18,668	18,497	20,063	20,743	20,380	(362)
Economic Development	1,971	2,144	-	-	-	-
Finance	9,519	8,768	16,251	16,267	11,303	(4,964)
Fire	106,667	113,263	108,535	108,392	118,040	9,648
Human Resources	34,084	45,501	38,037	38,037	41,926	3,889
Information Technology	10,174	15,985	22,255	22,261	22,950	689
Police	125,870	130,706	131,666	128,445	147,252	18,806
Public Works	128,068	134,681	165,151	156,091	166,868	10,777
Utilities	104,153	107,546	128,219	125,901	140,521	14,621
Youth, Parks, and Community Enrichment	34,554	35,852	36,066	34,977	37,663	2,686
Subtotal Operating Offices	599,430	643,017	699,106	684,562	745,901	61,339
Other Offices						
Citywide and Community Support	81,250	86,472	143,472	141,467	145,628	4,161
Debt Service	249,250	101,427	103,391	103,391	101,975	(1,416)
Non-Appropriated	(11,800)	(11,653)	(20,013)	(20,013)	(22,013)	(2,000)
Subtotal Other Offices	318,699	176,246	226,850	224,845	225,590	745
Total	938,452	841,447	953,974	938,029	1,002,191	64,162

FY2018/19 Approved Budget

Schedule 1C
Staffing by Department (in Full-time Equivalents)

	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change Amended/ Approved
Mayor/Council						
Mayor/Council	38.00	45.00	45.00	45.00	45.00	-
Subtotal Mayor Offices	38.00	45.00	45.00	45.00	45.00	-
Charter Offices						
City Attorney	47.00	50.00	50.00	51.00	52.00	1.00
City Clerk	15.00	18.00	17.00	17.00	17.00	-
City Manager	16.00	15.00	36.00	36.00	48.00	12.00
City Treasurer	13.00	13.00	13.00	13.00	14.00	1.00
Subtotal Charter Offices	91.00	96.00	116.00	117.00	131.00	14.00
Operating Departments						
Community Development	219.00	239.00	250.00	272.00	272.50	0.50
Convention and Cultural Services	119.69	115.69	115.19	116.19	115.19	(1.00)
Economic Development	11.00	11.00	-	-	-	-
Finance	86.00	89.00	93.00	97.00	91.00	(6.00)
Fire	674.00	678.00	672.00	674.00	681.00	7.00
Human Resources	72.00	73.92	76.00	76.00	78.00	2.00
Information Technology	85.00	141.40	181.90	182.50	185.50	3.00
Police	1,049.80	1,058.46	1,030.46	1,026.46	1,034.46	8.00
Public Works	732.05	725.35	723.35	729.35	735.35	6.00
Utilities	537.90	527.90	545.90	546.90	561.90	15.00
Youth, Parks, and Community Enrichment	707.92	689.21	616.15	625.20	619.08	(6.12)
Subtotal Operating Offices	4,294.36	4,348.93	4,303.95	4,345.60	4,373.98	28.38
Other						
Citywide and Community Support	5.00	5.00	5.00	5.00	5.00	-
Subtotal Other Offices	5.00	5.00	5.00	5.00	5.00	-
Total	4,428.36	4,494.93	4,469.95	4,512.60	4,554.98	42.38

FY2018/19 Approved Budget

Schedule 1D
Staffing by Fund (in Full-Time Equivalents)

	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change Amended/ Approved
General Fund						
General Fund						
Mayor/Council	38.00	45.00	45.00	45.00	45.00	-
City Attorney	47.00	50.00	50.00	51.00	52.00	1.00
City Clerk	15.00	18.00	17.00	17.00	17.00	-
City Manager	16.00	15.00	33.00	33.00	45.00	12.00
City Treasurer	13.00	13.00	13.00	13.00	14.00	1.00
Citywide and Community Support	1.00	1.00	1.00	1.00	1.00	-
Community Development	219.00	239.00	250.00	272.00	272.50	0.50
Convention and Cultural Services	25.20	25.20	25.20	26.20	25.20	(1.00)
Economic Development	11.00	11.00	-	-	-	-
Finance	86.00	89.00	93.00	97.00	91.00	(6.00)
Fire	674.00	678.00	672.00	674.00	681.00	7.00
Human Resources	32.00	38.92	40.00	40.00	42.00	2.00
Information Technology	85.00	141.40	181.90	182.50	185.50	3.00
Police	1,049.80	1,058.46	1,030.46	1,026.46	1,034.46	8.00
Public Works	420.00	411.00	410.00	416.00	421.00	5.00
Youth, Parks, and Community Enrichment	447.91	462.21	469.41	473.56	480.39	6.83
Subtotal General Funds	3,179.91	3,296.19	3,330.97	3,367.72	3,407.05	39.33
Enterprise Funds						
Community Center						
Convention and Cultural Services	94.49	90.49	89.99	89.99	89.99	-
Parking						
Public Works	60.25	61.25	61.25	61.25	61.25	-
Solid Waste						
Public Works	158.00	160.30	160.30	160.30	161.30	1.00
Storm Drainage						
Utilities	213.72	127.00	129.00	130.00	136.00	6.00
Wastewater						
Utilities	72.00	80.18	80.18	80.18	82.18	2.00
Water						
Utilities	252.18	320.72	336.72	336.72	343.72	7.00
Subtotal Enterprise Funds	850.64	839.94	857.44	858.44	874.44	16.00
Internal Service Funds						
Fleet Management						
Public Works	87.00	86.00	85.00	85.00	85.00	-
Risk Management						
Human Resources	20.00	15.00	17.00	17.00	17.00	-
Workers' Compensation						
Human Resources	20.00	20.00	19.00	19.00	19.00	-
Subtotal Internal Service Funds	127.00	121.00	121.00	121.00	121.00	-
Other Government Funds						
4th R Program						
Youth, Parks, and Community Enrichment	119.02	117.55	117.55	122.45	122.45	-
City/Cnty Office-Water Planning						
Citywide and Community Support	4.00	4.00	4.00	4.00	4.00	-
Golf						
Youth, Parks, and Community Enrichment	1.00	1.00	1.00	1.00	0.00	(1.00)
Innovation and Growth						
City Manager	-	-	3.00	3.00	3.00	-
Marina						
Public Works	6.80	6.80	6.80	6.80	6.80	-
START						
Youth, Parks, and Community Enrichment	139.99	108.45	28.19	28.19	16.24	(11.95)
Subtotal Other Governmental Funds	270.81	237.80	160.54	165.44	152.49	(12.95)
Total	4,428.36	4,494.93	4,469.95	4,512.60	4,554.98	42.38

Schedule 2A
Summary of Revenues, Appropriations, & Changes in Fund Balance (in 000s)

	General Fund	Enterprise Fund	Internal Service	Other Gov't Funds	Gross Total	Net* Total
Current Resources						
Revenues						
Taxes	340,003	26,030	-	53,602	419,635	419,635
Licenses and Permits	28,665	96	-	3,503	32,264	32,264
Fines, Forfeitures, and Penalties	13,543	3	-	500	14,046	14,046
Interest, Rents, and Concessions	654	3,506	1,309	10,697	16,166	14,857
Intergovernmental	13,376	1,482	-	17,219	32,076	32,076
Charges, Fees, and Services	61,755	292,391	6,873	64,673	425,692	418,819
Contributions from Other Funds	35,043	-	-	-	35,043	35,043
Miscellaneous Revenue	510	15	75,094	343	75,962	868
Total Current Resources	493,549	323,524	83,276	150,537	1,050,886	967,610
Current Requirements						
Current Operations						
Employee Services	469,130	99,414	12,518	51,659	632,722	620,203
Other Services and Supplies	123,405	75,671	46,236	36,370	281,682	235,446
City Property	7,437	11,979	19,610	912	39,938	20,329
City Debt Service	27,436	53,130	97	21,312	101,975	101,878
Transfers	(1,738)	1,562	-	175	-	-
Labor and Supply Offset	(147,943)	10,564	6,663	42,797	(87,919)	(94,582)
Contingency	1,000	-	-	-	1,000	1,000
Operating Transfers	20	33,291	-	(518)	32,793	32,793
Subtotal Current Operations	478,748	285,611	85,124	152,708	1,002,191	917,067
Capital Improvements	9,105	27,144	302	48,132	84,683	84,381
Total Current Requirements	487,853	312,754	85,426	200,840	1,086,874	1,001,448
Other Fund Sources (Uses)	(11,600)	(1,008)	2,279	31,468	21,139	18,860
Total Surplus (Deficit)	(5,904)	9,761	129	(18,836)	(14,850)	(14,978)
Beginning Fund Balance	8,784	127,998	518	140,474	277,774	277,256
Ending Fund Balance	2,880	137,759	647	121,638	262,924	262,278

* Net Total excludes Internal Service Funds (ISF).

FY2018/19 Approved Budget

**Schedule 2B
Detail of Revenues, Appropriations, and Changes in Fund Balance (in 000s)**

	Resources		Requirements			Other Sources (Uses)	Surplus/ (Deficit)	Fund Balance	
	Total Revenues	Current Operations	CIP	Total	Beginning			Ending	
General Fund									
General Fund	493,549	478,748	9,105	487,853	(11,600)	(5,904)	8,784	2,880	
Subtotal General Funds	493,549	478,748	9,105	487,853	(11,600)	(5,904)	8,784	2,880	
Enterprise Funds									
Community Center	34,607	24,529	4,589	29,118	(250)	5,240	8,929	14,169	
Parking	19,818	19,862	737	20,599	(14)	(794)	5,235	4,441	
Solid Waste	63,412	63,548	3,662	67,210	(215)	(4,013)	19,125	15,112	
Storm Drainage	37,589	38,740	824	39,564	(133)	(2,108)	18,969	16,861	
Wastewater	40,875	34,875	5,299	40,174	(23)	679	11,542	12,220	
Water	127,223	104,057	12,034	116,090	(374)	10,758	64,199	74,957	
Subtotal Enterprise Funds	323,524	285,611	27,144	312,754	(1,008)	9,761	127,998	137,759	
Internal Service Funds									
Fleet Management	48,361	47,888	302	48,190	(43)	129	518	647	
Risk Management	34,915	37,236	-	37,236	2,322	-	-	-	
Subtotal Internal Service Funds	83,276	85,124	302	85,426	2,279	129	518	647	
Other Governmental Funds									
4th R Program	6,338	6,337	-	6,337	-	1	1,290	1,291	
65th Street Area Impact Fee	-	-	-	-	-	-	25	25	
Art In Public Places Projects	-	-	-	-	-	-	21	21	
Assessment Reg and SDRIS	-	148	-	148	-	(148)	238	90	
Cal EPA	172	-	587	587	-	(415)	782	367	
CIP Reimbursable	-	-	45	45	45	-	-	-	
CIRBS	-	-	106	106	-	(106)	106	-	
Citation I-5 Maintenance	-	63	-	63	-	(63)	759	697	
Citation I-5 Improvements	-	-	-	-	-	-	389	389	
Citywide Low Income Housing	2,100	2,100	-	2,100	-	-	870	870	
Cultural Services - Other	155	149	-	149	-	6	941	947	
Debt Service	12,482	17,490	-	17,490	5,008	-	1,867	1,867	
Development Services	2,992	2,000	992	2,992	-	-	-	-	
Downtown Impact Fee	-	100	-	100	-	(100)	265	165	
Downtown Management District	3,094	3,094	-	3,094	-	-	-	-	
Ethel Macleod Hart Trust	-	-	-	-	-	-	736	736	
Fair Share Contributions	-	-	196	196	-	(196)	4,937	4,741	
Fairytales Town	50	50	-	50	-	-	3	3	
Federal Capital Grant	-	-	23,082	23,082	23,082	-	-	-	
Florin Road Storm and San	-	-	-	-	-	-	4	4	
Gas Tax	11,408	9,736	1,484	11,220	-	188	4,573	4,761	
Golf	1,430	1,317	15	1,332	-	98	(5,186)	(5,088)	
Innovation and Growth	-	983	-	983	-	(983)	8,334	7,351	
Jacinto Creek	-	45	-	45	-	(45)	1,505	1,460	
Land Park	91	192	-	192	-	(101)	437	336	
Library Services Parcel Tax	7,949	7,949	-	7,949	-	-	-	-	
Landscaping and Lighting	16,814	16,262	1,365	17,627	-	(813)	5,093	4,280	
Major Street Construction	3,095	-	-	-	-	3,095	10,477	13,572	
Marcy Friedman ESC APP	-	-	-	-	-	-	9	9	
Marina	1,377	2,111	260	2,371	-	(995)	(1,794)	(2,789)	
Measure A Maintenance	11,378	10,683	853	11,536	-	(158)	162	4	
Measure U	36,543	47,328	-	47,328	-	(10,785)	15,753	4,968	
Museum of History, Science, & Tech	-	-	-	-	-	-	9	9	
NMA Traffic Control & Safety	1,136	-	1,229	1,229	-	(93)	93	-	
NMA Safety, Streets, Ped, Bic	1,559	-	1,630	1,630	-	(71)	90	19	
North Natomas Financing Plan	-	1,733	12	1,744	-	(1,744)	21,877	20,133	
Other	-	76	-	76	-	(76)	5,724	5,648	
Other Capital Grants	-	-	3,333	3,333	3,333	-	-	-	
Park Development	63	173	3,226	3,398	-	(3,335)	10,537	7,203	
Quimby Act	100	10	747	757	-	(657)	2,836	2,179	
Redevelopment Bond	-	9	-	9	-	(9)	11,690	11,681	
River District Impact Fee	-	-	-	-	-	-	633	633	
SHRA CDBG	29	29	-	29	-	-	-	-	
So Natomas Comm Improv	-	-	-	-	-	-	44	44	
So Natomas Facility Benefit	-	-	-	-	-	-	1,751	1,751	
So Natomas I-5 Developer Impr	-	-	-	-	-	-	577	577	
Special Districts	18,760	18,874	-	18,874	-	(114)	5,962	5,847	
Special Districts - Capital	-	12	-	12	-	(12)	1,963	1,951	
Special Program Donations	250	250	-	250	-	-	237	237	

Schedule 2B (continued)
Detail of Revenues, Appropriations, and Changes in Fund Balance (in 000s)

	<u>Resources</u>	<u>Requirements</u>			<u>Other Sources (Uses)</u>	<u>Surplus/ (Deficit)</u>	<u>Fund Balance</u>	
	<u>Total Revenues</u>	<u>Current Operations</u>	<u>CIP</u>	<u>Total</u>			<u>Beginning</u>	<u>Ending</u>
Other Governmental Funds (continued)								
START	612	1,019	-	1,019	-	(407)	447	40
State Route 16 Relinquishment	-	-	-	-	-	-	1	1
Street Cut	150	-	150	150	-	-	310	310
Sunset, Meadows A/D Maint	-	-	-	-	-	-	32	32
Transportation Development	350	-	350	350	-	-	22	22
Transportation Development Impact Fee	-	-	-	-	-	-	548	548
Traffic Safety	500	500	-	500	-	-	-	-
Transportation System Management	-	-	112	112	-	(112)	113	1
Wastewater Development Fees	-	-	-	-	-	-	3,138	3,138
Water Development Fees	-	-	-	-	-	-	17,488	17,488
Water Planning	1,151	1,837	-	1,837	-	(685)	1,353	668
Willowcreek Fee District	-	-	-	-	-	-	211	211
Zoo	50	50	-	50	-	-	54	54
Subtotal Other Governmental Funds	150,537	152,708	48,132	200,840	31,468	(18,836)	140,474	121,638
Total	1,050,886	1,002,191	84,683	1,086,874	21,139	(14,850)	277,774	262,924

Schedule 2C
Summary of Revenues, Expenditures, and Budgeted Fund Balances (in 000s)

	FY2014/15 Approved	FY2015/16 Approved	FY2016/17 Approved	FY2017/18 Approved	FY2018/19 Approved
General Fund					
Revenues	385,213	399,209	433,423	463,304	493,549
Total Resources	385,213	399,209	433,423	463,304	493,549
Expenses					
Operations	378,039	394,146	426,706	450,145	478,748
CIP	5,104	10,004	12,128	9,049	9,105
Total Requirements	383,143	404,150	438,834	459,194	487,853
Other Fund Sources (Uses)	(295)	1,242	5,485	(5,000)	(11,600)
Beginning Fund Balance	-	11,234	7,042	4,871	8,784
Ending Fund Balance	1,776	7,535	7,116	3,980	2,880
Enterprise Funds					
Revenues	267,209	270,298	289,188	303,659	323,524
Total Resources	267,209	270,298	289,188	303,659	323,524
Expenses					
Operations	255,392	263,460	267,590	269,457	285,611
CIP	14,169	40,901	23,124	23,935	27,144
Total Requirements	269,561	304,361	290,714	293,393	312,754
Other Fund Sources (Uses)	(250)	(250)	(250)	(250)	(1,008)
Beginning Fund Balance	97,172	110,324	95,429	120,183	127,998
Ending Fund Balance	94,571	76,011	93,653	130,199	137,759
Other Governmental Funds					
Revenues	132,148	139,392	137,207	143,778	150,537
Total Resources	132,148	139,392	137,207	143,778	150,537
Expenses					
Operations	128,507	131,225	141,596	150,772	152,708
CIP	24,957	41,327	35,830	58,246	48,132
Total Requirements	153,463	172,552	177,426	209,019	200,840
Other Fund Sources (Uses)	9,854	15,178	2,256	27,500	31,468
Beginning Fund Balance	117,468	140,961	184,438	189,040	140,474
Ending Fund Balance	106,007	122,979	146,474	151,300	121,638
Internal Service Funds					
Revenues	62,524	66,129	69,952	80,657	83,276
Total Resources	62,524	66,129	69,952	80,657	83,276
Expenses					
Operations	66,657	69,888	71,087	83,599	85,124
CIP	250	653	313	445	302
Total Requirements	66,907	70,541	71,400	84,043	85,426
Other Fund Sources (Uses)	4,482	4,547	2,047	3,628	2,279
Beginning Fund Balance	-	252	2	3	518
Ending Fund Balance	100	387	600	245	647

Schedule 3
Contributions to General Fund Support (in 000s)

Fund	Cost Allocation Plan*		In-Lieu Property Tax		In-Lieu Franchise Tax		Voter Approved General Tax	
	FY2017/18	FY2018/19	FY2017/18	FY2018/19	FY2017/18	FY2018/19	FY2017/18	FY2018/19
Enterprise Funds								
Community Center	1,550	1,195	457	461	1,265	1,265	-	-
Parking	1,236	1,309	244	230	1,820	1,820	-	-
Solid Waste	3,072	3,169	-	-	-	-	6,815	6,850
Storm Drainage	2,026	2,033	-	-	-	-	3,949	4,068
Wastewater	2,187	2,351	-	-	-	-	3,957	4,315
Water	4,925	6,788	-	-	-	-	12,529	13,784
Total Enterprise Funds	14,996	16,845	701	691	3,085	3,085	27,250	29,017
Internal Service Funds								
Fleet Management	1,523	1,550	-	-	-	-	-	-
Risk Management	3,494	3,510	-	-	-	-	-	-
Total Internal Service Funds	5,017	5,060	-	-	-	-	-	-
GRAND TOTAL	20,013	21,905	701	691	3,085	3,085	27,250	29,017

*The increased charges from the cost allocation plan are primarily attributable to the transfer of IT staff from the various departments/funds to Centralized IT (a department supported by General Funds).

FY2018/19 Approved Budget

Schedule 4
Summary of Capital Funding by Funding Source (in 000s)

Fund	Description	Budget						Total Five-year Funding
		Through 02/2018	FY2018/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23	
1001	General Fund	131,119	8,845	7,906	8,256	8,692	8,731	42,429
2001	Sacto Transp.Sales Tax-Cip.	15,502	-	-	-	-	-	-
2002	Gas Tax 2106	9,950	1,484	2,089	1,728	1,166	1,115	7,581
2005	Sacto Transp.Sales Tax-Maint.	350	-	-	-	-	-	-
2007	Major Street Construction	24,654	-	-	-	-	-	-
2008	Street Cut	308	150	150	150	150	150	750
2010	State Route 160	100	-	-	-	-	-	-
2011	State Route 275	603	-	-	-	-	-	-
2012	Transportation System Management	569	112	-	-	-	-	112
2013	Transportation Development	794	350	350	350	350	350	1,750
2016	Development Services	11,473	992	980	955	890	890	4,706
2020	So Natomas Comm Improv	2,566	-	-	-	-	-	-
2021	So Natomas Facility Benefit	1,452	-	-	-	-	-	-
2023	New Measure A Specific Project	13,941	-	-	-	-	-	-
2024	Historic Places	50	-	-	-	-	-	-
2025	New Measure A Construction	12,752	-	-	-	-	-	-
2026	New Measure A Maintenance	5,474	853	325	325	325	325	2,153
2028	Prop 1B - Local Street & Road	421	-	-	-	-	-	-
2030	Sheraton MOPA Project	1,500	-	-	-	-	-	-
2031	Innovation and Growth	4,400	-	-	-	-	-	-
2032	Fair Share Contributions	788	196	-	-	-	-	196
2034	State Route 16 Relinquishment	450	-	-	-	-	-	-
2035	Tree Planting Replacement	181	120	75	75	75	75	420
2036	Road Maint and Rehabilitation	3,300	8,240	8,240	8,240	8,240	8,240	41,200
2038	NMA Traffic Control & Safety	-	1,229	1,188	1,223	1,259	1,297	6,196
2039	NMA Safety, Streets, Ped, Bic	-	1,630	1,628	1,676	1,726	1,777	8,437
2220	Sunset, Meadows A/D Maint	1,600	-	-	-	-	-	-
2230	N Natomas Lands CFD 3	278	-	-	-	-	-	-
2232	Landscaping and Lighting	2,755	1,365	865	865	865	865	4,825
2235	Florin Road Storm and San	90	-	-	-	-	-	-
2401	Measure U	27,810	-	-	-	-	-	-
2504	Special Recreation	842	-	-	-	-	-	-
2507	Land Park	118	-	-	-	-	-	-
2508	Quimby Act	9,508	1,097	-	-	-	-	1,097
2601	Old Sac Market	30	-	-	-	-	-	-
2603	Golf	213	15	15	15	15	15	75
2605	Zoo	1	-	-	-	-	-	-
2607	Art In Public Places Projects	26	-	-	-	-	-	-
2608	Marina	621	260	60	60	60	60	500
2609	Marcy Friedman ESC APP	1,000	-	-	-	-	-	-
2700	Block Grant/Housing & Redev	3,455	-	-	-	-	-	-
2701	Disaster Relief Act	3	-	-	-	-	-	-
2702	Operating Grants	3,479	-	-	-	-	-	-
2703	Externally Funded Programs	970	-	-	-	-	-	-
2801	Cal EPA	1,222	587	-	-	-	-	587
3001	1993 Series B Cop	600	-	-	-	-	-	-
3002	2002 Capital Improv. Revenue Bonds	602	-	-	-	-	-	-
3003	2003 Capital Improv. Revenue Bonds	23,040	9	-	-	-	-	9
3004	2006 CIRB - Tax Exempt	5,345	48	-	-	-	-	48
3005	2006 CIRB - Taxable	1,753	30	-	-	-	-	30
3006	2006 CIRBs Ser C Cap Projs	319	19	-	-	-	-	19
3008	Willowcreek Fee District	788	-	-	-	-	-	-
3020	Golden 1 Center	223,130	-	-	-	-	-	-
3201	N. Natomas Financial Plan	7,631	-	-	-	-	-	-
3202	Railyards/Richards/Downtown	359	-	-	-	-	-	-
3204	Park Development	21,096	2,976	-	-	-	-	2,976
3206	NNFP Public Facilities Fee	2,380	12	12	12	12	12	58
3212	River District Impact Fee	350	-	-	-	-	-	-
3311	N Laguna Creek Park CFD	77	-	-	-	-	-	-
3314	N Natomas Drng CFD 97-01	418	-	-	-	-	-	-
3323	CFD 97-01 Series C	68	-	-	-	-	-	-
3328	N Natomas Drng 2005 CFD 97-01	551	-	-	-	-	-	-
3333	CFD 97-01 Construction	247	-	-	-	-	-	-

Schedule 4 (continued)
Summary of Capital Funding by Funding Source (in 000s)

Fund	Description	Budget					FY2022/23	Total Five-year Funding
		Through 02/2018	FY2018/19	FY2019/20	FY2020/21	FY2021/22		
3701	Sacto Housing & Redev Agency	8,900	-	-	-	-	-	-
3702	CIP Reimbursable	30,165	45	46	48	50	53	242
3703	Federal Capital Grant	34,976	23,082	92,263	5,476	-	-	120,822
3704	Other Capital Grants	42,382	3,333	-	-	-	-	3,333
3801	2003 Alkali Flat TE	386	-	-	-	-	-	-
3802	2006 Army Depot TA	1,479	-	-	-	-	-	-
3803	2006 Army Depot TE	715	-	-	-	-	-	-
3804	2006 65th St TA	1,103	-	-	-	-	-	-
3810	2002 ML Downtown TE	2	-	-	-	-	-	-
3811	2005 TAB Downtown CIP TE	27	-	-	-	-	-	-
3812	2005 TAB Downtown CIP TA	78	-	-	-	-	-	-
3818	2006 River Dist TA	600	-	-	-	-	-	-
3820	800K/L Merged Downtown TE	3,600	-	-	-	-	-	-
6001	Water Development Fees	22,008	-	-	-	-	-	-
6002	Wastewater Development Fees	1,290	-	-	-	-	-	-
6004	Parking	40,012	737	715	715	715	715	3,597
6005	Water	70,041	12,034	8,001	6,001	6,004	7,001	39,040
6006	Wastewater	27,419	5,299	4,670	10,003	5,012	2,003	26,986
6007	Recycling and Solid Waste	19,651	3,662	4,215	2,990	1,490	1,490	13,847
6008	Landfill Closure	5,195	-	-	-	-	-	-
6009	Sacramento Marina	874	-	-	-	-	-	-
6010	Community Center	35,665	4,589	2,450	2,325	2,400	2,000	13,764
6011	Storm Drainage	12,876	824	402	250	250	250	1,976
6205	Water Grant Reimbursement	4,162	-	-	-	-	-	-
6206	Wastewater Grant Reimbursement	3,085	-	-	-	-	-	-
6207	Solid Waste Grant Reimbursement	771	-	-	-	-	-	-
6211	Storm Drainage Grant Reimbursement	125	-	-	-	-	-	-
6310	Water Revenue Bonds	169,922	-	-	-	-	-	-
6311	Water Revenue Bonds Ser. 2017	62,600	-	-	-	-	-	-
6312	Drinking Water SRF Loan	173,142	-	-	-	-	-	-
6320	Wastewater Revenue Bonds	996	-	-	-	-	-	-
6501	Fleet Management	8,006	302	202	202	209	202	1,117
6502	Risk Mgmt	12	-	-	-	-	-	-
Total		1,367,738	84,523	136,846	51,938	39,955	37,614	350,875

Schedule 5
Article XIII B Appropriation Limit Calculation (in 000s)

"GANN" Appropriations Limit

In November 1979, the voters of the State of California approved Proposition 4, commonly known as the "GANN Initiative." The Proposition created Article XIII B of the State Constitution, placing certain limits on the amount of revenue that can be appropriated each fiscal year. The limit is based on actual appropriations during FY1978/79 (base year) and is recalculated each fiscal year based on certain inflation and population factors. Only those revenues that are considered "proceeds of taxes" are subject to the limit. Proceeds of taxes are, however, allowed to be spent on several types of appropriations that do not count against the limit, including voter approved debt, the costs of complying with court orders and federal mandates, and expenditures for qualified capital outlays. The City is in compliance with Article XIII B for each of the fiscal years as shown on Schedule 5.

APPROPRIATION LIMIT (Section 1)	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19
Prior year limit	653,565	655,648	686,752	728,551	766,162
Multiply by:					
Change in CPI or Per Capita Personal Income	0.9977	1.0382	1.0537	1.0369	1.0367
Change in Population	1.0055	1.0089	1.0068	1.0142	1.0143
Total Appropriation Limit	655,648	686,752	728,551	766,162	805,638
 PROCEEDS OF TAXES (Section 2)					
Total governmental revenue	517,361	538,601	570,630	607,082	644,086
Add taxes in enterprise funds:					
Transient Occupancy Tax	17,565	19,407	21,738	22,477	25,948
Add user fees in excess of cost:	-	-	-	-	-
Deduct:					
Non-proceeds of tax revenue	(197,149)	(196,873)	(207,715)	(220,766)	(251,415)
General obligation debt svcs	-	-	-	-	-
Qualified capital outlay	(17,671)	(27,266)	(31,653)	(15,570)	(18,544)
Total Proceeds of Taxes	320,106	333,869	353,000	393,223	400,075
 APPROPRIATIONS SUBJECT TO LIMIT (Section 3)					
Total Governmental Funds:					
Operating appropriations	506,546	525,371	568,302	600,917	631,456
CIP appropriations	30,061	51,331	47,958	67,295	57,237
Add:					
Enterprise fund tax approp.	17,565	19,407	21,738	22,477	25,948
User fees in excess of cost					
Current proceeds of taxes appropriated to reserves	18,942	32,656	36,647	18,351	20,535
Deduct:					
Non-proceeds of tax revenue	(197,149)	(196,873)	(207,715)	(220,766)	(251,415)
General obligation debt svcs	-	-	-	-	-
Qualified capital outlay	(17,671)	(27,266)	(31,653)	(15,570)	(18,544)
Total Appropriations Subject to Limit	358,294	404,626	435,277	472,704	465,217

FY2018/19 Approved Budget

Schedule 6
Revenue Budget (in 000s)

	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved
General Fund					
Taxes					
Property Taxes - Current Secured	90,710	96,163	101,846	101,846	107,956
Property Taxes - Current Unsecured	3,578	3,637	3,669	3,669	3,669
Property Taxes - In Lieu VLF	36,428	38,706	39,867	41,487	42,259
Property Taxes - Prior Secured	923	843	854	854	906
Property Taxes - Prior Unsecured	84	51	33	33	34
Property Taxes - Redevelopment Passthrough	1,383	1,212	800	800	800
Property Taxes - Supplemental	2,486	2,199	2,500	2,500	2,250
Subtotal Property Taxes	135,590	142,811	149,570	151,190	157,875
Business Operations Taxes	7,319	7,986	7,216	7,216	7,289
General Sales and Use Taxes	63,386	75,166	78,523	78,523	82,371
Medical Marijuana BOT	4,234	4,825	4,725	4,725	4,961
Property Taxes - In Lieu Sales Tax	14,387	-	-	-	-
Property Taxes - Resident Development	447	845	451	451	429
Public Safety Sales Tax	4,597	5,230	5,011	5,011	5,161
Real Property Transfer Taxes	10,820	12,375	11,500	14,100	14,375
Transient Occupancy Tax	4,326	4,751	4,550	5,150	5,005
Transient Occupancy Tax - Prior	26	23	-	-	-
Utility Users Tax - Current	61,395	62,993	61,312	62,412	62,538
Utility Users Tax - Prior	10	4	-	-	-
Subtotal Other Taxes	170,945	174,198	173,289	177,589	182,129
Total Taxes	306,535	317,009	322,858	328,778	340,003
Licenses and Permits					
Alley Parking Permits	3	2	7	7	7
Animal Licenses	281	250	473	473	473
Building Trades Certification	1	-	1	1	1
Burglar Alarm Permits	1,005	1,059	1,000	1,000	1,000
Business Permits and Licenses	625	644	540	540	540
Cellular Revocable Permits	1,373	1,856	1,663	1,663	1,681
Construction Permits	7,614	8,793	9,042	10,663	10,444
Dance Permits	25	63	10	10	10
Emergency Permits	9	6	7	7	7
Excavation Permits	53	66	25	25	25
Home Occupation Permits	56	57	80	80	80
Marijuana Cultivation Permit	-	919	2,904	2,904	2,894
Marijuana Delivery Permit	-	-	704	704	105
Marijuana Dispensary Permit	-	80	543	543	624
Marijuana Manufacturing Permit	-	31	695	695	419
Marijuana Other Business Permit	-	-	358	358	353
Miscellaneous Licenses and Permits	7	8	-	-	-
On-Site Plan Review Permit	-	-	-	-	87
Park Impact Fee	-	25	-	-	-
Plan Check Fees	3,385	4,261	4,396	4,538	5,687
Sign and Billboard Permit	67	113	87	87	87
Sign and Billboard Permits	242	268	240	240	240
Special Event Permits	61	302	394	394	394
Special Use Permits	1,601	2,097	2,677	2,714	3,303
Street Vendor Permits	38	44	19	19	19
Taxi Permits	139	146	142	142	142
Towing Vehicle Permits	44	41	45	45	45
Tree Fee	17	31	-	-	-
Subtotal Licenses and Permits	16,645	21,162	26,051	27,851	28,665
Fines, Forfeitures, and Penalties					
Delinquency Charges	(31)	(6)	-	-	-
Fines and Penalties	12,109	10,920	13,522	13,522	13,543
Transient Occupancy Tax - Penalty	9	-	-	-	-
Subtotal Fines, Forfeitures, and Penalties	12,087	10,913	13,522	13,522	13,543

**Schedule 6 (continued)
Revenue Budget (in 000s)**

	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved
General Fund (cont.)					
Interest, Rents, and Concessions					
Interest Income - LAIF	-	2	-	-	-
Interest on Investments	476	967	300	300	300
Interest on Receivables	47	337	125	125	125
Real Property Rental	306	300	229	229	229
Subtotal Interest, Rents, and Concessions	829	1,606	654	654	654
Intergovernmental					
Fire District Reimbursement	6,413	5,055	4,370	4,370	4,370
Miscellaneous Governmental Revenue	3,589	3,852	1,666	1,696	2,928
Miscellaneous Other Federal	2,606	3,358	-	2,100	1,210
Other Agency Payments	1,596	1,504	1,425	1,425	1,449
Other Agency Training Reimbursement	-	2	-	-	-
Other County Payments	324	384	330	330	330
Other Recoveries	385	274	230	230	230
Other State Payments	1,662	723	76	76	76
P.O.S.T. Reimbursement	124	29	167	167	167
Planning Technology Fee	946	1,274	490	490	-
Redevelopment Agency Services	682	665	395	395	645
Sacramento County Support - Metro Arts	345	100	-	100	100
Sacramento County Support - Museums	429	429	429	459	459
State Government Grants - Op - Ncat	-	4	-	-	-
State Homeowners Property Tax	1,119	1,119	1,200	1,200	1,200
State Mandated Reimbursement SB 90	759	79	212	212	212
State Motor Vehicle In Lieu Tax	194	218	-	-	-
Subtotal Intergovernmental	21,173	19,069	10,990	13,250	13,376
Charges, Fees, and Services					
Administrative Fee	63	119	-	131	432
ALS Fees	18,610	17,778	18,186	18,186	22,961
Animal Shelter Fees and Charge	226	276	230	230	230
Appeal Fees	1	-	-	-	-
City Attorney Fees	38	7	-	-	-
Code Enforcement Fee	2,587	2,873	2,798	2,798	2,798
Community Services Fees	153	2,011	2,577	2,700	2,239
Compliance Fee	5	15	5	5	5
Concessions	97	205	173	110	130
Demolition Charges	380	643	599	599	599
DUI Fees	(24)	94	67	67	67
Facility Use Fees	1,139	2,080	1,131	1,195	1,141
Fire Permit Fees	830	780	800	800	800
Fire Report Fees	6	5	1	1	1
Franchise Fees	6,810	6,680	7,313	7,313	7,459
Housing and Dangerous Buildings	123	134	182	182	182
Insurance Fee	-	1	-	-	-
Jail Booking Fee Recovery	247	197	210	210	210
Miscellaneous Proprietary Revenue	50	49	32	32	32
Other Departmental Service	9,933	10,583	9,742	9,742	10,091
Other Fees	(22)	216	-	-	-
Other General Fees and Charges	117	122	23	23	23
Parking Fees	3	4	-	-	1
Parking Meter Receipts	7,010	10,609	9,191	9,191	9,291
Parking Meter Removal Fees	309	231	282	282	282
Recyclables Sales	7	7	15	15	15
Registration Fees	5	209	27	27	277
Service Fees	301	177	35	35	35
Special Assessments - Administ	172	169	74	74	74
Special Assessments - Service SD	-	97	-	-	-

**Schedule 6 (continued)
Revenue Budget (in 000s)**

	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved
General Fund (cont.)					
Charges, Fees, and Services (cont.)					
Street Sidewalk and Curb Repair	1,489	1,737	1,550	1,550	1,550
Subdivision Map Processing - Planning	-	-	30	30	30
Swimming Pool Fees	131	154	112	112	396
Third Party Recoveries - Property	1	6	-	-	-
Third Party Recoveries - Vehicle	117	286	-	-	-
Tour Fees	1	30	-	-	-
Utility Services Charges	48	-	-	-	-
Vehicle Abatement SAVSA	465	701	405	405	405
Subtotal Charges, Fees, and Services	51,426	59,287	55,789	56,045	61,755
Contributions from Other Funds					
Enterprise Fund General Tax Co	24,422	26,074	27,250	27,250	29,017
In-Lieu Franchise Fee	2,949	3,187	3,085	3,085	3,085
In-Lieu Property Tax	697	700	701	701	691
Investment Fees	2,153	2,213	2,251	2,251	2,251
Subtotal Contributions from Other Funds	30,222	32,173	33,286	33,286	35,043
Miscellaneous Revenues					
Escheat	223	198	154	154	154
Gifts and Donations	13	15	-	-	-
Other Departmental Services	-	-	-	-	357
Sale of Real or Personal Property	22	62	-	-	-
Subtotal Miscellaneous Revenue	258	276	154	154	510
Total General Fund	439,175	461,495	463,304	473,539	493,549

FY2018/19 Approved Budget

Schedule 6 (continued)
Revenue Budget (in 000s)

	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved
Enterprise Funds					
Community Center					
Box Office Fees	847	905	740	740	754
Catering Fees	974	1,163	1,137	1,137	1,160
Concessions	948	970	699	699	713
Facility Use Fees	3,956	4,151	3,588	3,588	3,726
Insurance Fee	9	5	8	8	5
Interest on Investments	197	333	200	200	200
Miscellaneous Governmental Revenue	89	77	71	71	73
Other Fees	699	683	627	627	634
Real Property Rental	583	850	802	802	818
Royalties	50	-	-	-	15
Service Fees	422	476	466	466	475
Transient Occupancy Tax	21,668	23,752	22,477	22,477	25,948
Transient Occupancy Tax - Penalty	3	2	3	3	3
Transient Occupancy Tax - Prior	128	113	83	83	83
Subtotal Community Center	30,575	33,481	30,902	30,902	34,607
Parking					
Administrative Fee	517	395	350	350	424
Delinquency Charges	20	(1)	-	-	-
Interest on Investments	272	341	600	600	600
Interest on Receivables	2	(3)	-	-	-
Miscellaneous Governmental Revenue	1	1	-	-	-
Miscellaneous Proprietary Revenue	85	85	-	-	-
Other Bonds Issued	6,699	-	-	-	-
Other Fees	-	20	-	-	-
Other General Fees and Charges	(1)	(7)	-	-	-
Parking Fees	16,466	17,509	18,195	18,195	18,120
Real Property Rental	653	419	674	674	674
Royalties	-	57	-	-	-
Sale of Real or Personal Property	-	18	-	-	-
Subtotal Parking	24,715	18,835	19,818	19,818	19,818
Solid Waste					
Compost Sales	1	-	-	-	-
Facility Use Fees	19	150	150	150	150
Fines and Penalties	2	7	-	-	-
Fleet Charges Accident Repair	391	-	-	-	-
Interest on Investments	358	491	-	-	-
Interest on Receivables	2	4	-	-	-
Miscellaneous Governmental Revenue	81	133	-	-	-
Miscellaneous Proprietary Revenue	28	23	-	-	-
Other Agency Payments	36	27	183	183	283
Recyclables Sales	401	544	500	500	500
Sale of Real or Personal Property	36	47	-	-	-
Service Fees	75	84	12	12	12
Third Party Recoveries - Vehicle	-	5	-	-	-
Utility Service Extensions	48	39	-	-	-
Utility Services Charges	59,332	60,630	62,155	62,155	62,467
Subtotal Solid Waste	60,811	62,184	63,000	63,000	63,412
Storm Drainage					
Compliance Fee	74	132	30	30	30
Drainage Impact Fee	60	(15)	-	-	-
Engineering Fees	12	-	-	-	-
Interest on Investments	327	441	-	-	-
Interest on Receivables	97	87	422	422	422
Miscellaneous Governmental Revenue	19	8	-	-	-
Miscellaneous Proprietary Revenue	10	9	15	15	15
Other Fees	22	46	-	-	-

**Schedule 6 (continued)
Revenue Budget (in 000s)**

	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved
Enterprise Funds (cont.)					
Storm Drainage (cont.)					
Other Recoveries	29	-	-	-	-
Plan Check Fees	38	41	25	25	25
Service Fees	25	29	15	15	15
Subdivision Map Processing - Engineering	3	2	-	-	-
Third Party Recoveries - Vehicle	4	4	-	-	-
Utility Service Extensions	15	12	-	-	-
Utility Services Charges	36,818	37,567	36,002	36,002	37,082
Subtotal Storm Drainage	37,553	38,364	36,509	36,509	37,589
Wastewater					
Interest on Investments	375	450	-	-	-
Interest on Receivables	18	15	392	392	392
Miscellaneous Governmental Revenue	1	-	-	-	-
Miscellaneous Proprietary Revenue	26	25	23	23	23
Regional Sanitation District	1,030	1,006	1,013	1,013	1,013
Service Fees	63	80	-	-	-
Sewer Permits	45	66	-	-	-
Subdivision Map Processing - Engineering	3	2	-	-	-
Utility Service Extensions	72	62	27	27	27
Utility Services Charges	30,477	33,229	36,166	36,166	39,421
Subtotal Wastewater	32,109	34,935	37,620	37,620	40,875
Water					
Cellular Revocable Permits	69	62	71	71	71
Fines and Penalties	142	57	-	-	-
Fire Hydrant Use Fee	128	147	79	79	79
Interest Income - LAIF	10	14	-	-	-
Interest on Investments	1,248	1,383	-	-	-
Interest on Receivables	-	-	400	400	400
Miscellaneous Governmental Revenue	85	103	75	75	75
Miscellaneous Proprietary Revenue	623	218	51	51	51
Other Agency Payments	84	81	39	39	39
Other Bonds Issued	-	52,610	-	-	-
Other General Fees and Charges	-	(1)	-	-	-
Other Recoveries	-	29	-	-	-
Premium on Bond Sales	-	10,192	-	-	-
Real Property Rental	-	1	-	-	-
Residential Construction Water	93	180	-	-	-
Service Fees	85	96	70	70	70
Subdivision Map Processing - Engineering	3	2	-	-	-
Third Party Recoveries - Property	3	-	-	-	-
Utility Service Extensions	62	54	36	36	36
Utility Services Charges	96,584	106,546	114,418	114,418	125,830
Utility Shut-Off Fee	88	92	-	-	-
Water Flow Test Fee	134	136	85	85	85
Water Tap Sales	776	1,438	486	486	486
Subtotal Water	100,217	173,440	115,811	115,811	127,223
Total Enterprise Funds	285,981	361,240	303,659	303,659	323,524

FY2018/19 Approved Budget

Schedule 6 (continued)
Revenue Budget (in 000s)

	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved
Internal Service Funds					
Fleet Management					
Fleet Charges Accident Repair	538	590	352	352	482
Fleet Charges O & M	17,275	19,018	19,932	19,932	20,593
Fleet Vehicle Revenue	11,534	19,872	23,101	23,101	19,493
Gasoline and Oil Sales	5,603	5,362	6,279	6,279	6,523
Interest on Investments	49	131	-	-	-
Miscellaneous Governmental Revenue	22	12	-	-	-
Miscellaneous Other Federal	8	453	-	-	-
Net Incr/Decr in Fair Value	-	-	-	-	-
Other Agency Payments	30	47	-	-	-
Other Recoveries	-	7	-	-	-
Other State Payments	11	-	-	-	-
Sale of Real or Personal Property-Salvage	312	488	154	154	461
Third Party Recoveries - Vehicle	3	-	-	-	-
Vehicle or Equipment Rental	737	674	529	529	809
Subtotal Fleet Management	36,122	46,653	50,346	50,346	48,361
Risk Management					
Interest on Investments	962	1,524	500	500	500
Miscellaneous Governmental Revenue	20	-	-	-	-
Other Agency Payments	-	2	-	-	-
Other Departmental Service	-	-	-	-	-
Other Departmental Services	951	1,149	-	-	-
Other Recoveries	-	12	-	-	-
Real Property Transfer Taxes	-	-	-	-	-
Risk Fund In-Lieu Insurance	29,731	31,283	29,461	29,461	34,065
Service Fees	-	-	100	-	100
State Mandated Reimbursement SB 90	64	7	-	-	-
Third Party Recoveries - Property	265	354	250	250	250
Third Party Recoveries - Vehicle	-	2	-	-	-
Third Party Recoveries Workers' Compensation	5	3	-	-	-
Subtotal Risk Management	31,999	34,338	30,311	30,211	34,915
Total Internal Service Funds	68,121	80,991	80,657	80,557	83,276

FY2018/19 Approved Budget

Schedule 6 (continued)
Revenue Budget (in 000s)

	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved
Other Governmental Funds					
4th R Program	6,644	6,348	6,084	6,084	6,338
Art In Public Places Projects	4	4	-	-	-
Assessment Reg and SDRIS	3	3	-	-	-
Cal EPA	226	202	172	172	172
Capital Improv. Revenue Bonds	2,547	42	-	-	-
CIP Reimbursable	37	38	-	-	-
Citation I-5 Improvements	3	4	-	-	-
Citation I-5 Maintenance	8	10	-	-	-
Citywide Low Income Housing	902	3,478	300	300	2,100
Cultural Services - Other	422	241	118	118	155
Debt Service	421,390	31,899	14,538	14,538	12,482
Development Services	5,326	7,843	920	120	2,992
Downtown Impact Fee	78	92	-	-	-
Downtown Management District	2,791	2,935	2,950	3,094	3,094
Ethel Macleod Hart Trust	213	152	-	-	-
Externally Funded Programs	13	16	-	-	-
Fair Share Contributions	430	523	-	-	-
Fairytale Town	62	56	50	50	50
Florin Road Storm and San	1	1	-	-	-
Gas Tax	10,719	9,573	9,625	9,625	11,408
Golden 1 Center	207	39	-	-	-
Golf	2,080	1,361	1,480	1,480	1,430
Innovation and Growth	4,296	5,495	-	-	-
Jacinto Creek	35	723	-	-	-
Land Park	141	131	91	91	91
Landscaping and Lighting	15,193	15,666	15,944	15,944	16,814
Library Services Parcel Tax	7,135	7,261	7,649	7,649	7,949
Major Street Construction	2,544	4,264	1,870	1,870	3,095
Marcy Friedman ESC APP	1,505	2	-	-	-
Marina	1,638	1,842	1,377	1,377	1,377
Measure A Construction	2,447	2,617	2,600	2,600	-
Measure A Maintenance	10,168	10,733	10,949	10,949	11,378
Measure U	42,635	45,663	46,542	46,542	36,543
Museum of History, Science, & Tech	3	4	-	-	-
NMA Safety, Streets, Ped, Bic	-	-	-	-	1,559
NMA Traffic Control & Safety	-	-	-	-	1,136
North Natomas Financing Plan	8,079	11,496	-	-	-
Operating Grants	22	35	-	-	-
Other	189	222	-	-	-
Park Development	5,145	12,833	63	63	63
Private Development	59	67	-	-	-
Quimby Act	786	1,256	100	100	100
Redevelopment Bond	11,910	3,231	-	-	-
River District Impact Fee	32	8	-	-	-
Road Maint and Rehabilitation	-	-	-	3,300	8,240
Sheraton MOPA Project	142	174	-	-	-
SHRA CDBG	-	-	-	29	29
So Natomas Comm Improv	13	17	-	-	-
So Natomas Facility Benefit	38	499	-	-	-
So Natomas I-5 Developer Impr	5	7	-	-	-
Special Districts	15,701	17,830	17,359	18,209	18,760
Special Districts - Capital	143	710	-	-	-
Special Program Donations	-	4	250	250	250
Special Recreation	3,029	-	-	-	-
START	4,176	3,079	560	560	612
State Route 16 Relinquishment	451	5	-	-	-
State Route 160	1	1	-	-	-
State Route 275	4	3	-	-	-

**Schedule 6 (continued)
Revenue Budget (in 000s)**

	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved
Other Governmental Funds (cont.)					
Street Cut Fund	41	396	50	50	150
Street Tree Fee	2	-	-	-	-
Sunset, Meadows A/D Maint	14	18	-	-	-
Traffic Safety	599	524	600	600	500
Transportation Development	754	379	350	350	350
Transportation System Management	3	2	-	-	-
Tree Planting Replacement	-	182	-	89	120
Wastewater Development Fees	548	875	-	-	-
Water Development Fees	4,349	4,523	-	-	-
Water Planning	1,116	1,172	1,137	1,137	1,151
Willowcreek Fee District	7	9	-	-	-
Zoo	60	54	50	50	50
Total Other Governmental Funds	599,262	218,872	143,778	147,390	150,537

Schedule 7
Operating Grants - \$10.8 million

This section provides overview information about significant grant activities that departments conduct with federal, state, and local sponsorship to advance City objectives and supplement City programs. Grant payments for non-labor items are charged directly to the grant fund. Grant payments for labor are noted in the grant fund and also show as a grant recovery in the General Fund or other funds to which the employees are assigned. This information is not all-inclusive and is intended as a general summary of the City's success in receiving grants. Resources for capital programs are also included in the 2018-2023 CIP. Significant grant amounts that will benefit FY2018/19 are summarized by department below.

FIRE DEPARTMENT - \$1,200,000

Urban Search and Rescue (US&R) \$1,200,000

The National US&R system is a cooperative effort between the Department of Homeland Security (DHS), participating state emergency management agencies, and local public safety agencies across the country. The system is built around a core of sponsoring agencies prepared to deploy US&R task forces immediately and initiate US&R operations at DHS's direction. US&R operational activities include locating, extricating, and providing on-site medical treatment to victims trapped in collapsed structures, victims of weapons of mass destruction (WMD) events, victims of major flooding and, when assigned, performing incident command or other operational activities. California has eight of the 28 US&R Task Forces. The City of Sacramento's Fire Department (SFD) is the sponsoring agency of California Task Force 7 (CA-TF7). DHS provides financial support in the form of grants/cooperative agreements to each of the Sponsoring Agencies. SFD is solely responsible for the administrative management of CA-TF7. As required by the cooperative agreement, SFD will use this grant to: train task force personnel; maintain a state of readiness; and acquire necessary equipment and supplies. Funding is included to staff the following positions: a Battalion Chief, an Administrative Analyst, an Administrative Technician, and two Cache Logisticians. Funding for this program, which varies annually, is provided on an annual basis from DHS.

POLICE DEPARTMENT - \$5,833,397

FY2018 Urban Area Security Initiative \$2,369,600

This program provides funding from the Department of Homeland Security through the State of California to enhance the five mission areas of the National Preparedness Goal: Prevention, Protection, Mitigation, Response and Recovery.

Citizens' Option for Public Safety Program \$1,056,607

This program provides funding from the state through Sacramento County to law enforcement jurisdictions to support law enforcement activities. This funding is

determined by the City's relative population, which is based on the most recent January estimate by the population research unit of the California Department of Finance.

FY2016 Urban Area Security Initiative **\$970,727**

This program provides funding from the Department of Homeland Security through the State of California to enhance the five mission areas of the National Preparedness Goal: Prevention, Protection, Mitigation, Response, and Recovery.

FY15 Community Oriented Policing (COPS) Hiring Program Grant **\$600,518**

This federal program provides funding directly to law enforcement agencies to create and preserve jobs, and to increase community policing capacity and crime-prevention efforts, especially gun violence. The Department is using this grant to hire 15.0 FTE Police Officers. It funds 75% of entry-level salaries and benefits for the officers over a three-year period, up to \$125,000 per position. The grant requires a 25% City match for the three-year grant award period and a one-year retention period, at which time salary and benefit costs will shift to Measure U. Without Measure U funding, the City would be unable to accept the award.

Gang Violence Suppression **\$426,799**

The purpose of this program is to reduce the level of gang violence in target areas and to divert potentially dangerous gang activity. The City partners with the Sacramento County District Attorney's Office, Sacramento County Probation Office, SCUSD, Another Choice Another Chance, and La Familia to achieve program goals.

FY14 COPS Hiring Program Grant **\$200,526**

This federal program provides funding directly to law enforcement agencies to create and preserve jobs, and to increase community policing capacity and crime-prevention efforts, especially gun violence. The Department is using this grant to hire 15.0 FTE police officers for the addition of night investigation teams. It funds 75% of entry-level salaries and benefits for the officers over a three-year period, up to \$125,000 per position. The grant requires a 25% City match for the three-year grant award period and a one-year retention period, at which time salary and benefit costs will shift to Measure U. Without Measure U funding, the City would be unable to accept the award.

Selective Traffic Enforcement Program **\$141,833**

This state program exists to increase Driving Under the Influence (DUI) surveillance and traffic enforcement activities to reduce alcohol, drug, texting, speed, and aggressive driving related collisions and injuries.

Off-Highway Vehicle (OHV) Grant and Cooperative Agreement Program **\$48,037**

This state program provides financial assistance to law enforcement agencies to enforce OHV laws within city limits, provide its citizens educational resources and lawful areas to ride, and to protect environmentally sensitive areas where illegal riding occurs. This grant award is a collaborative effort between the Police Department and the City Park Rangers.

Traffic Safety & Education Program **\$18,750**

This state program provides funding to implement a program to collaborate with schools and community partners on the importance of bicycle and pedestrian safety, along with expanding Start Smart training for teenage drivers and local high schools.

UTILITIES DEPARTMENT - \$2,500,000

**State of California Department of Water Resources (DWR)
2015 Water-Energy Grant Program** **\$2,500,000**

This Water Loss Control grant from DWR is being used to fund three to four District Metered Areas (DMAs) within disadvantaged communities to help identify existing leaks within the water distribution system and fund City and customer-side leak repairs. DMA's are defined as discrete areas of the water distribution system that have a defined boundary typically encompassing 500-5,000 metered service connections.

YOUTH, PARKS, & COMMUNITY ENRICHMENT - \$1,817,872

START (Students Today Achieving Results for Tomorrow) **\$611,793**

START has funding of \$611,793 from the California Department of Education (DOE) After School Education and Safety (ASES) grant for this after-school literacy and enrichment program that serves over 415 elementary school children daily in the Robla Unified School District.

4th R Program (before and after school licensed childcare) **\$661,554**

Annual renewable grant from the DOE subsidizes childcare enrollment fees for students in low-income families.

**Workforce Innovation and Opportunity Act (WIOA)/Youth
Program Development** **\$261,188**

The Sacramento Employment and Training Agency provides funding to support 60 in-school youth (ages 16-21 years old) each year. Activities are individualized and may include paid work experience, tutoring, leadership development opportunities, adult mentoring, comprehensive guidance and counseling, and a minimum of one year of follow-up services.

PASSage and ASES Program **\$283,337**

Grant funding from the DOE provides after-school academic support, enrichment activities, recreation, and sports for students at middle schools in the Sacramento City Unified School District (SCUSD) and Elk Grove Unified School District (EGUSD). The school districts are the "grantees" who contract with the City for the delivery of the program.

Schedule 8
Reclassification Requests (in Full-Time Equivalents)
all requests are subject to Human Resources approval

Departments have submitted position study requests for the following positions. The Human Resources Department will complete position reviews to determine the appropriate classification. If the proposed classification results in a change of bargaining unit, the Human Resources Department will notify the appropriate employee organization.

Department	Budgeted Classification	Union (Rep. Unit #)	FTE
City Manager			
	Special Projects Manager	SCXEA (01)	1.00
Community Development			
	Animal Care Technician	L39 (03)	1.00
	Program Analyst	SCXEA (14)	1.00
	Senior Animal Care Technician	L39 (15)	1.00
Convention and Cultural Services			
	Senior Personnel Transaction Coordinator	L39 (16)	1.00
Human Resources			
	Personnel Transaction Coordinator	L39 (16)	1.00
	Senior Personnel Transaction Coordinator	L39 (16)	1.00
Finance			
	Program Analyst	SCXEA (14)	1.00
Fire			
	Office Supervisor	L39 (15)	1.00
Youth, Parks, and Community Enrichment			
	Neighborhood Services Area Manager	SCXEA (01)	1.00
Police			
	Police Clerk II	L39 (16)	1.00
	Police Records Specialist II	L39 (16)	3.00
	Program Analyst	SCXEA (14)	1.00
Public Works			
	Associate Civil Engineer	WCE (11)	1.00
	Program Analyst	SCXEA (14)	1.00
	Program Specialist	SCXEA (01)	1.00

Union	Rep. Unit #	Represented Unit
L39	15	Stationary Engineers, Local 39 (General Supervisory)
L39	16	Stationary Engineers, Local 39 (Office & Technical)
SCXEA	01	Sacramento City Exempt Employees Association (Exempt Management)
SCXEA	14	Sacramento City Exempt Employees Association (Exempt Management Support)
L39	03	Stationary Engineers, Local 39 (Operations and Maintenance)
WCE	11	Western Council of Engineers

FY2018/19 Approved Budget

Schedule 9
Multi-year Operating Projects (MYOPs)

Project Name	Project Number	Fund Name	Fund #	Project Budget as of March 2018	Estimated Balance as of March 2018	FY2018/19 Funding
Cannabis Policy and Enforcement	I06420000	General Fund	1001	5,971,991	5,971,991	2,844,095
Cannabis Equity Program	I02420000	General Fund	1001	-	-	1,000,000
Cultural Arts Awards	I17000700	General Fund	1001	1,000,000	528,041	114,000
Economic Development	I02001400	General Fund	1001	1,630,000	1,630,000	(965,000)
EIFD Program	I02180500	General Fund	1001	-	-	200,000
Electrical Safety Program	I13000100	General Fund	1001	220,000	74,225	100,000
Gang Prevention and Intervention	I02000600	General Fund	1001	451,691	332,963	1,003,126 ¹
Homeless Housing Initiative	I02000200	General Fund	1001	1,016,376	843,207	2,159,614 ¹
Neighborhood Community and Economic Plans	I02001700	General Fund	1001	1,100,000	1,100,000	(500,000)
Police Impact Teams	I11002400	General Fund	1001	990,000	683,515	160,000
Sacramento Riverfront	I02180200	General Fund	1001	150,000	150,000	600,000
Thousand Strong	I01000300	General Fund	1001	950,000	6,268	500,000
Utility Rate Assistance Program	I14130100	General Fund	1001	6,236,405	3,240,784	3,772,720
Webgrant Restructuring Program	I07000900	General Fund	1001	489,558	195,340	100,000
21st Century Skills Youth Development Grants	I01000400	General Fund	1001	-	-	-
Subtotal General Fund:						11,088,555
10-year Container Replacement	I14120500	Solid Waste	6007	3,448,949	3,394,493	700,000
City of Festivals Program	I15001211	Parking	6004	1,039,000	95,970	100,000
Downtown Fee District	J22010001	Downtown Impact Fee	3210	303,197	55,604	100,000
Driver Training Facility	E08000100	Risk	6502	1,200,000	529,926	100,000 ²
Fleet Acquisitions	I06000999	Various Funding Sources		-	-	16,502,593
F.O.C.A.S.	I13000400	Special Program Donations	2502	1,837,877	351,912	250,000 ²
FY2019 Fire Measure U	I80120700	Measure U	2401	-	-	13,271,004
FY2019 Parks and Recreation Measure U	I80190700	Measure U	2401	-	-	9,630,249
FY2019 Police Measure U	I80110700	Measure U	2401	-	-	23,920,864
General Plan Update	I22000000	Development Services	2016	1,435,154	513,006	2,000,000 ²
Jacinto Creek Planning Area Administrative	I22205100	Jacinto Creek Planning Area	3203	299,999	45,304	45,000
Legacy Landfill Operations	I14120100	Solid Waste	6007	500,000	214,605	50,000
North Natomas Administrative	I22200100	North Natomas Public Facilities Fee	3206	1,089,002	22,421	400,000
Powerhouse Science Center	E18000400	Innovation and Growth	2031	1,000,000	163,572	400,000
Solid Waste Outreach	I14120200	Solid Waste	6007	2,418,834	734,401	250,000
Storm Drainage Planning and Management	I14100000	Storm Drainage	6011	12,935,091	3,779,751	1,838,950
SVS Operations and Management	I15001000	Parking	6004	50,000	50,000	221,000
Wastewater Planning and Management	I14600000	Wastewater	6006	15,648,230	5,639,951	2,554,805
Water Planning and Management	I14400000	Water	6005	18,542,521	9,030,675	2,894,527
Subtotal Other Funds:						75,228,992
Total						86,317,547

¹Funding for positions to support this effort is included in the City Manager's Office.

²These are reimbursable projects and have corresponding revenue budgets.

Schedule 10
Five-Year Projected Net Debt Service by Fund (in 000s)

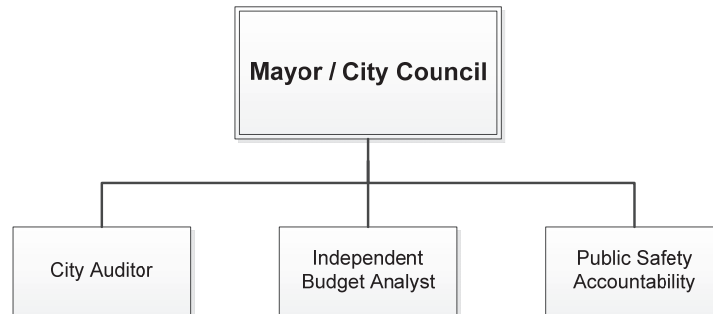
Fund Type	FY2018/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23
General Fund					
General Fund	27,436	26,815	25,655	22,931	23,596
Subtotal General Fund:	27,436	26,815	25,655	22,931	23,596
Enterprise Funds					
Community Center	8,170	8,159	8,148	250	250
Parking	7,045	7,023	6,609	5,676	5,680
Solid Waste	1,732	1,693	1,688	1,677	1,678
Storm Drainage	3,534	3,509	3,242	235	235
Wastewater	2,841	2,827	2,733	1,999	2,002
Water	29,807	29,792	29,773	29,764	29,154
Subtotal Enterprise Funds:	53,130	53,004	52,192	39,602	38,998
Internal Service Funds					
Fleet Management	97	67	46	46	46
Subtotal Internal Service Funds:	97	67	46	46	46
Other Governmental Funds					
2006 CIRBs, Series B (CRCIP)	2,732	2,717	2,719	2,718	2,723
2006 CIRBs (Refunding), Series E	247	250	205	207	503
2015 Golden 1 Center Revenue Bonds	17,696	17,099	17,179	15,212	15,349
2016 Lease Financing-H Street	1,345	1,349	1,343	1,345	1,347
Debt Service - Other City Debt	205	-	-	-	-
Golf	1,168	1,167	1,166	442	435
Kings-Arco Arena Acquisition	7,746	7,746	7,746	7,746	7,746
Marina	1,322	1,172	1,083	1,083	1,013
NNFP Public Facilities Fee	911	708	636	581	586
NNFP Reg Park Land Acquisition	422	422	422	837	843
Subtotal Other Governmental Funds:	33,794	32,631	32,497	30,171	30,546
Total:	114,457	112,517	110,391	92,750	93,186

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SECTION – 6 Mayor and City Council

Mayor and City Council

The Mayor and City Council, consisting of the Mayor and eight Councilmembers, are the policy-making body for the City of Sacramento. The goal of the Council is to govern the City in a manner that is both responsive to the needs and concerns of City residents and is financially sound.



The **Mayor and City Council (Council)** pass City ordinances, provide administrative direction and authority by resolution, approve new programs, and adopt the annual budget. The Council acts as Sacramento's Financing Authority, Housing Authority, Public Financing Authority, and Redevelopment Agency Successor Agency and also appoints the City's Charter Officers (City Attorney, City Clerk, City Manager, City Treasurer), the City Auditor, the Independent Budget Analyst, and the Director of the Office of Public Safety Accountability.

- **Mayor and City Council:** The governing body of the City. The Mayor is elected by all city voters and Councilmembers are elected by voters in each specific Council District. The Mayor appoints Councilmembers to serve on various regional boards, commissions, and joint powers authorities.
- **City Auditor:** Provides independent, objective, and reliable information regarding the City's ability to meet its goals and objectives, and establish an adequate system of internal controls.
- **Independent Budget Analyst:** Assists the Council with budgetary inquiries, reviewing and analyzing the annual budget, and in making budgetary decisions.
- **Public Safety Accountability:** Provides an independent review of complaints involving police and fire employees as a means of furthering relationships between the City's public safety departments and the community.

PROGRAMS/SERVICE HIGHLIGHTS

- Launched the 311 Constituent Request Management System allowing Council staff the ability to review the status of citizen complaints logged via 311. This access gives Council offices direct and accurate information so that constituents can be assured their submitted complaints are in progress and eliminates duplicate action that the Council offices may have otherwise initiated not having access to the system.

DEPARTMENT EFFICIENCIES

- Started a pilot program using a vendor-hosted system for tracking constituent requests, aimed at identifying and documenting useful data fields that will set the foundation for the creation of an in-house tracking system for all Council offices. This type of system will reduce redundancies, increase responsiveness to constituents, and allow data sharing among offices.

OBJECTIVES FOR FY2018/19

- Continue providing work experience opportunities (internships) to college and high school students focused on building meaningful skill sets that will aid the student in obtaining full-time employment.
- Continue using electronic communications whenever possible to limit the use of printed materials. However, printed materials will be made available to constituent communities when necessary.
- Continue evaluating new and existing information technology tools to achieve sustainable services and increase transparency.
- Continue using websites and social media to share information and to communicate timely with citizens on issues of interest to the community.

Department Budget Summary

Mayor/Council Budget Summary	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Employee Services	5,079,415	5,539,823	5,742,738	5,742,738	6,053,886	311,148
Other Services and Supplies	620,038	892,712	1,371,504	1,901,801	1,244,054	(657,747)
City Property	15,665	47,394	12,100	12,100	9,100	(3,000)
Labor and Supply Offset	90,984	26,131	-	-	-	-
Total	5,806,102	6,506,060	7,126,342	7,656,639	7,307,040	(349,599)

¹The Amended FY2017/18 Budget includes carryover of unspent FY2016/17 Budget and/or transfers to capital projects.

Department Budget Summary (continued)

Funding Summary by Fund/Special District	FY2015/16	FY2016/17	FY2017/18	FY2017/18	FY2018/19	Change
	Actuals	Actuals	Approved	Amended	Approved	More/(Less) Approved/Amended
General Fund	3,919,109	4,650,963	5,319,272	5,849,569	5,419,907	(429,662)
Innovation and Growth	-	102,356	-	-	-	-
Interdepartmental Service	1,470,693	1,535,478	1,700,987	1,700,987	1,775,341	74,354
Risk Mgmt	354,276	119,837	-	-	-	-
Storm Drainage	13,645	21,434	23,338	23,338	24,594	1,256
Wastewater	11,785	18,511	20,156	20,156	21,241	1,085
Water	36,594	57,481	62,589	62,589	65,957	3,368
Total	5,806,102	6,506,060	7,126,342	7,656,639	7,307,040	(349,599)

¹The Amended FY2017/18 Budget includes carryover of unspent FY2016/17 Budget and/or transfers to capital projects.

Division Budget Summary

Mayor/Council Division Budgets	FY2015/16	FY2016/17	FY2017/18	FY2017/18	FY2018/19	Change
	Actuals	Actuals	Approved	Amended	Approved	More/(Less) Approved/Amended
Office of the Mayor	1,226,163	1,546,846	1,647,200	1,667,075	1,676,700	9,625
City Council District 1	489,531	532,633	446,570	458,641	461,385	2,744
City Council District 2	467,627	493,667	446,569	446,569	461,385	14,816
City Council District 3	374,906	393,412	446,571	593,543	461,385	(132,158)
City Council District 4	420,426	440,069	446,572	470,694	461,385	(9,309)
City Council District 5	427,079	437,237	446,570	582,312	461,385	(120,927)
City Council District 6	342,660	447,953	446,571	615,977	461,385	(154,592)
City Council District 7	447,513	454,723	446,570	447,168	461,385	14,217
City Council District 8	427,334	445,937	446,569	468,080	461,385	(6,695)
Office of the Independent Budget Analyst	365,825	435,032	446,822	446,822	455,397	8,575
Office of Public Safety Accountability	192,209	130,978	624,604	624,604	593,591	(31,013)
Office of the City Auditor	624,829	747,572	835,154	835,154	890,273	55,119
Total	5,806,102	6,506,060	7,126,342	7,656,639	7,307,040	(349,599)

¹The Amended FY2017/18 Budget includes carryover of unspent FY2016/17 Budget and/or transfers to capital projects.

Staffing Levels

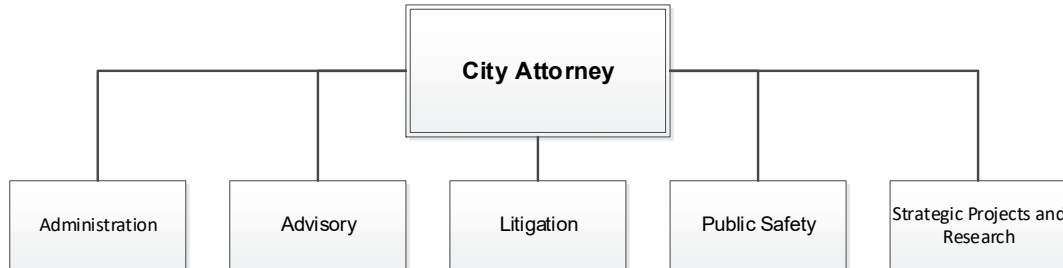
Mayor/Council Division Budgets	FY2015/16	FY2016/17	FY2017/18	FY2017/18	FY2018/19	Change
	Actuals	Actuals	Approved	Amended	Approved	More/(Less) Approved/Amended
Office of the Mayor	9.00	12.00	12.00	12.00	12.00	-
City Council District 1	2.50	2.50	2.50	2.50	2.50	-
City Council District 2	2.50	2.50	2.50	2.50	2.50	-
City Council District 3	2.50	2.50	2.50	2.50	2.50	-
City Council District 4	2.50	2.50	2.50	2.50	2.50	-
City Council District 5	2.50	2.50	2.50	2.50	2.50	-
City Council District 6	2.50	2.50	2.50	2.50	2.50	-
City Council District 7	2.50	2.50	2.50	2.50	2.50	-
City Council District 8	2.50	2.50	2.50	2.50	2.50	-
Office of the Independent Budget Analyst	3.00	3.00	3.00	3.00	3.00	-
Office of Public Safety Accountability	1.00	4.00	4.00	4.00	4.00	-
Office of the City Auditor	5.00	6.00	6.00	6.00	6.00	-
Total	38.00	45.00	45.00	45.00	45.00	-

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SECTION – 7 City Attorney

City Attorney

The mission of the Sacramento City Attorney's Office is to provide the highest quality legal services to the City of Sacramento.



The **City Attorney** serves as the legal advisor to the Council, City Officers and Department staff, boards and commissions as well as the Administration, Investment and Fiscal Management Board, Sacramento City Financing Authority, and Sacramento Regional Arts Facilities Financing Authority. The City Attorney's Office provides legal representation in criminal, civil and administrative litigation, renders advice and counsel, and prepares ordinances, resolutions, contracts, opinions, and other legal documents for the City and the related entities. The City Attorney's Office is organized into four operational sections and administration.

- **Administration:** Develop and implement office policies and procedures, monitors overall office performance, prepare and administer the office budget, handle all personnel hiring and other personnel matters, assemble and analyze office productivity data, including production of an annual report, and engages in long-range planning.
- **Advisory:** Provide advisory support to Charter Offices and City departments on ordinance drafting, contract negotiations, and legal advice regarding a wide range of City issues, including planning, utilities, public works projects, elections, human resources, and public safety matters.
- **Litigation:** Defend and prosecute cases on behalf of the City and its officers and employees acting in the course and scope of employment.
- **Public Safety:** Work collaboratively with City departments on code enforcement, social nuisance abatement, public safety issues, including prosecuting code violations through administrative, civil, or criminal proceedings, and social nuisances through civil litigation and training, and advising staff on enforcement matters.

- Strategic Projects and Research: Provide strategic support to the Council's policymaking function by providing legal advice and response to counsel initiatives and issues including immigration, cannabis, human trafficking, predatory lending, and homelessness.

PROGRAMS/SERVICE HIGHLIGHTS

Advisory:

- Assisted the Office of Innovation and Economic Growth with a complicated two-phase financing (\$22 million in tax-credit bonds and \$19 million in tax-exempt bonds) for the new Powerhouse Science Center at the site of the former PG&E power station.
- Provided legal guidance to the Homeless Services Coordinator regarding establishment and initial implementation of the City's Whole Person Care program, which will create a system of supportive services to improve health outcomes and reduce utilization of high-cost services for vulnerable populations in the community.
- Worked with the Office of Innovation and Economic Growth in negotiating an agreement with Sierra Health that established the Oak Park Project Trust and provides \$4.9 million in City funding that a trustee will use to purchase and renovate two buildings to be owned and operated for the benefit of the Oak Park neighborhood; and an agreement to provide Centene Corporation with up to \$13.5 million in cash payments over several years to create and retain new jobs at an employment center in the city.
- Assisted the Office of Cannabis Policy and Enforcement to develop and implement regulations for cannabis distribution businesses, delivery-only cannabis dispensaries, and the sale of cannabis for adult use. In addition, amended existing regulations and penalties for illegal cannabis cultivation.

Litigation:

- Obtained a dismissal in a public property case that involved injury to a pedestrian who was attempting to cross several lanes of traffic and was struck by a motorist.
- Successful Motion for Summary Judgment in a case involving an alleged physical assault by an unidentified third party in a City-owned parking garage.
- Successful Motion to Dismiss a case brought by the owner of a cannabis dispensary who failed to obtain a conditional use permit.

Public Safety:

- Assisted the City Council, City Manager, and Police Department in developing and implementing the cannabis enforcement ordinance to combat and close illegal residential grow houses.
- Led the Justice for Neighbors team to abate social and physical nuisance properties throughout the City.
- Assisted the Police Department in developing the new e-filing criminal citation system to evolve from the paper citations to modern electronic technology.
- Assisted the Police Department in developing quality of life ordinances to address social nuisances and criminal activity at City parks.

Strategic Projects and Research:

- Successfully defended a federal lawsuit involving the termination of a Council staff member.
- Assisted the Community Development Department in processing numerous complex land use projects, including McKinley Village, Greenbriar and Florin West.
- Assisted the Labor Relations staff in preparing for the upcoming labor negotiations process.

DEPARTMENT EFFICIENCIES

- Consolidated legal research subscriptions into one all-inclusive Westlaw subscription.
- Hired a paralegal to address Public Record Act requests, providing attorneys with more time to focus on active cases/legal research.

OBJECTIVES FOR FY2018/19

- Continue to guide the Council and City departments through the changing laws and regulations related to cannabis regulation and enforcement.
 - This area of law remains very fluid. It will be necessary to continue to clarify the City's ability to address implementation issues, neighborhood impact issues, and enforcement issues.
- Restructure the office to better address the core legal responsibilities of the department and create the ability to more proactively respond to special projects and initiatives as the City and Council require.

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- Assist the Council and City Manager with researching and advising on all options available to the City in the pursuit of securing additional resources and avenues for the provision of services and housing to the City's homeless population.

BUDGET CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
City Attorney	Add a position (1.0 FTE Supervising Deputy City Attorney) to address structural changes to the department divisions/programs, fully offset by labor savings and increased revenues.	1001	(235,856)	235,856	1.00
Total Change			\$ (235,856)	\$ 235,856	1.00

Department Budget Summary

City Attorney Budget Summary	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Employee Services	7,205,896	7,545,165	8,489,201	8,527,207	8,949,797	422,590
Other Services and Supplies	395,913	516,264	319,874	290,180	317,278	27,098
City Property	11,489	35,099	13,750	13,750	13,750	-
Transfers	19,779	-	-	-	-	-
Labor and Supply Offset	(26,000)	(38,860)	(188,339)	(188,339)	(209,855)	(21,516)
Total	7,607,077	8,057,668	8,634,486	8,642,798	9,070,970	428,172

Funding Summary by Fund/Special District	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
General Fund	5,521,629	5,521,629	5,754,391	5,762,703	5,935,241	172,538
City/Cnty Office-Water Planning	10,000	10,000	10,000	10,000	10,000	-
Interdepartmental Service	2,315,948	2,315,948	2,660,004	2,660,004	2,915,638	255,634
Storm Drainage	42,018	42,018	42,018	42,018	42,018	-
Wastewater	42,018	42,018	42,018	42,018	42,018	-
Water	126,055	126,055	126,055	126,055	126,055	-
Total	8,057,668	8,057,668	8,634,486	8,642,798	9,070,970	428,172

Division Budget Summary

City Attorney Division Budgets	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Office of the City Attorney	7,607,077	8,057,668	8,634,486	8,642,798	9,070,970	428,172
Total	7,607,077	8,057,668	8,634,486	8,642,798	9,070,970	428,172

Staffing Levels

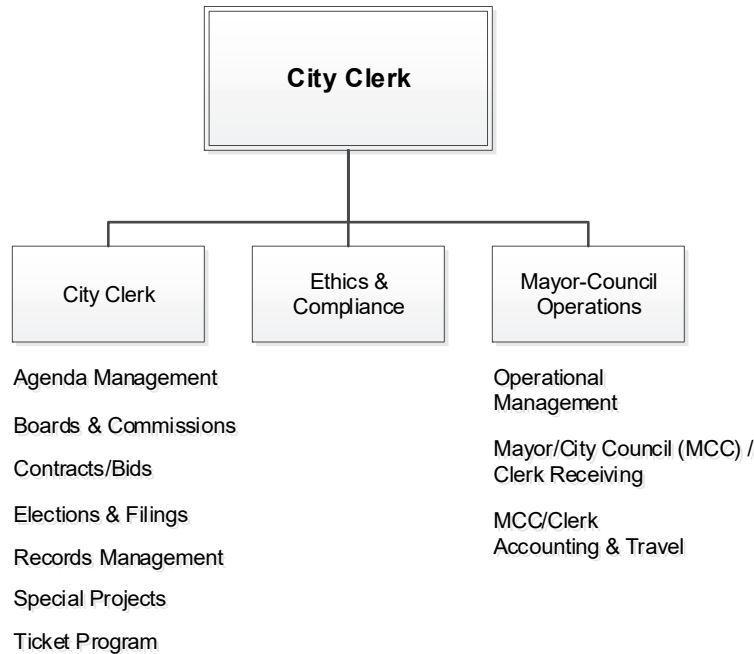
City Attorney Division Budgets	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Office of the City Attorney	47.00	50.00	50.00	51.00	52.00	1.00
Total	47.00	50.00	50.00	51.00	52.00	1.00

8

SECTION – 8 **City Clerk**

City Clerk

The mission of the City Clerk's Office is to provide quality public service and connecting the public with the legislative process. We strive to ensure that the City's legislative processes are open and public by providing a link between citizens and government with processes aimed toward transparency. Through efficient use of City resources we are able to ensure the preservation of Sacramento's legislative history.



The **City Clerk** serves as the Clerk of the Council and is responsible for the preparation of agendas, the recording and maintenance of all Council actions, and the preparation and filing of public notices.

- **Office of the City Clerk:** A service agency and the office through which the Council, City Departments, and the public look for general information regarding the City. As the official records keeper for the City, the Clerk is responsible for the coordination and administration of all City records, documents, and public files. The City Clerk manages all public records act (PRA) requests, the City ticket policy and regulatory ticket distribution filings, conducts all bid openings, maintains the City's municipal code and charter, receives all claims filed against the City, researches issues related to Council and Committee actions, maintains contract and agreement files, registers lobbyists, manages online campaign filings and campaign finance submissions, administers City board and commission files, administers oaths of office,

presides as the Elections Officer for the City and the Filing Officer/Official for Fair Political Practices Commission requirements, and serves as the official custodian of the City Seal.

- Mayor-Council Operations: Manages the administrative, personnel, and fiscal operations of the Offices of the Mayor and Council, including the City Auditor, Independent Budget Analyst, and Office of Public Safety Accountability.
- Office of Ethics and Compliance: This office supports the Ethics Commission and focuses on reviewing existing City codes and policies, and educating and training staff, public officials and the community to ensure compliance. These guidelines are found in the City Code and in adopted citywide policies.

PROGRAMS/SERVICE HIGHLIGHTS

- Continued to hire and train a diverse staff in the responsibilities and requirements of the City Clerk's Office.

DEPARTMENT EFFICIENCIES

- Completed a full review and redesign of the City Clerk's Office intranet pages via the Nexus platform to provide resources and quick access to information for City staff.
- Completed the foundational set up of the Automated Bids Contracts and Digital Signatures (ABCDs) project that enables the definition of user requirements and the automation of digital signatures, contracts, and bid processing.
- Continued the review of operations in the City Clerk's Office and Offices of the Mayor and Council for implementation of "best practices" for a more productive workflow and accurate deliverables.
- Continued utilization of the Citywide Content Management System (CCM) as a tool in the implementation of a records management program focused on moving the City toward consistent administration and appropriate handling of the agency's records and provide increased access to agency records to both internal and external customers.
- Continued evaluation of new and existing information technology tools to achieve sustainable services and increase transparency.

- Developed an automated disposition workflow for documents stored digitally in the citywide CCM System.
- Completed an automated PRA request workflow for tracking and managing requests that also provides requestors with on-line submission and status capabilities.
- Completed a user-friendly automated agenda workflow system to streamline Council and Standing Committee agenda packets and provided training for agenda report coordinators and authors citywide.
- Provided training opportunities to City staff on procedures and resources associated with the Clerk’s Office to maintain institutional knowledge that will be lost as employees leave City service and remaining employees take on new responsibilities.

OBJECTIVES FOR FY2018/19

- Continue providing work experience opportunities (internships) to college and high school students focused on building meaningful skill sets that will aid the student in obtaining full-time employment.
- Continue to utilize social media to communicate timely with citizens on issues managed by the Clerk’s Office.
- Implement the ABCDs project, develop training materials and train staff on the use of the program.
- Set-up the foundational infrastructure for the Ethics Program.

Department Budget Summary

City Clerk Budget Summary	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Employee Services	1,611,364	1,852,474	1,973,772	1,973,772	2,025,790	52,018
Other Services and Supplies	239,392	359,451	559,211	559,211	559,211	-
City Property	14,647	4,820	6,000	6,000	6,000	-
Labor and Supply Offset	6,239	5,644	4,000	4,000	4,000	-
Total	1,871,642	2,222,388	2,542,983	2,542,983	2,595,001	52,018

Funding Summary by Fund/Special District	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
General Fund	1,188,564	1,523,962	1,768,245	1,768,245	1,645,276	(122,969)
Interdepartmental Service	683,078	698,426	774,738	774,738	949,725	174,987
Total	1,871,642	2,222,388	2,542,983	2,542,983	2,595,001	52,018

Division Budget Summary

City Clerk Division Budgets	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Office of the City Clerk	1,524,359	1,860,915	1,810,033	1,810,033	1,836,731	26,698
Office of Ethics & Compliance	-	-	350,020	350,020	345,181	(4,839)
Mayor-Council Operations Division	347,283	361,473	382,930	382,930	413,089	30,159
Total	1,871,642	2,222,388	2,542,983	2,542,983	2,595,001	52,018

Staffing Levels

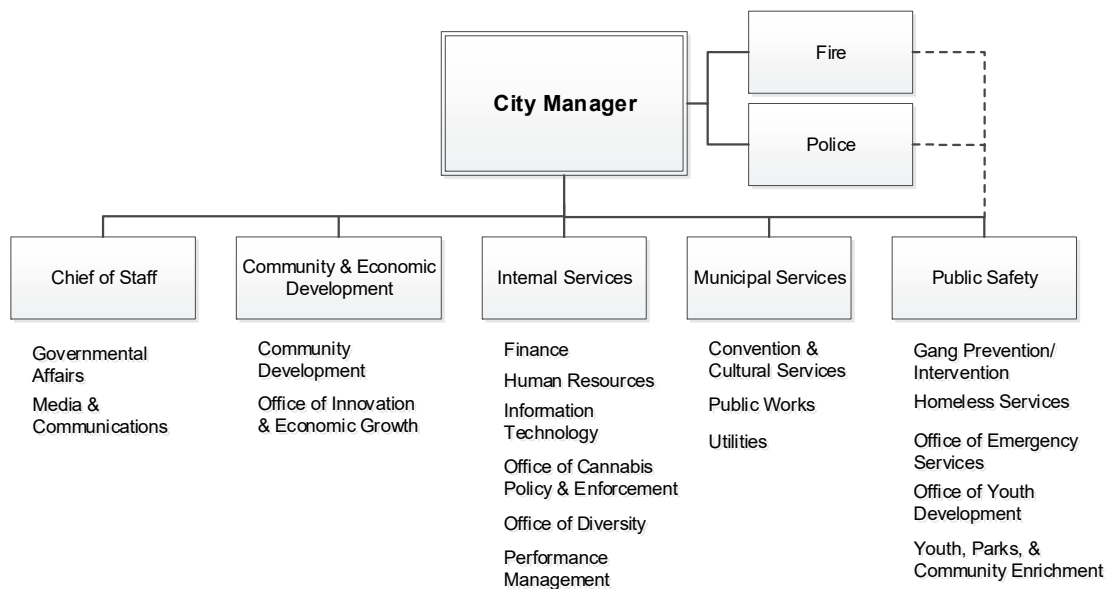
City Clerk Division Budgets	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Office of the City Clerk	12.00	14.00	13.00	13.00	13.00	-
Office of Ethics & Compliance	-	1.00	1.00	1.00	1.00	-
Mayor-Council Operations Division	3.00	3.00	3.00	3.00	3.00	-
Total	15.00	18.00	17.00	17.00	17.00	-

9

SECTION – 9 City Manager

City Manager

The **City Manager** is the Chief Executive Officer of the City, responsible for the leadership and direction for the enforcement of all laws and ordinances and oversight of all municipal programs and services. The City Manager facilitates the implementation of Council’s policies and priorities, providing policy recommendations to the Council concerning the operation, annual budget, and future needs of the City and oversight of all City departments except the City Attorney, Treasurer and Clerk’s Offices. The City Manager’s Office manages City’s economic development initiatives as well as homeless services, youth development, and diversity initiatives. In addition, the office manages gang prevention efforts, emergency services, cannabis policy and enforcement, the media and communications team and performance management.



PROGRAMS/SERVICE HIGHLIGHTS

- The Office of Innovation and Economic Growth focused on opportunities to support and increase job creation, business growth, and development activities. Three notable accomplishments for the office in the last fiscal year include: 1) an agreement with Centene Corporation, a Fortune 100 company, to locate a regional corporate center with approximately 5,000 high-paying jobs; 2) finalized financing for the new Powerhouse Science Center on the riverfront; and 3) the approval of the Marshall Hotel project converting the vacant building into a new Hyatt Centric.
- The City’s Homeless Services Coordinator oversaw the City’s response to homelessness, including working with the City’s internal and external stakeholders to implement innovative and effective solutions. This past fiscal year, the Homeless Services Coordinator lead the City in implementing two unprecedented projects in the Sacramento community: 1) Pathways to Health +

Home (the City of Sacramento's Whole Person Care program), which is a multi-year pilot to improve the health, quality of life, and housing stability for the City's most vulnerable individuals experiencing, or at-risk of experiencing, homelessness; and 2) The City's Winter Triage Shelter, a service-rich, low barrier shelter, operating 24 hours a day with accommodations for up to 200 persons, their pets, partners, and personal belongs.

- The Mayor's Gang Prevention and Intervention Task Force worked collaboratively with over 30 multi-disciplinary agencies to invest in promising programs to prevent youth and gang violence. Through the Task Force grant program, the City has awarded a total of \$2.1 million to 28 community-based non-profit organizations.
- The Office of Cannabis Policy and Enforcement developed, implemented and administered permits, and provided enforcement and regulations for commercial cannabis in the City. This includes the oversight of and coordination of an interdepartmental team to ensure the safe and legal operation of cannabis businesses.
- The City Manager's Office led the City's efforts on the Community Center Theater renovation, the remodeling of the Memorial Auditorium, and the expansion of the Sacramento Convention Center projects.
- The Office of Governmental Affairs provided oversight and coordinated and developed policies for local, state, and federal legislative activities including management of the City's contract lobbyists. The office serves as staff to Council's Law and Legislation Committee, is responsible for the design and implementation of the annual state and federal legislative and policy platform and all Fair Political Practice Commission reporting.
- The Office of Emergency Services (OES) coordinated the planning, preparedness, communication, response, and recovery during man-made or natural catastrophes for the City. OES also has oversight over the Emergency Operations Center (EOC). The EOC is activated to support on-scene response during an escalating incident. The EOC is a physical location staffed with personnel trained for and equipped with mechanisms for communicating with staff on scene and obtaining resources.
- The Performance Management program infuses accountability into City services at every level of the organization, increases transparency, and supports data-based decision-making informing the City's operations and serves the community in the most effective and efficient way possible.
- Media & Communications coordinated with all departments to share information, support events and engage with citizens about City services and projects. This year the team informed and engaged citizens in such first-of-its-kind initiatives

such as the Creative Edge Cultural Plan, Vision Zero, Open Streets, and Project Prosper, all tied to community involvement in neighborhoods, access to entertainment, and a safe environment.

DEPARTMENT EFFICIENCIES

- The Media and Communications leadership initiated and completed a communications master plan to improve efficiency, coordination and consistency of external communications across the city.
- The City has also embarked on a comprehensive management plan for the operations of the Sacramento Convention Center Complex including Memorial Auditorium, the Community Center Theater and the Convention Center. The goal is to ensure that the facilities are managed in the most efficient manner possible and continue to provide a high level of quality and service once the Theater and Convention Center reopen in 2020.

OBJECTIVES FOR FY2018/19

- Complete an inventory of the City's surplus properties and develop a disposition strategy for parcels that carry little or no value and/or create ongoing maintenance challenges.
- Appoint a Fire Chief who will build both community trust and ensure public safety while guiding the department through comprehensive and positive changes.
- Appoint a Diversity and Equity Manager who will develop a citywide diversity and gender equity plan focused on creating a workforce that is reflective of city residents.
- Introduce and implement a set of priorities to grow Sacramento's economy, which includes a refocus on strengthening Sacramento's neighborhoods and increasing inclusive approaches and local capacity.
- Continue to work closely with the Council in developing sound policies related to the emerging cannabis industry and protect public health by ensuring cannabis products sold are safe, properly packaged and labeled, and only sold to qualified adults or patients.
- Implement an educational campaign to inform young people about the potential hazards of cannabis use/misuse.
- Successful launch and implementation of "Advance Peace" strategy to effectively reduce gun violence in overly impacted neighborhoods.

- Complete improvements to Memorial Auditorium and host a wide variety of events beginning in the summer of 2018 including the relocated groups from the Community Center Theater.
- Secure financing for the Convention Center and Theater projects and start construction in early 2019.

REORGANIZATION

The City Manager has reorganized the office to provide better oversight and accountability. Four Assistant City Managers oversee the daily operations of City departments. The Assistant to the City Manager acts as Chief of Staff and directly oversees Governmental Affairs and Media and Communications. This structural change will allow the City Manager to focus his efforts on collaborating with the Mayor and Council on broader citywide issues/initiatives.

The Office of the Cannabis Policy and Enforcement budget and six positions (1.0 FTE Cannabis Policy and Enforcement Manager, 1.0 FTE Administrative Officer, 1.0 FTE Program Specialist, 1.0 FTE Program Analyst, and 2.0 FTE Administrative Technician) were transferred to the City Manager’s Office. This change will create a strategic citywide approach in implementing cannabis policies and enforcement.

To better reflect the program functions within the City Manager’s Office, two new departments were created; the Office of Homeless Services and the Office of Gang Prevention and Intervention.

POSITION CHANGES

- Two vacant positions were eliminated (2.0 FTE Zoo Attendant II) and the labor budget was transferred to the City Manager’s Office, providing resources to support the Office of Homeless Services (1.0 FTE Program Analyst and 1.0 FTE Administrative Analyst).

BUDGET CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Gang Prevention	Add a position (1.0 FTE Senior Staff Assistant) to support the Gang Prevention and Intervention Program, fully offset by the program.	1001	(77,792)	77,792	1.00
Executive Office	Add a position (1.0 FTE Youth Policy Manager) at the direction of the Council to lead the City's effort to establish a Citywide Youth Development Plan. This plan will create a unified framework for delivery of all youth services operated or funded by the City.	1001	-	176,610	1.00

BUDGET CHANGES (cont.)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Office of Economic Development	Add two positions (2.0 FTE Junior Development Project Managers) to support the Riverfront and Railyard projects, fully offset by these programs and identified labor savings.	1001	(262,113)	262,113	2.00
Office of Economic Development	Transfer \$600,000 from the Economic Development Program (I02001400) to the Sacramento Riverfront Project (I02180200) to provide funding to acquire properties located along the Riverfront.	1001	(600,000)	600,000	-
Office of Economic Development	Provide funding for formations of Enhanced Infrastructure Financing Districts (EIFD) with a transfer of resources from the Economic Development Program (I02001400) to the EIFD Program (I02180300).	1001	(200,000)	200,000	-
Total Change			\$ (1,139,905)	\$ 1,316,515	4.00

Department Budget Summary

City Manager Budget Summary	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Employee Services	2,516,468	2,666,764	5,865,578	5,865,578	7,519,713	1,654,135
Other Services and Supplies	464,823	595,761	1,452,264	1,517,202	1,862,665	345,463
City Property	15,350	10,783	16,826	16,826	18,326	1,500
Transfers	43,869	48,583	-	-	-	-
Labor and Supply Offset	(101,956)	(1,741)	(99,385)	(99,385)	(127,227)	(27,842)
Total	2,938,554	3,320,150	7,235,283	7,300,221	9,273,477	1,973,256

Funding Summary by Fund/Special District	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
General Fund	1,730,899	2,151,309	5,042,458	5,069,146	6,863,853	1,794,707
2003 North Sac TE TABS	-	-	-	9,000	9,000	-
Block Grant/Housing & Redev	-	-	-	29,250	29,250	-
Innovation and Growth	-	-	600,001	600,001	583,019	(16,982)
Interdepartmental Service	1,207,655	1,168,840	1,592,824	1,592,824	1,788,355	195,531
Total	2,938,554	3,320,150	7,235,283	7,300,221	9,273,477	1,973,256

Division Budget Summary

City Manager Division Budgets	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Office of Cannabis Policy and Enforcement	-	-	-	-	1,050,492	1,050,492
Office of Economic Growth	-	-	2,829,655	2,859,593	3,144,966	285,373
Office of Emergency Services	-	-	511,400	511,400	559,979	48,579
Office of Gang Prevention & Intervention	-	-	-	-	199,528	199,528
Office of Homeless Services	-	-	-	-	484,668	484,668
Office of Media & Communications	277,046	293,626	411,064	411,064	429,354	18,290
Office of the City Manager	2,661,508	2,903,507	3,483,164	3,518,164	3,404,490	(113,674)
Public Safety Accountability	-	123,017	-	-	-	-
Total	2,938,554	3,320,150	7,235,283	7,300,221	9,273,477	1,973,256

Staffing Levels

City Manager Division Budgets	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Office of Cannabis Policy and Enforcement	-	-	-	-	6.00	6.00
Office of Economic Growth	-	-	14.00	14.00	16.00	2.00
Office of Emergency Services	-	-	4.00	4.00	4.00	-
Office of Gang Prevention & Intervention	-	-	-	-	2.00	2.00
Office of Homeless Services	-	-	-	-	4.00	4.00
Office of Media & Communications	2.00	2.00	3.00	3.00	3.00	-
Office of the City Manager	14.00	13.00	15.00	15.00	13.00	(2.00)
Total	16.00	15.00	36.00	36.00	48.00	12.00

PERFORMANCE MEASURES

Key Measure	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Estimate	FY19 Target
Number of businesses in the City*	19,787	20,389	17,879	17,968	18,147

The Office of Economic Growth promotes a 'business-friendly' environment and provides assistance to encourage business growth and development. Tracking the number of businesses located in the city is a good indicator of a business-friendly environment. Source: ESRI Business Analyst**

	FY15	FY16	FY17	FY18	FY19
Number of jobs in the City	288,509	285,704	280,504	281,907	284,726

In supporting the growth of business activity, Economic Development seeks to increase the number of job opportunities available to city residents. Tracking the total number of jobs in the city is a good indicator of increased opportunity for employment. Source: ESRI Business Analyst**

	FY15	FY16	FY17	FY18	FY19
Employment rate	93.3%	93.7%	95.0%	95.4%	95.9%

Changes in employment rates that correlate with job growth indicate job creation that is in harmony with the workforce needs. Source: State of California Employment Development Department, Labor Market Information Division

	FY15	FY16	FY17	FY18	FY19
Total investments made in Sacramento, by building permit valuation	\$546 million	\$783 million	\$1.3 billion	\$1.4 billion	\$1.5 billion

The department promotes and facilitates investment and development opportunities within the City to revitalize targeted commercial areas. Continued physical development and investment in the City remains essential to create jobs, improve quality of life, and provide the necessary infrastructure to attract development and businesses. Tracking building valuation and monitoring its trend line is an indicator of economic growth.

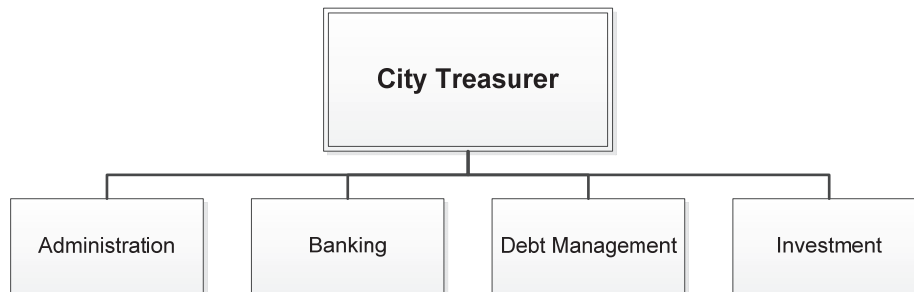
*Number of businesses in the city could be tracked by new versus renewal, gross receipts, and gross payroll if the City's BOT processing system and software is updated. **ERSI is an international supplier of geographic information software system, geodatabase management, and business analytics data. ERSI extracts its business data from Dunn & Bradstreet.

10

SECTION – 10 City Treasurer

City Treasurer

Provide banking, investment, and debt financing services for and to protect the fiscal integrity of the City of Sacramento.



The **City Treasurer** is responsible for the deposit and investment of all City funds. The City Charter also provides that the City Treasurer keep the Council informed regarding the status of investments and City funds. Additionally, Council has directed that the City Treasurer shall also provide public finance and debt issuance services for the City.

PROGRAMS/SERVICE HIGHLIGHTS

- Analyzed and compared alternative debt structures and other financing instruments, as well as obligations that the City assumed with debt financing, and provided other as-needed financial analyses.
- Assisted with redevelopment-related matters in the City's role of the Redevelopment Agency Successor Agency (RASA) on Sacramento Housing and Redevelopment Agency's (SHRA) prior issuance of tax allocation bonds.
- Ensured deposits with financial institutions were fully secured and/or insured by the Federal Deposit Insurance Corporation (FDIC) as mandated by the California Government Code and City Charter.
- Evaluated the feasibility of refinancing opportunities that would benefit the General Fund, Enterprise Funds, or constituents in parts of the City (Mello-Roos Districts) to achieve debt service savings.
- Managed all investments and cash flow for the City, SHRA, SPLA, the RASA, various nonprofit trust funds, and the City's closed-end pension system - SCERS.
- Managed compliance with post-debt issuance regulatory and disclosure matters in accordance with the Internal Revenue Service, the Municipal Securities Rulemaking Board, and other regulatory bodies, including new regulatory reporting requirements that became effective in FY2017/18.

- Managed the cash flow for the City, SCERS, SHRA, SPLA, and other trust funds between the bank and the investment pools to gain interest earnings and provide liquidity.
- Obtained credit rating upgrades in March 2018 from Moody's of lease-backed obligations, as well as affirmation by Moody's in March 2018 of the City's credit rating and outlook.
- Provided and supported banking services for all City Departments, Visit Sacramento, and Gifts to Share.
- Led the completion of a \$3.57 million Mello-Roos financing of the Creamery CFD in October 2017 for the acquisition of infrastructure and financing of development-related fees.
- Provided analytical support on the City's obtainment of a \$173.1 million Drinking Water State Revolving Fund Loan from the State Water Resources Control Board in December 2017; proceeds will finance the continuation of the Accelerated Water Meter Installation Program.
- Provided debt financing services for the City, which provided funding for facility development, land purchases, improvements, and the acquisition of equipment.
- Established internal Investment Procedure manuals for both Pool A and SCERS portfolios.
- Managed investments for two new outside agency funds – Reclamation District No. 1000 and Sacramento Public Library Authority Hurst Trust.
- Actively tracked and managed bonded Assessment District and Community Facilities Districts Debt Funds.

DEPARTMENT EFFICIENCIES

- Automated daily cash flow process that links City and banking data in real-time thus improving accuracy and efficiencies.
- Successfully and seamlessly transitioned City's assets to a new custodian while implementing new methods and procedures to ensure validity and reliability of investment records.

OBJECTIVES FOR FY2018/19

- Continue to work with the Council, City Manager's Office, City Departments, and other stakeholders on financing the transformation of the Community Center Theater, renovation of the Memorial Auditorium, and expansion of the Convention Center.

- Continue to work with the developer of the Railyards and the Utilities Department on the 3rd Street Sewer Improvement financing through a tax allocation bond issuance. The bond issuance will finance the 3rd Street Relief Sewer Project that will provide relief for sanitary sewer flows from planned development in the Railyards Development and River District areas.
- Continue to provide training and support to client departments to ensure appropriate cash and non-cash handling controls are in place.
- Continue to analyze banking systems and processes to ensure efficient and cost - effective uses of available products while maintaining and/or reducing costs.
- Continue to work with client departments to support evolving digital transactions for all City sites accepting payment cards.
- Continue to coordinate and support a self-assessment audit that ensures the city remains compliant with all new and ongoing payment card regulations.
- In conjunction with IT, develop and automate the City's Payment Card Industry (PCI) program to streamline the annual audit and improve monitoring and compliance gaps.
- Continue to maintain investor and rating agency relations to maintain or improve our current ratings.
- Continue to comply with all bond covenants and regulatory requirements, to maintain the City's tax-exempt status.
- Continue to evaluate refinancing opportunities on outstanding bond issuances for cost savings.
- Continue to support (as needed) the United Way's efforts to expand banking access for consumers outside the financial mainstream through the Bank On program.
- Continue to work with IT to implement a viable payment system for the City that would consolidate and streamline the process while enhancing the customer experience.
- Continue to actively manage the SCERS portfolio prudently with the objective to meet or exceed the 6.5% actuarial assumed rate of return. Continue the use of equity option strategies to increase the cash yield of the SCERS portfolio while reducing overall volatility.
- Develop and update data tracking mechanisms to ensure proper documentation of existing processes including record-retention, transaction details, and inception-to-date reporting to meet the demands of growing regulatory requirements.

- Employ industry-leading technology to assist the investment staff in making sound, prudent investment decisions. The City's Investment Pool A has consistently been one of the highest yielding municipal investment pools in California.
- Reestablish our commitment to invest Pool A assets in the programs of local independent banks to facilitate local economic growth, including the new RISE program.
- Continue to annually educate and advise Pool A participants and Trustee Accounts on important market and economic indicators as they relate to fund investments.
- Establish fraud prevention procedures to ensure increased phishing attempts do not result in the unauthorized disbursement of funds.
- Begin to explore Liability Driven Investment Options (LDI) on the SCERS portfolios as fund moves towards both higher funded status and reduced active participants.
- Utilize financial software to develop models used in performing feasibility and sensitivity analyses of active and/or potential projects.
- Utilize a variety of investment information and analytical sites and tools, including Bloomberg terminals, various print and online publications, online research portals, record-keeping programs, and social media sites.
- Work with departments in obtaining cost-effective financing to pay for infrastructure or equipment acquisition costs.
- Work with the Sacramento Kings to complete the refinancing of the 1997 Lease Revenue Bonds (2017 Remarketing) issue on or before January 2019.
- Work with the Utilities Department on the issuance of wastewater system revenue bonds to finance the 2018/19 Wastewater Project. Such financing would enable the City to continue to work towards the best practice of an overall 100-year replacement cycle for wastewater system assets.
- Work with developers on infill and greenfield Mello-Roos community facilities districts (CFDs) to pay for the costs of acquiring or reimbursing development infrastructure costs including development-related fees:
 - Curtis Park CFD
 - Delta Shores CFD
 - Greenbriar CFD
 - Natomas Meadows CFD (Improvement Area 2)
 - Railyards CFD

BUDGET CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
City Treasurer	Add position (1.0 FTE Treasury Analyst) to address more intensive and complex investment monitoring and adjustments of 10+ portfolios totaling over \$1.3 billion, offset by labor savings from a vacant position.	1001	(120,191)	120,191	1.00
Total Change			\$ (120,191)	\$ 120,191	1.00

Department Budget Summary

City Treasurer Budget Summary	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Employee Services	1,820,134	1,851,412	2,168,676	2,168,676	2,158,137	(10,539)
Other Services and Supplies	314,834	274,139	305,272	305,272	290,272	(15,000)
City Property	5,004	5,007	4,500	4,500	4,500	-
Labor and Supply Offset	(39,954)	(52,693)	350	350	350	-
Total	2,100,018	2,077,865	2,478,798	2,478,798	2,453,259	(25,539)

Funding Summary by Fund/Special District	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
General Fund	1,802,715	1,876,434	2,336,020	2,336,020	2,141,221	(194,799)
Interdepartmental Service	297,303	201,431	142,778	142,778	312,038	169,260
Total	2,100,018	2,077,865	2,478,798	2,478,798	2,453,259	(25,539)

Division Budget Summary

City Treasurer Division Budgets	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Office of the City Treasurer	2,100,018	2,077,865	2,478,798	2,478,798	2,453,259	(25,539)
Total	2,100,018	2,077,865	2,478,798	2,478,798	2,453,259	(25,539)

Staffing Levels

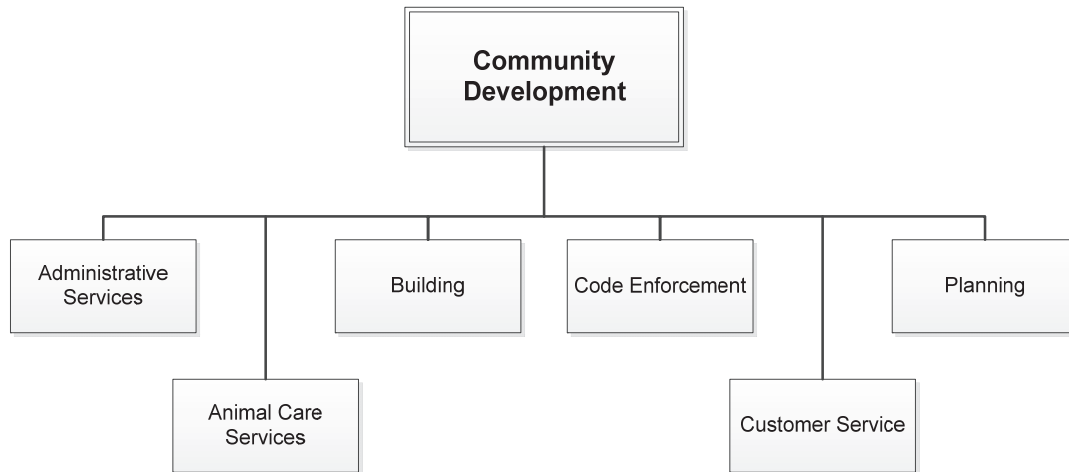
City Treasurer Division Budgets	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Office of the City Treasurer	13.00	13.00	13.00	13.00	14.00	1.00
Total	13.00	13.00	13.00	13.00	14.00	1.00

11

SECTION – 11 Community Development

Community Development

We help plan, build, and maintain a great city.



The **Community Development Department** plans for growth, development, and prosperity in Sacramento; reviews and approves development applications and building permits; responds to issues related to the Health and Safety Code while ensuring well-maintained properties and preserving the existing housing stock; and provides animal care services. The Community Development Department consists of the following divisions.

- **Administrative Services:** Provide centralized support for department budgeting, accounting, personnel services, procurement, boards and commissions, and marketing.
- **Animal Care Services:** Provide animal care services through enforcement of City codes with emphasis on public safety, cruelty and abuse investigations, sheltering, adoption, and community outreach, along with a robust volunteer program affording a high level of community engagement.
- **Building:** Protect public health and safety by regulating construction and development through provision of permits, plan review, and building inspections.

- **Code Enforcement:** Promote and maintain a safe and desirable living and working environment in the City through enforcement of City and State codes. Programs and services include neighborhood and business code compliance, graffiti abatement, weed abatement, (substandard/dangerous and vacant buildings), and rental housing inspection.
- **Customer Service:** Provide planning and building permit services and project management services.
- **Planning:** Provide a vision for a great city by leading the City's planning, development, urban design, and historic preservation efforts. Guide development for public and private sector investment throughout our community.

PROGRAMS/SERVICE HIGHLIGHTS

- The Front Street Animal Shelter received a first-place award of excellence from CAPIO (California Association of Public Information Officials) for the Most Effective Social Media Campaign. Front Street maintains the lead in attracting more positive press than any division within the city.
- The Front Street Animal Shelter received the President's Award from the American Society for Public Administration.
- The live release rate at the Front Street Animal Shelter for 2017 was 87% for cats and 85% for dogs.
- Volunteers at the Front Street Animal Shelter contributed 103,095 hours of service. The monetary value of this contribution is \$2.7 million. The number of hours equal 49.5 FTE.
- The Planning Division received the 2017 Comprehensive Planning Award of Excellence for the Railyards Specific Plan from the American Planning Association.
- The Code Enforcement Division pro-actively tagged over 500 vehicles throughout the city. Actual tows were increased by 48% from last year with a total of 1,879 vehicles abated.
- Housing and Dangerous Buildings issued over 70 Notice and Orders in collaboration with the Police Department enforcing illegal cannabis grows in residential neighborhoods.
- Implemented and integrated three fee programs (Fee Deferral, Statewide Community Infrastructure Program, and Fee Credit) into the Department's

Building permit workflow process. These programs are designed to incentivize the City's development community.

- Established a “virtual” building permit counter team that is dedicated to servicing our remote applicants by utilizing electronic means for intake, routing, and processing of building permit plans.
- Adopted the Citywide Development Impact Fee to fund public facilities for new development, create reduced fees for priority areas, and streamline fee administration.
- The Second Unit Ordinance adoption resulted in a streamlined process for building “granny flats” on single-family lots. As a result, the Department permits for these units have more than doubled.
- Revised building and planning codes to pave the way for smaller rental and single-family units (micro units) as a precursor to adopting policies for Tiny Homes.
- Broadened site plan and design review exemptions to streamline the approval process.
- With the addition of project management staff, the Building Division provides a higher level of service to assist the development community seeking residential and commercial permits valued at \$1 million and greater.

DEPARTMENT EFFICIENCIES

- The Front Street Animal Shelter has a vibrant volunteer program that has grown exponentially in the past five years. Service hours have nearly tripled since 2013 and the number of participating volunteers has more than quadrupled. This group of dedicated people ensure the continued mission of life saving and community engagement that would not be possible otherwise.
- In September 2015 the Code Enforcement Division launched the Code Liaison program whereby letters are mailed to property owners addressing minor code violations. This effort has resulted in the closure of over 100 cases a month.
- The Building Division permitting system has been reconfigured to allow contractors to issue minor permits to themselves online, 24/7. 60% of all minor permits are issued in this manner. This decreases the number of applicants coming into our public counter and allows staff to focus on the more time consuming and complex projects.
- An electronic queuing system is used to track the different service queues and trigger announcements to waiting customers when it is their turn for service.

- The department has extended hours to perform daily over-the-counter plan review for both commercial and residential projects which reduces the number of projects requiring formal plan review.
- The department introduced a pilot program that streamlines the building permit approval process for tenant improvement projects while saving staff time and reducing costs for the applicant. This also reduced the reliance and need for consultant services.
- The Department implemented new building fees for minor permits, a new code enforcement fee structure for notice and orders for public nuisance abatement, and a comprehensive new planning fee structure. The new fees and charges enable the department to sustain existing revenue budgets and continue to meet service delivery, and staffing levels to support current and future service demands without adding resources.
- Significant Building Division process improvements include automation of the following services: electronic plan review, permit issuance, online fee payment and inspection scheduling 24/7.
- Utilizing automation and streamlined procedures, code enforcement notices are now issued on a timelier basis and the process also saves staff time.
- The department implemented a more efficient Weed Abatement program and established a stronger enforcement process that will improve cost recovery and reduce the number of yearly weed abatements performed by the City.

OBJECTIVES FOR FY2018/19

- Implement technology solutions to improve the development process.
- Complete fee studies for Animal Care, Planning and Building.
- Initiate the General Plan Update.
- Initiate the West Broadway Specific Plan.

BUDGET CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Animal Care	Increase medical and veterinary supplies due to rising costs and higher demand.	General	-	250,000	
Code	Add a position (0.5 FTE Painter) to support graffiti abatement on City property, fully offset with Landscaping and Lighting Fund.	General	(40,455)	40,455	0.50
Planning	Increase revenue due to increased development activity.	General	(250,000)		
Total Change			\$ (290,455)	\$ 290,455	0.50

POSITION CHANGES

- A position (1.0 FTE Supervising Architect) was transferred from the Community Development Department to Public Works to support increased capital improvement program demand.

Department Budget Summary

Community Development Budget Summary	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Employee Services	22,001,713	23,642,650	26,544,417	27,385,804	30,052,069	2,666,265
Other Services and Supplies	5,429,072	7,976,648	6,805,365	7,519,589	10,065,169	2,545,580
City Property	278,529	157,074	1,088,134	117,534	758,534	641,000
City Debt Service	-	10,566	-	-	-	-
Transfers	(52,481)	(24,478)	235,014	235,014	237,676	2,662
Labor and Supply Offset	(1,955,533)	(1,690,897)	(1,809,556)	(1,809,556)	(2,115,449)	(305,893)
Total	25,701,300	30,071,561	32,863,374	33,448,385	38,997,999	5,549,614

Funding Summary by Fund/Special District	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	More/(Less) Approved/Amended
General Fund	25,821,934	28,383,635	31,853,374	32,438,385	34,443,574	2,005,189
Citywide Low Income Housing	698,635	2,842,615	300,000	300,000	2,100,000	1,800,000
Development Services	(945,964)	(1,274,452)	310,000	310,000	2,000,000	1,690,000
Landscaping and Lighting	126,695	119,764	150,000	150,000	204,425	54,425
Special Program Donations	-	-	250,000	250,000	250,000	-
Total	25,701,300	30,071,561	32,863,374	33,448,385	38,997,999	5,549,614

Division Budget Summary

Community Development Division Budgets	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Administration Division	2,195,994	1,756,732	2,042,998	2,136,745	2,291,100	154,355
Animal Care Services Division	4,321,496	4,670,512	4,787,698	4,709,850	5,886,991	1,177,141
Building Division	5,493,371	7,910,969	8,079,148	8,879,437	9,745,115	865,678
Code Enforcement Division	7,405,338	7,667,746	9,172,718	8,687,118	9,504,975	817,857
Customer Service Division	2,008,608	2,850,204	2,990,480	3,201,795	3,351,413	149,618
Planning Division	4,276,493	5,215,398	5,790,332	5,833,440	8,218,405	2,384,965
Total	25,701,300	30,071,561	32,863,374	33,448,385	38,997,999	5,549,614

Staffing Levels

Community Development Division Budgets	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Administration Division	19.00	13.00	13.00	15.00	15.00	-
Animal Care Services Division	42.00	45.00	47.00	53.00	53.00	-
Building Division	37.00	43.00	46.00	52.00	52.00	-
Code Enforcement Division	59.00	70.00	73.00	75.00	77.50	2.50
Customer Service Division	21.00	25.00	26.00	30.00	29.00	(1.00)
Planning Division	41.00	43.00	45.00	47.00	46.00	(1.00)
Total	219.00	239.00	250.00	272.00	272.50	0.50

PERFORMANCE MEASURES

Animal Care Services Division

Key Measure	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Estimate	FY19 Target
Percent of animals that are adopted, transferred, sent to rescue, or returned to owner (live release rate)	73%	76%	85%	85%	85%

The live release rate is a key measure of the Front Street Animal Shelter's success in achieving its mission of saving lives. The live release rate can be affected by a variety of factors including the health of animals upon intake, the number of animals received due to bite/abuse/neglect investigations, staffing levels, and volunteer/community involvement.

Building Division

Key Measure	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Estimate	FY19 Target
Percent of development inspections performed on the day scheduled	98%	97%	98%	98%	98%

Most inspections are completed on the day that they are scheduled. Development activity is increasing which will result in more inspections, especially as development resumes in North Natomas.

Key Measure	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Estimate	FY19 Target
Percentage of residential building permits issued within two days	91%	86%	86%	83%	85%

Most residential permits are minor in nature and may be approved at the permit counter or via the online permitting platform. This measure is tracked nationally and offers a means of comparison with other agencies.

Code Enforcement Division

Key Measure	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Estimate	FY19 Target
Vehicle cases closed within 21 days	89%	89%	85%	83%	83%

Abandoned or inoperable vehicles are investigated by Neighborhood Code Compliance. When a Code Enforcement Officer confirms a vehicle violation, the vehicle is marked and the registered owner of the vehicle has three days to remove the vehicle or it may be towed.

Customer Service Division

Key Measure	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Estimate	FY19 Target
Percentage of respondents rating the public counter service as good or excellent	N/A	98%	98%	91%	90%

Surveys were created to obtain a more immediate response and feedback of the permit counter and plan review sections. Customer service survey cards are available at all public stations (receptionist, cashier, building, planning and over the counter). In addition, there is a drop box near the counter area exit. A plan review satisfaction survey link is available on all correction notices the City provides to customers, including those reviewed by outside consultants.

Planning Division

Key Measure	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Estimate	FY19 Target
Percent of director-level planning files completed within 90 days	N/A	50%	55%	55%	55%

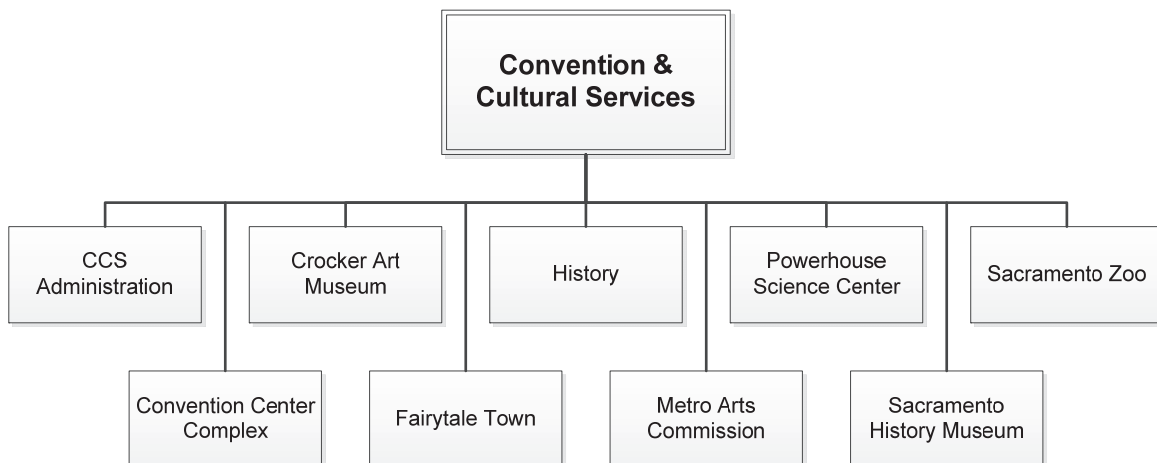
The Planning Division tracks and reports on the time it takes to approve a staff hearing-level review. This review includes a technical analysis of the project to determine compliance with guidelines and standards, is noticed to the public, and is presented in a public hearing to the Zoning Administrator, Design Director, or Preservation Director.

12

SECTION – 12 **Convention and Cultural Services**

Convention and Cultural Services

The mission of the Convention and Cultural Services Department is to promote and preserve our unique culture and heritage by delivering accessible arts, leisure and educational experiences to enrich people's lives and enhance the metropolitan area.



The **Convention and Cultural Services Department (CCS)** provides exceptional cultural, artistic, and leisure opportunities that enrich the quality of life and contribute to a vibrant metropolitan region. As key contributors to the region's quality of life, our "Sacramento Treasures" serve residents and visitors. Significant economic impact can be attributed directly to the numerous educational, cultural, and recreational events offered. These experiences are provided by our divisions and nonprofit partners. The Department includes the following operations and programs/services:

- **CCS Administration:** Provides overall department policy, oversees department financial transactions, and assists divisions with human resources functions.
- **Convention Center Complex:** Consists of the Convention Center, Community Center Theater, and Memorial Auditorium. The complex is the venue for a variety of events including major conventions, trade shows, performing arts, concerts, sporting events, seminars, weddings, banquets, and high school graduations.
- **Crocker Art Museum:** One of the nation's premier collections of art from the Golden State, plus European, Asian, African, and Oceanic works, international ceramics, and one of America's finest early collections of European master drawings. Programmed to engage, entertain, and inspire, the Crocker brings art to life with tours and talks, films and concerts,

art classes, parties, delights, and surprises for visitors of all ages and interests.

- **Fairytale Town:** Fairytale Town has offered children and families a safe place to imagine, play, and learn for over 50 years. It is a nonprofit children's storybook park and education center dedicated to promoting the imagination, creativity, and education of children.
- **History:** The Center for Sacramento History, the official repository for the City's archives, was established to educate and enrich the public. Through collecting, preserving, and making accessible the region's vast cultural heritage, the public, academics, students, genealogists, and filmmakers all may utilize the Center's rich collections. This division also serves as the administrator for the Old Sacramento Historic District, which is the City's largest tourist attraction.
- **Metro Arts Commission:** The Sacramento Metropolitan Arts Commission is devoted to supporting, promoting, and advocating for the arts in the Sacramento region through grants, arts education, and public art opportunities.
- **Powerhouse Science Center:** Formerly part of the Sacramento Museum of History, Science, and Technology, the Powerhouse Science Center focuses on natural, physical, space, and laboratory sciences. The Center features temporary exhibits, a nature discovery center, planetarium, and the Challenger Learning Center – a space simulation program modeled after the Space Shuttle.
- **Sacramento History Museum:** The Sacramento History Museum is dedicated to Sacramento's rich and diverse history. The museum's galleries and exhibits explore the history and stories of the area's first inhabitants, the pioneers who settled here, life on the farm, and more. The museum's extensive school programs serve thousands of students each year. In addition, the museum offers tours of Old Sacramento for school groups and adults.

- Sacramento Zoo: The Sacramento Zoo is one of the region's top attractions, with an annual attendance of 500,000. The Zoo's collection consists of more than 500 animals, diverse botanical life, and several specialized gardens.

PROGRAMS/SERVICE HIGHLIGHTS

- Celebrated the 90th Anniversary of the Sacramento Memorial Auditorium.
- Held the first Memorial Auditorium Community Open House to honor Sacramento's fallen heroes and their families on Memorial Day.
- Contributed more than \$480,000 in FY2016/17 towards in-kind services to the Performing Art Groups.
- Awarded the 2017 Facilities & Destinations Prime Site Award.
- Continued progress on the Convention Center Complex renovation (Community Center Theater Renovation, Memorial Auditorium Upgrade, and Convention Center Expansion).
- Increased the number of events at the Memorial Auditorium by 10 percent and increased the number of non-performing art events at the Community Center Theater by more than 25 percent.
- Continued management of over 60 grants to established and emerging arts organizations.
- Conducted the community engagement portion of Creative Edge, the City's first comprehensive cultural planning process in more than two decades. Organized more than 60 community meetings, engaging more than 1,000 residents, and conducted an online survey of an additional 1,000 citizens and visitors.
- Continued development of a new signage program for Old Sacramento, a self-guided tour application, and a new Old Sacramento Historic District guidebook.
- Completed conversion of the Old City Cemetery chapel into a museum and created an online database for cemetery burial records.
- Partnered with local filmmaker to create an hour-long documentary film on the Alhambra Theatre using footage from the Center for Sacramento History's (CSH) film collection.

- Welcomed over 50,000 kids and adults to the Zoo as part of school and group field trips. Welcomed over 500,000 visitors who spent time with family and friends and connected with wildlife and nature on the Sacramento Zoo's tree-lined campus.
- Welcomed more than 250,000 guests at Fairytale Town through Humpty Dumpty's Gates, renovated numerous playsets and garden areas, awarded Best Birthday Party Venue by Sacramento Magazine, initiated a variety of new programs including Toddler Days, Educator Night, and Adventure Play Days, and launched a Capital Campaign to support our expansion plans.
- The Crocker Art Museum organized and hosted over 20 major exhibitions and attracted visitors from across the nation and from around the world to Sacramento. The Museum served over 250,000 visitors on-site, and nearly 60,000 people attended education programs on-site and in area schools.
- Powerhouse Science Center opened two new exhibits in 2017. "Eat Well, Play Well, Live Well," a traveling exhibition from Oregon Museum of Science and Industry, focused on healthy living. "Forces: Earth and Space," developed and designed by Powerhouse's own internal team, focused on fundamental forces of nature.

DEPARTMENT EFFICIENCIES

- Implemented a new scheduling software (Shiftboard) which reduces scheduling time by 40 percent. This resulted in savings of more than \$10,000 per year.
- Implemented a new event booking software (VenueOps) – one-time savings of \$32,000 and savings of \$15,000 per year compared to previously used software.
- Launched CrowdConnect to better serve our ticket buyers and make it easier to provide notifications.
- Installed low-flow toilets with auto-sensors within the bathrooms at the Memorial Auditorium and at the Convention Center, resulting in a savings of 2.3 gallons of water per flush.
- Overall online requests for Archives for research use has tripled over the last year due to continued additions to our online resources.
- Digitizing historical city and county records to provide increased public access.

OBJECTIVES FOR FY2018/19

- Continue work on the Convention Center Complex renovation and provide a clean, well-maintained facility to ensure the public’s comfort and enjoyment during their visit.
- Increase occupancy at the Convention Center Complex while controlling operating expenses.
- Implement Creative Edge with community-wide partners to conduct a creative economy assessment and a cultural tourism plan.
- Continue to work on transforming Crocker Park from an unimproved lot of land into a great civic amenity.
- Connect people through history by promoting heritage tourism, academic study, and public access utilizing the City’s rich historical collections.

BUDGET CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
History	Add a position (1.0 FTE Archivist) at the Center for Sacramento History to manage digital assets and film collections, fully offset by revenues and a reduction in services and supplies.	General	(82,177)	82,177	1.00
Total Change			\$ (82,177)	\$ 82,177	1.00

POSITION CHANGES

- Two vacant positions were eliminated (2.0 FTE Zoo Attendant II) and transferred to the City Manager’s Office, providing resources to support the Office of Homeless Services.

Department Budget Summary

Convention and Cultural Services Budget Summary	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Employee Services	8,492,270	8,440,849	9,610,238	9,646,904	10,017,217	370,313
Other Services and Supplies	7,281,160	7,169,730	7,340,817	7,984,151	7,625,838	(358,313)
City Property	126,717	43,856	140,000	140,000	140,000	-
Transfers	(64,724)	(57,563)	-	-	-	-
Labor and Supply Offset	1,097,651	1,052,956	1,249,726	1,249,726	871,685	(378,041)
Operating Transfers	1,734,892	1,847,424	1,721,900	1,721,900	1,725,700	3,800
Total	18,667,966	18,497,252	20,062,681	20,742,681	20,380,440	(362,241)

Department Budget Summary (cont.)

Funding Summary by Fund/Special District	FY2015/16	FY2016/17	FY2017/18	FY2017/18	FY2018/19	Change
	Actuals	Actuals	Approved	Amended	Approved	More/(Less) Approved/Amended
General Fund	4,550,730	8,504,929	5,022,932	5,302,932	5,292,796	(10,136)
Alice Miller Trust	-	7,485	-	-	-	-
Community Center	13,745,131	5,808,202	14,662,306	15,062,306	14,696,905	(365,401)
Fairytale Town	61,905	55,911	50,000	50,000	50,000	-
H Street Theater	96,889	16,543	45,000	45,000	45,000	-
Innovation and Growth	-	3,800,000	-	-	-	-
Old Sac Market	77,883	137,151	67,000	67,000	104,000	37,000
Old Sacto Maint Dist	67,926	67,931	65,443	65,443	65,781	338
Winchester G & Mary Alice Felt	7,888	45,124	100,000	100,000	75,958	(24,042)
Zoo	59,614	53,977	50,000	50,000	50,000	-
Total	18,667,966	18,497,252	20,062,681	20,742,681	20,380,440	(362,241)

Division Budget Summary

Convention and Cultural Services Division Budgets	FY2015/16	FY2016/17	FY2017/18	FY2017/18	FY2018/19	Change
	Actuals	Actuals	Approved	Amended	Approved	More/(Less) Approved/Amended
CCS Administration Division	1,548,210	1,183,022	1,875,330	2,275,330	1,916,792	(358,538)
Convention Center Complex Division	11,872,107	11,760,056	12,334,504	12,334,504	12,327,640	(6,864)
Crocker Art Museum Division	1,879,272	1,933,493	1,987,182	1,987,182	2,025,395	38,213
Fairytale Town Division	75,010	68,156	62,245	62,245	62,245	-
History Division	1,797,283	2,092,650	2,031,183	2,061,183	2,144,266	83,083
Metro Arts Commission Division	468,350	424,767	740,949	990,949	1,023,253	32,304
Powerhouse Science Center Division	239,276	238,337	238,337	238,337	238,337	-
Sacramento History Museum Division	251,528	251,674	251,528	251,528	251,528	-
Sacramento Zoo Division	536,930	545,097	541,423	541,423	390,983	(150,440)
Total	18,667,966	18,497,252	20,062,681	20,742,681	20,380,440	(362,241)

Staffing Levels

Convention and Cultural Services Division Budgets	FY2015/16	FY2016/17	FY2017/18	FY2017/18	FY2018/19	Change
	Actuals	Actuals	Approved	Amended	Approved	More/(Less) Approved/Amended
CCS Administration Division	10.00	8.00	8.00	8.00	8.00	-
Convention Center Complex Division	84.49	82.49	81.99	81.99	81.99	-
Crocker Art Museum Division	6.00	6.00	6.00	6.00	6.00	-
History Division	6.20	6.20	6.20	7.20	8.20	1.00
Metro Arts Commission Division	8.00	8.00	8.00	8.00	8.00	-
Sacramento Zoo Division	5.00	5.00	5.00	5.00	3.00	(2.00)
Total	119.69	115.69	115.19	116.19	115.19	(1.00)

PERFORMANCE MEASURES

Convention Center Complex Division

Key Measure	FY15	FY16	FY17	FY18	FY19
	Actuals	Actuals	Actuals	Estimate	Target
Total events and performances	523	501	516	460	450
Number of tickets sold	297,166	300,926	292,614	285,000	260,000

The Convention Center Complex provides both ticketed and free events to the public. Ticketed events include theater performances and consumer shows such as the Broadway Series, home-shows, concerts, conventions, and festivals. An increase in tickets sold is an indicator of the strength of the shows and the demand for the events. These shows bring local attendees and visitors to the downtown core, which supports the economic vitality of Sacramento. Overall demand for event and production space at the Convention Center Complex, which includes the Community Center Theater and Memorial Auditorium, continues to grow. The Memorial Auditorium is slated to be under renovation in FY19.

FY2018/19 Approved Budget

Key Measure	FY15	FY16	FY17	FY18	FY19
	Actuals	Actuals	Actuals	Estimate	Target
Total revenue of in-house vendors	10,511,167	9,412,249	10,608,342	10,903,800	10,500,000

The Sacramento Convention Center has followed a national trend in awarding exclusive contracts for many services provided at the facility. Currently, the City has contracts with Classique Catering for food and beverage; PSAV Presentation Services for AV; Wombo for telecommunications; and Tickets.Com for ticketing. These exclusive contracts provide for consistent high levels of customer service, a financial return for the City, and a significant vendor investment to a City asset. The revenue generated is an indicator of the strength of our Convention Center business primarily with conventions, conferences, tradeshow, and meetings. With approximately 400 events and nearly 800,000 visitors annually, these events are vital to the local economy bringing visitors to the downtown area supporting hotels, restaurants, and retail businesses.

Crocker Art Museum Division

Key Measure	FY15	FY16	FY17	FY18	FY19
	Actuals	Actuals	Actuals	Estimate	Target
Attendance	257,633	277,178	258,997	235,000	250,000
Membership	12,874	11,877	12,717	12,500	13,000

The attendance figures are a direct reflection of the exhibition and programmatic schedule. They show the Crocker's dedication to promoting an awareness and enthusiasm for the human experience through art. The membership numbers are an indication of a strong retention rate. The increase is based upon the acquisitions run in conjunction with exhibitions and programs.

History Division

Key Measure	FY15	FY16	FY17	FY18	FY19
	Actuals	Actuals	Actuals	Estimate	Target
Number of researchers assisted	7,095	14,440	57,829	65,000	75,000

As of FY2017, CSH is now tracking digital assets and how they are being used. The Center for Sacramento History is an important source of accurate information about Sacramento and its past. The CSH is an important source of accurate information about Sacramento and its past. The Center continues to respond to increasing research requests and anticipates those requests will grow due to exposure from events and recent projects the Center has been involved in. By providing prompt and accurate research, Sacramento history is featured in film, news reporting, academic papers and photographs, raising the profile of the city both nationally and internationally. Recent productions that were provided materials from the Center include All Things Must Pass (2015, the Colin Hanks' documentary on Tower Records that premiered at South by Southwest) and The Black Panthers: Vanguard of the Revolution (2015, a documentary seen nationally in 2016 on PBS' Independent Lens and many film festivals).

Key Measure	FY15	FY16	FY17	FY18	FY19
	Actuals	Actuals	Actuals	Estimate	Target
Number of items listed in collection's databases	84,595	95,636	107,827	115,000	120,000

The inventory in the CSH consists of the following catalogued items: artifacts; photographs; government, business, and organizational records; personal and family manuscripts; and library books. Adding to the inventory every year will make these items more accessible to the public through the searchable online database and also to in-house researchers looking for information. The CSH is currently working on an inventory project in order to move forward with the national museum accreditation process. The CSH will be able to track what we have in our collections, increase reporting of insurance values, and provide access to collections by the public.

Metro Arts Commission Division Public Art Program

Key Measure	FY15	FY16	FY17	FY18	FY19
	Actuals	Actuals	Actuals	Estimate	Target
Number of exhibitions produced	10	12	13	13	13
Number of artworks conserved, maintained, or repaired	11	10	10	7	7
Number of public art projects completed (installed)	6	10	10	12	8
Number of permanent public art projects in progress	25	36	40	40	40

The Art in Public Places program is funded through an ordinance that requires at least two percent of eligible City and County capital improvement project budgets be set aside for public art. Several of the objects in the City and County public art collection have been recognized nationally. The number of projects in progress may vary significantly year-to-year based on funding for new construction. Project timelines are generally multi-year and undergo an extensive public process of artist selection, community input,

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and oversight by Arts Commission staff. Gallery exhibitions are also produced as part of the program and funded by the City, County, and the Sacramento Municipal Utilities District (SMUD). The City and County public art collection includes more than 675 objects. Public artworks that are maintained or conserved year-to-year may vary due to funding and/or project complexity.

Any Given Child Program

Key Measure	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Estimate	FY19 Target
Number of arts education school assemblies organized	74	68	120	130	130
Number of participants reached through above events	20,672	20,400	25,000	30,000	30,000
Number of professional development events for artists and classroom teachers	15	12	11	12	12
Number of artists and classroom teachers served in professional development	235	145	242	240	240
Number of students served in six- or 10-week residencies	945	1,020	1,575	1,820	1,820

A program developed by the John F. Kennedy Center for Performing Arts, Any Given Child, provides equitable access to arts education experiences for K-8 students during the school day. Services offered under the program include in-class arts residencies, school assemblies delivered by local arts organizations, and professional development workshops for teachers, school administrators, and artists. In FY2016/17, the structure of the fees-for-service menu distributed to participating school districts changed. Districts now purchase a specific number of Teaching Artist Residencies, Arts Exposure Events (assemblies), and seats at Professional Development workshops, to be used throughout the year. Due to the logistical difficulty for schools to coordinate field trips and small group workshops, as well as low requests for these two types of activities, they were no longer offered in FY2016/17. This allowed the program to focus on assemblies and residencies in schools.

Cultural Arts Awards (CAA) Program

Key Measure	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Estimate	FY19 Target
Number of Cultural Arts Award (CAA) grantees	54	53	53	59	58
CAA grant allocation	421,676	439,724	450,000	500,000	500,000
Grantee operating budgets (CAA)	43,565,428	52,108,754	49,927,612	50,000,000	50,000,000
Number of Cultural Equity Grant grantees	N/A	23	27	0	0
Cultural Equity Grant allocation	N/A	245,741	249,005	0	0

The Grants and Cultural Program provides support to Sacramento City and County nonprofit arts and cultural organizations through a diverse grant program. The number of grants awarded varies due to the results of the panel process and City/County funding allocations.

The Cultural Arts Awards (CAA) grants, our premier grant, offers general operating support or project support with grants that typically range from \$1,000 to \$25,000. The CAA grant is funded by both the County and City of Sacramento through the annual Transient Occupancy Tax (TOT) allocation during the annual budget process. The amount available to grant will increase as the TOT allocation increases.

The Cultural Equity (CE) grant provides project support or capacity building support with grants that range from \$2,000 to \$20,000. The CE grant was funded by a one-time allocation in FY2015/16. The current available grant funds will be depleted by FY2017/18.

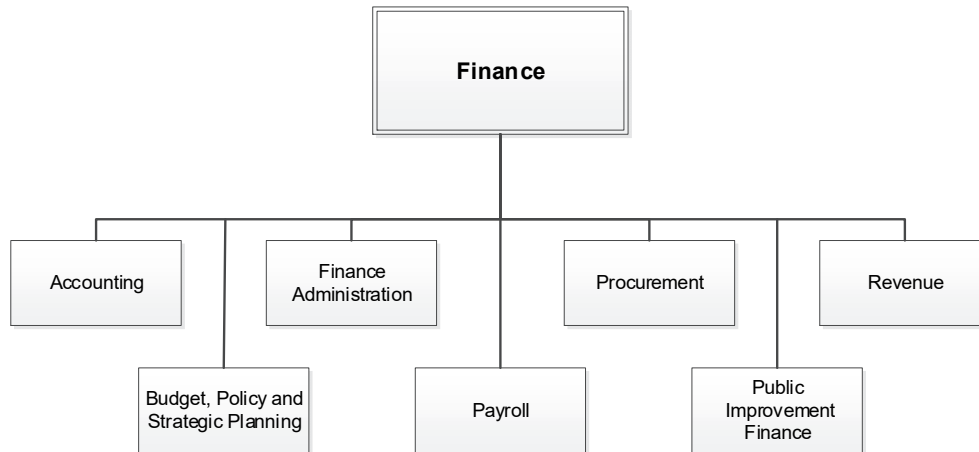
Per the Americans for the Arts & Economic Prosperity Calculator, the economic impact of the Arts Commission's nonprofit grantees is significant to the local economy, generating over \$2 million in local government revenue and providing over 1,700 full time equivalent jobs in the region.

13

SECTION – 13 **Finance**

Finance

The mission of the Finance Department is to educate, inform, and provide excellent internal and external customer service with integrity, efficiency, and quality.



The **Finance Department** is responsible for overseeing the financial management of the City. The Finance Department currently provides accounting, budgeting, payroll, public improvement financing, procurement, billing, collection, parking citation and revenue collection. Internal services and programs include strategic planning and policy analysis.

- **Accounting:** Responsible for providing oversight for the system of internal controls to safeguard City assets and preparing annual financial statements.
- **Budget, Policy and Strategic Planning:** Responsible for the development and preparation of the annual operating budget, five-year capital improvement program and quarterly financial reports. Supports the Council, charter offices, and operating departments with budgeting, financial support, forecasting, analysis on special projects, and labor negotiations.
- **Finance Administration:** Responsible for enhancing and maintaining the fiscal stability of the City.
- **Payroll:** Responsible for maintaining and monitoring internal controls to ensure transactions comply with labor agreements, polices, rules, and regulations.
- **Procurement Services:** Responsible for the development, implementation and compliance with citywide policies for the

acquisition of supplies and services through competitive bidding, as well as contract and purchase order administration.

- Public Improvement Finance: Responsible for the formation and administration of financing plans, assessment districts, tax districts and fee districts for development and the continuance of services in support of goals to achieve sustainability and enhance livability.
- Revenue: Responsible for the coordination and collection of major taxes, fees, and citations citywide, as well as management of business permits.

PROGRAMS/SERVICE HIGHLIGHTS

- Assisted departments with establishing, adjusting, and managing operating and capital improvement program budgets.
- Assisted the City Manager, City Treasurer, Council, and departments with capital project financing, debt management, and long-term asset acquisition.
- Assisted with citywide special projects and assignments.
- Audited and enforced a variety of City codes to ensure compliance.
- Completed the annual district budget process and levied taxes and assessments efficiently and effectively.
- Continued tax and assessment audits and other quality controls for all Mello-Roos, assessment, and fee districts.
- Coordinated and prepared the City's quarterly financial reports.
- Coordinated with departments to close the City's financial books and produced the Comprehensive Annual Financial Report and Single Audit Report.
- Formed new special districts to implement financing plans, fund maintenance services throughout the City, and finance public improvements.
- Maintained and monitored internal controls to ensure transactions comply with rules, regulations, and policies.
- Managed all finance plans and districts to ensure best management practices.

- Processed and issued 26,443 business operations tax certificates and 1,220 permits.
- Processed over 4,600 City employee paychecks bi-weekly and over 1,100 SCERS retiree paychecks monthly.
- Processed payments to vendors for various goods and services and reimbursements to City employees for work-related expenses daily.
- Issued 5,217 purchase orders and executed 64 citywide contracts for goods and services.
- Provided customer service to employees at all levels of the City.

DEPARTMENT EFFICIENCIES

- Implemented delinquent collection tools on bills owed to the City.
- Implemented the ability for web payments for parking citations.
- Looked for ways to optimize the use of districts and finance plans to build priority public improvements, fund services, and encourage private investment in the City.

OBJECTIVES FOR FY2018/19

- Complete and update financing plans for high priority development areas – Downtown Specific Plan Area, The Railyards, Delta Shores, Greenbriar, Panhandle and others.
- Complete Mello-Roos formation, bond issuance, and associated agreements to facilitate development projects – The Crocker Village, Delta Shores, The Railyards, Greenbriar, and others.
- Implement new accounting and financial reporting standards including Governmental Accounting Standards Board (GASB) Statement #75 addressing accounting and financial reporting for postemployment benefits other than pensions.
- Launch the Automated Bids Contracts and Digital Signatures (ABCDs) project and provide training and assistance to departments and vendors.
- Provide departments and fund managers with the tools necessary to forecast labor growth, especially as it relates to retirement and other post-employment benefit costs.

- Provide fiscal support for contract negotiations with recognized labor groups including forecasting the current and future costs of proposals.
- Work with departments and management to address the General Fund structural deficit beginning in FY2019/20 by reinstating the Program Oriented Development (POD) approach to budgeting which aligns department budgets with the programs and services they provide.

POSITION CHANGES

- The Office of the Cannabis Policy and Enforcement budget and six positions (1.0 FTE Cannabis Policy and Enforcement Manager, 1.0 FTE Administrative Officer, 1.0 FTE Program Specialist, 1.0 FTE Program Analyst, and 2.0 FTE Administrative Technician) were transferred to the City Manager’s Office. This change will create a strategic citywide approach in implementing cannabis policies and enforcement.

Department Budget Summary

Finance Budget Summary	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Employee Services	7,998,854	8,557,479	9,719,257	9,765,545	9,654,273	(111,272)
Other Services and Supplies	2,616,499	1,703,835	7,415,890	7,429,398	2,644,306	(4,785,092)
City Property	49,121	38,958	44,400	45,900	44,400	(1,500)
Transfers	-	114,461	121,242	121,242	64,003	(57,239)
Labor and Supply Offset	(1,145,089)	(1,411,426)	(1,049,374)	(1,095,162)	(1,104,200)	(9,038)
Operating Transfers	-	(234,940)	-	-	-	-
Total	9,519,385	8,768,368	16,251,415	16,266,923	11,302,782	(4,964,141)

Funding Summary by Fund/Special District	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
General Fund	4,586,213	4,376,622	11,330,243	11,330,243	6,536,592	(4,793,651)
12th Street Maint Benefit Area	2,136	1,934	3,194	3,194	3,237	43
Cty/Cnty Office-Water Planning	39,000	39,000	39,000	39,000	39,000	-
Curtis Park CFD 2013-03	-	-	-	-	3,179	3,179
Del Paso Nuevo Landscaping CFD	3,165	2,089	3,740	3,740	2,595	(1,145)
Del Paso PBID	32,565	33,692	-	-	-	-
Del Paso Prop & Business Imprv	1,331	5,261	5,261	1,976	1,976	-
Downtown Impact Fee	-	-	250,000	250,000	100,000	(150,000)
Downtown Management District	1,440	9,439	9,439	4,921	4,921	-
Downtown Plaza PBID	33,949	46,923	-	-	-	-
Franklin Blvd PBID	56,873	74,002	-	-	-	-
Franklin Boulevard PBID	2,912	1,470	1,470	1,604	1,604	-
Greater Broadway PBID	1,372	1,119	1,119	1,342	1,342	-
Handle BID No 2011-04	248,953	226,944	200,000	200,000	200,000	-
Interdepartmental Service	2,792,360	2,827,077	2,929,058	2,929,058	2,846,134	(82,924)
Jacinto Creek	-	-	-	-	45,000	45,000

Department Budget Summary (continued)

Funding Summary by Fund/Special District	FY2015/16	FY2016/17	FY2017/18	FY2017/18	FY2018/19	Change
	Actuals	Actuals	Approved	Amended	Approved	More/(Less) Approved/Amended
Laguna Creek Maint Dist	13,255	9,910	13,511	13,511	13,547	36
Landscaping and Lighting	254,370	233,049	311,073	311,073	319,912	8,839
Mack Road PBID	1,247	3,985	3,985	2,535	2,535	-
Midtown Sacramento PBID	2,912	1,960	1,960	11,345	11,345	-
N Nat Lndscp 99-02	21,619	13,596	17,614	17,614	20,641	3,027
N Natomas Lands CFD 3	28,077	22,739	38,478	38,478	34,975	(3,503)
N Natomas Transp Mgmt Assoc	19,483	19,698	28,322	28,322	28,898	576
Natomas Central CFD 2006-02	11,735	11,735	11,735	11,735	11,735	-
Natomas Meadows CFD 2007-01	-	10,590	-	-	-	-
Neighborhood Lighting Dist	14,462	12,987	15,927	15,927	15,973	46
Neighborhood Park Maint CFD	18,988	16,759	24,796	24,796	30,024	5,228
Neighborhood Water Quality Dist	9,862	9,588	12,613	12,613	12,671	58
NNFP Drainage Fee	738,993	-	-	-	-	-
NNFP Public Facilities Fee	-	-	400,000	400,000	400,000	-
Northside Subdiv Maint Dist	5,289	4,617	5,098	5,098	5,194	96
NW Land Park CFD 2013-02	-	4,119	4,569	4,569	5,797	1,228
Oak Park PBID	2,017	2,171	2,171	4,546	4,546	-
Old Sacramento PBID	146,947	154,948	-	-	-	-
Old Sacto Maint Dist	2,134	2,129	4,617	4,617	4,279	(338)
Parking	-	93,333	93,333	93,333	93,333	-
Power Inn Area Prop & Business	2,487	3,908	3,908	2,337	2,337	-
Power Inn Rd Md 2003-01	5,047	3,114	4,446	4,446	3,880	(566)
Railyards Maint CFD No 2014-04	3,180	1,504	1,578	1,578	3,671	2,093
Sac Tourism Marketing District	114,006	124,590	114,000	128,000	128,000	-
SacMaintCFD2014-04 Annex Areas	-	-	3,425	3,425	4,073	648
SacMaintCFD2014-04 Area 01	-	34,330	6,109	6,109	6,243	134
Special District Info/Rpt Sys	63,475	61,657	147,993	147,993	147,993	-
Stockton Blvd BIA	45,164	54,204	-	-	-	-
Stockton Blvd PBID	1,315	1,084	1,084	1,445	1,445	-
Subdiv Lndscpng Maint Dist	30,527	23,451	31,422	31,422	25,162	(6,260)
Sutter Business Imprvmt Area	137,079	164,520	150,000	150,000	150,000	-
The River District PBID	3,259	1,701	1,701	1,555	1,555	-
Township 9 CFD No. 2012-06	1,179	1,208	1,434	1,434	5,176	3,742
Village Garden N.-Mtce Dist #1	8,177	9,853	10,291	10,291	10,327	36
Willowcreek Assmnt Md	7,200	7,432	9,009	9,009	9,045	36
Willowcreek Lndscpng CFD	3,631	2,327	2,689	2,689	2,890	201
Total	9,519,385	8,768,368	16,251,415	16,266,923	11,302,782	(4,964,141)

Division Budget Summary

Finance Division Budgets	FY2015/16	FY2016/17	FY2017/18	FY2017/18	FY2018/19	Change
	Actuals	Actuals	Approved	Amended	Approved	More/(Less) Approved/Amended
Accounting Division	2,705,687	2,875,311	2,654,712	2,656,672	2,734,572	77,900
Budget Office Division	924,296	1,049,124	1,267,995	1,267,995	1,320,109	52,114
Cannabis Policy & Enforcement Division	-	78,371	5,203,553	5,203,553	-	(5,203,553)
Finance Administration Division	592,585	586,100	767,222	767,222	757,902	(9,320)
Payroll Division	-	-	744,832	744,832	793,085	48,253
Procurement Division	820,472	483,480	753,035	753,035	803,114	50,079
Public Improvement Finance Division	1,719,870	710,328	1,662,885	1,662,433	1,546,638	(115,795)
Revenue Division	2,756,475	2,985,655	3,197,181	3,211,181	3,347,363	136,182
Total	9,519,385	8,768,368	16,251,415	16,266,923	11,302,782	(4,964,141)

Staffing Levels

Finance Division Budgets	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Accounting Division	26.00	26.00	19.00	20.00	20.00	-
Budget Office Division	7.00	7.00	7.00	7.00	7.00	-
Cannabis Policy & Enforcement Division	-	2.00	4.00	6.00	-	(6.00)
Finance Administration Division	3.00	3.00	4.00	5.00	5.00	-
Payroll Division	-	-	7.00	7.00	7.00	-
Procurement Division	6.00	6.00	7.00	7.00	7.00	-
Public Improvement Finance Division	6.00	5.00	6.00	6.00	6.00	-
Revenue Division	38.00	40.00	39.00	39.00	39.00	-
Total	86.00	89.00	93.00	97.00	91.00	(6.00)

PERFORMANCE MEASURES

Accounting Division

Key Measure	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Estimate	FY19 Target
Percent of vendors paid within 30 days	71%	70%	85%	90%	90%
Number of days for Accounting to review and approve a vendor invoice and process a payment	5	4	4	4	4
"Prompt Payment" discounts taken	\$71,000	\$197,000	\$215,000	\$235,000	\$240,000
"Prompt Payment" discounts lost	\$61,000	\$73,000	\$60,000	\$5,000	\$5,000
Percent of discounts taken	54%	74%	78%	98%	98%

Review and approval of vendor payments is centralized in order to ensure consistency with generally accepted accounting principles and the City's procurement policies. Timely vendor payments fulfill the City's obligations relative to contract compliance and in some circumstances, allow the City to take advantage of prompt payment discounts. The Accounts Payable Automation Project is expected to improve the timeliness of vendor payments.

Finance Administration Division

Key Measure	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Estimate	FY19 Target
Obtain unmodified audit opinion on CAFR	Yes	Yes	Yes	Yes	Yes
Obtain GFOA Certificate of Achievement for CAFR	Yes	Yes	Yes	Yes	Yes
Proposed balanced budget presented to City Council 60 days prior to the beginning of the fiscal year	Yes	Yes	Yes	Yes	Yes
Obtain CSMFO Capital Budgeting Award	Yes	Yes	Yes	Yes	Yes

Delivering timely and quality financial planning and reporting documents is important to the City's goals of transparency and prudent financial management.

Procurement Division

Key Measure	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Estimate	FY19 Target
Number of days for Procurement Services to review a requisition and issue a purchase order	4	3	3	3	3

Issuing centralized purchase orders ensures compliance with the City's procurement policies and procedures. Timely review and issue of purchase orders is critical to fulfilling the purchasing needs of the City's departments for program and service delivery. In an effort to drive towards the FY19 target, Procurement is identifying the contributors who delay. In the early stages of analysis, most are due to incomplete information submitted by the requestor. To improve the performance, the following steps are in process: improve communication of requirements to the requestor, and documentations of like process.

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Revenue Division

Key Measure	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Estimate	FY19 Target
Percent of delinquent receivables collected	51%	50%	53%	55%	55%

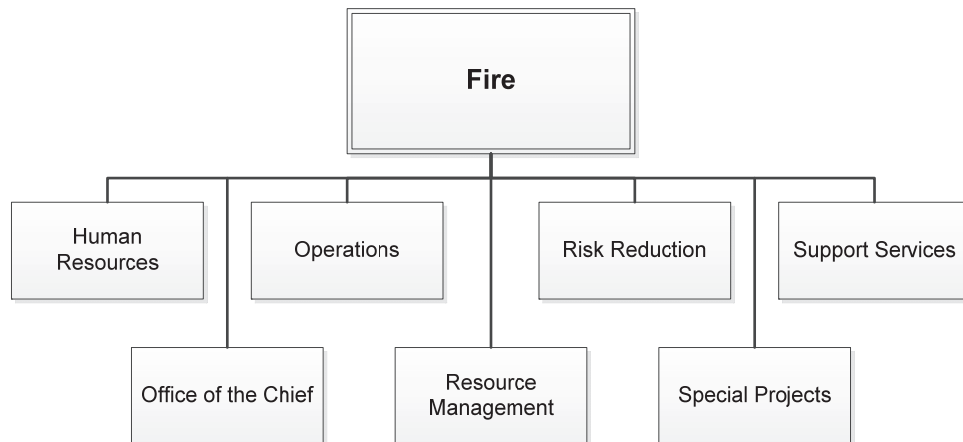
Collection of revenues associated with the provision of specific programs and services reflects prudent financial management and is necessary to achieve the resources included in the City's annual budget. Invoices unpaid for 30 days or longer are considered delinquent. Collection efforts on delinquent invoices are initiated centrally by the Revenue Division to recover funds owed to the City for services provided.

14

SECTION – 14 **Fire**

Fire

Committed to excellence in enhancing and protecting life, property and the environment.



The **Fire Department** first began serving the residents of Sacramento in 1850 as a volunteer organization. In 1872, it became the first paid professional fire department west of the Mississippi. The Department responds to many types of emergencies including fires, emergency medical calls, hazardous materials incidents, and specialized rescues, such as water, vertical, confined space, and animals. The Department provides emergency services, fire code enforcement, public education, and services.

- **Human Resources:** Provide human resources functions including hiring, payroll, workers' compensation, testing, and outreach/recruitment.
- **Office of the Chief:** Responsible for developing and providing direction of the Fire Department.
- **Operations:** Provide response to all fires, technical rescues, hazardous materials incidents, wildland fires, and other emergencies, provides training for fire recruits and response personnel.
- **Resource Management:** Provide essential support functions to all divisions, which includes acquisition and repairs of necessary equipment, communications, information technology; coordination of all facilities maintenance, repairs, and construction; and fleet maintenance, repairs, and acquisition.
- **Risk Reduction:** Provide Emergency Medical Services including advanced life support and transportation, adopt

and enforce codes and ordinances related to fire and life safety issues, complete plan reviews and conduct inspections of construction projects, coordinate annual life safety inspections of commercial buildings, and investigate fires.

- **Special Projects:** Provide oversight on special projects including master planning and performance measures.
- **Support Services:** Provide departmental support and is responsible for budget, revenues, accounts payable, procurement, contracts, council reports and grants.

PROGRAMS/SERVICE HIGHLIGHTS

- Purchased 14 gasoline powered Advanced Life Support Medic Units to replace diesel powered vehicles which had higher repair costs than the gasoline powered vehicles.
- Completed bid and groundbreaking for the construction of Fire Station 15.
- Completed the formalization of the Accountability Council for Equity and Diversity (ACED) to help enhance recruitment and retention efforts and to provide a pipeline for local high school students and young adults to enter careers in fire service. The committee's focus is on mentoring, career development, training, and preparation necessary to become a qualified candidate.
- Reduced the time it takes to process and deliver Patient Care Reports (PCR) to the Department's ambulance biller.
- Partnered with Fleet Management to replace a mobile air compressor that will allow full functionality with the new Self-Contained Breathing Apparatus (SCBAs).

DEPARTMENT EFFICIENCIES

- Reduced the number of days it takes to get PCRs to our ambulance biller from 21 days to 48 hours.
- Assisted in expediting the development review process for housing construction via the addition of two new positions.
- Reduced number of underutilized department vehicles.

- Streamlined purchase of supplies and Personal Protective Equipment (PPE) with the use of Operative IQ.
- Created a plan for long-term information technology maintenance contracts and replacement cycles.
- Streamlined deployment of tablet computers to all mobile equipment.

OBJECTIVES FOR FY2018/19

- Replace one-third of the frontline PPE to ensure compliance with the California Division of Occupational Safety and Health (Cal/OSHA) Title 8 by 2021.
- Work with Fleet Management to replace two engines and one rescue vehicle that will improve frontline response vehicle efficiency and smoothing of the apparatus replacement cycle.
- Update current and antiquated station alerting equipment for all fire stations.
- Outfit 17 ambulances with a power load system for gurneys to increase patient and employee safety.
- Start bid and groundbreaking for the rebuild of Fire Station 14.
- Complete construction of Fire Station 15.

BUDGET CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Resource Management Division	Increase funding to the Sacramento Regional Fire/EMS Communications Center (SRFECC) Joint Powers Authority (JPA) to cover the increased cost of operations pursuant to the City's agreement with SRFECC.	General	-	400,000	-
Risk Reduction	Provide staffing (6.0 FTE Firefighter Paramedics) and funding (including \$260,000 in the ALS Equipment Program [F12000200]) for Medic 4, offset by an increase in the revenue budget.	General	1,321,403	1,061,403	6.00
Total Change			\$ 1,321,403	\$ 1,461,403	6.00

CAPITAL IMPROVEMENT PROGRAM (CIP)

Fire Safety Equipment Program

Funding of \$600,000 was included in the 2018-2023 CIP for PPE to meet state and federal regulatory requirements.

ALS Equipment Program

Funding of \$260,000 was included in the 2018-2023 CIP for an ambulance and equipment for the additional staffing of Medic 4.

Department Budget Summary

Fire Budget Summary	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Employee Services	105,585,792	112,606,734	108,121,482	108,534,179	117,573,910	9,039,731
Other Services and Supplies	12,456,418	13,300,369	12,665,701	12,670,295	13,551,296	881,001
City Property	482,501	662,250	1,469,113	909,113	909,113	-
City Debt Service	241	-	-	-	-	-
Transfers	352,581	282,650	-	-	-	-
Labor and Supply Offset	(12,210,146)	(13,588,923)	(13,721,120)	(13,721,120)	(13,994,196)	(273,076)
Total	106,667,387	113,263,080	108,535,176	108,392,467	118,040,123	9,647,656

Funding Summary by Fund/Special District	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
General Fund	106,167,387	112,763,080	108,035,176	107,892,467	117,540,123	9,647,656
Risk Mgmt	500,000	500,000	500,000	500,000	500,000	-
Total	106,667,387	113,263,080	108,535,176	108,392,467	118,040,123	9,647,656

Division Budget Summary

Fire Division Budgets	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Human Resources Division	631,994	554,059	725,999	725,999	743,866	17,867
Office of the Fire Chief Division	926,934	709,555	592,970	592,970	612,210	19,240
Operations Division	75,257,369	77,935,533	71,870,403	72,176,597	77,205,346	5,028,749
Resource Management Division	11,268,260	13,531,292	13,528,047	12,968,047	13,982,040	1,013,993
Risk Reduction Division	17,887,138	19,546,205	20,726,755	20,837,852	24,385,179	3,547,327
Special Projects Division	217,510	227,057	246,168	246,168	231,792	(14,376)
Support Services Division	478,182	759,379	844,834	844,834	879,691	34,857
Total	106,667,387	113,263,080	108,535,176	108,392,467	118,040,123	9,647,656

Staffing Levels

Fire Division Budgets	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Human Resources Division	5.00	4.00	4.00	4.00	4.00	-
Office of the Fire Chief Division	3.00	3.00	2.00	2.00	2.00	-
Operations Division	507.00	507.00	507.00	507.00	506.00	(1.00)
Resource Management Division	10.00	13.00	10.00	10.00	11.00	1.00
Risk Reduction Division	139.00	141.00	139.00	141.00	148.00	7.00
Special Projects Division	2.00	2.00	2.00	2.00	2.00	-
Support Services Division	8.00	8.00	8.00	8.00	8.00	-
Total	674.00	678.00	672.00	674.00	681.00	7.00

PERFORMANCE MEASURES

Emergency Operations Division

	FY15	FY16	FY17	FY18	FY19
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Average Response Time	5 minutes 14 seconds	5 minutes 17 seconds	5 minutes 29 seconds	5 minutes 25 seconds	5 minutes 0 seconds

The accepted national standard for response times is 5:00 minutes in an urban environment. Response time is defined by 4:00 minutes travel time plus 1:00 minute turnout time, which is the time from dispatch received until time leaving the station.

	FY15	FY16	FY17	FY18	FY19
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Unit Hour Utilization (UHU)	0.47	0.56	0.54	0.54	0.50

The acceptable standard measurement of ambulance usage is UHU. UHU is the ratio of the number of hours spent delivering emergency medical services to the total number of hours the medic units are available. For example, a UHU of 0.50 indicates that a unit was utilized 50% of the total amount of time available throughout the year. A high UHU means lower availability for calls. Poor availability can negatively affect response times.

The ambulance industry has utilized the following general scale when evaluating overall UHU:

Unit Hour	Utilization Range
0.55-0.45	High Utilization
0.45-0.35	Above Average Utilization
0.35-0.25	Average Utilization
0.25-0.15	Below Average Utilization
0.15-0.01	Low Utilization

The Fire Department's goal over the next two years is to lower its ambulance UHU to an acceptable level while maximizing efficiency and capturing lost revenue. This will be accomplished by revamping the current emergency medical services (EMS) deployment model. The Department will also continue to work with its EMS partners in the surrounding area to develop a priority dispatch system that would distribute EMS calls according to the urgency and severity of the call, helping to further reduce UHU.

Fire Administration Division

	FY15	FY16	FY17	FY18	FY19
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Percent of fire plan reviews completed on time	95.53%	93%	90%	94%	95%

The Division is responsible for performing fire plan review services. Over the last year, fire plan review services were on time at a rate of over 90%. Although this is an impressive statistic, the reality is that each customer expects their projects to be reviewed within our published turnaround times. Moreover, the Department is working on implementing an expedited plan review service (for customers willing to pay for a faster turnaround time).

	FY15	FY16	FY17	FY18	FY19
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Development Services Fire Inspections conducted	3,241	4,273	6,378	9,300	9,500

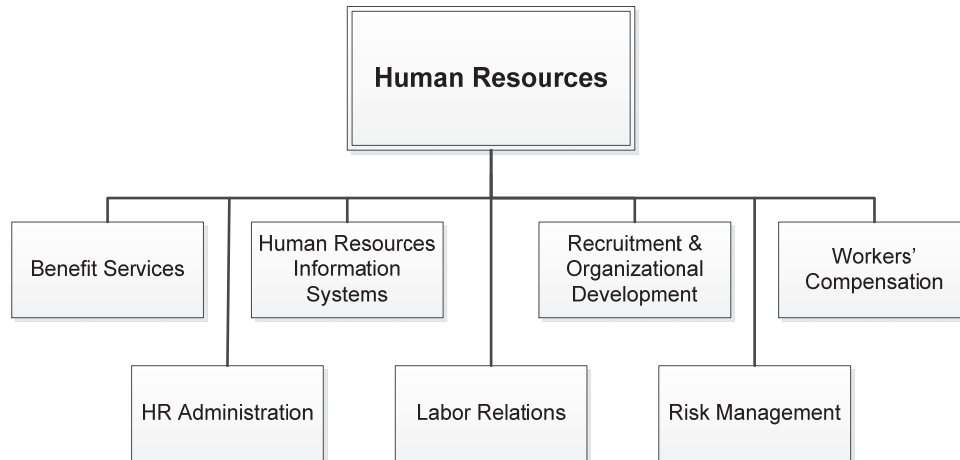
The Fire Prevention Division is responsible for inspecting new construction and tenant improvement projects. This year the Department is projected to increase the amount of inspections conducted as the construction forecast continues to accelerate. By 2019, the Division is projected to have higher inspection numbers due to the volume of new construction projects and the improved local economy.

15

SECTION – 15 **Human Resources**

Human Resources

The Department of Human Resources delivers programs and services to customers which result in a positive experience.



The **Department of Human Resources (HR)** is responsible for providing responsive employment and personnel services to the City's managers and employees as well as providing information and assistance to external customers and job applicants. The Department is responsible for comprehensive human resources services and programs to enhance efficiency and effectiveness of the organization.

- **Benefits Services:** Provide employee and retiree benefit administration and new employee benefit orientations.
- **HR Administration:** Provide contracting, legislative support, budgeting, special projects, and department-wide support. Policy and Procedure development and maintenance and oversight of the City's Volunteer Program.
- **HR Information Systems (HRIS):** Provide technological aspects of recordkeeping, database management, and monitoring employees.
- **Labor Relations:** Provide employee contract negotiation, implementation of labor agreements, discipline, grievance administration, citywide leave policies, equal employment opportunity, and Americans with Disabilities Act (ADA) coordination.
- **Recruitment/Organizational Development:** Provide recruiting, testing, classification, compensation, and citywide training and organizational development.

- Risk Management/
Workers' Compensation: Provide loss prevention, insurance, workers' compensation, and liability claims.

PROGRAMS/SERVICE HIGHLIGHTS

- The Equal Employment Office (EEO) received 67 allegations of discrimination, harassment or retaliation in 2017, a significant increase compared to previous years (prior years averaged 8 – 10 cases per year). Despite the 67 allegations, there were no “Quid Pro Quo” sexual harassment complaints among them.
- The City provided in-person EEO training to 3,602 employees in 2017. Further, 180 employees took EEO training using the Target Solutions on-line platform in 2017.
- Completed audit of retiree medical enrollment and implemented self-billing for retirees enrolled on the City's medical plans.
- Enhanced new employee orientations by implementing group orientations on a set weekly schedule.
- Established the City as a Hybrid Health Insurance Portability and Accountability Act (HIPAA) agency to improve HIPAA compliance.
- Implemented reconciliation of monthly medical bills to reduce the City's costs and ensure proper collection of employee deductions.
- Started sending monthly electronic Wellness newsletters and benefit tips to improve employee health and wellness and increase employee education.
- Negotiated new labor agreements with eight of nine unions.
- Implemented fingerprint process for all newly hired employees.
- Risk Management Loss Prevention Unit initiated Savvy Health Solutions' “F.I.T. 4 Work” injury prevention program in the Public Works and Utilities Departments where sprains and strains account for approximately 45 percent of all work-related injuries. This program focuses on functional training tailored to the type of work employees perform and provides strengthening exercises as well as warm up and relief stretches. Savvy Fit has been well received by employees and will be expanded to other departments in FY2018/19.

DEPARTMENT EFFICIENCIES

- Increased the closing ratio in the Workers' Compensation Division for FY2016/17 to 115%. This demonstrates that claims are handled efficiently to closure as we closed more claims than were opened during the year.
- Expanded examination offerings and rolled out an online examination model which allowed expanded accessibility for Dispatcher Recruit candidates, increasing the number of eligible candidates from 20 in 2015 and 2016, to 90 in 2017.
- Rolled out a Career Advising Program, serving 172 employees in 2017 to assist in the upward mobility and promotional readiness of our existing employee population. Of these advising sessions, 63% were female employees, and 49% were ethnically diverse.
- Successfully eliminated the examination development backlog, administering record-setting 347 recruitments, screening 42,000 applications, and significantly decreasing the turnaround time from requisition to eligibility list establishment.

OBJECTIVES FOR FY2018/19

- Develop and retain a skilled, diverse, and service-oriented workforce.
- Utilize online systems to automate and streamline business processes for employee orientations and benefit processing.
- Update the City's policies and procedures to ensure policies maintain compliance with federal/state employee safety standards.
- Improve the safety training verification process and deliver training targeted to fill gaps.
- Increase the efforts to attract and retain historically underrepresented groups, as well as other diverse groups.
- Improve the representation of diversity at all levels of the organization and integrate the Lesbian, Gay, Bisexual, Transgender, Queer/Questioning, Intersex, and Allies (LGBTQIA) community, people with disabilities, and veterans by driving talent acquisition and management practices to achieve results.
- Create an inclusive work environment that fosters creativity and innovation, promote colleague engagement through awareness and inclusive leadership

skills training, promoting work-life flexibility, and supporting employee resource groups.

- Eliminate wage gaps for women and minority employees.
- Respect the individual character, personal beliefs, differences, and privacy and other rights of all City employees.
- Ensure that diversity, equity and inclusion initiatives, actions, and results are transparent to all key stakeholders.
- Monitor the impact of these practices to improve and strengthen them over time.
- Provide access to a spectrum of professional development and training opportunities for all employees.

BUDGET CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Recruitment & Organizational Development	Provide funds to restore training for City staff and to keep up with industry standards in information technology, human resources and safety functions.	General	-	25,000	-
HR Administration	Provide funds for new employee orientation/training to ensure the City remains compliant as required by AB 119 – California’s New Employee Orientation Law and AB1825 - Sexual harassment: training and education.	General	-	10,000	-
Benefits Services	Increase funding to cover increased costs associated with providing benefit information (printing, mailing and postage) to approximately 3,500 retirees.	General	-	10,000	-
Recruitment & Organizational Development	Increase funding to cover additional classification and compensation studies.	General	-	25,000	-
Total Change			\$ -	\$ 70,000	-

POSITION CHANGES

- Two positions (1.0 FTE Senior Personnel Transaction Coordinator and 1.0 FTE Personnel Transaction Coordinator) were transferred from Youth, Parks & Community Enrichment to centralize and provide oversight over the employment, benefits and payroll functions.

Department Budget Summary

Human Resources Budget Summary	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Employee Services	7,705,430	8,328,721	9,514,616	9,514,616	10,338,137	823,521
Other Services and Supplies	23,114,930	33,836,653	25,050,886	25,050,886	27,916,713	2,865,827
City Property	39,662	98,264	39,500	39,500	114,500	75,000
Transfers	(68,180)	(46,235)	-	-	-	-
Labor and Supply Offset	3,292,258	3,338,149	3,431,560	3,431,560	3,556,573	125,013
Operating Transfers	-	(55,000)	-	-	-	-
Total	34,084,100	45,500,552	38,036,562	38,036,562	41,925,923	3,889,361

Funding Summary by Fund/Special District	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
General Fund	2,594,229	3,219,318	3,825,470	3,825,470	4,205,622	380,152
Fleet Management	31,354	59,614	59,614	59,614	59,614	-
Interdepartmental Service	1,339,935	1,471,678	1,071,544	1,071,544	1,280,301	208,757
Recycling and Solid Waste	96,901	117,545	117,545	117,545	117,545	-
Risk Mgmt	19,006,908	26,361,469	20,119,257	20,119,257	22,657,530	2,538,273
Storm Drainage	41,706	45,189	45,189	45,189	45,189	-
Wastewater	17,153	18,585	18,585	18,585	18,585	-
Water	53,253	57,700	57,700	57,700	57,700	-
Worker's Compensation	10,902,661	14,149,455	12,721,658	12,721,658	13,483,837	762,179
Total	34,084,100	45,500,552	38,036,562	38,036,562	41,925,923	3,889,361

Division Budget Summary

Human Resources Division Budgets	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Benefits Services Division	-	-	844,081	844,081	956,234	112,153
HR Administration Division	3,254,801	4,419,959	1,992,256	1,992,256	2,202,490	210,234
HRIS Division	-	-	370,810	370,810	403,029	32,219
Labor Relations Division	616,251	733,196	1,109,339	1,109,339	1,264,468	155,129
Recruitment/Organizational Dev Division	-	-	1,048,052	1,048,052	1,176,009	127,957
Risk Management Administration Division	27,956,779	38,166,195	30,105,621	30,105,621	33,260,051	3,154,430
Workers' Compensation Division	2,256,269	2,181,203	2,566,403	2,566,403	2,663,641	97,238
Total	34,084,100	45,500,552	38,036,562	38,036,562	41,925,923	3,889,361

Staffing Levels

Human Resources Division Budgets	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Benefits Services Division	-	-	8.00	8.00	9.00	1.00
HR Administration Division	27.00	33.00	11.00	11.00	11.00	-
HRIS Division	-	-	3.00	3.00	3.00	-
Labor Relations Division	5.00	5.92	9.00	9.00	9.00	-
Recruitment/Organizational Dev Division	-	-	9.00	9.00	10.00	1.00
Risk Management Administration Division	20.00	15.00	17.00	17.00	17.00	-
Workers' Compensation Division	20.00	20.00	19.00	19.00	19.00	-
Total	72.00	73.92	76.00	76.00	78.00	2.00

PERFORMANCE MEASURES

HR Administration Division

Key Measure	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Estimate	FY19 Target
Percentage of EEO and ADA complaints resolved without resulting in cause and/or monetary settlements.	93%	80%	90%	90%	90%

The percentage of Equal Employment Opportunity (EEO) or Americans with Disabilities Act (ADA) complaints resolved without filings resulting in cause or monetary settlements. The City's liability is reduced by maintaining policies and educating staff, therefore creating an inclusive and productive work environment. The City has required all employees to receive in-person EEO training, and HR will continue to provide in-person training to comply with state law as well as to provide training to new employees on a quarterly basis.

Labor Relations Division

Key Measure	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Estimate	FY19 Target
Percentage of grievances that come to the Department and are resolved internally.	90%	100%	100%	90%	95%

The Department makes every effort to resolve each labor grievance it receives. By resolving grievances internally, the City demonstrates its commitment to upholding the terms of the memorandums of understandings (MOUs) with employee organizations. In addition, the City saves time and other resources by handling grievances internally rather than through arbitration. Human Resources will continue to handle grievances expeditiously and with great diligence in order to achieve 100% resolution rate.

Risk Management Administration Division

Key Measure	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Estimate	FY19 Target
Maintain number of City-owned vehicle related claims filed against the City to under 110.	107	113	103	107	109

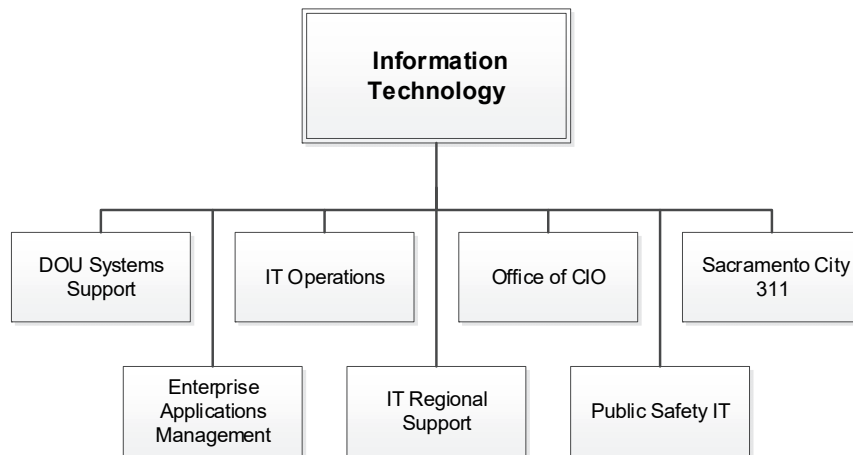
One of the most significant risks of injury to Sacramento citizens and employees is vehicle accidents. With the support of City leadership and effective driver training through the Sacramento Regional Driver Training Facility, the number of City-owned vehicle liability claims have been reduced even as more miles are being driven each year. The number of City vehicle-related liability claims had been as high as 224 in 1997 and has been reduced dramatically since that time.

16

SECTION – 16 **Information Technology**

Information Technology

The Department of Information Technology (IT) is committed to ensuring IT investments and strategic business technologies deliver the highest possible value to the City and its constituents.



The **IT Department** manages a full range of information technology and related services for all City departments and the public 24 hours a day, seven days a week. These IT systems, infrastructure, and information range from relatively simple to extremely complex.

The IT Department is divided into seven areas:

- **Department of Utilities IT Systems Support Division:** Responsible for the development, management, and technical consulting services which support the Water, Wastewater and Drainage business for the City. This includes software, hardware, network, Geographic Information Systems (GIS) and database services, and supports Departmental Operations and Maintenance, Finance, Engineering and Administration.
- **Enterprise Applications Management Division:** Responsible for the development and management of enterprise applications for city departments and the public 24 hours a day, seven days a week. Provides technical consulting services pertaining to business process automation, project management, software development, database management, GIS, and web development. Responsible for the coordination and collaboration between departmental stakeholders to ensure that delivered business application solutions are

- flexible, scalable and can be used to support multiple business functions across the organization.
- IT Operations Division: Deliver core IT infrastructure services that support City enterprise business applications and departmental resources; manage and automate the functions related to Human Resources, Finance, and Budget with an integrated enterprise resource planning (ERP) system; and deliver a comprehensive information security program for the City of Sacramento. Responsible for the configuration, support and management of the following: consolidated voice and data network, wireless network, VoIP phone and voicemail systems, a regional 800 MHz Radio system, City fiber infrastructure, data and telecommunications connectivity, physical server hardware, virtual servers, a large storage area network, enterprise messaging; and Active Directory authentication plus data backup and recovery. Because the City is a Payment Card Industry level II merchant, a major function of the security team is continual PCI-DSS compliance.
- IT Regional Support Division: The City's single point of contact for service requests and to report IT related incidents for all non-public safety departments. Responsible for managing centralized IT help desk and desktop support operations, security cameras and card key systems, IT hardware asset management, citywide mobility, and telecommunications services. Provide 24/7 technical support for departmental business systems, networks, applications, and provides project management support for emerging technologies.
- Office of the Chief Information Officer: Responsible for the strategic planning, fiscal, human capital resources, and administrative management of the IT Department. Provide general administrative support to the other divisions of IT and ensures budgetary items align with the Digital Strategy. This section also provides financial management, customer-service advocacy, human resources administration, enterprise software management, administration of the telecommunications billing operations, vendor contracts, staff reports, and Citywide IT

- Public Safety Information Technology Division: maintenance and support, which includes centralized purchasing of all enterprise computer-related equipment and software. Responsible for application development, network infrastructure, and help desk and desktop support for the Sacramento Police and Fire Departments. Supports the mission critical Police Computer Aided Dispatch system, Police and Fire Records Management Systems, Police and Fire Mobile Data Computer systems, Fire Automated Staffing system, Police Real Time Crime Center, Fire Station Alerting system, and Fire Health EMS system. Supports a wide variety of smaller scale systems to streamline and assist public safety operations in accomplishing department goals, citywide goals, and government mandates.
- Sacramento City 311: Responsible for assisting the public with all non-public safety service requests, and questions regarding City services and policies. Provides dispatching services for Solid Waste, Parking Enforcement, Animal Care, Utilities, and on-call support for other City departments. The division receives requests from citizens through a variety of channels, including telephone, email, online and smartphone apps 24/7.

PROGRAMS/SERVICE HIGHLIGHTS

- Established a Public-Private Partnership (PPP) with Verizon for the development of smart cities technologies and to facilitate the installation of fiber optic and wireless infrastructure throughout the City to improve the quality of life for residents, reduce costs to the City, and deliver services to the community in smart and effective ways.
- Recognized by e.Republic's Center for Digital Government's "Top 10 Cities" four consecutive years for enhancing the public's online access to information and services.
- Enhanced the City's website portal (www.cityofsacramento.org) providing residents with quick, relevant access to city information.
- Optimized wireless and wired telecommunication services to reduce costs, increase transparency, and remove unneeded services resulting in significant savings.

- Enhanced the City's Open Data portal to promote openness, transparency, and accountability with a click of a button, citizens can access meaningful City data through the Open Data Portal to create reports and download information.
- Developed a Wireless Master Plan to leverage City infrastructure assets (e.g., fiber, buildings, poles, conduit, towers) to be used strategically to build a public-private wireless network that would provide cost effective wireless internet services in Sacramento. This initiative is part of a larger vision of connectivity for our city, bridging the digital divide, and ensuring that our communities have access to information.
- An active leader in promoting the field of technology to traditionally underrepresented populations. A great example of this is the hosting of the Annual Sacramento DigiGirlz Camp. DigiGirlz is a program that gives middle and high school girls opportunities to learn about careers in technology and participate in hands-on computer and technology workshops.

DEPARTMENT EFFICIENCIES

- Migrated to a next-generation data center which included the latest technologies such as server consolidation and virtualization, green IT, private cloud computing, and the latest hardware advances. Multiple innovative solutions implemented in this initiative significantly improved City service availability, reduced energy usage, and improved reliability of IT systems.
- The City's IT Department is committed to improving energy consumption and supporting the City's green initiatives. City IT has reduced the number of physical servers by 91%, resulting in significant savings.
- Established a partnership with the State resulting in fiber and internet connectivity savings by connecting State buildings using the City's underutilized fiber and conduit assets. In exchange, the State provided high speed internet and security services to the City through 2026 that resulted in third party vendor cost savings of \$2 million, extra bandwidth needed to support cloud and mobile technologies, and improved IT security services.
- Enhanced the City's core network infrastructure and data storage ensuring a more robust, secure and reliable data network to support all applications and communications between devices (computer to server) and people (email, phones, etc.). By reducing the need for costly circuits and equipment, the city saves over \$60,000 per year on operating costs.
- Upgraded to a modern 311/Customer Relationship Management (CRM) system that improves our ability to serve our customers, allows for improved automation and direct integration with work order systems, and increases staff efficiency.

- Implemented an Interactive Voice Recognition (IVR) system for the 311 Division that processes over 60,000 self-help calls per year from the public and customers by providing answers to simple questions. This initiative allows agents to be more productive and efficient as they are given more time to focus on other assignments.
- Upgraded the City's 311 mobile app to encompass more service categories to improve self-serve options for submitting service requests. This increase in self-serve provides an alternative channel for residence to reach the City, thus reducing peak hour hold times for 311.
- Automated the provisioning process of customer water meters with the new Utility Customer Information System (CIS). The system can then integrate the meters wirelessly through the Citywide network of Gateways and properly calculate bills based on usage and spot possible water loss for our consumers. This automated process replaces a manual system that consumed 80 to 120 hours per week of labor and was set to increase dramatically in support of the Accelerated Meter Project.
- Implemented network tracing functionality within the Department of Utilities (DOU) GIS that saves hundreds of hours for field crews responsible for managing water, sewer, and storm systems in emergencies and during system maintenance. This solution allows for better notification of customers and containment of issues in the network.
- Upgraded the City's Finance and Human Resources System (eCAPS) to the latest software production version. This initiative provided a sustainable foundation that supports other enterprise wide business process enhancements such as Paperless Accounts Payable and the Citywide Contract Management System.
- Implemented an Accounts Payable Automation initiative that automated a paper-based vendor invoice process throughout the City by utilizing existing IT business systems to capture invoice images, electronically create and route payment vouchers for approval, and file related documentation in the City's document management system.
- Implemented over 100 electronic forms for the community and City staff to more easily request services online. This expands access for City residents 24/7 for commonly requested services and information. It reduces the need for community members to drive to City offices, reduces errors, improves accuracy, and saves time and effort.
- Launched a new online portal for accepting a business operating permit application for cannabis that integrates with the existing conditional use permit process, online payment portal and GIS for address and owner verification.

- Implemented a regional search platform that provides the public with quick, relevant access to information from the city, county, and other various organizations from the Sacramento region.
- Optimized the solid waste pickup routing process to provide clear route delineation and supplemental map data to assist drivers in the field. This initiative decreased vehicle fuel costs by implementing more efficient routes, balanced driver workloads, and streamlined recycling and solid waste operations.
- Implemented Mobile Workforce tools for Building Inspectors that give inspectors real-time access to projects, digital plans and files in the field. Inspectors can instantly add photos, videos and notes to project and building files and receive additional assignments and direction without needing to return to the office. This new process automated an outdated paper inspection process that resulted in significant time savings and streamlined the building inspection process.
- Established an IT after-hours/on-call support line that provides a point of contact for urgent IT support requests for non-public safety departments.
- Implemented a Mobile Device Management (MDM) system that supports the administrative control, security, and management of the City's wireless devices, smartphones, and tablets. Managing devices through one system reduces costs and downtime and minimizes risk to city systems and data.
- Centralized the operations, management and technical support services for all non-public safety closed circuit television (CCTV) security cameras under the IT department. This created efficiencies and leveraged existing IT investments to provide access to departmental business lines and aids in Police investigations. This initiative included the implementation of network-based CCTV that reduced operating costs and streamlined operation of the system.
- Improved the management of HVAC systems and security card key programs. All maintenance support, system upgrades and expansion initiatives are now managed centrally to enforce security standards and system optimization.
- Implemented hardware management best practices that resulted in a more than 200% improvement in IT asset tracking.
- Implemented an electronic citation system (eCitations) for the Police Department. The system provides for faster turnaround time of citations being delivered to the courts and results in more investigative data entered into the Police Department's records management system.
- Created a Real Time Crime Center facility utilized by Police investigations. This facility is used during special events, calls for service and follow-up investigations. The center provides access to a wide range of investigative resources all in one location to enhance and expedite the investigative process.

- Implemented a Body Worn Camera system allowing Police personnel to capture audio and video footage during interactions with the public. The cloud-based system allows for easy access to the videos for accountability, internal investigations, evidence, and departmental transparency.
- Implemented the ShotSpotter firearm detection and location service that identifies shots fired in various sections of the City and notifies patrol officers and dispatchers in real time. This results in faster reporting of shots fired, provides awareness of events to the Police Department even when they are not reported by the public, and allows first responders to arrive at the proper location with as much situational awareness as possible.
- Developed the Police Observation Device (POD) which includes video cameras and License Plate Recognition (LPR) technology to assist in the proactive search of stolen vehicles. They provide instantaneous alerts to Patrol Officers and Dispatchers when the LPR camera identifies a stolen vehicle. The POD devices expedite the investigation of crimes and the video aids in clarifying what happened during each incident.

OBJECTIVES FOR FY2018/19

- Leverage City assets by building strategic partnerships to assist the City in developing low cost solutions to connect City services, devices, and remote buildings with high-speed connectivity.
- Streamline the City's permitting operations by consolidating the City's various permitting processes into a single solution and creating efficiencies in the overall process.
- Implement a multi-year plan to enhance cyber security to meet the growing needs of the organization that will sufficiently mitigate risk and protect systems and data.
- Implement a Citywide Software Management System (CSMS). The City currently has hundreds of software tools used daily by staff and most are directly or indirectly relied upon by the public for hundreds of thousands of transactions daily. Implementing a CSMS will develop consistent principles, processes and procedures for the complete software license lifecycle management.
- Implement Artificial Intelligence and Chatbot Technology (AICT). This program simulates human conversation or chat with additional communication options for residents to communicate with the City and create 311 requests using multiple messaging channels, including mobile phone text messaging, chat, and other social media platforms.

- Replace the City’s Utility Customer Information System, which is no longer supported and is incompatible with new hardware and software. The new system will support residential and commercial customers, give those customers more choices and flexibility, enhance department accountability and transparency, and provide a secure and reliable system that will ensure the City’s ability to respond quickly to future change.
- Complete 311/CRM system enhancements to allow for expanded access to information, improved automation, and increased efficiency to better process service requests and inquiries from residents, visitors, and employees.
- Modernize the City’s public website to provide additional functionality, look/feel, and enhancements to better serve the public and residents.

BUDGET CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Office of CIO	Provide funding to increase system security, add a Payment Card Industry (PCI) administration workstation, and upgrade the Enterprise SQL Server License (Microsoft Database Licenses).	1001		33,000	-
Office of CIO	Provide funding to increase system security, add a Payment Card Industry (PCI) administration workstation, and upgrade the Enterprise SQL Server License (Microsoft Database Licenses).	Enterprise Funds		39,284	-
Total Change			\$ -	\$ 72,284	-

CAPITAL IMPROVEMENT PROGRAM (CIP)

IT Security System

IT realigned resources in the 2018-2023 CIP to address ongoing IT security enhancements that are necessary to protect against cyberattacks and malicious activities that are evolving with escalating speed and making it more difficult to combat. Investments in security and risk management will help to mitigate security vulnerabilities, data breaches, and dangerous viruses or other malware that could have a negative impact to City business and technology systems.

Security Camera Replacement Program

Funding in the amount of \$550,000 for the replacement of the Crocker Art Museum security camera system has been included in the 2018-2023 CIP. The security camera system in the Crocker Art Museum Facility will be replaced with a new network-based camera system that will reduce operating costs, streamline system operations, and will enhance the video coverage of assets and provide intrusion alerts for this facility.

Department Budget Summary

Information Technology Budget Summary	FY2015/16	FY2016/17	FY2017/18	FY2017/18	FY2018/19	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Approved	Approved/Amended
Employee Services	9,495,479	15,893,607	21,970,277	21,925,877	23,266,586	1,340,709
Other Services and Supplies	615,737	507,859	977,324	1,027,237	599,603	(427,634)
City Property	123,408	186,246	369,195	369,195	369,195	-
Transfers	(60,408)	(113,341)	(356,256)	(356,256)	(702,334)	(346,078)
Labor and Supply Offset	63	(488,902)	(705,414)	(705,414)	(583,025)	122,389
Total	10,174,279	15,985,470	22,255,126	22,260,639	22,950,025	689,386

Funding Summary by Fund/Special District	FY2015/16	FY2016/17	FY2017/18	FY2017/18	FY2018/19	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Approved	Approved/Amended
General Fund	6,622,450	9,099,455	13,870,629	13,876,142	13,613,232	(262,910)
4th R Program	-	16,000	16,000	16,000	16,000	-
Community Center	774	431,898	925	925	4,301	3,376
Fleet Management	-	76,176	-	-	-	-
Gas Tax 2106	100,248	90,250	91,874	91,874	106,943	15,069
Interdepartmental Service	2,017,366	1,901,387	6,063,484	6,063,484	7,560,104	1,496,620
Parking	28,368	128,377	155,627	155,627	71,897	(83,730)
Recycling and Solid Waste	874,882	1,466,215	1,128,280	1,128,280	1,212,055	83,775
START	-	40,000	40,000	40,000	40,000	-
Storm Drainage	102,576	484,498	168,538	168,538	80,735	(87,803)
Wastewater	123,405	999,021	259,493	259,493	67,136	(192,357)
Water	304,210	1,252,193	460,276	460,276	177,622	(282,654)
Total	10,174,279	15,985,470	22,255,126	22,260,639	22,950,025	689,386

Division Budget Summary

Information Technology Division Budgets	FY2015/16	FY2016/17	FY2017/18	FY2017/18	FY2018/19	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Approved	Approved/Amended
DOU Systems Support Division	-	-	3,666,068	3,666,068	3,901,641	235,573
Enterprise Applications Management Division	2,208,137	3,167,059	3,372,943	3,372,943	3,526,865	153,922
IT Operations Division	2,267,522	2,600,196	3,926,876	3,926,876	4,293,732	366,856
IT Regional Support Division	919,025	3,598,147	3,049,388	3,054,901	3,195,076	140,175
Office of CIO	2,544,821	4,410,253	2,081,598	2,087,598	1,387,772	(699,826)
Public Safety IT Division	-	-	3,616,055	3,610,055	3,966,074	356,019
Sacramento City 311 Division	2,234,774	2,209,815	2,542,198	2,542,198	2,678,865	136,667
Total	10,174,279	15,985,470	22,255,126	22,260,639	22,950,025	689,386

Staffing Levels

Information Technology Division Budgets	FY2015/16	FY2016/17	FY2017/18	FY2017/18	FY2018/19	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Approved	Approved/Amended
DOU Systems Support Division	-	-	30.00	30.00	30.00	-
Enterprise Applications Management Division	18.00	28.40	29.40	30.00	32.00	2.00
IT Operations Division	19.00	19.00	27.00	27.00	29.00	2.00
IT Regional Support Division	7.00	30.00	24.00	24.00	25.00	1.00
Office of CIO Division	15.00	33.00	7.00	7.00	5.00	(2.00)
Public Safety IT Division	-	-	29.00	29.00	29.00	-
Sacramento City 311 Division	26.00	31.00	35.50	35.50	35.50	-
Total	85.00	141.40	181.90	182.50	185.50	3.00

PERFORMANCE MEASURES

IT 311 Division

	FY15	FY16	FY17	FY18	FY19
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Percent of 311 calls that are answered	80.3%	80%	64%	66%	70%

The percent of calls answered is a measure of call center staffing, self-service effectiveness, and the demand for the services offered by the City.

IT Regional Support Division

	FY15	FY16	FY17	FY18	FY19
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Respondents rating the quality of IT service as good or excellent	99%	98.5%	99%	99%	99%

The IT Department tracks support requests and regularly surveys internal customer satisfaction. Satisfaction survey requests are automatically generated for all customers who contact the department for IT support.

Technology Infrastructure Services Division

	FY15	FY16	FY17	FY18	FY19
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Network services available					
Public Safety systems	100%	99.69%	99%	99%	99%
All other systems	100%	99.84%	99%	99%	99%

The IT Operations Division and Public Safety IT Division maintain and operate the City's network, telecommunications, and fiber systems that support enterprise voice and data systems. Network and telecommunication systems are mission critical and an integral part of City business operations. This performance measure captures the network system availability/uptime percentages excluding scheduled maintenance periods.

Enterprise Applications Management Division

	FY15	FY16	FY17	FY18	FY19
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Data published on OpenData	72	79	79	74	74

The objective of the Open Data Initiative is to promote increased transparency, accountability, and efficiencies by making public data available in a reliable standardized electronic form. The site contains options for citizens to request new datasets, easily embed data in websites, and share information with social media networks. This performance measure reports and tracks the number of datasets published.

	FY15	FY16	FY17	FY18	FY19
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Enterprise database system available	99%	99.9%	99.9%	99.9%	99.9%

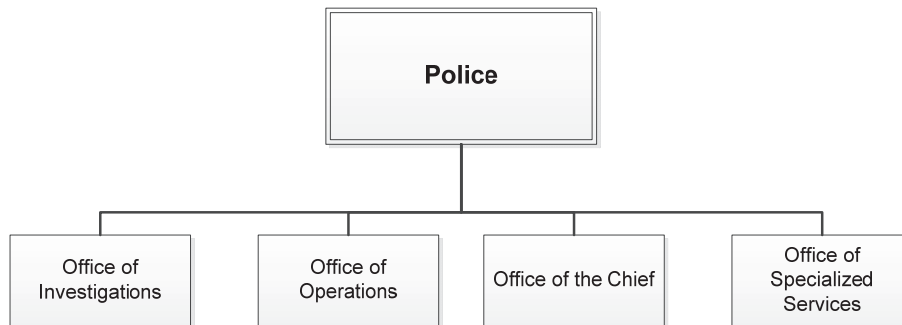
The Enterprise Applications Management Division manages and maintains a wide variety of data and systems that house critical mission information for City business systems. This performance measure tracks the system uptime/availability percentage rate for the enterprise database systems.

17

SECTION – 17 **Police**

Police

The mission of the Police Department is to work in partnership with the community to protect life and property, solve neighborhood problems, and enhance the quality of life in our City.



The **Police Department** (PD) is dedicated to the philosophy and principles of community policing and endeavors to build public trust with all members of the community, including children, youth, and adults. The Department is committed to transparency, fairness, and impartiality and supports accountability at all levels of the organization. The men and women of the PD are a professional and well-trained police force (743 sworn positions and 291 civilian positions). All PD employees value the diversity of the public which they serve and strive to provide a strong fabric of public safety through the implementation of best practices and dedicated service.

- **Office of Investigations:** Responsible for developing information leading to the arrest of criminal offenders. This office also oversees forensics, evidence and property, and records.
- **Office of Operations:** Responsible for providing frontline police services. These include the patrol division (located at three neighborhood substations) and the communications division (911 Center).
- **Office of the Chief:** Responsible for developing and communicating the vision for the Department. This office oversees the public information office, governmental affairs, internal affairs, administrative services, community outreach, and special projects.
- **Office of Specialized Services:** Responsible for emergency services, personnel services, and the metro division which includes specialty teams such as the K9 unit, and Special Weapons and Tactics (SWAT).

PROGRAMS/SERVICE HIGHLIGHTS

- Expanded community engagement training for recruits in the PD academy. To provide new police recruits an additional foundation in community policing, the PD has added a community service project to both the police academy and field training program. Examples of community service projects include partnering with local schools to interact with students, conducting safety presentations, and assisting school staff with special projects. More specifically, once the recruits graduate from the academy, they complete a day of service alongside non-profit partners to help those in need in neighborhoods across the city.
- Established the Sac PD Bootcamp program to help future police officers train for the physical demands of the profession. This program allows anyone interested in joining the PD to come out and speak to a recruiter or current officer, participate in a free workout, and ask questions about the hiring process or any other law-enforcement related topics. Participants obtain great insight into the PD and receive personal attention from police employees. The workouts, typically run every Wednesday night, are held at community centers and parks throughout the city.
- Developed a new partnership between the community and officers called “A Walk in My Shoes.” The purpose of the program is to build stronger relationships and foster a better understanding between officers and community members. Community members will be paired one-on-one with an officer to engage in an open dialogue about the role of law enforcement in Sacramento and discuss how the police can better serve the community. Topics of discussion can include experiences, perspectives, and challenges facing community members. The overall goal of the program is to have honest conversations that will lead to the development of a greater understanding of each other as individuals and result in a collaborative relationship between the PD and community.
- Completed department-wide deployment of Body Worn Cameras (BWC). In addition, the PD is continuously evaluating the program, monitoring compliance, and enhancing policies based on best practices.
- Expanded traffic safety programming in schools. The PD Traffic Unit utilizes Federal grant funds to provide safety programs to schools throughout the City. Officers focus on prevention by facilitating pedestrian and bicycle safety education. During the last year, the Traffic Unit partnered with School Resource Officers and patrol officers throughout the city to increase the program reach. This collaboration expanded the number of students exposed to the safety presentations. The goal is to reduce the number of pedestrian and bicycle-related traffic injuries in and around schools.

- Continued the Start Smart drivers' education program. This program trains new drivers and their parents and focuses on the common causes of collisions.
- Continued to establish the foundational policies and procedures for the creation of an Unmanned Aerial System (UAS) program.
- Improved facility security at the Public Safety Administrative Building, police substations, evidence, and property building, and the 911 center through the installation of security camera systems.
- Expanded Impact Team coverage from four days a week to seven days a week. This expansion has significantly increased the PD's ability to conduct homeless engagement activities including bike patrols, community meetings, and geographically-focused programming. The PD has also partnered with several homeless assistance providers to provide medical assistance, veterinarian services, housing navigation and veteran services.
- Continued to expand the Hiring Pipeline Program to help transition young adults from, including but not limited to, the Criminal Justice Magnet Academy, Police Cadet Program, local junior colleges, and local universities, into careers in law enforcement.
- Continued to partner with local Community Based Organizations to provide training and mentoring, known as Links for Law Enforcement, to potential law enforcement applicants. The training encompasses multi-week sessions geared for a wide variety of targeted demographics. After the sessions, graduates have a better understanding of the entire hiring process, as well as having acquired skills to assist with their ability to be viable law enforcement candidates.
- Continued to expand connections with the community through the Neighborhood Watch program. The PD has established a citywide coordinator for the program, developed a strong partnership with NextDoor.com, and has required that all patrol personnel actively participate in community meetings, neighborhood associations and support the many community events that occur through the year.
- Completed implementation of Crisis Intervention Training (CIT) program. All sworn staff have participated in a 40-hour Police Officers Standards and Training (POST) certified course, widely accepted as the "gold standard," that will increase the likelihood of a positive outcome in responding to calls involving individuals experiencing a crisis. Also, this training will ensure officers meet and exceed state standards for mental health training.
- Continued partnership with CSUS to start the Law Enforcement Candidates Scholar (LECS) program. A select group of CSUS students passed a rigorous application process and began the program. The program involves various

educational and occupational training classes related to law enforcement and working with the community. The initial cohort is expected to complete the program requirements in the spring of 2018 and transition to the police academy in July 2018.

- Completed redeployment of the Problem Oriented Policing (POP) teams throughout the city. The POP teams, which had been extremely successful in both community engagement and enforcement functions, were disbanded during the recession. Existing personnel assigned to other units were repurposed to mitigate the effect on patrol staffing. Although the POP teams are not as robust as when deployed initially, the teams will provide the basic framework of the POP philosophy for city residents and assist patrol in working with the community.
- Expanded deployment of less-than-lethal equipment and improved medical response in the field. The PD leveraged existing resources and replaced outdated equipment to ensure that all patrol vehicles contain at least one less-than-lethal option and a ballistic shield designed to protect against weapons and projectiles. In addition, the PD provided medical kits to all patrol officers that contain the supplies necessary to triage medical emergencies until medical personnel arrive.
- Continued to strive to be a progressive leader among law enforcement agencies in transparency. Transparency encourages inclusion, keeps residents better informed about PD operations, and encourages them to help us keep their community safe. The Department uses a variety of delivery methods including social media, the department website, and face-to-face contact through regular and special meetings with community members.

DEPARTMENT EFFICIENCIES

- Continued to evaluate and implement improvements to the backgrounds process. The PD is collaborating with the Department of Human Resources and the State Commission on Peace Officer Standards and Training (POST) to propose an electronic Police Entry Level Law Enforcement Test (PELLET-B). This computerized test will eventually replace the current paper tests and reduce the wait time for test results. Additionally, the PD is streamlining the background process to have as much of the process conducted during a one-day testing procedure, standardizing hiring paperwork and converting all background and personnel records from hard copy to electronic.
- Completed installation of ShotSpotter in the east, north and south areas of the City. ShotSpotter is a gunfire-detection system able to pinpoint the location of a gunshot. This information is relayed to the Communications Center and all patrol units within the district in less than 60 seconds. The system significantly increases the ability of the Department to respond to gunshots promptly, solve

the crime that has been committed, and recover the firearm. The Department is also using the ShotSpotter notifications to engage neighborhoods impacted by often unreported crimes involving guns.

- Continued to evaluate strategies to enhance security at large scale events. Plans under consideration include acquisition and use of advanced vehicle resistant barricades, the creation of vehicle and pedestrian exclusion zones and increasing deployment of observers in elevated positions. These strategies will address potential vulnerabilities, making large scale events safer for attendees.
- Completed the development and installation of a Real-Time Crime Center (RTCC). The RTCC allows for the centralization of real-time information including Police Observation Device (POD) camera feeds, crime patterns and activity, intelligence data, social media, and maps to share with field officers and detectives during developing situations. Information from the RTCC will be used to assist in emerging critical incidents and large planned and unplanned events. The availability of real-time data analysis will allow for improved decision-making, more efficient and effective investigative follow-up, and crime prevention.
- Continued to expand the use of video technology to prevent and solve crimes. PODs equipped with a combination of surveillance cameras and License Plate Readers (LPRs) are affixed to city street light standards at various locations across the City. The primary goal of these devices is to serve as a highly visible crime deterrent, but recorded video can also be reviewed for potential evidence if a crime occurs.
- Improved the effectiveness of PODs, by implementing Target Alert Service (TAS) in all field mobile data computers and most specialty unit and investigative computers. TAS is a computer application that delivers real-time alerts from the POD's LPR system of stolen vehicles, wanted persons, missing persons, or flagged vehicles related to investigations.
- Received authority to hire ten additional dispatchers to meet the State of California 911 call answer time standards. These positions have resulted in a significant improvement in call answer times and have allowed the Department to meet or exceed the 911 standard of answering 95% of all 911 calls within 15 seconds.
- Fulfilled the State of California 911 wireless routing initiative, by directing all 911 cellular calls directly to the PD 911 Center. This initiative has eliminated the unnecessary transfer delay from routing cellular calls to the California Highway Patrol communications center. This initiative will result in the PD 911 Center experiencing a call load increase of approximately 80,000 911 calls per year. Additionally, direct routing of 911 wireless calls will enable the PD 911 Center to communicate with citizens who are unable to make a voice call to 911. Soon

citizens who are deaf, hearing or speech disabled will be able to send a text message of their emergency to the 911 center.

- Completed the implementation of eCITATION technology. This new technology has automated the citation issuance and routing process using mobile citation devices and automated workflow. Also, this new technology will improve crime analysis measures by providing traffic stop data not previously available.
- Expanded the use of predictive crime analysis using crime pattern data, mapping, and reporting. This information allows the PD to align resources with crime hotspots strategically.
- Deployed the Everbridge Emergency Notification (EEN) System to replace the aging reverse 911 system. EEN is a collaborative effort between the public safety agencies in Sacramento, Yolo, and Placer counties. The system allows incident commanders to efficiently coordinate community notifications through the PD 911 Center or directly from the field during emergency events, which reduces the time necessary to send these notifications.
- Implemented ballistic search device program to streamline the examination of spent firearm shell casings. This device allows the PD to quickly capture images of spent firearm shell casings and search and compare the images to other casings throughout the county. This program has helped bridge the gap between shooting events in the City and County and provides for a more efficient processing of shell casings.

OBJECTIVES FOR FY2018/19

- Build a trusting, collaborative relationship between the community and the PD through:
 - The “Walk in My Shoes” program for Field Training Officers and recruits graduating from the academy;
 - The Academy community engagement program;
 - Transparency by maintaining and enhancing the PD webpage;
 - The release of videos that are of public interest in addition to videos involving officer involved shootings;
 - The implementation of an annual community survey;
 - Continued collaboration with the Sacramento Community Police Review Commission.

- Increase staffing that represents the community by:
 - Continuing the SacPDStrong Bootcamp program;
 - Continuing the CSUS LECS program and expand it to include Sacramento City College and Cosumnes River College;
 - Implementing pre-hire and Community Service Officer Academies;
 - Improving the efficiency and effectiveness of the recruitment, background, and hiring process; and
 - Continuing to refine the police academy instruction and curriculum to ensure all candidates have their best chance at success.

- Implement an implicit bias training program within the department by:
 - Developing a curriculum with the American Leadership Forum (ALF), Sierra Health Foundation, and universities;
 - Developing a “train the trainer” program for department personnel as well as community members; and
 - Providing training for all department personnel and community groups.

- Improve morale within the department by valuing employees and providing the best possible training, resources, and leadership by:
 - Identifying and promoting employee appreciation;
 - Providing mentoring for employees at all levels; and
 - Increasing transparency within the department and community.

BUDGET CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Office of the Chief and Office of Investigations	Add positions (1.0 FTE Program Analyst, 1.0 FTE Media Production Specialist II, 2.0 FTE Police Records Specialist II) and associated costs to address the increased workload associated with the management and release of BWC video.	General		- 353,292	4.00
Office of Investigations	Add a position (1.0 FTE Program Analyst) to support crime analysis, fully offset by a reduction in services and supplies.	General	(111,272)	111,272	1.00
Office of Operations	Provide funding to continue the expansion of Impact Teams from four days to seven days a week.	General		- 160,000	-
Total Change:			\$ (111,272)	\$ 624,564	5.00

CAPITAL IMPROVEMENT PROGRAM (CIP)

IT Critical Infrastructure

One-time funds in the amount of \$839,000 were added to the 2018-2023 CIP for mission critical technology infrastructure including data storage, network infrastructure, and backup solutions. This funding will allow the Department to comply with data and video storage requirements, refresh systems necessary to offload in-car camera and computer data, and fund other one-time support costs.

Body Worn Cameras

Funding in the amount of \$862,000 for the Department's body worn camera program was added to the 2018-2023 CIP for equipment and data storage.

Department Budget Summary

Police	FY2015/16	FY2016/17	FY2017/18	FY2017/18	FY2018/19	Change
Budget Summary	Actuals	Actuals	Approved	Amended	Approved	More/(Less) Approved/Amended
Employee Services	136,260,670	142,551,197	144,348,539	144,371,872	161,887,245	17,515,373
Other Services and Supplies	10,220,940	10,190,692	10,481,377	10,468,372	10,629,965	161,593
City Property	575,610	718,915	3,463,743	255,743	3,483,793	3,228,050
City Debt Service	1,683	-	-	-	-	-
Transfers	(453,700)	(350,458)	-	-	-	-
Labor and Supply Offset	(20,735,456)	(22,403,904)	(26,627,313)	(26,650,646)	(28,749,273)	(2,098,627)
Total	125,869,747	130,706,442	131,666,346	128,445,341	147,251,730	18,806,389

Funding Summary by Fund/Special District	FY2015/16	FY2016/17	FY2017/18	FY2017/18	FY2018/19	Change
	Actuals	Actuals	Approved	Amended	Approved	More/(Less) Approved/Amended
General Fund	125,241,189	130,007,062	131,119,219	127,898,214	146,698,802	18,800,588
Interdepartmental Service	117,423	187,037	-	-	-	-
Risk Mgmt	511,135	512,343	547,127	547,127	552,928	5,801
Total	125,869,747	130,706,442	131,666,346	128,445,341	147,251,730	18,806,389

Division Budget Summary

Police	FY2015/16	FY2016/17	FY2017/18	FY2017/18	FY2018/19	Change
Division Budgets	Actuals	Actuals	Approved	Amended	Approved	More/(Less) Approved/Amended
Office of Investigations Division	28,947,400	28,176,180	28,802,401	28,779,157	30,275,037	1,495,880
Office of Operations Division	58,581,425	62,390,671	64,434,082	64,631,445	73,864,241	9,232,796
Office of Specialized Services Division	26,905,150	28,218,925	19,224,945	18,882,125	20,958,379	2,076,254
Office of the Chief Division	11,435,772	11,920,666	19,204,918	16,152,614	22,154,072	6,001,458
Total	125,869,747	130,706,442	131,666,346	128,445,341	147,251,730	18,806,389

Staffing Levels

Police	FY2015/16	FY2016/17	FY2017/18	FY2017/18	FY2018/19	Change
Division Budgets	Actuals	Actuals	Approved	Amended	Approved	More/(Less) Approved/Amended
Office of Investigations Division	247.00	238.00	212.50	209.40	204.50	(4.90)
Office of Operations Division	588.50	604.50	609.50	614.50	621.50	7.00
Office of Specialized Services Division	160.00	161.66	128.66	122.66	120.66	(2.00)
Office of the Chief Division	54.30	54.30	79.80	79.90	87.80	7.90
Total	1,049.80	1,058.46	1,030.46	1,026.46	1,034.46	8.00

PERFORMANCE MEASURES

Department-wide

Key Measure	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Estimate	FY19 Target
Part 1 Crimes Reported per 1,000 Residents	39.2	30.3	38.16	38.8	38

Part 1 Crimes Reported per 1,000 Residents		
Ranking*	City	Residents
1	San Diego	11.10
2	San Jose	13.86
3	Anaheim	14.79
4	Los Angeles	16.11
5	Long Beach	16.44
6	Sacramento	18.14
7	Fresno	22.43
8	Bakersfield	22.44
9	San Francisco	35.27
10	Oakland	37.19

*Top ten cities in California by Population - Based off the Preliminary Semiannual Uniform Crime Report (UCR)

Key Measure	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Estimate	FY19 Target
Part 1 Crimes Reported per Sworn FTE Position	31.7	22.6	24.46	28.3	28

Workload Measure Ranking*	City	Part 1 Crimes Reported per Sworn FTE	Sworn FTE per 1,000 Residents
1	Los Angeles	6.12	2.63
2	San Diego	7.83	1.42
3	Long Beach	9.59	1.71
4	Sacramento	11.97	1.52
5	San Jose	13.05	1.06
6	Anaheim	13.14	1.13
7	Fresno	15.01	1.49
8	San Francisco	15.59	2.26
9	Oakland	20.74	1.79
10	Bakersfield	21.04	1.07

*Population based on Semiannual Preliminary UCR Population Data

The measure of crime is an indication of the overall safety in a community. Safe neighborhoods and safe public spaces create a sense of well-being to citizens and visitors. Crime rate comparisons to similarly-sized California cities provide a baseline to measure progress in controlling crime. The universal benchmark of crime is referred to as Part 1 crime. Part 1 crimes are reported to the U.S. Department of Justice as part of the Uniform Crime Reporting (UCR) system and include: Homicide, Rape, Robbery, Aggravated (Felony) Assault, Burglary, Larceny (Theft), Motor Vehicle Theft, and Arson.

Part 1 crime statistics are based off the Preliminary Semiannual Uniform Crime Report (UCR) January through June 2017. Population data is from the U.S. Census Bureau. Sworn FTE data is based off FY 2016/17 Adopted Budgets.

FY2018/19 Approved Budget

Key Measure	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Estimate	FY19 Target
Percentage sworn SPD employees who are women or minorities	39%	39%	39%	39%	40%
Percentage of new hires into sworn or Hiring Pipeline Program vacancies that are women or minorities	46%	64%	61%	63%	64%

The Department recognizes that a workforce that mirrors the community it serves is important. The Department has developed a four-point plan to specifically increase diversity. The four areas are marketing, recruiting, process improvements and establishment of a Hiring Pipeline Program. The first measure reflects the percentage diversity among all Department employees. Currently, approximately 39 percent of sworn employees are women or minorities. The second measure reflects the percentage of new hires into sworn and Hiring Pipeline vacancies. In FY2017/18, the SPD anticipates continuing to increase the number of women and minority new hires into sworn and Hiring Pipeline vacancies. The 'spike' of diverse hires in FY2015/16 reflects the initial startup of the pipeline program, where a large number of diverse employees were hired in the Student Trainee and Reserve Community Service Officer positions.

Field Services Division

Key Measure	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Estimate	FY19 Target
Key Measure in minutes					
Median response time for priority 2 and 3 calls (mm:ss)	10:54	10:50	11:07	10:54	10:30

The timely arrival of a police officer to a reported crime is vital to prevent injury or death, apprehend suspected criminals, identify witnesses and evidence, and enhance the solvability of the crime. The SPD prioritizes all calls for service with emergency and in-progress crimes given the highest priority. The response time of all calls is tracked by the SPD Communications Center. The projections for the remainder of FY2017/18 and FY2018/19 are based on current trends. The SPD anticipates that response times will be reduced in future years as sworn vacancies are filled and new police officers are trained. Comparable jurisdictional data is not available as each agency uses different criteria and policies governing the definition of priority calls for service.

Key Measure	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Estimate	FY19 Target
Percentage of 911 calls answered within 15 seconds	75%	83%	83%	93%	98%

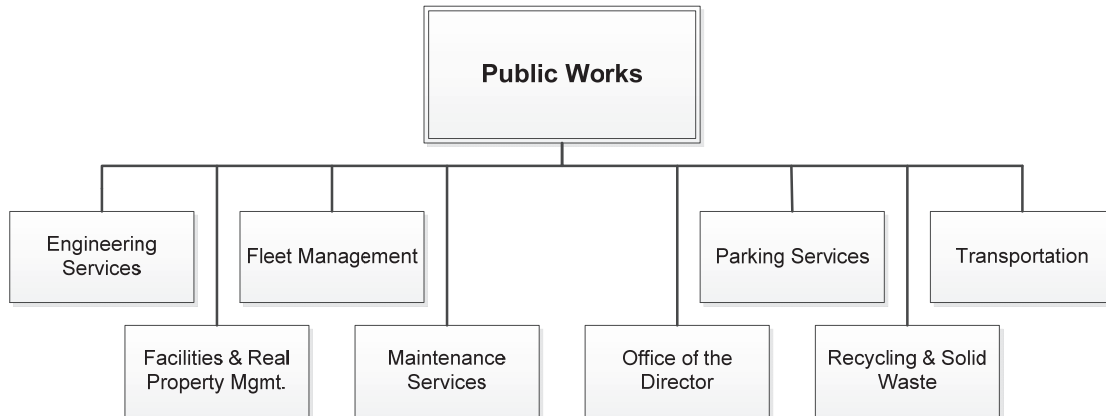
The faster a call to 911 is answered the faster units can be dispatched and made available at the scene of an emergency. The State standard is answering 95% of all 911 calls within 15 seconds. Call answer times are tracked by the SPD Communications Center. The projection for the remainder of FY2017/18 fiscal year is based on prior month averages. The projection for FY2018/19 is based on past monthly averages and anticipated call volumes. Actual results will vary depending on the call volume and available staffing.

18

SECTION – 18 Public Works

Public Works

We provide innovative and sustainable public infrastructure and services toward preserving and enhancing quality of life.



The Public Works Department focuses on delivering public projects in a timely manner, managing parking resources to meet the needs of residents, businesses, employers, and visitors, maintaining transportation infrastructure, planning for long-range transportation needs, maintaining the City's urban forest, managing the City's fleet, facilities and real property assets, and providing recycling and solid waste services. These services are the responsibility of the following divisions:

- **Engineering Services:** Responsible for transportation funding support, project development, design and construction, survey and inspection, plan check, and maps.
- **Facilities and Real Property Management:** Responsible for facility maintenance, design and construction, real estate, ADA barrier removal and citywide mail services.
- **Fleet Management:** Responsible for purchases, maintenance and management of all fleet assets, and citywide fueling infrastructure.
- **Maintenance Services:** Responsible for maintenance of roads and bridges, sidewalks, curbs, gutters, and streetscapes, tree health and maintenance, and right-of-way coordination.
- **Office of the Director:** Responsible for policy, legislative support, funding, special projects, sustainability program, employee enrichment, and department-wide support.

- **Parking Services:** Responsible for parking enforcement, parking meters, retail lease space, parking garages and lots, and operation of the Sacramento Marina.
- **Recycling and Solid Waste Services:** Responsible for recycling and refuse collection, yard waste collection, household hazardous waste collection, household junk pickup, street sweeping, illegal dumping cleanup, and landfill post-closure maintenance and monitoring.
- **Transportation:** Responsible for maintenance and operations of streetlights and traffic signals, entitlements, traffic studies and investigations, traffic control devices, and long-range transportation planning including active transportation and design for traffic safety.

PROGRAMS/SERVICE HIGHLIGHTS

- Developed the City's first Electric Vehicle (EV) Strategy establishing goals and actions to advance vehicle electrification and mobility.
- Successfully supported Sacramento's designation as Electrify America's first Green City for a \$44 million EV infrastructure and program investment by mid-2019, including City facilitation to enable and streamline program launch.
- Updated Fleet Sustainability Policy to most ambitious in the state: 50% of annual light-duty fleet purchases to be zero emission vehicles (ZEVs) by 2018 and 75% of annual light-duty fleet purchases be ZEVs by 2020.
- Purchased 35 Chevrolet Bolt ZEVs as fleet vehicle replacements for City engineering inspectors, code enforcement officers, parking enforcement officers, and fleet motor pool.
- Executed contract and initiated the City's Urban Forest Master Plan to engage community and advance City tree canopy and urban forestry guidelines to maintain, expand and enhance the City's urban forest.
- Began implementation of the City's new Tree Ordinance, creating transparency for tree removal permits and new mitigation requirements.

- Developed the City's Demonstration Partnerships Policy, establishing a framework for innovative partnerships to test, evaluate, and demonstrate innovative partnerships.
- Completed Vision Zero Policy and comprehensive study to identify and prioritize traffic safety implementation actions.
- Became the 24th City in the United States to join the National Association of City Transportation Officials (NACTO), demonstrating its commitment and leadership on 21st century urban mobility.
- Supported the Verizon Public-Private-Partnership, issuing permits for 5G small cell installation, fiber installation, and began implementation of pilot projects for installing intelligent transportation systems, improving traffic signal integration and data technology.
- Launched the City's first ever Transportation Technology Strategy, branded as "Smart Sacramento" to evaluate future opportunities for connected infrastructure, autonomous vehicles, "big data" analytics, and other tools to help guide smarter mobility solutions.
- Provided critical support for the successful deployment of the pilot for the regional bike share program.
- Successfully piloted the City's first ever Parking Protected Bikeway project on P Street, demonstrating the viability of the concept for permanent projects on 9th Street, 10th Street, P Street, Q Street, and J Street.
- Held the inaugural Sunday Street event on Broadway by closing Broadway to cars and opening it up to the community to engage in healthy activities.
- Issued the 2017 Pavement Condition Report to document the current state of the City's road network and present reasonable and reliable recommendations and decisions regarding its maintenance.
- Delivered over 1,600 sidewalk repair projects, at a cost of approximately \$1.6 million, to remove accessibility constraints.
- Completed a facilities assessment of all 200 City facilities to inform the Facilities Planning Guide, which provides information, transparency, and a listing of planned projects for capital reinvestment and establish a capital replacement priority list to be utilized for planning and programming.
- Parking Services Division was recognized as the 2016 California Parking Program of the Year.

- Provided parking management, enforcement and facility signage services to non-city owned private and public parking facilities at 52 managed locations.
- Responded to all requirements to maximize receipt of funding from Senate Bill 1 (SB1), the Road Rehabilitation and Accountability Act. Actions included planning, design, and bidding for \$15 million in road rehabilitation projects, preparing grant applications for the Local Partnership Program, Congested Corridors Program, and Active Transportation Program (ATP). In ATP augmentation funds, the City received \$5.4 million in the SB1 grant funds for the Meadowview Streetscape project, Two Rivers Trail project, and Franklin Boulevard Class IV Bike Lane project.
- Completed a total of 3,168 plan reviews for private development projects, a record year of activity, including plan review and inspection of F and G Street extensions between 5th and 7th Streets in the Railyards development and Delta Shores Circle, a milestone project of the Delta Shores Master Plan.
- Completed the Carlson Drive Improvement Project to enhance the safety for all modes of traffic accessing the Sacramento State University campus.
- Opened the Riverfront Reconnection project, which enhanced the visibility and accessibility of the City's Old Sacramento Business District.
- Awarded a construction contract for a new \$8.7 million Fire Station to replace the existing Fire Station 15 which has exceeded its useful life.
- Completed a \$600,000 replacement of the roof and heating, ventilating, and air conditioning system at the Sacramento Marina.
- Completed the \$7.8 million construction of the Old Sacramento Front Street Embarcadero project that included replacement of wooden decking and provided accessible rail crossings, handrails, ramps and street crossings.
- Completed the installation of 52 new variable color LED street light fixtures on Capitol Mall.

DEPARTMENT EFFICIENCIES

- Enrolled the City in SMUD's new Commercial SolarShares program for 13 megawatts of dedicated solar photovoltaics to offset approximately 35% of annual municipal electricity use. Reduced long-term electrical costs and allowed for GHG reductions without costs of individual building solar installations.
- Implemented a validation program for non-gated off-street parking lots, allowing businesses to offer validated parking to customers and employees.

- Completed implementation of all recommendations from the City's 2014 Audit of the City Sidewalk Repair Process.
- Created the transportation permit module in permitting system (Accela) to allow electronic transportation permit application submittals.
- Implemented technological improvements through paperless inspection reports with tablets and a Robotic Total Station for surveyors to increase field work efficiency and productivity.
- Continued the practice of using on-call consultants for inspection to handle peak workloads without permanent increases in staffing.
- Installed the Amano-McGann Parking Access Revenue Control System (PARCS) in all City-owned garages. This upgraded system offers license plate recognition in lieu of access card credentials, a more efficient cashiering system, more quality control over transactions, adaptability to online parking reservations, merchant validation QR codes and real-time revenue reporting.

OBJECTIVES FOR FY2018/19

- Assist Electrify America with completion of its \$44 million investment in Sacramento, including assistance with guidelines, ordinances and permitting.
- Update car share program and implement curbside electric vehicle charging guidelines to enhance EV infrastructure.
- Develop a policy for the implementation of principles mandated by Senate Bill 743 to include analysis and reduction of vehicle miles traveled (VMT) in environmental analysis.
- Implement program to integrate food waste collection as a part of green waste and develop policies and services to achieve organics diversion and reduce levels of statewide disposal of organic waste.
- Continue to reduce recyclable contamination rate through educational outreach activities.
- Complete energy efficiency retrofits for community centers and libraries.
- Complete community outreach and adopt Urban Forest Master Plan update.
- Complete the grant funded CNG fuel station at the South Area Corporation Yard.

- Continue the process of obtaining approvals and funding to construct a CNG fuel station at the Meadowview City Service Complex.
- Develop a comprehensive landfill management plan that integrates City owned parcels west of the 28th Street Landfill and achieve sustained landfill regulatory compliance.
- Adopt Vision Zero Implementation Plan with strategies to eliminate traffic-related injuries or fatalities by 2027. The plan will focus on the five corridors with the highest incidences of traffic incidents involving serious injury or fatality as well as traffic safety in the vicinity of local schools.
- Adopt the City's first Intelligent Transportation Systems (ITS) Master Plan to better manage traffic signals, reduce congestion and greenhouse gas emissions, and support infrastructure for autonomous vehicles.
- Support a comprehensive update of the General Plan Mobility Element to better recognize the vital role of technology, Vision Zero strategies to reduce vehicle miles traveled (VMT), and better integrate transit and active transportation.
- Continue to support implementation of the Verizon Public-Private-Partnership to complete deployment of 5G, intelligent transportation systems, and other technological enhancements for the City and its citizens.
- Develop the City's Disaster Debris Management Plan (emergency preparedness) in coordination with California Office of Emergency Services and Federal Emergency Management Agency guidelines.
- Establish an inspection and maintenance program for the City floodgates maintained and operated by the department.
- Implement a comprehensive parking strategy for the Sacramento Marina to safeguard parking for marina users.
- Review and update specific Title 10 codes related to parking and all current policies and procedures.
- Complete a facility assessment to inform the Facilities Planning Guide, which provides information, transparency, and a listing of planned projects for capital reinvestment, and establish a capital replacement priority list to be utilized for planning and programing.
- Complete and deliver the Floodgate Assessment Report.
- Publish a five-year pavement maintenance program.

- Continue to provide support and advocacy for transportation funding solutions the federal, state, and local levels to provide sufficient resources for ongoing maintenance, operations, and modernization of transportation infrastructure and services in the city.
- Submit grant applications for the Sacramento Area Council of Governments' flexible funding rounds, state and regional Active Transportation Program, State Highway Safety Improvement Program, sustainable planning grants, Climate Action grants, and other grants to support the continued mobility enhancements.
- Continue progress in successful delivery of major projects, including the I Street Bridge Replacement, the Sacramento Valley Station Phase 3, the Downtown Riverfront Streetcar Project, and regional bike trails including the Two Rivers Trail and Del Rio Trail.
- Support and manage a successful regional bike share program and respond with any necessary revisions to regulations needed to ensure safe and efficient operations.
- Modernize parking enforcement handheld units and citation processing to increase efficiency.
- Complete energy efficiency retrofits for community centers and libraries.
- Finalize and implement the Joint Sacramento City-County maintenance agreement.

BUDGET CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Engineering Services	Add positions (1.0 FTE Senior Engineer, 1.0 FTE Associate Engineer and 1.0 FTE Engineering Technician III) to support increased roadway/bikeway maintenance efforts based on increased funding from SB 1, fully offset by reimbursements to the capital improvement program. The positions will not be filled until there is a determination on the proposed ballot measure which could impact this funding source.	General	(359,095)	359,095	3.00
Office of the Director	Add a position (1.0 FTE Program Analyst) to support ongoing high priority sustainability program initiatives, including electric vehicle strategy implementation and citywide energy conservation programs. This position will be offset by labor savings in the Department.	General	(111,255)	111,255	1.00
Recycling and Solid Waste Services	Add a position (1.0 FTE Program Analyst) to comply with SB1383 Short-Lived Climate Pollutants (SLCP): Organic Waste Methane Emissions Reductions requirements which mandate a statewide reduction of organic waste.	Solid Waste		115,577	1.00
Total Change			(470,350)	585,927	5.00

POSITION CHANGES

- A position (1.0 FTE Supervising Architect) was transferred to Public Works from Community Development to support architectural functions.

Department Budget Summary

Public Works Budget Summary	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Employee Services	62,796,054	64,059,292	70,549,937	70,914,597	75,104,558	4,189,961
Other Services and Supplies	65,814,214	69,564,462	69,452,335	69,969,515	73,831,326	3,861,811
City Property	6,538,235	8,879,999	33,061,097	23,495,273	27,938,579	4,443,306
Transfers	211,699	60,750	-	-	400,655	400,655
Labor and Supply Offset	(15,985,695)	(16,957,029)	(16,790,878)	(17,166,654)	(19,306,793)	(2,140,139)
Operating Transfers	8,693,047	9,073,978	8,878,200	8,878,200	8,899,300	21,100
Total	128,067,554	134,681,453	165,150,691	156,090,931	166,867,626	10,776,695

Funding Summary by Fund/Special District	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
General Fund	10,174,852	11,377,420	12,020,133	8,627,745	12,756,033	4,128,288
12th Street Maint Benefit Area	16,464	11,045	8,669	8,669	8,400	(269)
Cal EPA	6,626	1,900	-	-	-	-
Citation I-5 Maintenance	27,338	42,043	25,000	25,000	62,500	37,500
Del Paso Nuevo Landscaping CFD	13,979	-	14,891	14,891	9,000	(5,891)
Fleet Management	31,093,225	33,880,179	48,905,451	48,905,451	47,180,862	(1,724,589)
Gas Tax 2106	8,500,750	9,492,859	10,745,399	11,741,820	9,629,083	(2,112,737)
Interdepartmental Service	2,225,126	2,101,794	1,524,163	1,524,163	1,221,701	(302,462)
Laguna Creek Maint Dist	48,266	43,200	43,200	43,200	43,000	(200)
Land Park	60,484	23,360	52,850	52,850	52,850	-
Landscaping and Lighting	10,089,042	10,511,517	11,504,174	11,504,174	12,275,009	770,835
Marina	767,643	739,368	736,464	736,464	789,527	53,063
N Nat Lndscp 99-02	363,722	336,263	336,263	371,180	439,980	68,800
N Natomas Lands CFD 3	398,271	410,500	410,500	410,500	432,000	21,500
Neighborhood Lighting Dist	20,860	20,860	25,009	25,009	25,009	-
Neighborhood Water Quality Dist	33,567	24,995	26,592	26,592	37,500	10,908
New Measure A Maintenance	8,648,189	8,442,429	8,930,697	8,930,697	10,683,277	1,752,580
Northside Subdiv Maint Dist	3,065	4,001	4,075	4,075	4,500	425
Parking	11,114,134	11,182,888	11,667,173	11,081,714	12,174,261	1,092,547
Power Inn Rd Md 2003-01	6,386	5,313	5,725	5,725	8,500	2,775
Railyards Maint CFD No 2014-04	8,783	46,364	39,617	68,723	99,542	30,819
Recycling and Solid Waste	42,828,211	44,602,443	56,579,991	50,424,991	57,696,959	7,271,968
SacMaintCFD2014-04 Annex Areas	-	-	32,928	32,928	33,500	572
SacMaintCFD2014-04 Area 01	-	33,538	41,710	61,060	82,500	21,440
State Route 160	2,103	690	-	734	-	(734)
State Route 275	169,984	13,798	-	2,845	-	(2,845)
Storm Drainage	195,000	195,000	195,000	195,000	226,000	31,000
Street Tree Fee	215,161	8	-	-	-	-
Subdiv Lndscpng Maint Dist	257,101	254,738	296,107	296,107	282,033	(14,074)
Township 9 CFD No. 2012-06	-	-	-	-	2,000	2,000
Traffic Safety	670,200	764,629	857,821	857,821	500,000	(357,821)
Village Garden N.-Mtce Dist #1	17,365	14,454	26,786	16,500	17,500	1,000
Water	147	-	-	-	-	-
Willowcreek Assmnt Md	15,473	25,182	11,600	11,600	11,600	-
Willowcreek Lndscpng CFD	76,037	78,676	82,703	82,703	83,000	297
Total	128,067,554	134,681,453	165,150,691	156,090,931	166,867,626	10,776,695

Division Budget Summary

Public Works Division Budgets	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Engineering Services Division	(518,563)	(237,438)	(10,939)	(240,939)	(245,077)	(4,138)
Facilities & Real Property Mgmt Division	4,613,525	4,481,052	5,202,414	4,834,590	5,528,190	693,600
Fleet Management Division	31,093,225	33,880,179	48,905,451	48,905,451	47,180,862	(1,724,589)
Maintenance Services Division	19,192,149	20,441,326	21,911,973	21,138,640	22,998,971	1,860,331
Office of the Director	2,531,715	2,365,632	2,359,144	2,359,144	2,268,032	(91,112)
Parking Services Division	18,804,278	19,949,460	20,517,569	19,268,966	21,172,235	1,903,269
Recycling & Solid Waste Division	43,489,803	45,251,626	57,215,591	51,060,591	58,363,559	7,302,968
Transportation Division	8,861,422	8,549,615	9,049,488	8,764,488	9,600,852	836,364
Total	128,067,554	134,681,453	165,150,691	156,090,931	166,867,626	10,776,695

Staffing Levels

Public Works Division Budgets	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Engineering Services Division	77.00	75.00	75.00	78.00	81.00	3.00
Facilities & Real Property Mgmt Division	66.00	65.00	67.00	67.00	70.00	3.00
Fleet Management Division	87.00	86.00	85.00	85.00	85.00	-
Maintenance Services Division	125.00	123.00	123.00	123.00	123.00	-
Office of the Director	20.00	17.00	14.00	14.00	13.00	(1.00)
Parking Services Division	129.05	130.05	130.05	130.05	130.05	-
Recycling & Solid Waste Division	158.00	160.30	160.30	160.30	161.30	1.00
Transportation Division	70.00	69.00	69.00	72.00	72.00	-
Total	732.05	725.35	723.35	729.35	735.35	6.00

PERFORMANCE MEASURES

Facilities & Real Property Management Division

Key Measure	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Estimate	FY19 Target
Percent of all facility work order requests completed within the performance standard	40%	44%	53%	60%	65%

This measure indicates how quickly work order requests are completed. Work order categories include 'emergency' with a one-day performance standard, 'priority' with a seven-day performance standard, and 'standard' with a 30-day performance standard.

Fleet Management Division

Key Measure	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Estimate	FY19 Target
Percent of City vehicles available at 6 AM	95%	96%	94%	95%	97%

This measure indicates what percentage of overall City vehicles are available to operators for City services. The division is collecting information to measure staffing ratios and estimated service demands for each shop to appropriately staff each shop to sustain adequate vehicle availability.

Key Measure	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Estimate	FY19 Target
Percent of alternative fuel vehicles purchased (not diesel or gasoline)	N/A	N/A	N/A	50%	55%

The California Global Warming Solutions Act of 2006 (Assembly Bill 32) requires California to reduce its GHG emissions to 1990 levels by 2020. The City's Fleet Management Division Sustainability Policy states that annual purchases of fleet replacement vehicles will include a minimum commitment of 50% for alternative fuel and/or alternatively powered vehicle replacements by 2018, and 75% by 2025.

Maintenance Services Division

Key Measure	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Estimate	FY19 Target
Percentage of roads with a Pavement Quality Index above 70 (good rating)	41%	41%	41%	41%	41%

The Maintenance Services Division is responsible for the City's street infrastructure system which includes over 3,065 lane miles of paved roadway. The Maintenance Services Division's goal is to work towards ensuring that the city's roadways receive a Pavement Condition Index of 70 (good) from its current rating of 66 (fair).

Key Measure	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Estimate	FY19 Target
Percentage of 311 service requests for potholes responded to within 48 hours	44%	69%	80%	85%	85%

The Maintenance Services Division is responsible for the street infrastructure system which includes the maintenance of 3,065 lane miles of paved roadway. Patching potholes is an essential service and on average, the Maintenance Services Division patches 1,452 potholes per month. Our customer commitment is to respond to 311 complaints for potholes within 48 hours of receiving the request.

Key Measure	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Estimate	FY19 Target
Percentage of tree inventory pruned per annual cycle	125%	84%	104%	95%	95%

The City's Urban Forestry Program maintains, sustains and enhances Sacramento's tree canopy through a variety of programs. Urban Forestry staff (internal and contractors) prune 890 trees monthly on average consistent with our goal of maintaining a less than seven-year pruning cycle for all of our 75,000 plus public trees.

Parking Services Division

Key Measure	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Estimate	FY19 Target
Revenue generated per parking meter	\$953	\$1,210	\$1,742	\$1,864	\$1,924

The Parking Division is responsible for the collection and maintenance of over 6,000 paid on-street parking spaces within the Central City. It is estimated that within the next five years, the meter program will expand its infrastructure by adding 500 new paid spaces, implementing Dynamic Based Pricing models, adjusting rates to market conditions, and increasing the hours of operation. Throughout the City, it is estimated that the parking meters have over 5 million customer transactions per year.

Key Measure	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Estimate	FY19 Target
Marina slips occupancy rate	59%	71%	78%	80%	83%

The Sacramento Marina has 475 available boat slips, which can accommodate boats varying in length from 25 to 50 feet. Historically, the Marina had an average 94% occupancy rate; however, during the Great Recession the occupancy rate dipped as low as 44%. With the improved economy, new management, and new amenities in place, the Marina has seen double digit increases in occupancy rates.

Recycling & Solid Waste Division

Key Measure	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Estimate	FY19 Target
Percent of City collected waste diverted from landfill	44%	41%	43%	44%	44%

California state law requires that at least 50% of the waste generated within the city limits be diverted from landfills. While the percent of City-collected, residential waste diverted from landfill is below the State threshold (as shown above), as a jurisdiction, the City government collection rate exceeds the state requirement at 64% diversion. The difference is largely due to the recycling of construction and demolition material collected by commercial waste haulers, which is not part of the City's residential collection service. Educating customers on proper recycling is central to seeing these percentages grow. Over 50% of the Division's annual outreach expenditures are spent on increasing diversion.

FY2018/19 Approved Budget

Key Measure	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Estimate	FY19 Target
Number of complaints of missed pickups (per 10,000 containers)	7%	7%	11%	12%	11%

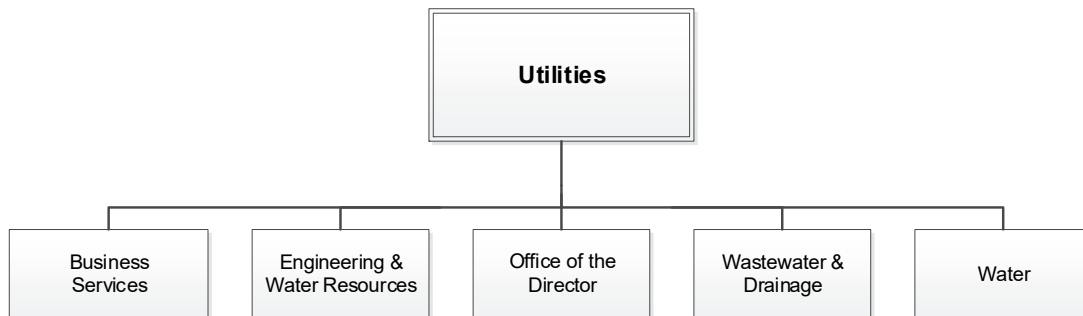
In a given year, City Integrated Waste Equipment Operators service almost 17 million garbage, recycling, and yard waste containers. Complaints of missed collections represent the highest volume of solid waste related calls to City 311; however, the actual number of verifiable service misses represents only a fraction of one percent of the total containers collected annually. In FY2017/18 the department redefined the term "misses" to include "kicks" which is when the driver goes back the same day to collect the missed containers if the incident is reported prior to 2:00 pm. The total number of complaints of missed pickups per 10,000 containers serviced increased in FY2017/18 due to the inclusion of the "kicks."

19

SECTION – 19 **Utilities**

Utilities

The Department of Utilities provides dependable, high quality water, storm drainage, and wastewater services in a fiscally and environmentally sustainable manner.



The **Department of Utilities (DOU)** provides and maintains water, wastewater, and storm drainage services and facilities for its customers, City ratepayers. These services are crucial to safeguard the health and safety of the public, support economic development, protect the environment, and improve the quality of life in our City. DOU works in conjunction with other City departments as well as regional, state, and federal agencies in the maintenance, development, and rehabilitation of water resources infrastructure.

DOU is organized into four operating divisions and the Office of the Director. The operating divisions consist of Business Services, Engineering and Water Resources, Water, and Wastewater & Drainage. This organizational structure allows for increased collaboration across business functions and enables DOU to focus efforts on customer priorities.

- **Business Services:** Provides fiscal support, customer service, employee programs, and procurement services for DOU.
- **Engineering and Water Resources:** Provides engineering support for capital projects, plant and field support units, and ensures compliance with state and federal regulations for wastewater and drainage.
- **Office of the Director:** Provides commitment to local and regional policy involvement, education and stakeholder outreach, and planning for current and future generations by protecting, preserving and enhancing water resources, the environment, and the community.

- Water: Operates and maintains facilities for water production and water distribution system.
- Wastewater & Drainage: Operates and maintains facilities for wastewater and storm drainage pumping, wet weather combined wastewater treatment, wastewater and storm drainage collection systems and transmission systems.

PROGRAMS/SERVICE HIGHLIGHTS

- The Accelerated Water Meter Program (AWMP) has achieved 73% of City accounts being metered with the construction of 6.6 miles of pipelines and 6,200 water services being retrofitted with meters. Local Hire on the construction contract was 23% in 2017.
- Completed construction on the \$170 million Water Treatment Plants Rehabilitation project that included work at both the Sacramento River and Fairbairn Water Treatment Plants. The rehabilitation and upgrades have increased the reliability at both plants and increased treatment capacity at the Sacramento River Water Treatment Plant back to its permitted treatment capacity of 160 million gallons per day.
- In early 2017, DOU responded proactively to a requirement from the California State Water Resources Control Board that public water systems provide assistance with testing water for lead for any local school that requests it. Through outreach efforts and coordination with local school districts, 531 samples were collected to represent 112 local schools by the end of 2017. No samples were confirmed to exceed the action level of 15 ppb. Overall, 90% of public schools served by our water system were tested for lead in 2017, putting the City in the excellent position to comply with California Assembly Bill 746, published in October 2017, which made lead testing mandatory at all public K-12 school sites constructed before 2010.
- Successfully issued \$52.6 million in Water Revenue Bonds in June 2017 at a premium. This resulted in savings of \$10.2 million. These proceeds will be used to support the Accelerated Water Meter Program.
- In coordination with the City Treasurer's Office, the department successfully obtained a \$173 million Drinking Water State Revolving Fund (DWSRF) Loan. This loan will provide a substantial portion of the total funding for the Accelerated Water Meter Program at a low interest rate.

- Successfully expanded the Sacramento Utility Rate Assistance program, as directed by the Council, through SMUD data exchange and automatic enrollment increased participation from 1,800 to over 9,100 at peak participation.
- On an annual and ongoing basis, delinquent utility service charges are sent to the County of Sacramento for placement on the property tax bill through a special assessment process. Delinquent charges sent to the County have steadily decreased from \$11.3 million in 2010 to \$3.6 million in 2017 resulting in increased cash flow for DOU.
- DOU continues to review Enterprise Fund rates and long-term financing strategies for capital improvements and operations and maintenance of the water, wastewater, and storm drainage facilities.
- Ensured compliance with federal, state, and local regulations on the provisions of drinking water, wastewater and drainage services.
- Maintained 209 electrical and mechanical systems for water, wastewater, and storm drainage pump stations, wells, reservoirs and treatment plants.
- Managed 235 capital projects effectively and efficiently.
- Ensured compliance with the requirements of 12 active grant funding agreements.
- Planned long-range growth, rehabilitation and maintenance of City infrastructure.
- Provided reliable water services to 139,238 service accounts.
- Provided reliable wastewater services to 77,137 service accounts.
- Provided drainage services to 139,198 service accounts.
- Performed process optimization and improvements for drinking water, wastewater and drainage.
- Completed reviews of 113 private development projects, 1,901 residential and 433 commercial building permits, 89 residential and 92 commercial building plan checks, and 85 encroachment permits to assure consistency with City standards and compliance with federal, state, and local codes.

DEPARTMENT EFFICIENCIES

- Implemented a new Electronic Bill Payment & Presentment (EBPP) website and mobile application for customers convenience.

- Delivered customer service improvement initiatives and goals including an automated water termination process, 2017 Special Assessment process, 2017 escheatment process, 2018 rates, CIS meter interface to O&M meter testing platform, automated meter install and bill functionality, automated letter process through our printing and mailing vendor, automated leak letter process for water conservation, and a mass reroute process for our customers at Solid Waste.
- Delivered two interactive Web Map applications (one for water and one for wastewater/drainage) with the use of in-house staff. These applications make our GIS data available to all DOU employees, preventing the need to maintain mapping software and licensing.
- Successfully upgraded our Cityworks work management application to the latest version on time and on schedule with no loss or interruptions of service. DOU personnel rely upon this system to plan, dispatch, track, and cost all corrective, preventive and operational tasks.
- Implemented a formal Business Case Evaluations (BCE) process to standardize the evaluation of project alternatives based on lifecycle costs. BCE outlines the rationale for undertaking the project, defines the parameters involved in the project including cost and scope, and captures the information needed for project authorization.
- Completed upgrades and security improvements to the Supervisory Control and Data Acquisition (SCADA) network.
- Developed database that compiles and tracks all DOU grant applications, awards, and compliance measures related to active and future departmental projects.

OBJECTIVES FOR FY2018/19

- Develop dashboard for automated reporting of accounts receivable and budget status, eliminating the need for manual reporting.
- Fully implement the reorganization of the Operations and Maintenance Division which was split into two divisions: Water and Wastewater/Drainage.
- Secure bond financing for Wastewater Capital Improvement Program.
- Update Department's Strategic Plan.
- Complete a five-year SCADA Master Plan to enhance system reliability and performance.

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- Deliver the FY2018/19 CIP water and wastewater infrastructure programs on schedule and within budget.
- Improve customer service through training, recognition and measuring customer satisfaction.
- Maintain reliable and high-quality utility services.
- Move the City toward industry best practices for infrastructure replacement and maintenance.
- Use performance measures to track and improve effectiveness and efficiency.

BUDGET CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Business Services	Add positions (3.0 FTE Customer Service Representatives) to support the Customer Service unit in order to provide adequate coverage for the increased level of customer calls.	Water		202,228	3.00
Engineering & Water Resources	Provide funds to support the Hazard Energy Control Procedure Program (HECP) and the Overcurrent Protective Device (OCPD) testing and replacement program.	Water		464,000	
Engineering & Water Resources	Add positions (1.0 FTE Electrician and 2.0 FTE Instrument Technician I) to provide predictive and preventative maintenance to keep electrical equipment in reliable and safe working condition for the Arc Flash Program and to support and maintain Industrial Control Systems equipment.	Water		271,047	3.00
Engineering & Water Resources	Add a position (1.0 FTE Senior Engineer) to enable advancement of long-term core Asset Management needs and provide support for the department's wide efforts of strategic planning, CIP development, and 5 and 30-year CIP planning and development.	Water		154,124	1.00
Engineering & Water Resources	Add a position (1.0 FTE Associate Engineer) to provide support for the planning, implementation, monitoring and reporting requirements for the State Mandated Trash Capture Program.	Storm Drainage		125,796	1.00
Engineering and Water Resources	Provide funds to the support the SCADA system software and computer maintenance, computer hardware improvements, and programming and development to keep the system current and working properly.	Water		357,000	
Office of the Director	Add a position (1.0 FTE Program Specialist) to provide support to the Director in managing department-wide projects, and assist in assuring compliance with applicable regulations and internal policies.	Water		132,973	1.00

BUDGET CHANGES (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Office of the Director	Add a position (two 0.5 FTE Program Analysts) to provide support in the implementation of the Security Master Plan recommendations on facilities and day-to-day security and emergency preparedness matters.	Storm Drainage		118,134	1.00
Operations & Maintenance - Wastewater & Drainage	Add positions (1.0 FTE Sr Generator Technician and 1.0 FTE Generator Technician) to provide support on the maintenance on the City's generators and to meet regulatory and service demands.	Storm Drainage		470,908	2.00
Operations & Maintenance - Wastewater & Drainage	Add a position (1.0 FTE Supervising Plant Operator) to support supervision of field operations staff and assist with rain patrol and other emergency responses.	Storm Drainage		192,826	1.00
Operations & Maintenance - Water	Add a position (1.0 FTE Machinist) to support the maintenance of additional and complex infrastructures including water treatment plants, reservoirs, and wells.	Water		169,257	1.00
Total Change \$			-	\$ 2,658,293	14.00

Department Budget Summary

Utilities Budget Summary	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Employee Services	55,319,640	55,161,038	61,650,943	61,716,101	66,248,134	4,532,033
Other Services and Supplies	30,519,241	29,099,735	38,192,876	38,237,718	41,179,858	2,942,140
City Property	831,530	3,031,185	5,412,831	1,347,831	5,024,439	3,676,608
City Debt Service	-	143	-	-	-	-
Transfers	(604,594)	(349,712)	-	-	-	-
Labor and Supply Offset	(303,355)	699,111	2,036,875	3,673,875	5,403,398	1,729,523
Operating Transfers	18,390,141	19,904,825	20,925,330	20,925,330	22,665,589	1,740,259
Total	104,152,603	107,546,324	128,218,855	125,900,855	140,521,418	14,620,563

Funding Summary by Fund/Special District	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
General Fund	67,408	81,352	122,410	122,410	122,410	-
Community Center	4,983	4,983	4,983	4,983	4,983	-
Fleet Management	172,122	133,046	147,729	147,729	147,729	-
Golf	3,795	4,374	8,550	8,550	8,550	-
Landscaping and Lighting	23,705	41,768	40,000	40,000	40,000	-
N Natomas Lands CFD 3	255,141	279,775	300,000	300,000	300,000	-
Neighborhood Water Quality Dist	5,947	-	3,000	3,000	3,000	-
Northside Subdiv Maint Dist	-	-	8,000	8,000	8,000	-
Parking	1,359	1,447	1,359	1,359	1,359	-
Recycling and Solid Waste	1,810,706	1,759,653	901,223	1,281,939	1,372,481	90,542
SacMaintCFD2014-04 Area 01	-	-	298,120	298,120	298,120	-
Storm Drainage	26,796,524	28,310,579	30,901,038	30,612,627	34,219,424	3,606,797
Township 9 CFD No. 2012-06	-	-	9,000	9,000	9,000	-
Wastewater	21,865,041	21,675,435	29,014,510	27,146,075	31,529,767	4,383,692
Water	53,122,626	55,239,417	66,438,933	65,897,063	72,436,595	6,539,532
Willowcreek Assmnt Md	23,246	14,493	20,000	20,000	20,000	-
Total	104,152,603	107,546,324	128,218,855	125,900,855	140,521,418	14,620,563

Division Budget Summary

Utilities Division Budgets	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Business Services Division	7,777,033	7,921,630	7,399,104	8,991,104	9,321,870	330,766
Engineering & Water Resources Division	8,864,675	9,917,556	11,693,110	11,648,110	14,735,030	3,086,920
Office of the Director	33,679,258	35,223,417	47,100,535	47,055,535	52,950,879	5,895,344
Wastewater & Drainage Ops & Maint Division	26,846,025	28,632,784	31,286,050	28,846,050	34,588,085	5,742,035
Water Operations & Maintenance Division	26,985,612	25,850,937	30,740,056	29,360,056	28,925,553	(434,503)
Total	104,152,603	107,546,324	128,218,855	125,900,855	140,521,418	14,620,563

Staffing Levels

Utilities Division Budgets	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Business Services Division	77.00	71.00	78.00	78.00	81.00	3.00
Engineering & Water Resources Division	91.72	98.72	100.72	101.72	107.72	6.00
Office of the Director	40.18	19.18	20.18	20.18	21.18	1.00
Wastewater & Drainage Ops & Maint Division	181.00	180.00	180.00	180.00	195.00	15.00
Water Operations & Maintenance Division	148.00	159.00	167.00	167.00	157.00	(10.00)
Total	537.90	527.90	545.90	546.90	561.90	15.00

PERFORMANCE MEASURES

Engineering & Water Resources Division

Key Measure	FY15	FY16	FY17	FY18	FY19
	Actuals	Actuals	Actuals	Estimate	Target
Number of water meters installed/year	6,900	15,200	1,800	13,900	23,300

The number of water meters installed is monitored to gauge the City's progress toward meeting the State mandate that all water utility customers have meters installed no later than 2025. In February 2015 Council approved an acceleration of the City's meter program, which is expected to result in the City meeting the State mandate by December 2020. Water meter installation supports the City's Sustainability Master Plan by improving water conservation awareness through metered billing with a monthly statement of water usage to customers, enhances leak detection and furthers the City's progress toward implementing the CA Urban Water Conservation Council Best Management Practices.

Office of the Director Division

Key Measure	FY15	FY16	FY17	FY18	FY19
	Actuals	Actuals	Actuals	Estimate	Target
% water conservation achieved (year-over-year)	22%	27%	26%	20%	20%

The percentage of water conservation achieved citywide is not only a required performance measure to comply with Council Resolution for water conservation, but also a key performance indicator to measure effectiveness of the Department's water conservation outreach and enforcement efforts.

Operations & Maintenance Division

Key Measure	FY15	FY16	FY17	FY18	FY19
	Actuals	Actuals	Actuals	Estimate	Target
Number of sanitary sewer (wastewater) overflows	2.76 per 100 miles	2.54 per 100 miles	2.70 per 100 miles	3.14 per 100 miles	2.53 per 100 miles

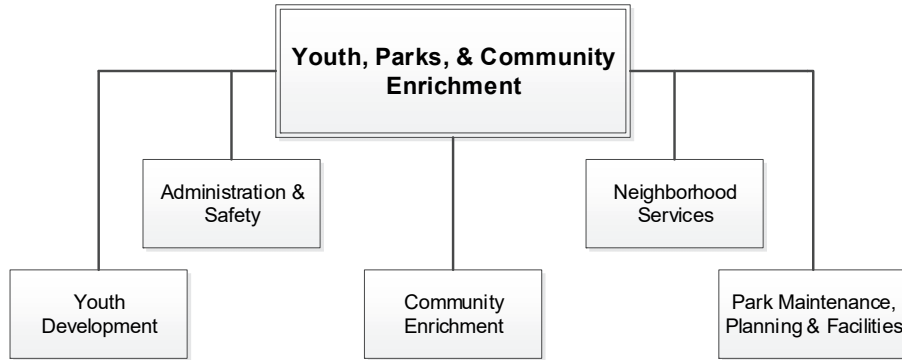
The number of sanitary sewer overflows (SSOs) is measured to ensure regulatory compliance and to gauge the effectiveness of operational activities and capital improvements that have been implemented to achieve this compliance. The primary permit with respect to the separated system is the waste discharge requirements permit issued by the state Water Resources Control Board. The goal of this permit is to minimize SSOs from the separated system. Additionally, the City must also comply with the requirements of a consent decree entered into on January 9, 2012, in which the City agreed to meet specified SSO reduction standards by implementing specific operational activities and capital improvements through a multi-year funding plan. The consent decree requires that the City reduce its SSOs to five per 100 miles of pipe by FY2016/17, which was achieved ahead of schedule.

20

SECTION – 20 Youth, Parks, & Community Enrichment

Youth, Parks, & Community Enrichment

To empower our youth, strengthen neighborhoods, and provide life-enriching programs for a beautiful livable community.



The City's Youth, Parks, & Community Enrichment department provides residents and visitors with beautiful parks and enriching programs to create a thriving community with healthy, strong, and cohesive neighborhoods. Directed by the Council through the approval of the Parks and Recreation Master Plan, program development and service delivery for the Department of Youth, Parks, & Community Enrichment are guided by the following primary themes: empowering and enriching Sacramento youth, protecting the City's green infrastructure, and optimizing the experience of living through people, parks, and programs.

Department services are structured as listed below.

- **Youth Development:** Responsible for operating all 4th 'R' licensed, year-round child care for kindergarten through 6th grade at 19 sites, START before and after school programming focusing on academic assistance, fitness and nutrition education, STEM (science, technology, engineering and math), and structured recreation activities to help students grow socially, emotionally, physically, and mentally. Also, youth-centric programs and activities within the department, which include youth job readiness and employment services such as Landscape and Learning, Young Leaders of Tomorrow, Prime Time Teen, and the Junior Recreation Aide Program. This division is also responsible for administering the Sacramento Youth Commission, middle and elementary school sports, summer camps, and high school internship programs (Summer at City Hall) and after school education and safety funded programs at middle schools.

- **Administration & Safety:** Responsible for department-wide support of fiscal management and administrative operations including Human Resources, grant management, and commission administration. Oversees the safety of citizens within the City parks' system.
- **Community Enrichment:** Responsible for providing recreation programs, leisure enrichment classes, and services for residents and visitors alike. This includes operating 17 aquatic facilities, Access Leisure, Camp Sacramento, adult day care centers, and 16 community centers located throughout the city that offer numerous health and fitness, disability, adult sports, and enrichment programs as well as facility rentals for parties, receptions, classes, meetings, and more.
- **Neighborhood Services:** Responsible for community and neighborhood outreach, meeting facilitation and developing partnership opportunities between citizens, City officials, and stakeholders. This division organizes several events and programs throughout the year that include the Veteran's Day Parade, the City Management Academy, and Summer at City Hall.
- **Park Maintenance, Planning & Facilities:** Responsible for planning and maintaining more than 3,400 acres of open space, turf landscape, structures, and park amenities citywide. Services provided by this division include mowing, weeding, litter removal, playground inspections, and irrigation repair as well as organizing community gardens and volunteer activities. They are also responsible for park planning, parkland acquisition, park master planning, and the design and development of new or renovation of existing neighborhood, community, and regional parks.

PROGRAMS/SERVICE HIGHLIGHTS

- Youth, Parks, & Community Enrichment underwent a department-wide restructuring in FY2017/18, assessing organizational structures, essential services, and mission, vision, and values for all programs to develop a newly reorganized department dedicated to the development and empowerment of the City's youth.

- Camp Sacramento achieved accreditation with the American Camp Association (ACA). ACA accreditation assures families that the camp has made a commitment to a safe, nurturing environment for their family, with practices measured against national standards above and beyond the state's licensing requirements.
- The McKinley Park Pond and Land Park Boat Lake were renovated to improve the maintenance of water quality, wildlife value, and aesthetics.
- Completed the Sutter's Landing trail improvements, including a three-quarter mile multi-use bicycle/pedestrian trail, 3.31 acres of habitat restoration on the banks of the American River, and trail head entry improvements.
- The Aquatics Division opened all 17 neighborhood pools, providing a safe, supervised environment to over 80,000 recreational swim participants. The division employed 150 youth as lifeguards and swim instructors, responsible for teaching over 2,500 participants in water safety education programs and classes.

DEPARTMENT EFFICIENCIES

- Upgraded the program registration system to allow for online and in-person registration for dozens of programs.
- Updated Park Impact Fee and Parkland Dedication Ordinances to reflect General Plan Policies providing consistent measures for Department staff and the public.
- Awarded \$2 million Urban Greening Grant allowing the Department to replace bikeway and park trail greenspace with groundcover that requires less maintenance, reducing greenhouse gas emissions, and increasing energy and water efficiency.

OBJECTIVES FOR FY2018/19

- Fully implement youth programs into a single division dedicated to youth employment, engagement, and enrichment.
- Enact the newly established Strategic Management Plan.
- Update the Parks and Recreation Master Plan.
- Improve facilities at Camp Sacramento and community centers.
- Complete a department-wide cost recovery analysis.

BUDGET CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Youth	Add two positions (2.0 FTE Program Supervisor) to provide support for the new Youth Division created in FY2017/18 as part of the department reorganization.	1001		170,693	2.00
Youth	Eliminate \$299,537 in one-time funding (General Funds) provided in FY2017/18 for the START Program and 11.95 FTE to offset the loss of the 21st Century grant.	1001/2501		(102,727)	(11.95)
Community Enrichment	Add positions (0.75 FTE Lifeguard, 0.5 FTE Cashier, 0.7 FTE Assistant Pool Manager, 1.05 FTE Senior Lifeguard and 0.4 FTE Pool Manager) to support the aquatic program for the Tahoe Pool Complex previously managed by a nonprofit organization. The cost of the positions are offset by an increase in revenues and a reduction in services and supplies.	1001	(116,998)	116,998	3.40
Community Enrichment	Additional staffing (0.41 FTE Program Director and 0.48 FTE Camp Recreation Leader) required for Camp Sacramento to meet staffing ratios due to increased attendance. The cost of the positions are offset by an increase in revenues.	1001	(22,237)	22,237	0.89
Park Maintenance & Planning	Provide funding for security services at the City Cemetery that was previously funded by Risk Management.	1001		50,000	-
Total Change			\$ (139,235)	\$ 257,201	(5.66)

POSITION CHANGES

- Two positions were transferred to Human Resources to centralize and provide oversight of employment, benefits and payroll functions previously done at the Department level (1.0 FTE Senior Personnel Transaction Coordinator and 1.0 FTE Personnel Transaction Coordinator).

Department Budget Summary

Youth, Parks, and Community Enrichment Budget Summary	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Employee Services	31,295,489	30,880,751	32,914,783	33,023,097	34,173,254	1,150,157
Other Services and Supplies	10,009,572	11,644,830	11,440,456	11,487,218	12,057,513	570,295
City Property	134,913	190,479	1,397,761	175,192	800,192	625,000
City Debt Service	835,578	1,344,602	-	-	-	-
Transfers	(48,088)	4,246	-	-	-	-
Labor and Supply Offset	(7,673,328)	(8,212,813)	(9,687,026)	(9,708,276)	(9,368,211)	340,065
Total	34,554,136	35,852,096	36,065,974	34,977,231	37,662,748	2,685,517

Department Budget Summary (continued)

Funding Summary by Fund/Special District	FY2015/16	FY2016/17	FY2017/18	FY2017/18	FY2018/19	Change
	Actuals	Actuals	Approved	Amended	Approved	More/(Less) Approved/Amended
General Fund	15,294,557	19,612,333	22,310,668	21,093,015	23,479,226	2,386,211
4th R Program	5,623,576	5,836,281	6,026,842	6,280,440	6,289,065	8,625
Golf	175,376	187,302	194,363	194,363	140,914	(53,449)
Laguna Creek Maint Dist	100,000	100,000	145,000	145,000	145,000	-
Land Park	87,029	61,751	139,000	139,000	139,000	-
Landscaping and Lighting	3,431,116	3,250,000	3,548,744	3,674,270	3,422,744	(251,526)
N Natomas Lands CFD 3	1,099,488	1,051,458	1,737,881	1,487,667	1,487,667	-
Neighborhood Park Maint CFD	1,150,000	1,200,000	1,245,000	1,245,000	1,380,000	135,000
Neighborhood Water Quality Dist	24,000	17,641	24,000	24,000	24,000	-
Park Development	989,793	1,512,195	172,837	172,837	172,837	-
Quimby Act	-	4,285	10,000	10,000	10,000	-
Special Recreation	3,910,896	-	-	-	-	-
START	2,668,305	3,018,851	511,639	511,639	970,295	458,656
Township 9 CFD No. 2012-06	-	-	-	-	2,000	2,000
Total	34,554,136	35,852,096	36,065,974	34,977,231	37,662,748	2,685,517

Division Budget Summary

Youth, Parks, and Community Enrichment Division Budgets	FY2015/16	FY2016/17	FY2017/18	FY2017/18	FY2018/19	Change
	Actuals	Actuals	Approved	Amended	Approved	More/(Less) Approved/Amended
Youth Division	11,638,224	11,058,922	8,881,547	9,171,260	9,435,834	264,574
Administration & Safety Division	2,253,461	1,968,252	2,124,078	2,012,561	1,976,962	(35,599)
Community Enrichment Division	8,260,187	9,201,491	10,555,896	10,484,619	11,396,366	911,747
Neighborhood Services Division	731,666	755,718	706,333	748,333	470,121	(278,212)
Park Maintenance & Planning Division	11,670,598	12,867,713	13,798,120	12,560,458	14,383,465	1,823,007
Total	34,554,136	35,852,096	36,065,974	34,977,231	37,662,748	2,685,517

Staffing Levels

Youth, Parks, and Community Enrichment Division Budgets	FY2015/16	FY2016/17	FY2017/18	FY2017/18	FY2018/19	Change
	Actuals	Actuals	Approved	Amended	Approved	More/(Less) Approved/Amended
Youth Division	325.00	297.46	217.26	222.16	208.97	(13.19)
Administration & Safety Division	20.90	24.00	24.00	24.00	22.00	(2.00)
Community Enrichment Division	213.66	216.44	220.60	223.75	234.32	10.57
Neighborhood Services Division	8.52	10.47	9.45	9.45	5.95	(3.50)
Park Maintenance & Planning Division	139.84	140.84	144.84	145.84	147.84	2.00
Total	707.92	689.21	616.15	625.20	619.08	(6.12)

PERFORMANCE MEASURES

Park Maintenance and Planning Division

Key Measure	FY15	FY16	FY17	FY18	FY19
	Actuals	Actuals	Actuals	Estimate	Target
Park maintenance cost per acre	N/A	\$3,368	\$3,568	\$3,946	\$3,945

Currently, the Park Maintenance Division maintains in excess of 3,400 acres of open space, turf, landscape, structures, and park amenities citywide. Services provided by this division include mowing, weeding, litter removal, playground inspections, irrigation repair, and restroom cleaning.

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Key Measure	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Estimate	FY19 Target
Number of developed park acres maintained per FTE	N/A	23.18	21.92	21.00	21.00

The department has established minimum service levels to ensure safe, clean parks and facilities. To accomplish this, each fulltime equivalent Park Maintenance staff is generally assigned a service area. On average, a fulltime equivalent staff's service area is approximately 26 acres. Any increase to park acreage, given existing staffing, has a direct negative impact on service levels.

Key Measure	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Estimate	FY19 Target
Number of volunteer hours managed per developed park acre	N/A	9.82	7.74	10.35	10.50

Over 3000 volunteer hours are regularly provided by various groups, including Adopt-a-Park, park ambassadors, and countless cemetery volunteers each month. Volunteers supplement the department's routine park maintenance and beautification. Maintenance staff provides volunteers with supervision, tools, garbage removal services, and horticultural expertise.

Key Measure	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Estimate	FY19 Target
Number of irrigation service requests responded to per irrigation FTE	N/A	79.27	80.40	179.60	180.00

The Park Maintenance Division responds to irrigation service requests ranging from routine preventative maintenance to emergency mainline leaks. The number of irrigation requests responded to by staff can range from over 50 calls a month during the summer to less than 10 calls per month during the winter. Due to ongoing drought restrictions, an increase in workload and demand for shorter response times to resolve leaks and/or water wasting issues is expected.

Administration and Safety Division

Key Measure	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Estimate	FY19 Target
Number of safety calls responded to per Park Ranger	N/A	486	324	460	500

Park Safety Rangers provide a security response to service requests received via 311 calls, routinely patrol areas of all parks, and when requested, provide security support to City special events. In addition, Park Rangers frequently address issues regarding vagrancy, homeless camping, criminal activity, and provide emergency assistance within City park areas. A full-time ranger can handle up to 450 calls per year.

Youth Division

Key Measure	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Estimate	FY19 Target
Percent of respondents rating the quality of Measure U funded Middle School Intramural Sports Programs as good or excellent	N/A	97%	97%	99%	99%

Funded by Measure U, the Intramural Sports Program offers students in grades 6-8 the opportunity to engage in instructional sports clinics and leagues involving a variety of team sports. Sports such as flag football, basketball, tennis, kickball, ultimate frisbee, volleyball and dodge ball are provided at five community centers and four middle schools throughout Sacramento. Students have the opportunity to learn fundamental skills and strategies of each sport, develop teamwork, and improve physical fitness through weekly instruction and practice.

21

SECTION – 21 **Citywide and Community Support**

Citywide and Community Support

Citywide Support

This section includes City costs and programs that are not directly associated with an individual department. Examples of the expenditures budgeted in this Division are provided below:

Employee Benefits and Insurance

Employee Benefits and General Insurance: this program pays for the cost of: (1) employee vacation and sick leave termination expenses and (2) comprehensive auto and general liability insurance, property insurance, insurance consultant fees, and related self-insurance administration services.

- Employee Benefits: in the General Fund vacation and sick leave termination payoffs are budgeted at an estimated level. At year-end, funds are transferred from this program to reimburse actual costs incurred by departments (on a proportional basis if actual expenditures exceed the budget).
 - \$1.7 million to cover the cost of employee vacation/sick leave termination, leave payouts authorized by labor contracts, and unrepresented employee labor adjustments.
 - \$1.1 million to address the impact of the minimum wage increase from \$11.00 to \$12.00 per hour effective January 1, 2019 and costs associated with the YPCE classification study.
- GL&AL (\$15.7 million in the General Fund): the City contracts with Bickmore Risk Services (Bickmore), to estimate the annual budget needed to cover claim costs and expenses that will occur in the coming fiscal year and the program's liability for outstanding claims. Bickmore utilizes historical City loss data to forecast the upcoming fiscal year's cost of claims and expenses at various confidence levels. The City utilizes the actuary's forecast at the recommended 80 percent confidence level when budgeting for claim costs and expenses. The General Fund contribution for GL&AL is budgeted in this Division, while contributions from the other funds (\$3.9 million) are budgeted in the managing department's section (e.g., Solid Waste Fund contributions are in Public Works). Consistent with Council's adopted policy to maintain this funding level, the Budget includes the required contributions for all funds.

Citywide Maintenance Contracts and Utilities

- Information Technology Maintenance and Support Contracts (\$2.1 million): funds major contracts and support for the City's human resources, financial and budgeting systems. The non-General Fund costs associated with these services are recovered through the cost allocation plan. Based on a review of prior year

actuals and anticipated needs in FY2018/19, the budget remained relatively unchanged.

- Multi-tenant City-owned Buildings (\$3.4 million): this budget pays for utilities at the various City-owned buildings. The costs for non-General Fund operations are recovered through the City's cost allocation plan. Based on a review of prior year actuals and anticipated needs in FY2018/19, the budget was increased by approximately \$550,000.

Multi-Year Operating Projects (MYOP)

Funding for these programs is moved into specific projects after the budget is approved. The Citywide Support budget includes \$58.5 million (\$11 million in the General Fund, \$46.8 million in Measure U Fund, \$400,000 in Innovation and Growth Fund, and \$321,000 in the Parking Fund). These projects support operating activities that cross fiscal years (fleet acquisitions, utility rate assistance program, Measure U programs, studies, etc.) and are detailed on Schedule 9. Additional funding for departmental MYOPs is included in the various department operating budgets.

Miscellaneous

- Elections (\$500,000) – The elections budget is used to fund the cost of regular and special elections, as well as increased costs associated with special ballot measures and petition verification. Based on a review of prior year actuals and anticipated costs for ballot measures and the run-off election in November 2018 the budget was increased by approximately \$200,000.
- Litigation (\$60,000) – The litigation budget covers the cost of citywide litigation, used annually as necessary.
- RASA – In response to AB 26 which eliminated all redevelopment agencies in California, the City became the recognized RASA effective February 1, 2012, for all non-housing functions and obligations. As the RASA, the City is entitled to be reimbursed for administrative costs associated with managing the transfer of non-housing assets, legal concerns, cash and debt management, and other administrative obligations. Under AB 26, the administrative budget to pay for staff costs to perform RASA duties is limited to 3% of the property tax allocated to the RASA. The City receives \$500,000 in revenue for staff support provided by the City Attorney's Office, Finance, and other departments.

Transient Occupancy Tax (TOT):

The City's TOT rate is currently 12%. The General Fund receives 2% of the 12% tax rate (\$5 million in FY2018/19); the balance goes to the Community Center Fund. A portion of these revenues are used to support the Sacramento Metropolitan Arts Commission (SMAC) and Visit Sacramento as detailed in the Community Support write up below. The remainder are used to offset the increased cost of providing public services to local tourists.

Community Support

The City provides administrative and financial support to various local and regional operations.

City/County

City/County Office of Metropolitan Water Planning (CCOMWP, 4.0 FTE) – The Water Fund provides reimbursements to CCOMWP for the City’s share of costs associated with this joint effort with the County of Sacramento and other cost-share partners. The City recovers the costs associated with providing administrative and financial support to CCOMWP.

Local Partners

The following is a list of our local partners and the City’s contribution that is included in the Budget.

- Property and Business Improvement Districts (PBIDs) (\$15.8 million): PBIDs were created as a financing mechanism where property and business owners approve a special assessment to improve their commercial districts. The City currently collects and remits the assessments for 19 different PBIDs throughout the City.
- Visit Sacramento (\$2 million): Visit Sacramento receives \$1.45 million from the 10 percent TOT that is deposited in the Community Center Fund (amount and increases are voter approved) and \$514,248 from the two percent TOT allocated to the General Fund.
- SMAC Funding: The City provides \$572,758 in General Funds to SMAC in support of the arts. This funding includes \$150,000 to match County of Sacramento funding for administrative support. The remainder of the funding comes from the two percent TOT allocated to the General Fund. The program is managed and budgeted in the Convention and Cultural Services Department.
- Sacramento Public Library Authority (SPLA) (\$17.8 million): The City has 12 libraries located within the City boundaries which are operated by the SPLA under a Joint Powers Agreement (JPA).

Prior to the “Great Recession” the General Fund provided approximately \$9.4 million for the operation of nine libraries. During the recession, the City added three new libraries: Valley Hi-North Laguna (August 2009), North Natomas (January 2010), and Robbie Waters Pocket Greenhaven (August 2010) and reduced funding to the JPA by almost 24% by FY2011/12.

Voters in the City of Sacramento have recently declared their support for the Sacramento Public Library by passing two parcel taxes for Library services:

- Measure B, approved by a margin of 73.01% on June 3, 2014.

- Measure B was designed to stabilize and sustain library operations in the 12 City libraries.
- Measure X, previously approved in 1996 and 2004, was renewed by a margin of 79.12% on June 7, 2016.
 - Measure X was very specific in that it could only be used for added services, staff and technology and provided approximately 33% of the City's contribution for library services and currently bears the burden of operating the three new City libraries.
 - The renewed measure provides more flexibility in that it allows the funds to be used to maintain and add services, staff and technology.

These parcel taxes combined, provide approximately \$7.95 million, an increase of over \$290,000 from FY2017/18. Both measures include a Maintenance Of Effort (MOE) provision that requires prior-year reductions to General Fund operating revenue to be restored if the City provides additional funding to its non-public safety programs.

Despite these victories at the ballot box, the Library continues to lose money. While the City's General Fund is slightly above pre-recession levels, three new libraries were opened without additional funding. The Library uses funds from its reserves to become whole and operate the City's libraries. The SPLA General Fund reserves are so low that in FY2016/17 and FY2017/18 the Library Authority Board waived the requirement to maintain the 10% Economic Uncertainty Reserve (*separate from the City's General Fund EUR*) established for City library operations.

Because the SPLA is operating 12 City facilities with a budget designed for nine, service levels are tightly managed. The Library has used various strategies to maintain high levels of services for all City residents, including freezing vacant positions; layoffs; more prudent use of security, on-call and temporary staff; reducing evening hours in all locations; labor concessions; and renegotiating service agreements.

In an effort to address these fiscal challenges, the five-year General Fund forecast includes the following increases above the FY2018/19 budget for the library:

- \$0.75 million in FY2019/20
- \$1.25 million in FY2020/21
- \$2.00 million in FY2021/22
- \$2.50 million in FY2022/23

Although, these increases will bring the City's contribution to the SPLA to \$24.3 million by FY2022/23, it does not completely address the ongoing structural deficits as well as operational and capital needs for the City's libraries.

Separate Legal Entities

Sacramento Local Agency Formation Commission (LAFCo, 1.0 FTE) – The Finance Department administrative and financial support to LAFCo is fully reimbursed.

County Property Taxes and Charges

Sacramento County Charges and Assessments – State law authorizes counties to charge other local government entities for the cost of assessing and collecting property tax revenues, for property-related assessments including flood control, and for costs associated with county jail operations (jail booking fees). In addition, the City pays its fair share of property-based assessments for various improvement districts and taxes on property owned by the City but located outside of City boundaries.

Fund Contingency (Reserves)

Administrative Contingency

The General Fund Administrative Contingency may be used during the course of the year, in accordance with Sections 3, 4, and 6 of the Budget Resolution, to adjust budgets for unforeseen expenses. The Administrative Contingency is \$1 million.

Economic Uncertainty Reserve (EUR)

The EUR was established in FY1983/84 and on April 26, 2016, the Council revised the EUR Policy (included in the Financial Policies section) which established:

- A minimum reserve level of 10% of budgeted General Fund revenues; and
- A goal of achieving and maintaining the value of two months of regular ongoing General Fund expenditures (approximately 17% of General Fund revenues) in the reserve.

The EUR balance is estimated to be \$49.64 million on July 1, 2018, which is approximately 10.7% of estimated FY2018/19 General Fund revenues. The FY2017/18 year-end included a transfer of \$2.7 million. These funds will be transferred after Council approves the Budget.

For the past three years the City has received funding from the City/County Auto Sales Tax Sharing Agreement and deposited these revenues into the EUR. In FY2018/19 the General Fund revenue budget has been increased by \$2.5 million and a like transfer to the EUR has been budgeted as a one-time transfer. These transfers will bring the EUR total to \$52.1 million maintaining the EUR at 10% of estimated General Fund revenues for the term of the five-year forecast.

Other Sources and Uses

Other sources and uses in the General, Enterprise, Internal and Other Governmental Funds total \$19.7 million. The other uses in the General Fund of \$13 million include a commitment of fund balance to address anticipated increases to the CalPERS retirement system due to the discount rate change in FY2016/17 (\$8.5 million), the transfer to the EUR (\$2.5 million) as detailed above, the final repayment to the SCERS Trust Fund (\$1.4 million) related to errors in benefit calculations identified in the 2015 actuarial pension calculation, and the City's committed contribution to the Power House Science Center (\$600,000).

Beginning Fund Balances

Beginning Fund balances of the General, Enterprise, Internal, and Other Governmental Funds total \$279 million which represent available resources from the FY2016/17 CAFR and anticipated activity in FY2017/18. Beginning balance by fund is included in the Budget Schedules section (Schedules 2A-2C).

Ending Fund Balances

Projected ending fund balances of the General, Enterprise, Internal, and Other Governmental Funds total \$264.9 million. Ending balance by fund is included in the budget schedules section (Schedules 2A-2C). The available balance of Enterprise and Internal Service Funds may only be used for the specific purpose of the individual fund.

Major Tax Revenues

Major Tax Revenues: All discretionary tax revenues including property, sales, and UUT are budgeted in this Division. Additional detailed information is available in Schedule 6. The expenditure budget in this section represents consultant contracts for providing sales tax and UUT revenue estimates.

Retired/Transfer Employee Benefits

The costs associated with retired and transferred employee retirement and healthcare benefits are included in this Division. Contributions to CalPERS are included in each department budget.

- OPEB - \$10.8 million (\$9 million General Funds): The cost of retiree/beneficiary health (1,847 participants), dental (2,573 participants), vision (1,145 participants), and out-of-area (189 participants) insurance benefits.
- SCERS - \$7.5 million (\$5 million General Funds): This represents required contributions to ensure the continued stability of the program. As of March 2, 2018, there were 1,038 participants (14 active) in SCERS. Included in the budget is a one-time payment of \$2.2 million (\$1.4 million in General Funds) to repay SCERS for errors in prior benefit calculations identified in FY2014/15.
- OPEB Trust - \$1.2 million (\$1 million General Funds) contribution: This represents funding to address the City's OPEB liability (estimated at \$416 million

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as of June 30, 2017) and includes \$306,693 for the City's contribution to the Fire Department OPEB Trust.

Citywide and Community Support Budget Summary

Citywide and Community Support Budget Summary	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Employee Services	27,506,597	27,957,120	66,082,069	23,178,723	67,698,898	44,520,175
Other Services and Supplies	53,987,309	56,046,806	75,827,006	117,162,857	77,306,614	(39,856,243)
City Property	1,385	1,826,743	1,219,115	304,000	304,000	-
City Debt Service	-	345,066	-	-	-	-
Labor and Supply Offset	83,659	547,144	(166,514)	(166,514)	(183,298)	(16,784)
Contingency	-	-	1,000,000	1,478,000	1,000,000	(478,000)
Operating Transfers	(329,370)	(251,063)	(490,030)	(490,030)	(498,089)	(8,059)
Total	81,249,580	86,471,816	143,471,646	141,467,036	145,628,125	4,161,089

Funding Summary by Fund/Special District	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
General Fund	49,918,844	54,280,144	62,709,303	61,801,959	64,617,916	2,815,957
4th R Program	13,255	103,488	41,731	41,731	31,971	(9,760)
Community Center	1,473,343	1,467,532	1,550,451	1,550,451	1,652,427	101,976
City/Cnty Office-Water Planning	405,612	454,304	745,245	1,022,614	988,045	(34,569)
Del Paso PBID	-	-	33,000	42,000	42,000	-
Del Paso Prop & Business Imprv	461,195	472,387	474,535	477,820	477,820	-
Development Services	99,554	189,124	-	-	-	-
Downtown Management District	2,700,454	3,005,885	2,940,474	3,088,780	3,088,780	-
Downtown Plaza PBID	-	-	42,653	43,163	43,163	-
Fleet Management	152,072	586,082	460,847	460,847	402,806	(58,041)
Franklin Blvd PBID	-	-	38,495	44,441	44,441	-
Franklin Boulevard PBID	138,362	146,731	139,804	146,442	146,442	-
Golf	-	3,588	-	-	-	-
Greater Broadway PBID	278,457	269,754	276,348	289,798	289,798	-
Habitat Management Element	500,571	459,062	585,895	798,480	799,750	1,270
Innovation and Growth	-	-	1,200,000	1,200,000	400,000	(800,000)
Interdepartmental Service	1,432,376	1,203,793	1,553,854	1,553,854	1,363,844	(190,010)
Kings-Arco Arena Acquisition	1,640,000	-	-	-	-	-
Library Services Parcel Tax	7,134,579	7,267,441	7,648,979	7,648,979	7,948,650	299,671
Mack Road PBID	633,894	629,189	645,636	666,574	666,574	-
Marina	-	230	-	-	-	-
Measure U	506,061	506,061	47,927,834	45,369,558	47,328,178	1,958,620
Midtown Sacramento PBID	655,465	1,466,913	1,524,256	1,558,327	1,558,327	-
N Natomas Transp Mgmt Assoc	1,113,674	1,200,001	1,250,000	1,250,000	1,310,000	60,000
Oak Park PBID	223,094	306,811	317,724	313,608	313,608	-
Old Sacramento PBID	-	-	156,505	160,000	160,000	-
Parking	271,067	275,992	267,168	267,168	475,835	208,667
Power Inn Area Prop & Business	515,338	518,590	515,267	516,288	516,288	-
Private Development	67,085	85,513	-	-	-	-
Recycling and Solid Waste	1,587,127	1,620,529	1,618,443	1,618,443	1,416,964	(201,479)
Risk Mgmt	16,218	15,679	16,294	16,294	16,294	-
Sac Tourism Marketing District	5,586,303	6,104,916	5,586,000	6,272,000	6,272,000	-
Sheraton MOPA Project	142,024	174,311	-	-	-	-
START	5,543	4,917	8,612	8,612	8,612	-
Stockton Blvd BIA	-	-	45,869	53,000	53,000	-
Stockton Blvd PBID	320,779	344,244	330,448	340,242	340,242	-
Storm Drainage	725,757	741,145	572,103	572,103	568,073	(4,030)
The River District PBID	461,829	468,679	494,605	520,192	520,192	-
Wastewater	459,969	490,429	423,920	423,920	355,423	(68,497)
Water	1,558,464	1,553,125	1,303,808	1,303,808	1,385,123	81,315
Worker's Compensation	51,215	55,229	25,540	25,540	25,540	-
Total	81,249,580	86,471,816	143,471,646	141,467,036	145,628,125	4,161,089

Division Budget Summary

Citywide and Community Support Division Budgets	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Citywide Support Division	20,087,315	22,954,606	83,699,629	80,212,203	84,344,064	4,131,861
Community Support Division	26,117,296	27,334,488	34,990,311	36,301,321	37,786,195	1,484,874
County Property Taxes & Charges	2,154,862	2,360,301	2,444,500	2,444,500	2,595,000	150,500
Fund Contingency Division	-	-	1,000,000	1,478,000	1,000,000	(478,000)
Major Tax Revenues Division	5,945,012	6,423,155	375,000	375,000	375,000	-
Retired/Transfer Emp Benefit 1530	26,945,095	27,399,266	20,962,206	20,656,012	19,527,866	(1,128,146)
Total	81,249,580	86,471,816	143,471,646	141,467,036	145,628,125	4,161,089

Staffing Levels

Citywide and Community Support Division Budgets	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Community Support Division	5.00	5.00	5.00	5.00	5.00	-
Total	5.00	5.00	5.00	5.00	5.00	-

22

SECTION – 22

Debt Service

Debt Service

The **Debt Service Program** finances the cost of capital improvements through revenue bonds, capital leases, notes payable, special tax bonds, or advances from other funds. Debt service payments are generally made in semi-annual installments. This budget contains debt service payments for all funds. A five-year projection on net debt service by fund is included in the Budget Schedules section (Schedule 10).

Central to debt management is ensuring the City's compliance with Federal, State and local regulations. Other debt management functions include:

- Making bond payments
- Maintaining credit ratings
- Facilitating project fund draws to ensure spend down pursuant to Internal Revenue Services (IRS) expenditure requirements
- Monitoring private activity/private use of tax-exempt financed assets and remediation as necessary
- Meeting the reporting requirements of the Municipal Securities Rulemaking Board and the IRS and the California Debt and Investment Advisory Commission
- Levy of special assessments
- Managing the delinquency and foreclosure process

The City Treasurer is responsible for issuing debt on behalf of City departments, City agencies, assessment districts, community facilities districts and other qualified entities. Additionally, the City Treasurer's Office provides support to the City Finance Department and Office of Innovation and Economic Growth on the maintenance of redevelopment-related debt. Typical debt structures include revenue bonds, lease revenue bonds, land-based financings, notes, and small-equipment leases (direct placement loans). Debt may be issued with fixed or variable rate interest structures.

Debt Limit

The City had approximately \$1.3 billion in General Fund lease obligations (\$553.5 million net of offsets) as of June 30, 2017. State law sets the bonded limit for General Obligation bonds at 15% of the total assessed valuation of all real and personal property within the City. As of June 30, 2017, the City had no General Fund Obligation Bonds outstanding and had a total debt limit of \$6.5 billion associated with general obligation debt.

Summary of the City and Related Agencies Outstanding Debt

The following summarizes what is included in the Debt Service Divisions:

- **1993 Lease Revenue Refunding Bonds, Series A & B** – Refinanced the 1986 Certificates of Participation, 1989 Certificates of Participation, and the 1991

Revenue Bonds; savings benefited the City's Community Center Fund, Parking Fund, Storm Drainage Fund, and Golf Fund.

- **2006 Capital Improvement Revenue Bonds (CIRBs), Series B, and E** - included General Fund backed lease revenue bonds for CRCIP projects supporting community non-profit organizations (*Crocker Art Museum Association, B Street Theater, Studio for Performing Arts, community non-profit organizations for the arts and youth*) which included loan agreements for some of the borrowed debt, and (2) refinancing of remaining debt associated with the 2001 CIRBs (*water and golf capital improvement projects [CIPs]*), 2002 CIRBs (*Civic Center, SHRA projects and other CIPs*), and the 2003 CIRB (*911 call center and other CIPs*).
 - Consistent with prior Council direction, approximately \$312,000 in revenues from the land sale of property at the auto dealership sites on Fulton Avenue have been appropriated to reduce General Fund debt service associated with the 2006 Series B Capital Improvement Revenue Bonds (CIRBs).
- **2013 Wastewater Revenue Bonds** - Financed the electrical rehabilitation and reconstruction of wastewater sumps and motor-control centers, replacement of aging infrastructure, Combined Sewer System pipelines and addition of a regional storage facility.
- **2013 Water Revenue Bonds** - Financed the rehabilitation of significant components of the City's water treatment plants, acquisition and installation of water meters, replacement of aging pipelines, rehabilitation of groundwater wells and other miscellaneous projects.
- **2015 Golden 1 Center (G1C) Lease Revenue Bonds** - Financed the acquisition, construction, installation, and equipping of the Golden 1 Center in downtown.
- **2015 Refunding Revenue Bonds** - Refunded (1) 2002 CIRB Series A which financed City Hall and SHRA Capital Improvement (CIPs), (2) 2003 CIRB which financed the 911 call center and other CIPs, (3) 2005 Refunding Revenue Bonds for solid waste, redevelopment and master lease program facilities, and (4) 2006 CIRB Series A & C which included General Fund backed lease revenue bonds to finance Tier 1 Community Reinvestment Capital Improvement Program (CRCIP) projects (*three new libraries, four community center renovations, regional park improvements, a new cattery building, and improvements to fairytale town, discovery museum, neighborhood/community lighting and transportation facilities*) for the City and SHRA CIPs.
- **2016 H Street Refunding Bonds** – Refinanced the 2002 Certificates of Participation issued jointly by the City of Sacramento and County of Sacramento to finance the construction of the California Musical Theater; savings from the refinancing benefited the California Musical Theater via lower debt service payments.

- **2017 Water Revenue Bonds** – Financed the continuation of the City’s Accelerated Water Meter Program, replacement of aging pipelines, rehabilitation of certain components of the City’s water treatment plants, and miscellaneous capital projects.
- **CA Department of Boating and Waterways Loan** - Financed the expansion of the north and south basins of the City’s Marina.
- **Kings-ARCO Arena Bonds** - Financed the acquisition of the ARCO Arena.
- **Miscellaneous Debt (New Money)** - Financing for the acquisition, replacement, restoration, modification and improvement of various equipment (fleet, vehicles, parking meters, garbage cans, and elevator equipment). Included in this are the (1) American Recovery and Reinvestment Act (ARRA), Marina, and CIEDB loans, (2) financed improvements in assessment and community facilities districts, and (3) financed improvement in various redevelopment project areas.
- **Miscellaneous Debt (Refunding)** – Refinanced numerous land-secured districts, primarily in Council District 1; savings benefit constituents who are part of those land-secured districts by way of reduced property taxes.
- **State Revolving Fund Loans (Clean Water Program)** - Financed various wastewater improvements associated with Sump 1/1A, Sump 2, Tahoe Park/Broadway Parallel, UC Davis Medical Center Storage, and the Land Park Sewer.
- **State Revolving Fund Loan (Drinking Water Program)** – Financed the Meter and Pipe Installation Project which benefited numerous areas throughout the city.

Department Budget Summary

Debt Service Budget Summary	FY2015/16 Actuals	FY2016/17 Actuals	FY2017/18 Approved	FY2017/18 Amended	FY2018/19 Approved	Change More/(Less) Approved/Amended
Other Services and Supplies	9,638,854	288,775	-	-	-	-
City Debt Service	239,542,151	101,098,390	103,391,483	103,391,483	101,975,246	(1,416,237)
Labor and Supply Offset	68,538	40,000	-	-	-	-
Total	249,249,543	101,427,165	103,391,483	103,391,483	101,975,246	(1,416,237)

Department Budget Summary (continued)

Funding Summary by Fund/Special District	FY2015/16	FY2016/17	FY2017/18	FY2017/18	FY2018/19	Change
	Actuals	Actuals	Approved	Amended	Approved	More/(Less) Approved/Amended
General Fund	22,804,886	27,445,144	27,705,530	27,705,530	27,436,175	(269,355)
1993 Series B Cop	694	-	-	-	-	-
2002 Cap Inpr Bds Debt Service	139,357	-	-	-	-	-
2005 Refunding Revenue Bonds	151	-	-	-	-	-
2006 CIRBs, Series B (CRCIP)	4,266,880	1,554,592	1,518,853	1,518,853	1,522,207	3,354
2006 CIRBs (Refunding), Series E	104,465	151,044	104,466	104,466	123,592	19,126
2006 CIRBs Ser A (CRCIP)	10,205,772	-	-	-	-	-
2006 CIRBs Ser D	1	22	-	-	-	-
2015 Golden 1 Center Revenue Bonds	228,533,943	5,019,969	11,896,842	11,896,842	11,195,874	(700,968)
2015 Refunding Revenue Bond	125,913,401	22,867	-	-	1	1
2016 Lease Financing-H Street	9,115,000	1,010,211	669,939	669,939	672,443	2,504
Community Center	10,197,290	10,290,566	8,179,039	8,179,039	8,169,996	(9,043)
Crocker Art Museum Expansion	2,500,000	-	-	-	-	-
Debt Service - Other City Debt	102,599	102,599	102,599	102,599	102,586	(13)
Debt Service-93 Series A	15,602	(198,005)	-	-	-	-
Debt Service-93 Series B	200,248	10,123	-	-	-	-
Debt Service-CFD#2 Lease	-	292,472	-	-	-	-
Fleet Management	55,280	95,030	95,071	95,071	96,914	1,843
Golden 1 Center	(223,130,100)	-	-	-	-	-
Golf	1,824,752	1,176,985	1,167,984	1,167,984	1,167,932	(52)
Innovation and Growth	(2,500,000)	-	-	-	-	-
Kings-Arco Arena Acquisition	6,317,979	5,795,355	5,953,976	5,953,976	3,873,000	(2,080,976)
Landscaping and Lighting	1,132,490	-	-	-	-	-
Marina	659,886	659,885	1,321,731	1,321,731	1,321,730	(1)
NNFP Public Facilities Fee	1,875,223	1,890,668	1,899,280	1,899,280	910,526	(988,754)
NNFP Public Land Acquisition Fee	-	1,891,573	-	-	-	-
NNFP Reg Park Land Acquisition	422,453	422,228	422,046	422,046	422,046	-
Parking	9,774,347	6,750,842	7,073,473	7,073,473	7,045,407	(28,066)
Recycling and Solid Waste	5,441,798	3,395,078	2,299,062	2,299,062	1,732,258	(566,804)
Storm Drainage	3,593,181	3,669,220	3,656,701	3,656,701	3,534,193	(122,508)
Wastewater	2,978,254	3,032,820	2,880,160	2,880,160	2,840,890	(39,270)
Wastewater Revenue Bonds	14,072	1,500	-	-	-	-
Water	26,608,139	26,682,006	26,444,731	26,444,731	29,807,476	3,362,745
Water Revenue Bonds	81,500	66,110	-	-	-	-
Water Revenue Bonds Ser. 2017	-	196,261	-	-	-	-
Total	249,249,543	101,427,165	103,391,483	103,391,483	101,975,246	(1,416,237)

Division Budget Summary

Debt Service Division Budgets	FY2015/16	FY2016/17	FY2017/18	FY2017/18	FY2018/19	Change
	Actuals	Actuals	Approved	Amended	Approved	More/(Less) Approved/Amended
2006 CIRBs Series B, D, E Division	13,777,733	13,536,282	13,041,113	13,041,113	13,492,762	451,649
2013 Wastewater Revenue Bonds	1,955,431	1,956,931	1,956,731	1,956,731	1,957,031	300
2013 Water Revenue Bonds	14,019,625	14,019,288	14,017,500	14,017,500	14,014,750	(2,750)
2015 G1C Lease Revenue Bonds Division	11,442,294	10,519,969	18,296,842	18,296,842	18,295,874	(968)
2015 Refunding Revenue Bonds	165,357,851	24,779,816	23,714,462	23,714,462	22,218,713	(1,495,749)
2017 Water Revenue Bonds	-	489,186	-	-	3,375,787	3,375,787
CA Department of B&W Loan Division	102,599	102,599	772,538	772,538	102,586	(669,952)
Kings/Arco Arena Division	5,771,429	5,798,805	5,953,976	5,953,976	3,873,000	(2,080,976)
Miscellaneous Division-Debt Service	33,385,642	26,787,352	22,201,379	22,201,379	21,373,454	(827,925)
State Revolving Fund Loan Division	3,436,939	3,436,938	3,436,942	3,436,942	3,271,289	(165,653)
Total	249,249,543	101,427,165	103,391,483	103,391,483	101,975,246	(1,416,237)

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SECTION – 23 **Staffing**

FY2018/19 Approved Budget

Citywide Staffing Summary

Department	FY2017/18 Amended	FY2018/19 Proposed	FY2017/18 Council Action⁽¹⁾	FY2018/19 Augmentation	FY2018/19 Add/Delete	FY2018/19 Approved
Mayor/Council	45.00	45.00	-	-	-	45.00
City Attorney	51.00	52.00	-	-	-	52.00
City Clerk	17.00	17.00	-	-	-	17.00
City Manager	36.00	46.00	-	-	2.00	48.00
City Treasurer	13.00	14.00	-	-	-	14.00
Community Development	272.00	272.50	-	-	-	272.50
Convention and Cultural Services	116.19	117.19	-	-	(2.00)	115.19
Finance	97.00	91.00	-	-	-	91.00
Fire	674.00	675.00	-	6.00	-	681.00
Human Resources	76.00	78.00	-	-	-	78.00
Information Technology	182.50	182.50	3.00	-	-	185.50
Youth, Parks, and Community Enrichment	625.20	630.03	1.00	-	(11.95)	619.08
Police	1,026.46	1,034.46	-	-	-	1,034.46
Public Works	729.35	735.35	-	-	-	735.35
Utilities	546.90	560.90	1.00	-	-	561.90
Citywide and Community Support	5.00	5.00	-	-	-	5.00
Total	4,512.60	4,555.93	5.00	6.00	(11.95)	4,554.98

⁽¹⁾ Council action (R2018-0136) occurred after the FY2018/19 Proposed Budget was approved.

FY2018/19 Approved Budget

Mayor/Council	FY2017/18	FY2018/19	
	Amended	Approved	Change
Assistant City Auditor	1.00	1.00	-
Auditor	2.00	2.00	-
Chief of Staff to the Mayor	1.00	1.00	-
City Auditor	1.00	1.00	-
City Council	4.00	4.00	-
Director of Public Safety and Accountability	1.00	1.00	-
Executive Assistant	13.00	13.00	-
Fiscal Policy Analyst	1.00	1.00	-
Independent Budget Analyst	1.00	1.00	-
Mayor	1.00	1.00	-
Public Safety and Accountability Analyst	1.00	1.00	-
Public Safety and Accountability Specialist	1.00	1.00	-
Senior Advisor to the Mayor	3.00	3.00	-
Senior Auditor	2.00	2.00	-
Senior Council Representative	8.00	8.00	-
Senior Fiscal Policy Analyst	1.00	1.00	-
Special Assistant to the Mayor	1.00	1.00	-
Staff Aide (MCSA)	2.00	2.00	-
Total	45.00	45.00	-

FY2018/19 Approved Budget

City Attorney	FY2017/18	FY2018/19	Change
	Amended	Approved	
Assistant City Attorney	2.00	2.00	-
City Attorney	1.00	1.00	-
Deputy City Attorney II	3.00	3.00	-
Investigator	1.00	1.00	-
Law Office Administrator	1.00	1.00	-
Legal Secretary	7.00	7.00	-
Legal Staff Assistant	1.00	1.00	-
Paralegal	4.00	4.00	-
Paralegal Technical Support	1.00	1.00	-
Senior Deputy City Attorney	23.00	23.00	-
Senior Legal Staff Assistant	1.00	1.00	-
Special Assistant to City Attorney	1.00	1.00	-
Supervising Deputy City Attorney	3.00	4.00	1.00
Supervising Legal Secretary	2.00	2.00	-
Total	51.00	52.00	1.00

FY2018/19 Approved Budget

City Clerk	FY2017/18	FY2018/19	Change
	Amended	Approved	
Assistant City Clerk	1.00	1.00	-
City Clerk	1.00	1.00	-
Council Operations Manager	1.00	1.00	-
Deputy City Clerk	6.00	6.00	-
Program Specialist	2.00	2.00	-
Senior Deputy City Clerk	3.00	3.00	-
Staff Aide	1.00	1.00	-
Staff Assistant-Mayor Council	1.00	1.00	-
Ticket Policy and Event Services Manager	1.00	1.00	-
Total	17.00	17.00	-

FY2018/19 Approved Budget

City Manager	FY2017/18	FY2018/19	Change
	Amended	Approved	
Administrative Analyst ⁽¹⁾	1.00	2.00	1.00
Administrative Officer	-	1.00	1.00
Administrative Technician	1.00	3.00	2.00
Assistant City Manager	4.00	4.00	-
Assistant to the City Manager	1.00	1.00	-
Cannabis Policy and Enforcement Manager	-	1.00	1.00
City Manager	1.00	1.00	-
Director of Emergency Management	1.00	1.00	-
Director of Governmental Affairs	1.00	1.00	-
Diversity and Equity Manager	1.00	1.00	-
Economic Development Manager	2.00	2.00	-
Executive Assistant	2.00	2.00	-
Graphic Designer	1.00	1.00	-
Junior Development Project Manager	2.00	4.00	2.00
Media and Communications Officer	1.00	1.00	-
Media and Communications Specialist	1.00	1.00	-
Police Clerk II	1.00	1.00	-
Principal Planner	1.00	1.00	-
Program Analyst ⁽¹⁾	1.00	3.00	2.00
Program Manager	1.00	1.00	-
Program Specialist	-	1.00	1.00
Senior Development Project Manager	5.00	5.00	-
Senior Staff Assistant	-	1.00	1.00
Special Projects Manager	3.00	4.00	1.00
Staff Aide (Management)	4.00	4.00	-
Total	36.00	48.00	12.00

⁽¹⁾1.0 FTE Administrative Analyst and 1.0 FTE Program Analyst added during FY2018/19 Proposed to Approve.

FY2018/19 Approved Budget

City Treasurer	FY2017/18	FY2018/19	Change
	Amended	Approved	
Administrative Analyst	1.00	1.00	-
Banking Operations Manager	1.00	1.00	-
Chief Investment Officer	1.00	1.00	-
City Treasurer	1.00	1.00	-
Investment Officer	1.00	1.00	-
Investment Operations Analyst	1.00	1.00	-
Senior Debt Analyst	2.00	2.00	-
Senior Investment Officer	1.00	1.00	-
Treasury Analyst	2.00	3.00	1.00
Treasury Assistant	1.00	1.00	-
Treasury Manager	1.00	1.00	-
Total	13.00	14.00	1.00

FY2018/19 Approved Budget

Community Development	FY2017/18	FY2018/19	Change
	Amended	Approved	
Account Clerk II	4.00	4.00	-
Accountant Auditor	1.00	1.00	-
Accounting Technician	4.00	4.00	-
Administrative Analyst	3.00	3.00	-
Administrative Assistant	2.00	2.00	-
Administrative Technician	2.00	2.00	-
Animal Care Services Manager	1.00	1.00	-
Animal Care Technician	18.00	18.00	-
Animal Control Officer I	3.00	3.00	-
Animal Control Officer II	6.00	6.00	-
Animal Services Adoption Coordinator	1.00	1.00	-
Assistant Architect	1.00	1.00	-
Assistant Civil Engineer	1.00	1.00	-
Assistant Code Enforcement Officer	1.00	1.00	-
Assistant Planner	8.00	8.00	-
Associate Civil Engineer	2.00	2.00	-
Associate Planner	13.00	13.00	-
Building Inspector I ⁽¹⁾	16.00	17.00	1.00
Building Inspector II	10.00	10.00	-
Building Inspector III	23.00	23.00	-
Building Inspector IV	10.00	10.00	-
Chief Animal Control Officer	1.00	1.00	-
Chief Building Official	1.00	1.00	-
Code and Housing Enforcement Chief	1.00	1.00	-
Code Enforcement Manager	1.00	1.00	-
Code Enforcement Officer	25.00	24.00	(1.00)
Customer Service Representative	18.00	18.00	-
Customer Service Specialist	6.00	6.00	-
Customer Service Supervisor	1.00	1.00	-
Deputy Chief Building Official	1.00	1.00	-
Development Services Tech I	9.00	10.00	1.00
Development Services Tech II	1.00	1.00	-
Development Services Tech III	3.00	3.00	-
Director of Community Development	1.00	1.00	-
Junior Development Project Manager	6.00	6.00	-
Junior Planner	1.00	1.00	-
Painter	-	0.50	0.50
Permit Services Manager	1.00	1.00	-
Planning Director	1.00	1.00	-
Principal Building Inspector	2.00	2.00	-
Principal Planner	5.00	5.00	-
Program Analyst	6.00	6.00	-
Program Manager	2.00	2.00	-
Program Specialist	4.00	4.00	-
Registered Veterinary Tech	3.00	3.00	-
Senior Accountant Auditor	1.00	1.00	-

⁽¹⁾1.0 FTE Building Inspector I included in phase in of cannabis staffing approved by council action (R2017-0457).

FY2018/19 Approved Budget

Community Development (continued)	FY2017/18	FY2018/19	Change
	Amended	Approved	
Senior Accounting Technician	1.00	1.00	-
Senior Animal Care Technician	3.00	3.00	-
Senior Animal Control Officer	2.00	2.00	-
Senior Architect	1.00	1.00	-
Senior Code Enforcement Officer	5.00	5.00	-
Senior Development Project Manager	2.00	2.00	-
Senior Engineer	1.00	1.00	-
Senior Painter	1.00	1.00	-
Senior Planner	7.00	7.00	-
Staff Aide (Supervisory)	1.00	1.00	-
Supervising Architect	1.00	-	(1.00)
Supervising Building Inspector	8.00	8.00	-
Supervising Engineer	1.00	1.00	-
Support Services Manager	1.00	1.00	-
Urban Design Manager	1.00	1.00	-
Veterinarian	2.00	2.00	-
Youth Aide	1.00	1.00	-
Zoning Investigator	2.00	2.00	-
Total	272.00	272.50	0.50

FY2018/19 Approved Budget

Convention and Cultural Services	FY2017/18	FY2018/19	Change
	Amended	Approved	
Accounting Technician	1.00	1.00	-
Administrative Analyst	4.00	4.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	3.00	3.00	-
Administrative Technician	1.00	1.00	-
Archivist	2.00	3.00	1.00
Art in Public Places Specialist	1.00	1.00	-
Art Museum Registrar	2.00	2.00	-
Arts Administrator	1.00	1.00	-
Arts Program Assistant	2.00	2.00	-
Arts Program Coordinator	2.00	2.00	-
Assistant Box Office Supervisor	2.00	2.00	-
Associate Curator of Art	1.00	1.00	-
Booking Coordinator	2.00	2.00	-
Community Center Attendant I	19.94	19.94	-
Community Center Attendant II	7.00	7.00	-
Convention Center General Manager	1.00	1.00	-
Cultural Services and Creative Economic Manager	1.00	1.00	-
Curator of Art	1.00	1.00	-
Curator of Education	1.00	1.00	-
Curator of History	1.00	1.00	-
Customer Service Specialist	1.00	1.00	-
Deputy Convention Center General Manager	1.00	1.00	-
Director of Convention and Culture	1.00	1.00	-
Events Associate	10.00	10.00	-
Events Coordinator	2.00	2.00	-
Events Duty Person	2.00	2.00	-
Events Services Manager	2.00	2.00	-
Events Services Supervisor	5.00	5.00	-
Facilities and Real Property Superintendent	1.00	1.00	-
Historic District Manager	1.00	1.00	-
Lead Events Associate	2.00	2.00	-
Marina Aide	1.20	1.20	-
Mechanical Maintenance Supervisor	1.00	1.00	-
Metropolitan Arts Manager	1.00	1.00	-
Museum Security Supervisor	1.00	1.00	-
Senior Personnel Transaction Coordinator	1.00	1.00	-
Staff Aide (Management)	1.00	1.00	-
Stagehand I	2.75	2.75	-
Stagehand II	1.00	1.00	-
Stationary Engineer	5.00	5.00	-
Supervising Community Center Attendant	3.00	3.00	-
Ticket Seller	7.30	7.30	-
Typist Clerk II	1.00	1.00	-
Zoo Attendant I	3.00	3.00	-
Zoo Attendant II	2.00	-	(2.00)
Total	116.19	115.19	(1.00)

FY2018/19 Approved Budget

Finance	FY2017/18	FY2018/19	Change
	Amended	Approved	
Account Clerk II	6.00	6.00	-
Accountant Auditor	2.00	2.00	-
Accounting Technician	3.00	3.00	-
Administrative Analyst	3.00	3.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	3.00	2.00	(1.00)
Administrative Technician	8.00	6.00	(2.00)
Budget Analyst	1.00	1.00	-
Budget Manager	1.00	1.00	-
Cannabis Policy and Enforcement Manager	1.00	-	(1.00)
Claims Collector	7.00	7.00	-
Customer Service Representative	16.00	16.00	-
Customer Service Specialist	2.00	2.00	-
Customer Service Supervisor	2.00	2.00	-
Director of Finance	1.00	1.00	-
Enforcement and Collections Supervisor	1.00	1.00	-
Financial Services Manager	3.00	3.00	-
Payroll Technician	4.00	4.00	-
Principal Accountant	2.00	2.00	-
Principal Budget Analyst	2.00	2.00	-
Procurement Services Manager	1.00	1.00	-
Program Analyst	6.00	5.00	(1.00)
Program Manager	1.00	1.00	-
Program Specialist	5.00	4.00	(1.00)
Senior Accountant Auditor	8.00	8.00	-
Senior Accounting Technician	2.00	2.00	-
Senior Budget Analyst	2.00	2.00	-
Senior Management Analyst	1.00	1.00	-
Senior Staff Assistant	1.00	1.00	-
Special Districts Manager	1.00	1.00	-
Total	97.00	91.00	(6.00)

FY2018/19 Approved Budget

Fire	FY2017/18	FY2018/19	Change
	Amended	Approved	
Account Clerk II	3.00	3.00	-
Administrative Analyst	7.00	7.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Administrative Technician	7.00	7.00	-
Cache Logistics Coordinator	2.00	2.00	-
Customer Service Representative	2.00	3.00	1.00
Deputy Fire Chief	3.00	3.00	-
EMS Coordinator	1.00	1.00	-
Fire Assistant Chief	5.00	5.00	-
Fire Battalion Chief	11.00	11.00	-
Fire Captain	111.00	111.00	-
Fire Chief	1.00	1.00	-
Fire Engineer	103.00	103.00	-
Fire Investigator I	5.00	5.00	-
Fire Investigator II	1.00	1.00	-
Fire Marshal	1.00	1.00	-
Fire Prevention Officer I ⁽¹⁾	3.00	4.00	1.00
Fire Prevention Officer II	12.00	12.00	-
Fire Service Worker	3.00	3.00	-
Firefighter ⁽²⁾	363.00	369.00	6.00
Investigator	1.00	1.00	-
Office Supervisor	1.00	1.00	-
Program Analyst	2.00	2.00	-
Program Specialist	1.00	1.00	-
Senior Accountant Auditor	1.00	1.00	-
Senior Fire Prevention Officer	4.00	4.00	-
Staff Aide	3.00	3.00	-
Staff Aide (Management)	1.00	1.00	-
Stores Clerk I	3.00	3.00	-
Supervising Fire Services Worker	1.00	1.00	-
Support Services Manager	1.00	1.00	-
Typist Clerk II	7.00	7.00	-
Typist Clerk III	2.00	1.00	(1.00)
Total	674.00	681.00	7.00

⁽¹⁾1.0 FTE Fire Prevention Officer included in phase in of cannabis staffing approved by council action (R2017-0457).

⁽²⁾6.0 FTE Firefighters added during FY2018/19 Proposed to Approved.

FY2018/19 Approved Budget

Human Resources	FY2017/18	FY2018/19	Change
	Amended	Approved	
Administrative Analyst	4.00	4.00	-
Administrative Assistant	1.00	1.00	-
Director of Human Resources	1.00	1.00	-
Environmental Health and Safety Officer	1.00	1.00	-
Environmental Health and Safety Specialist	7.00	7.00	-
Equal Employment Manager	1.00	1.00	-
Equal Employment Specialist	1.00	1.00	-
Human Resources Manager	2.00	2.00	-
Human Resources Manager (Rep20)	2.00	2.00	-
Investigator	2.00	2.00	-
Labor Relations Analyst	1.00	1.00	-
Labor Relations Officer	3.00	3.00	-
Loss Prevention Manager	1.00	1.00	-
Personnel Analyst	3.00	3.00	-
Personnel Technician	15.00	15.00	-
Personnel Transactions Coordinator	-	1.00	1.00
Program Analyst	2.00	2.00	-
Program Manager	1.00	1.00	-
Program Specialist	6.00	6.00	-
Risk Manager	1.00	1.00	-
Senior Personnel Analyst	3.00	3.00	-
Senior Personnel Transaction Coordinator	-	1.00	1.00
Senior Staff Assistant	3.00	3.00	-
Staff Assistant	2.00	2.00	-
Support Services Manager	1.00	1.00	-
Workers' Compensation Claims Assistant I	1.00	1.00	-
Workers' Compensation Claims Assistant II	2.00	2.00	-
Workers' Compensation Claims Manager	1.00	1.00	-
Workers' Compensation Claims Representative	6.00	6.00	-
Workers' Compensation Claims Supervisor	2.00	2.00	-
Total	76.00	78.00	2.00

FY2018/19 Approved Budget

Information Technology	FY2017/18	FY2018/19	Change
	Amended	Approved	
311 Customer Service Agent	27.50	27.50	-
311 Customer Service Specialist	4.00	4.00	-
311 Customer Service Supervisor	2.00	2.00	-
311 Manager	1.00	1.00	-
Administrative Analyst	1.00	1.00	-
Administrative Technician	1.00	1.00	-
Applications Developer	5.00	5.00	-
Chief Information Officer	1.00	1.00	-
Data Entry Technician	1.00	-	(1.00)
Department Systems Specialist I	5.00	5.00	-
Department Systems Specialist II	2.00	2.00	-
Geographic Information Systems Specialist I	2.00	2.00	-
Geographic Information Systems Specialist II	9.00	9.00	-
Geographic Information Systems Specialist III	4.00	4.00	-
Information Technology Manager	6.00	6.00	-
Information Technology Supervisor	11.00	11.00	-
Information Technology Support Specialist I	2.00	3.00	1.00
Information Technology Support Specialist II	17.00	17.00	-
Information Technology Trainee	5.00	5.00	-
Media Production Specialist II	1.00	1.00	-
Operations Manager	1.00	1.00	-
Principal Applications Developer	9.00	9.00	-
Principal Systems Engineer	7.00	7.00	-
Program Analyst	1.00	1.00	-
Program Manager	1.00	1.00	-
Program Specialist ⁽¹⁾	4.00	6.00	2.00
Senior Applications Developer	18.00	18.00	-
Senior Department Systems Specialist ⁽¹⁾	6.00	7.00	1.00
Senior Information Technology Support Specialist	5.00	5.00	-
Senior Systems Engineer	8.00	8.00	-
Senior Telecommunications Technician	1.00	1.00	-
Systems Engineer	10.00	10.00	-
Telecommunications Engineer II	2.00	2.00	-
Telecommunications Engineer III	1.00	1.00	-
Website Administrator	1.00	1.00	-
Total	182.50	185.50	3.00

⁽¹⁾2.0 FTE Program Specialist and 1.0 FTE Senior Department Systems Specialist added during FY2018/19 Proposed to Approve, for council action (R2018-0136).

FY2018/19 Approved Budget

Police	FY2017/18 Amended	FY2018/19 Approved	Change
Account Clerk II	2.00	2.00	-
Accountant Auditor	1.00	1.00	-
Accounting Technician	2.00	2.00	-
Administrative Analyst	9.00	9.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	3.00	3.00	-
Administrative Technician	6.00	6.00	-
Community Service Officer (LT)	8.00	8.00	-
Custodian II	4.50	4.50	-
Deputy Police Chief	3.00	3.00	-
Dispatcher I	11.00	11.00	-
Dispatcher II	69.00	69.00	-
Dispatcher III	10.00	10.00	-
Emergency Communications Manager	1.00	1.00	-
Fingerprint Clerk	4.00	4.00	-
Forensic Investigator I	10.00	10.00	-
Forensic Investigator II	10.00	10.00	-
Media Production Specialist II	2.00	3.00	1.00
Personnel Transactions Coordinator	1.00	1.00	-
Police Administrative Manager	2.00	2.00	-
Police Captain	11.00	11.00	-
Police Chief	1.00	1.00	-
Police Clerk II	17.00	17.00	-
Police Clerk III	2.00	2.00	-
Police Lieutenant	22.00	22.00	-
Police Officer ⁽¹⁾	611.00	613.00	2.00
Police Records Specialist I	6.00	6.00	-
Police Records Specialist II	41.00	43.00	2.00
Police Records Supervisor	7.00	7.00	-
Police Sergeant ⁽¹⁾	92.00	93.00	1.00
Program Analyst	12.00	14.00	2.00
Program Manager	1.00	1.00	-
Property Assistant	8.00	8.00	-
Reserve Community Service Officer	5.00	5.00	-
Reserve Police Officer I	0.66	0.66	-
Security Officer	2.80	2.80	-
Senior Personnel Transaction Coordinator	1.00	1.00	-
Senior Police Records Supervisor	3.00	3.00	-
Senior Property Assistant	4.00	4.00	-
Senior Staff Assistant	1.00	1.00	-
Staff Aide	1.00	1.00	-
Student Trainee (Most Majors)	10.50	10.50	-
Supervising Dispatcher	2.00	2.00	-
Supervising Forensic Investigator	4.00	4.00	-
Supervising Property Assistant	1.00	1.00	-
Total	1,026.46	1,034.46	8.00

⁽¹⁾2.0 FTE Police Officer and 1.0 FTE Police Sergeant included in phase in of cannabis staffing approved by council action (R2017- 0457).

FY2018/19 Approved Budget

Public Works	FY2017/18 Amended	FY2018/19 Approved	Change
Account Clerk II	4.00	4.00	-
Accountant Auditor	2.00	2.00	-
Accounting Technician	6.00	6.00	-
Administrative Analyst	7.00	7.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Administrative Technician	9.00	8.00	(1.00)
Arborist/Urban Forester	6.00	6.00	-
Architectural Technician III	2.00	2.00	-
Assistant Civil Engineer	7.00	7.00	-
Associate Architect	2.00	2.00	-
Associate Civil Engineer	16.00	17.00	1.00
Associate Electrical Engineer	2.00	2.00	-
Associate Mechanical Engineer	1.00	1.00	-
Building Inspector III	1.00	1.00	-
Building Inspector IV	1.00	1.00	-
Building Maintenance Worker	8.00	8.00	-
Building Services Manager	1.00	2.00	1.00
Carpenter	3.00	3.00	-
Central Services Assistant III	1.00	1.00	-
Code Enforcement Officer	2.00	2.00	-
Construction Inspector I	2.00	2.00	-
Construction Inspector II	7.00	7.00	-
Construction Inspector III	13.00	13.00	-
Contract and Compliance Specialist	2.00	2.00	-
Custodian I	3.00	3.00	-
Custodian II	1.00	1.00	-
Customer Service Representative	2.00	2.00	-
Customer Service Specialist	3.00	3.00	-
Director of Public Works	1.00	1.00	-
Electrical Construction Inspector III	2.00	2.00	-
Electrician	3.00	3.00	-
Electrician Supervisor	1.00	1.00	-
Electronic Maintenance Technician II	1.00	1.00	-
Engineering Manager	2.00	2.00	-
Engineering Technician I	1.00	1.00	-
Engineering Technician II	1.00	1.00	-
Engineering Technician III	9.00	10.00	1.00
Equipment Maintenance Supervisor	4.00	4.00	-
Equipment Mechanic I	5.00	5.00	-
Equipment Mechanic II	26.00	26.00	-
Equipment Mechanic III	7.00	7.00	-
Equipment Serviceworker	25.00	25.00	-
Facilities and Real Property Superintendent	2.00	2.00	-
Facilities Manager	1.00	1.00	-
Fleet Management Technician	3.00	3.00	-

FY2018/19 Approved Budget

Public Works (continued)	FY2017/18	FY2018/19	Change
	Amended	Approved	
Fleet Manager	1.00	1.00	-
Fleet Service Coordinator	3.00	3.00	-
HVAC Supervisor	1.00	1.00	-
HVAC Systems Mechanic	6.00	6.00	-
Integrated Waste Equipment Operator	113.30	113.30	-
Integrated Waste General Manager	1.00	1.00	-
Integrated Waste General Supervisor	2.00	2.00	-
Integrated Waste Planning Superintendent	1.00	1.00	-
Integrated Waste Supervisor	10.00	10.00	-
Junior Development Project Manager	1.00	1.00	-
Licensed Land Surveyor	1.00	1.00	-
Locksmith	1.00	1.00	-
Maintenance Worker	16.00	16.00	-
Marina Aide	2.80	2.80	-
Marina and Boating Facilities Attendant	2.00	2.00	-
Operations General Supervisor	10.00	10.00	-
Painter	3.00	3.00	-
Parking Enforcement Officer	49.00	49.00	-
Parking Enforcement Supervisor	3.00	3.00	-
Parking Facilities Maintenance Supervisor	1.00	1.00	-
Parking Lot Attendant	19.75	19.75	-
Parking Lot Supervisor	4.00	4.00	-
Parking Manager	1.00	1.00	-
Parking Meter Coin Collector	4.00	4.00	-
Parking Meter Collection Supervisor	1.00	1.00	-
Parking Meter Repair Worker	3.00	3.00	-
Personnel Transactions Coordinator	1.00	1.00	-
Plumber	3.00	3.00	-
Plumbing Supervisor	1.00	1.00	-
Principal Engineer	1.00	1.00	-
Principal Planner	1.00	1.00	-
Program Analyst	17.00	20.00	3.00
Program Manager	6.00	4.00	(2.00)
Program Specialist	12.00	13.00	1.00
Real Property Agent II	2.00	2.00	-
Real Property Agent III	2.00	2.00	-
Senior Accountant Auditor	2.00	2.00	-
Senior Accounting Technician	3.00	3.00	-
Senior Architect	2.00	2.00	-
Senior Building Maintenance Worker	1.00	1.00	-
Senior Central Services Assistant	1.00	1.00	-
Senior Code Enforcement Officer	1.00	1.00	-
Senior Electronic Maintenance Technician	1.00	1.00	-
Senior Engineer	11.00	12.00	1.00
Senior Engineering Technician	2.00	2.00	-
Senior Equipment Serviceworker	1.00	1.00	-

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Public Works (continued)	FY2017/18	FY2018/19	Change
	Amended	Approved	
Senior HVAC Systems Mechanic	2.00	2.00	-
Senior Integrated Waste Equipment Operator	5.00	5.00	-
Senior Landfill Engineering Technician	1.00	1.00	-
Senior Maintenance Worker	3.00	3.00	-
Senior Parking Lot Attendant	4.50	4.50	-
Senior Parking Lot Supervisor	1.00	1.00	-
Senior Tree Maintenance Worker	4.00	4.00	-
Senior Tree Pruner	4.00	4.00	-
Staff Assistant	1.00	1.00	-
Street Construction Equipment Operator	9.00	9.00	-
Street Construction Laborer	41.00	41.00	-
Street Construction Laborer Trainee	2.00	2.00	-
Street Maintenance Supervisor	7.00	7.00	-
Streets Manager	1.00	1.00	-
Structural Maintenance Supervisor	2.00	2.00	-
Supervising Architect	-	1.00	1.00
Supervising Construction Inspector	3.00	3.00	-
Supervising Engineer	7.00	7.00	-
Supervising Financial Analyst	3.00	3.00	-
Support Services Manager	3.00	3.00	-
Survey Party Chief	3.00	3.00	-
Survey Technician I	2.00	2.00	-
Survey Technician II	4.00	4.00	-
Telecommunications Engineer I	1.00	1.00	-
Telecommunications Engineer III	1.00	1.00	-
Telecommunications Systems Analyst II	1.00	1.00	-
Telecommunications Technician II	1.00	1.00	-
Telecommunications Technician Trainee	1.00	1.00	-
Traffic Control and Light Supervisor	3.00	3.00	-
Traffic Control and Light Technician I	3.00	3.00	-
Traffic Control and Light Technician II	10.00	10.00	-
Traffic Investigator I	1.00	1.00	-
Traffic Investigator II	1.00	1.00	-
Traffic Investigator III	4.00	4.00	-
Traffic Supervisor	3.00	3.00	-
Traffic Worker I	7.00	8.00	1.00
Traffic Worker II	7.00	6.00	(1.00)
Traffic Worker III	2.00	2.00	-
Tree Maintenance Supervisor	1.00	1.00	-
Tree Maintenance Worker	6.00	6.00	-
Tree Pruner II	10.00	10.00	-
Tree Pruner Supervisor	2.00	2.00	-
Typist Clerk III	6.00	6.00	-
Vehicle Service Aide	2.00	2.00	-
Vehicle Service Attendant	2.00	2.00	-
Total	729.35	735.35	6.00

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Utilities	FY2017/18	FY2018/19	Change
	Amended	Approved	
Accounting Technician	6.00	5.00	(1.00)
Administrative Analyst	8.00	8.00	-
Administrative Assistant	1.00	1.00	-
Administrative Technician	8.00	8.00	-
Assistant Civil Engineer	5.00	5.00	-
Assistant Water Cross-Connection Control Specialist	2.00	2.00	-
Associate Civil Engineer ⁽¹⁾	13.00	15.00	2.00
Associate Electrical Engineer	2.00	2.00	-
Blacksmith Welder	1.00	1.00	-
Business Services Manager	1.00	1.00	-
Claims Collector	1.00	1.00	-
Construction Inspector I	1.00	1.00	-
Customer Service Representative	27.00	30.00	3.00
Customer Service Specialist	8.00	8.00	-
Customer Service Supervisor	5.00	5.00	-
Development Services Technician II	2.00	2.00	-
Development Services Technician III	1.00	1.00	-
Director of Utilities	1.00	1.00	-
Electrical Design Technician	-	1.00	1.00
Electrician	14.00	14.00	-
Electrician Supervisor	2.00	2.00	-
Engineering Manager	1.00	1.00	-
Engineering Technician III	3.00	3.00	-
Generator Technician	3.00	4.00	1.00
Information Technology Supervisor	2.00	2.00	-
Instrument Technician I	1.00	3.00	2.00
Instrument Technician II	9.00	9.00	-
Instrumentation Supervisor	1.00	1.00	-
Junior Plant Operator	11.00	11.00	-
Machinist	15.00	16.00	1.00
Machinist Helper	13.00	15.00	2.00
Machinist Supervisor	4.00	4.00	-
Media and Communications Specialist	1.00	1.00	-
Meter Reader	4.00	4.00	-
Meter Reading Supervisor	1.00	1.00	-
Operations Manager	1.00	-	(1.00)
Plant Operator	30.00	30.00	-
Plant Services Manager	1.00	-	(1.00)
Principal Engineer	1.00	1.00	-
Process Control Systems Specialist	6.00	6.00	-
Program Analyst	14.00	15.00	1.00
Program Manager	4.00	4.00	-
Program Specialist	11.00	13.00	2.00
Senior Accountant Auditor	1.00	1.00	-
Senior Accounting Technician	1.00	1.00	-
Senior Electrician	1.00	1.00	-

FY2018/19 Approved Budget

Utilities (continued)	FY2017/18	FY2018/19	Change
	Amended	Approved	
Senior Engineer	17.00	18.00	1.00
Senior Engineering Technician	2.00	2.00	-
Senior Generator Technician	1.00	2.00	1.00
Senior Maintenance Worker	8.00	6.00	(2.00)
Senior Plant Operator	16.00	16.00	-
Senior Staff Assistant	4.00	5.00	1.00
Senior Store Keeper	1.00	1.00	-
Storekeeper	3.00	3.00	-
Stores Administrator	1.00	1.00	-
Stores Clerk II	2.00	2.00	-
Student Trainee (Engineer, Computer)	0.90	0.90	-
Supervising Engineer	7.00	7.00	-
Supervising Financial Analyst	1.00	1.00	-
Supervising Generator Technology	1.00	1.00	-
Supervising Plant Operator	6.00	7.00	1.00
Supervising Water Quality Chemist	1.00	1.00	-
Support Services Manager	1.00	1.00	-
Typist Clerk II	4.00	4.00	-
Typist Clerk III	4.00	3.00	(1.00)
Utilities Locator	8.00	8.00	-
Utilities Operations and Maintenance Leadworker	70.00	70.00	-
Utilities Operations and Maintenance Manager	-	2.00	2.00
Utilities Operations and Maintenance Serviceworker	82.00	94.00	12.00
Utilities Operations and Maintenance Specialist	12.00	-	(12.00)
Utilities Operations and Maintenance Superintendent	7.00	7.00	-
Utilities Operations and Maintenance Supervisor	18.00	18.00	-
Utility Construction Coordinator	2.00	2.00	-
Utility Services Inspector	2.00	2.00	-
Water Conservation Representative	3.00	3.00	-
Water Conservation Specialist	3.00	3.00	-
Water Cross-Connection Control Specialist	1.00	1.00	-
Water Quality Chemist	5.00	5.00	-
Water Quality Laboratory Technician	4.00	4.00	-
Total	546.90	561.90	15.00

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Youth, Parks, & Community Enrichment	FY2017/18 Amended	FY2018/19 Approved	Change
Accounting Technician	4.00	4.00	-
Administrative Analyst	4.00	4.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	4.00	4.00	-
Administrative Technician	1.00	2.00	1.00
Aquatics Recreation Supervisor	1.00	1.00	-
Arts and Crafts Specialist	0.06	0.06	-
Assistant Camp Sacramento Supervisor	0.80	0.80	-
Assistant Caretaker	0.50	0.50	-
Assistant Cook	1.03	1.03	-
Assistant Planner ⁽²⁾	-	1.00	1.00
Assistant Pool Manager	8.75	9.45	0.70
Associate Landscape Architect	4.00	4.00	-
Camp Aide	6.08	6.08	-
Camp Recreation Leader	1.99	2.47	0.48
Camp Sacramento Supervisor	1.00	1.00	-
Caretaker	0.35	0.35	-
Cashier (Community Services)	3.50	4.00	0.50
Community Center Attendant I	3.00	3.00	-
Contract and Compliance Specialist	1.00	1.00	-
Custodial Supervisor	1.00	1.00	-
Custodian II	9.20	9.20	-
Customer Service Assistant	4.30	4.30	-
Customer Service Representative	6.00	5.00	(1.00)
Customer Service Specialist	1.00	1.00	-
Director of Parks and Recreation	1.00	1.00	-
First Cook	1.50	1.50	-
General Repair Worker	1.00	1.00	-
Graphics Assistant	1.00	1.00	-
Host	0.70	0.70	-
Irrigation Technician	5.00	5.00	-
Junior Plant Operator	2.00	2.00	-
Landscape Technician I	1.00	1.00	-
Lifeguard	15.25	16.00	0.75
Neighborhood Resources Coordinator I	2.00	2.00	-
Neighborhood Resources Coordinator II	2.00	1.00	(1.00)
Neighborhood Services Area Manager	1.00	1.00	-
Operations Manager	1.00	1.00	-
Park Equipment Operator	2.00	2.00	-
Park Maintenance Manager	1.00	1.00	-
Park Maintenance Superintendent	2.00	2.00	-
Park Maintenance Worker I	58.20	58.20	-
Park Maintenance Worker II	42.00	42.00	-
Park Maintenance Worker III	3.00	3.00	-
Park Plan Design and Development Manager	1.00	1.00	-
Park Safety Ranger	9.00	9.00	-

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Youth, Parks, & Community Enrichment (continued)	FY2017/18	FY2018/19	Change
	Amended	Approved	
Park Safety Ranger Assistant	2.00	2.00	-
Park Safety Ranger Supervisor	2.00	2.00	-
Parks Supervisor	8.00	8.00	-
Personnel Transactions Coordinator	1.00	-	(1.00)
Plant Operator	1.00	1.00	-
Pool Manager	5.40	5.80	0.40
Program Analyst	2.00	2.00	-
Program Coordinator ⁽¹⁾	57.80	55.80	(2.00)
Program Developer	19.00	19.00	-
Program Director	0.82	1.23	0.41
Program Leader ⁽¹⁾	41.46	39.21	(2.25)
Program Specialist	1.00	1.00	-
Program Supervisor	13.00	16.00	3.00
Public Service Aide	1.91	1.91	-
Recreation Aide ⁽¹⁾	137.63	131.81	(5.82)
Recreation General Supervisor	3.00	3.00	-
Recreation Leader (Special Needs)	6.05	6.05	-
Recreation Manager	2.00	2.00	-
Recreation Superintendent	4.00	4.00	-
Senior Accountant Auditor	1.00	1.00	-
Senior Accounting Technician	2.00	2.00	-
Senior Lifeguard	19.25	20.30	1.05
Senior Personnel Transaction Coordinator	1.00	-	(1.00)
Senior Planner	1.00	1.00	-
Senior Recreation Aide	15.93	14.59	(1.34)
Staff Assistant	1.00	1.00	-
Student Trainee (Most Majors)	2.00	2.00	-
Supervising Landscape Architect	1.00	1.00	-
Support Services Manager	1.00	1.00	-
Utility Worker	17.09	17.09	-
Youth Aide	32.65	32.65	-
Total	625.20	619.08	(6.12)

⁽¹⁾2.0 FTE Program Coordinator, 2.25 FTE Program Leader, and 7.7 FTE Recreation Aide deleted during FY2018/19 Proposed to Approve for the START Program.

⁽²⁾1.0 FTE Assistant Planner added during FY2018/19 Proposed to Approve, for council action (R2018-0136).

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	FY2017/18	FY2018/19	
	Amended	Approved	Change
Citywide and Community Support			
Executive Director CCOMWP	1.00	1.00	-
Program Manager	1.00	1.00	-
Program Specialist	1.00	1.00	-
Senior Staff Assistant	1.00	1.00	-
Subtotal CCOMWP	4.00	4.00	-
Local Agency Formation Commission (LAFCo)			
Principal Planner	1.00	1.00	-
Subtotal LAFCo	1.00	1.00	-
Citywide and Community Support Total	5.00	5.00	-

24

SECTION – 24 Multi-Year Projects

DESCRIPTION

This section contains information on operating grants and projects. New operating grants and projects are approved by the Council and are managed in accordance with Sections 11 through 13 of the Budget Resolution. New appropriations included in the FY2018/19 Operating Budget are included on Schedule 9.

EXISTING OPERATING GRANTS

The following is a list of existing operating grants, the total budget, and available budget based on data available as of March 2018:

Project Description	Project #	Total Budget	Available Budget
GENERAL FUND			
2014 AFG Wellness Grant	G12902300	16,748	-
2015 BWC PIP (2015-DE-BX-K049)	G11014500	67,715	13,040
2016 AFG Source Capture Grant	G12902500	72,307	71,645
DSP, Streetcar Toolkit	G21120100	192,108	-
FY15/16 OHV Grant	G11015100	6,117	6,117
FY17 ASES - SCUSD	G19041270	21,000	-
FY18 - ASES - SCUSD	G19041280	20,885	20,885
FY2015/16 S.A.V.E. Program	G11012415	7,780	7,780
FY2016/17 OHV Program	G11015118	12,009	12,009
FY2017/18 S.A.V.E. Program	G11012418	10,000	10,000
Gang Violence Supp - FY13	G11010900	29,980	-
Gang Violence Supp - FY16	G11015000	36,580	17,979
River Crossing Art Project	G17605000	62,500	62,500
General Fund Total		555,729	221,954
ENTERPRISE FUNDS			
District Metered Area Mgmnt	G14160100	2,500,000	107,238
Downtown Street Cans	G15002500	82,238	10,841
DWR Comp Flood Mngmt CFMP	G14110503	86,724	1
DWR Emrg Action Plans	G14110502	144,669	(1)
DWR Flood Maps	G14110504	167,053	-
DWR Training & Exercise	G14110501	203,284	-
DWR Water Sensor Upgrades	G14110505	85,131	(2)
Follow the Meter Grant	G14110300	247,710	3,595
RW Efficiency Acceleration GP	G14110200	265,543	-
Used Oil Payment Program -OPP5	G13002300	131,287	-
Used Oil Payment Program-OPP7	G13002302	132,484	10,057
Enterprise Funds Total		4,046,123	131,730
OTHER FUNDS			
2009 Urban Search & Rescue	G12500900	1,002,343	-
2010 Safer Grant	G12902100	5,606,863	(1,004)
2010 Urban Search & Rescue	G12501000	1,075,681	-
2011 Urban Search & Rescue	G12501100	1,165,078	9,355
2012 Urban Search & Rescue	G12501200	1,299,608	6,430
2013 JAG (10/12-9/16)	G11011400	15,660	-
2014 AFG Wellness Grant	G12902300	167,482	-

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Project Description	Project #	Total Budget	Available Budget
OTHER FUNDS (continued)			
2014 JAG (2014-DJBX-1111)	G11012300	300,167	-
2014 Urban Search & Rescue	G12501400	1,263,131	608
2015 BWC PIP (2015-DE-BX-K049)	G11014500	599,756	46,208
2015 JAG (2015-DJBX-0921)	G11013600	246,649	(2,571)
2015 SHSGP Grant	G12902400	59,782	94
2015 Urban Search & Rescue	G12501500	1,229,582	74,645
2015 US&R - Comms Supplement	G12501501	49,151	49,151
2016 AFG Source Capture Grant	G12902500	723,071	723,071
2016 FLIP (PRCS)	G11014200	500,000	24,154
2016 JAG (2016-DJ-BX-0430)	G11014900	256,776	(82,915)
2016 Petco Lifesaving Invest	G21001500	350,000	142
2016 SHSGP Grant	G12902600	60,000	60,000
2016 Urban Search & Rescue	G12501600	1,278,582	246,159
2017 UASI	G11016900	2,369,600	2,369,600
2017 Urban Search & Rescue	G12501700	1,237,013	953,346
2018 OTS Bike/Ped (PS18013)	G11016300	75,000	37,774
2018 Petco Lifesaving Grant	G21001700	250,000	250,000
Brownfields Revolving Loan	G18334500	1,759,793	5,119
CalGRIP Safe Comm 4/10-3/12	G11007100	382,639	2,196
CERT 2010 SHSGP GRANT	G12902001	75,056	-
CERT 2011 SHSGP Grant	G12902200	37,700	598
Chako Pit Bill Rescue S/N	G13000065	5,000	2,285
CHP - 2013	G11012100	1,250,000	814
CHP '14	G11012500	1,875,000	498,792
Citizen's Option 7/11-6/14	G11010100	731,271	-
Citizen's Option 7/12-6/16	G11010800	803,553	-
DSP, Streetcar Toolkit	G21120100	750,000	-
FFY 2016 UASI	G11015200	2,369,600	952,707
Fire FY05 HomeInd Security2541	G12901000	95,169	1
FY14 Citizens Option	G11014000	131,106	276
FY15 21st Century START	G19030502	690,000	-
FY15 CHP (2015-ULWX-0005)	G11014400	1,875,000	1,041,665
FY15 Citizens Option	G11012200	50,017	7,451
FY15/16 DBW BSEE	G11014300	72,555	2
FY15/16 OHV Grant	G11015100	24,469	-
FY16 21st Century START	G19030503	690,000	105,138
FY16 SHSGP	G11015800	29,675	44
FY16/17 BSEE Grant	G11015300	50,095	(176)
FY16/17 Citizen's Option Growth	G11016700	294,826	294,826
FY17 - Adaptive Sports	G19100500	86,528	-
FY17 21st Century START	G19030504	630,744	17,821
FY17 ABC Grant	G11014800	97,471	(2,653)
FY17 ASES - SCUSD	G19041270	105,000	(414)
FY17 OTS - Bike/Ped	G11015500	125,425	20,501
FY17 OTS Step (PT17103)	G11015400	622,627	170,330
FY17 WIA	G19090160	274,935	58,796
FY18 - ASES - SCUSD	G19041280	139,230	61,667
FY18 - ASES - EGUSD	G19041704	144,107	35,715
FY18 21st Century START	G19030506	494,260	331,551

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Project Description	Project #	Total Budget	Available Budget
OTHER FUNDS (continued)			
FY18 ABC	G11016100	100,000	33,410
FY18 Citizen's Option	G11016800	754,331	754,331
FY18- WIOA	G19090170	261,188	146,782
FY2015/16 S.A.V.E. Program	G11012415	77,800	1
FY2016/17 City LE Grant (BSCC)	G11015900	168,138	168,138
FY2016/17 OHV Program	G11015118	48,037	48,037
FY2017/18 S.A.V.E. Program	G11012418	100,000	90,177
Gang Violence Supp - FY13	G11010900	691,625	-
Gang Violence Supp - FY16	G11015000	1,199,584	181,201
Gang Violence Supp - FY18	G11016500	414,100	414,100
Historic Pres Reconnaiss Survey	G21001200	66,668	26
Hurricane Isaac - IST	G12702300	16,858	-
Hurricane Matthew	G12703000	49,481	-
Hurricane Sandy - IST	G12702400	41,058	-
ICAC Task Force (FY18 - FY20)	G11016600	210,000	210,000
Internet Crimes Agnst Children	G11016000	47,729	-
Juvenile Hall Expansion 4242	G17600700	114,000	38,547
LAR Spawning & Rearing FY 15	G14140101	1,830,000	36,942
LAR Spawning & Rearing FY17	G14140103	600,000	328,176
LAR Spawning & Rearing Habitat	G14140100	2,124,580	2,124,580
Lyons, Co Flooding	G12702600	26,680	-
Maddie's Fund Ringworm Treatme	G21001600	5,000	1,029
Micheletti-EIMonte Groundwater	G15000200	600,197	339,899
Northeast Sacramento	G02001200	300,000	261,823
OTS FY18 Step (PT18072)	G11016200	567,331	456,876
Regional Transit 2010	G17601900	31,000	-
Regional Transit 2016	G17601901	24,000	24,000
Regional Transit 2018	G17601902	10,000	1,500
River Crossing Art Project	G17605000	187,500	187,150
Terminal A Artwork and Maint	G17603000	50,000	-
Terminal B Airport APP	G17601600	874,904	4,988
UASI Hmland Sec 07 11/07-6/10	G11005700	3,336,000	-
US&R-Hurrican Gustav Deploymnt	G12701600	10,439	-
USAR Moore, OK Tornado	G12702500	8,347	-
USFWS Habitat Rstrn FY18	G14140202	300,000	(2,258)
USFWS Habitat Rstrtn FY16	G14140201	750,943	140,103
Vision Zero Safety Campaign	G15180100	200,000	1
Other Funds Total		54,141,343	14,358,857
Total All Funds		58,743,195	14,712,541

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EXISTING OPERATING PROJECTS

The following is a list of existing operating projects, the total budget, and available budget based on data available as of March 2018:

Project Description	Project #	Total Budget	Available Budget
GENERAL FUND			
ADA Education & Training	I08000100	57,285	57,035
APP Maintenance	I17000500	479,012	422,935
Arc Flash Hazard Eval RFP	I13000101	180,000	5,865
Archives East End Project	I17000100	86,350	15,600
Arts and Cultural Plan	I17000900	110,000	-
Arts Ed and Community Outreach	I17001100	200,000	108,859
B Street Theatre	I80180000	3,000,000	-
Beacon Afterschool Program	I02001600	500,000	500,000
Business Incentives Program	I02001300	500,000	500,000
CA Rural Legal Assistance	I02000800	300,000	-
Cannabis Policy & Enforcement	I06420000	5,971,991	5,971,991
CATC	I02000214	708,351	-
Cemetery Facility Improvement	I17000300	13,359	434
Central City Strategic Plan	I21005300	1,657,892	135,657
Citywide Clean-Up	I02000227	100,000	100,000
Citywide Strategic Plan Pjt,	I02000400	181,667	149,092
Comm Outreach & Enhanced Srvc	I02001100	200,000	188,750
Common Cents	I02000202	1,195,208	227
Community Investment Program	I02001200	250,000	250,000
Community Nonprofit Assistance	I02001000	200,000	-
Crisis Intervention Training	I11002200	181,150	8,398
Cultural and Economic Vitality	I17001000	278,724	277,979
Cultural Arts Awards	I17000700	1,000,000	115,222
Curtis Park Village Litigation	I21005400	500,000	-
Economic Development	I02001400	1,630,000	1,630,000
Economic Development RSRV 4455	I06100200	521,226	88,238
Electrical Safety Program	I13000100	220,000	74,225
ESC Legal Services	I02000502	2,943,409	-
ESC Real Estate - Non-Reimb	I02000508	31,641	115
F.O.C.A.S. (13086)	I13000400	60,500	-
FEMA Corrective Action Plan	I21004900	350,000	15,559
Fence Removal/Turf Conv Prg	I14120415	100,000	100,000
Fleet - Citywide	I06100999	500,000	500,000
Fleet - General Services	I06013130	731,977	-
Fleet Acquisitions	I06100000	125,526	125,526
Fleet FY17 - C&CS	I06170017	48,577	19,400
Fleet FY17 - City Attorney	I06030017	1,200	(322)
Fleet FY17 - Community Dev	I06210017	334,178	56,401
Fleet FY17 - Fire	I06120017	100,931	2,411
Fleet FY17 - Parks & Rec	I06190017	863,124	53,000
Fleet FY17 - Police	I06110017	3,598,471	(173,739)
Fleet FY17 - PW General Fund	I06150017	1,487,819	93,019
Fleet FY18 - Community Dev	I06210018	970,600	208,662

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GENERAL FUND (continued)

Fleet FY18 - Fire	I06120018	560,000	186,340
Fleet FY18 - Parks & Rec	I06190018	1,312,891	338,878
Fleet FY18 - Police	I06110018	3,205,000	1,438,341
Fleet FY18 - PW General Fund	I06150018	3,380,138	1,824,498
FLSA Audit	I02000403	250,000	2,505
FY18-Oak Park Community Enrich	I19708001	100,000	82,731
Gang Prev & Intervention - GF	I02000600	451,691	332,962
General Plan Litigation	I22400003	100,000	-
General Plan Update 4811	I22400000	6,595,212	14,702
GPITF - Advance Peace	I02000604	500,000	250,000
GPITF - Gang Summit	I02000601	50,000	15,000
GPITF - Grant Program	I02000603	1,339,174	10,001
GPITF - Staffing	I02000605	25,000	7,577
Historic Place	I21004800	32,999	8,437
Homeless Housing Initiative	I02000200	1,011,376	838,206
Housing Impact Fees	I22000010	28,700	26,538
Impact Teams	I11002400	990,000	630,313
Justice for Neighbors (JFN)	I03000100	519,455	322,281
LGBT Center	I02000226	148,750	-
Low Income Spay/Neuter Program	I13000600	210	210
Major League Soccer	I80020500	100,000	100,000
ED Reinvestment	I18000400	3,600,000	3,600,000
Mental Wellness Program	I11002600	568,850	552,550
Mixed Income Ordinance	I21005000	74,005	-
Mobile Veterinarian (21169)	I02000208	15,000	2,841
Motel Vouchers	I02000203	100,000	-
Navigator Program	I02000204	37,500	-
NBHD Comm & Economic Plans Prg	I02001700	1,100,000	1,100,000
Nextgen Mobile Computer Repl.	I11000100	1,365,308	41,647
North Public Market	I02180202	120,000	120,000
Oak Park Community Enhancement	I19708000	100,000	(3,886)
Old Sacramento Partnership	I02180201	30,000	30,000
Police Observation Dvcs (PODs)	I11002300	75,000	25,069
S&N Srvs for Shelter Animals	I13000601	50,000	50,000
SEED Corporation	I18000200	150,000	100,000
Shelter Acquisition	I02000216	75,000	3,010
Shovel-Ready Sites Prog - 65th	I21001301	5,416	5,416
Shovel-Ready Sites Prog - CDD	I21001302	137,983	137,308
Shovel-Ready Sites Prog - DOU	I21001303	10,000	10,000
Shovel-Ready Sites Prog - Env	I21001305	5,000	5,000
Shovel-Ready Sites Program	I21001300	2,437	2,437
Solid Waste Rate Asst Prgm	I14130103	267,000	8,055
Staffing Services	I02000215	100,000	59,279
Summer Night Lights	I02000700	300,000	100,000
Summer Night Lights	I11002100	600,000	-
Thousand Strong (ETP Pilot)	I01000300	950,000	6,267
Thousand Strong 18	I01000301	950,000	621,242
Training and Outreach	I08000300	250,000	180,000
TSA - Center for Hope Shelter	I02000206	255,500	-

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Project Description	Project #	Total Budget	Available Budget
GENERAL FUND (continued)			
UCD Community Garden	I19130000	25,000	-
Utility Rate Asst Prgm	I14130100	9,636	(16,061)
VOA A Street Shelter	I02000205	121,682	-
Wastewater Rate Asst Prgm	I14130102	1,718,726	1,026,560
Water Rate Assistance Prgm	I14130101	4,250,679	2,167,305
Webgrant Restructuring Project	I07000900	489,558	195,340
West Broadway Specific Plan	I21005500	600,000	599,750
Whole Person Care	I02000900	3,073,000	3,073,000
Wind Youth Services FY17/18	I02000217	143,750	-
Winter Shelter - Police OT	I02000222	150,000	150,000
Winter Triage - Captial	I02000219	175,235	2,124
Winter Triage - Construction	I02000218	460,696	73,402
Winter Triage - DST	I02000223	98,500	-
Winter Triage - Lease	I02000220	103,150	3,673
Winter Triage - Operations	I02000221	1,045,344	48,000
Winter Triage - Pub Wrks	I02000224	40,000	32,327
Winter Triage - SSD Wrk Crw	I02000225	40,000	40,000
Winter Triage Animal Services	I02000228	5,000	5,000
Winter Warming Cntr. Expansion	I02000211	70,715	707
Youth Engagement & Summer - D1	I01000110	50,000	50,000
Youth Engagement & Summer - D2	I01000120	50,000	31,814
Youth Engagement & Summer - D3	I01000130	50,000	50,000
Youth Engagement & Summer - D4	I01000140	50,000	50,000
Youth Engagement & Summer - D5	I01000150	50,000	50,000
Youth Engagement & Summer - D6	I01000160	50,000	50,000
Youth Engagement & Summer - D7	I01000170	50,000	50,000
Youth Engagement & Summer - D8	I01000180	50,000	50,000
Youth Services Program	I19140000	25,000	-
General Fund Total		77,510,433	32,569,236
ENTERPRISE FUNDS			
28th Street Landfill Tree	I14120700	300,000	47,123
AC Pipe Assessment	I14010802	85,000	20,548
American River Source Water	I14520400	547,340	347,505
American Rvr Source Wtr Prtt	I14010400	163,748	19,594
American Rvr Source Wtr Reimb	I14010402	186,689	41,400
Arc Flash Hazard Analysis	I14020100	100	-
Arts and Cultural Plan	I17000900	111,000	-
Asset Management Program	I14010700	457,599	457,599
Basin 128 Drainage Master Plan	I14710106	73,121	59,825
Basin 129 Drainage Master Plan	I14710109	275,670	5,784
Basin 147 Master Plan	I14710107	35,000	2,891
Basin 152 Master Plan	I14710102	78,788	78,788
Basin 32 Master Plan	I14610214	112,524	99,983
Basin 33 Drainage Master Plans	I14710108	86,505	8,305
Basin 354 Sewer Master Plan	I14610204	233,691	200,895
Basin 36 & 122 Master Plan	I14610216	89,421	88,402
Basin 52 Stormwater Mstr Plan	I14610302	170,251	8,959
Basins G302 & 106 Master Plan	I14610215	143,877	109,456
Cal Recycle Curbside Payment	I14120201	128,911	75,238

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Project Description	Project #	Total Budget	Available Budget
ENTERPRISE FUNDS (continued)			
CCTV Operations	I14110104	325,950	260,409
City of Festivals Program	I15001211	1,039,000	95,969
City/County Sewer Trans Study	I14610213	169,986	5,542
Combined Master Plan Program	I14610300	450,831	450,831
Commercial Business Rebates	I14120413	269,950	160,302
Condition Assessment Program	I14010800	2,482,067	2,482,067
Conjunctive Use-Grndwtr Wells	I14510100	344,743	233,082
Conservation Master Plan	I14510202	176,028	176,028
Conservation Outreach and Educ	I14120404	1,013,215	200,222
Consultant Master Plan & Model	I14710101	61,167	61,167
Containerized Greenwaste	I14120503	2,033,272	213,051
CSS GI Pilot Projects Study	I14610303	295,000	9,540
CSS Management Plan	I14630200	550,000	550,000
CSS Regulatory Compliance	I14120600	2,963,717	195,612
Customer Web Portal	I14120407	291,633	262,980
CY14 Curbside Supp Payment	I14120204	160,148	160,148
CY15 Curbside Supplemental Pay	I14120205	114,505	114,505
Design Procedure Manual Update	I14610205	106,174	43,080
District Metered Area Pilot	I14120406	443,241	220,985
DPW Water Fixture Retrofits	I14120414	50,000	3,397
Drainage Master Plan Program	I14710100	547,204	520,645
Energy Efficiency Program	I14040200	200,000	200,000
ESC CTO Propty Transfer Cons	I02000511	47,100	-
ESC Parking Analysis	I02000504	435,000	-
ESC Revenue Analysis	I02000505	25,120	-
Facility Electrical Studies	I14020101	309,900	34,910
Fence Removal/Turf Conv Prg	I14120415	100,000	100,000
Fleet FY17 - C&CS	I06170017	11,431	11,431
Fleet FY17 - DOU Sewer Fund	I06146017	2,797,154	2,050,639
Fleet FY17 - DOU Water Fund	I06145017	2,681,401	1,600,664
Fleet FY17 - PW Parking Fund	I06154017	385,035	291,890
Fleet FY17 - PW SW Fund	I06147017	16,194,596	9,062,542
Fleet FY18 - DOU Sewer Fund	I06146018	1,975,000	1,619,766
Fleet FY18 - DOU Water Fund	I06145018	1,735,000	993,049
Fleet FY18 - PW Parking Fund	I06154018	35,000	(1,602)
Fleet FY18 - PW SW Fund	I06147018	6,155,000	(134,237)
FleetFY17-DOU Storm Drain Fund	I06141017	2,555,750	1,025,635
FleetFY18-DOU Storm Drain Fund	I06141018	355,000	160,930
Flood Control Planning	I14010100	1,807,082	540,088
Flow Monitoring/Hydrology Prog	I14610100	24,437	21,441
Fog Outreach	I14110108	330,029	45,777
Forensic Analysis of Cast Iron	I14010801	33,210	33,210
Fy10-14 NPDES Stormwtr Reimbur	I14010201	5,266,008	557,008
FY15-16 City-County Payment	I14120206	120,977	27,195
FY16-17 City-County Payment	I14120207	120,656	120,656
FY18 Well Abandonment	I14520101	197,786	195,119
Green Stormwtr Incentive Study	I14710105	120,000	-
Grndwtr Abandon/Protect Prog	I14520100	367,606	367,606
Groundwater Master Plan	I14160101	510,730	39,681

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Project Description	Project #	Total Budget	Available Budget
ENTERPRISE FUNDS (continued)			
HE Clothes Washer Rebates	I14120412	279,949	170,699
HE Toilet Rebates	I14120411	451,608	110,076
Information Technology Program	I14040100	400,030	331,994
Keep Our Waters Clean Outreach	I14520200	140,233	132,589
Leak Detection Program	I14530100	82,223	82,223
Legacy Landfill Operations	I14120100	500,000	214,605
Levee Relief Well Program FY18	I14120301	150,000	49,279
Master Plan Sewer Modeling	I14610201	84,607	6,603
MF/Commercial River Friendly	I14120409	469,949	311,020
NPDES Inspection Support	I14010204	103,000	303
NPDES Stormwater Prgm	I14010200	6,863,516	1,636,032
On-Call CCTV Program	I14630100	101,098	99,888
On-Call Cleaning & CCTV	I14630101	184,608	6,422
On-Call Drainage Mstr Plan Svc	I14710103	125,400	35,515
On-Call Flow Monitoring FY16	I14610102	345,000	7,007
Patrol and Enforcement	I14120405	360,049	75,088
PLC Replacement Program	I14050100	84,028	84,028
Pocket Canal Mngmt Plan Eval	I14010203	100,000	-
Rate Model	I14040101	500,000	500,000
RDI&I Study Separated Swr CSS	I14610304	110,000	2,000
Rebate Programs Administration	I14120410	380,600	257,435
Recycled Water Study	I14510204	97,100	6,886
Regional Water Reliability Pln	I14510206	60,000	2,297
Residential Collection	I14120501	3,115,000	316,606
Residential Recycling	I14120502	2,296,024	62,121
Residential River Friendly	I14120403	1,276,233	743,833
RiverArc Project	I14510205	135,000	17,779
Root Control Program	I14110109	2,355,342	306,608
Sac River Source Wtr Protect	I14010300	323,950	9,584
Sac Rvr Source Wtr Reimbursabl	I14010302	345,138	12,301
Sac. Regional Ext. Water Use	I14120401	178,498	117,425
Sacramento River Source Water	I14520300	410,843	72,843
Safca Levee Maintenance	I14120300	2,872,000	1,531,429
SCADA Planning Program	I14010900	99,000	99,000
Sewer Basin 121 Master Plan	I14610209	115,124	80,799
Sewer Basin 45 Master Plan	I14610207	212,000	12,622
Sewer Basin 48 Master Plan	I14610206	165,000	9,072
Sewer Basin 87 Master Plan	I14610211	257,544	254,842
Sewer Basin G301 Master Plan	I14610210	124,400	118,793
Sewer Basin G304 305 Mstr Plan	I14610208	363,000	27,823
Sewer System Mgmt Plan	I14110100	2,054,164	526,597
Sewer/Drain Flow Monitoring	I14610103	450,000	(1,678)
Soil Corrovisity Testing	I14010808	12,000	2,000
Solid Waste Outreach	I14120200	3,547,668	1,571,071
SRWTP Intake Capacity Study	I14510201	42,288	4,480
SSMP - Operational Needs	I14110107	1,595,040	620,627
SSMP Eng/Regulatory Support	I14620100	240,000	150,723
Sump 122 Abandonment Study	I14610212	15,000	6,649
Sump 87 Diversion Predesign	I14610203	52,440	5,646

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Project Description	Project #	Total Budget	Available Budget
ENTERPRISE FUNDS (continued)			
Sump 99 Outfall Pipe Asmt	I14010807	50,000	33,119
SVS Operations and Mgmt	I15001000	50,000	50,000
SW Container Replacement	I14120500	3,448,949	3,394,493
Wastewater Planning Prog	I14610200	124,474	95,878
Water Conservation	I14120400	765,019	689,240
Water Master Plan Program	I14510200	745,265	702,509
Water Meter Replacement Prgm	I14010500	4,967,673	655,177
Water Planning & Management	I14400000	(1)	(1)
Water Storage Facility Assmnt	I14010805	500,000	13,237
Water System Failure Replacmnt	I14010600	400,000	400,000
WW Pipe System Assessment Ph4	I14010809	300,000	122,206
XPSWMM User Manual	I14710104	35,000	2,570
Enterprise Funds Total		108,075,148	44,015,266
INTERNAL SERVICE FUNDS			
Fleet FY17-HR Risk Fund	I06081017	62,000	28,387
Internal Service Funds Total		62,000	28,387
OTHER FUNDS			
2035 General Plan Update	I22000002	9,728	999
Alkali and Mansion Flats	I17000801	22,000	11,200
APP Maintenance	I17000500	274,462	236,143
Arts and Cultural Equity Grant	I17000600	500,000	7,229
Arts and Cultural Facilities	I17000200	743,272	1,813
Arts Ed and Community Outreach	I17001100	82,290	82,290
Basin 6 Drainage	I22200600	2,720,508	-
Bonded CFD/AD Applications	I22310100	970,100	(60,469)
Centene Emp Incentive	I02180100	5,400,000	5,400,000
City Hall Tech Program	I02001500	125,000	125,000
College Square Reimbursement	I22310200	30,000	13,800
Creative Aging	I19121005	25,000	3,243
Creative Economy Pilot Project	I18000300	500,000	340,535
Downtown ESC Project	I02000500	5,000,000	-
DP Hotel-Building	I21005201	1,090,354	81,539
DP Hotel-Deposit	I21005205	25,000	16,488
DP Hotel-Planning	I21005202	82,927	(1,488)
ESC - Building fees Deposit	I21005105	435,214	3,945
ESC - Building Inspection	I21005101	1,792,628	726,916
ESC - Planning	I21005103	321,634	161,396
ESC Art Maintenance	I17000401	100,000	96,850
ESC Building - Plan Check	I21005102	2,047,949	798,305
ESC Comm/Outreach Asst.	I02000507	104,695	1
ESC Design & Const Advisor	I02000503	948,338	(1,167)
ESC Facility & Finance Advisor	I02000501	107,166	-
ESC Labor Compliance	I02000512	26,250	(6,813)
ESC Legal Services	I02000502	2,020,270	(297)
ESC Real Estate - Reimb	I02000506	104,329	111
ESC Sign Dist.	I02000509	21,102	1
ESC Update for Gen. Plan EIR	I02000510	99,603	2
F.O.C.A.S. (13086)	I13000400	1,837,876	351,888
Facility Support and Upgrades	I19121002	44,200	28,936

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Project Description	Project #	Total Budget	Available Budget
OTHER FUNDS (continued)			
FY 18 Fire Company Restoration	180120601	7,032,000	2,022,382
FY 18 Fire PPE Supplies	180120610	600,000	46,000
FY 18 Fire Prevention	180120604	152,000	61,373
FY 18 Medic Units	180120603	875,000	(31,268)
FY 18 Safer Grant Retention	180120608	2,803,000	786,550
FY 18 Truck 43	180120609	2,276,427	970,641
FY16 - Aquatics	180190401	1,908,686	310,627
FY18 - Aquatics	180190601	2,163,811	743,913
FY18 - Child SVS - Summer Camps	180190614	122,816	67,862
FY18 - Community Centers	180190603	1,493,967	520,049
FY18 - Gang Prevention	180190605	116,296	41,689
FY18 - Neigh Serv - Hot Spots	180190607	112,222	21,975
FY18 - Older Adults	180190606	371,332	141,226
FY18 - Park Maintenance	180190602	3,685,743	1,177,590
FY18 - Park Safety	180190609	555,691	348,489
FY18 - Permitting And Events	180190613	313,192	149,263
FY18 - Summer At City Hall	180190608	183,801	107,625
FY18 - Teen Services	180190604	377,212	138,988
FY18 - Youth Employment	180190611	282,597	76,674
FY18 Animal Care Measure U	180210600	161,798	52,891
FY18 Parks & Rec. Measure U	180190600	1	1
FY2018 Police Measure U	180110600	25,551,653	13,947,765
General Plan Future Updates	I22000001	2,540,918	2,540,918
General Plan Litigation	I22400003	325,000	-
General Plan Update (new)	I22000000	1,435,154	491,786
General Plan Update 4811	I22400000	2,465,241	-
GPITF - Grant Program	I02000603	124,268	-
Hart Trust Proj Fund FY12-16	I19120000	-	-
Hart Trust Proj Fund FY17-21	I19121000	515,900	515,900
Health & Wellness Program	I08000200	3,000	3,000
Health And Wellbeing	I19121004	20,000	9,680
Historic Place	I21004800	238,000	55,420
I-5 Subregional Fee Program	I15150100	104,222	2
JCPA Administrative Ctrl 3131	I22205100	299,999	45,001
Kids Play Mc Kinley-Maint 4711	I19000800	12,870	7,151
McKinley Park Utility Box Wrap	I17000802	1,789	1,289
Mixed Income Ordinance	I21005000	37,755	-
N Natomas Admin Control	I22200100	8,129,198	246,512
Natomas Central CFD 2006-02	I22340000	100,000	55,692
Natomas Landing CFD 2008-01	I22310500	64,500	55,221
Natomas Meadows CFD	I22310000	62,000	42,329
Neigh Park Maint CFD 4815	I22300000	479,306	66,223
NNAC&CC Feasibility Study Proj	I19000900	161,167	(77,326)
Non-Bonded Service Dist Appls	I22300100	519,790	29,090
Panhandle Annexation 4811	I22209000	124,990	3,466
PBID/BIA Applications	I22310600	45,000	20,824
Pgm Outreach/Access for Senior	I19121001	220,000	58,706
Project Pony 2112	I11001900	6,600	5,202
PW Transportation Offset	I06151018	65,668	65,668

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Project Description	Project #	Total Budget	Available Budget
OTHER FUNDS (continued)			
PW Transportation Offset	I06151017	260,000	260,000
RAILS Grant Program	I18000100	1,970,709	1,034,250
Regional Community Policing In	I11001600	49,871	3,545
S&N Srvs for Shelter Animals	I80210601	100,000	1,000
Sacramento Railyards 2006 Finp	I22208000	740	1
Sewer Basin 121 Master Plan	I14610209	520	520
Sewer Basin G301 Master Plan	I14610210	45,000	(3,537)
SPD Training Facility 2157	I11002000	46,700	58
Support for Community Living	I19121003	20,000	12,300
TMA Shuttle	I22200700	1,318,200	192,000
Traffic Impact Study Guideline	I15161700	100,000	14,219
Transp Programming Guide Prog	I15160100	100,000	3,573
TSA - Center for Hope Shelter	I02000206	255,500	-
UCD Community Garden	I19130000	25,000	102
Vision Zero Action Plan	I15171700	97,000	28
VOA A Street Shelter	I02000205	177,500	31,252
Wastewater Planning Prog	I14610200	27,480	27,480
Whole Person Care	I02000900	3,974,099	3,974,099
Willowcreek Fee District	I22206000	2,618,461	592,776
WPC - 211 Call Center	I02000931	280,000	-
WPC - Sacramento Covered	I02000934	889,736	-
WPC - Transform Health	I02000902	2,000,000	-
WPC - TSA Shelter	I02000933	511,000	-
WPC - VOA Shelter	I02000932	355,000	-
Other Funds Total		112,075,992	40,506,122
Total All Funds		297,723,573	117,119,011

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EXTERNALLY FUNDED PROGRAMS

The following is a list of existing externally funded programs, the total budget, and available budget based on data available as of March 2018:

Project Description	Project #	Total Budget	Available Budget
GENERAL FUND			
PHSC Reserve Funding	E18000401	160,000	107,331
Powerhouse Science Center	E18000400	600,000	600,000
Railyards Mediation	E02000101	110,500	7,478
Railyards Project Management	E02000100	496,353	263,692
General Fund Total		1,366,853	978,501
INTERNAL SERVICE FUNDS			
Driver Training Acadmy (SRDTA)	E08000100	1,200,000	516,665
Robla Facility Safety Training	E08000200	1,500	1,500
Externally Funded Programs Fund Total		1,201,500	518,165
OTHER FUNDS			
Academy Activities 7/07-6/11	E11002200	1,003,859	100,599
APP - City of West Sacramento	E17000700	25,000	8,708
Board of Supervisors	E17000502	22,000	4,787
County Support-Holiday Music	E17000900	20,000	1,375
County Support-Move Artwork	E17000101	10,600	10,600
DMV Anti-Auto Theft - FY15	E11005405	323,889	-
Federal Forfeiture - DOJ	E11007000	151,696	-
Federal Forfeiture - DOJ	E11007018	35,273	12,511
Federal Forfeiture - DOT	E11006900	1,663	1,663
Federal Forfr - DOJ	E11003300	2,471,587	88,333
Federal Forfr - DOT	E11003200	1,098,797	12,206
FY14 Los Rios Voctnl Trng	E11002514	425,154	-
FY15 AB109/RCISP	E11006400	147,080	58,879
FY15 Los Rios Vctnl Trng	E11002515	604,591	-
FY16 AB109/RCISP	E11006600	150,213	46,794
FY16 Los Rios Vctnl Trng	E11006516	600,000	22,459
FY17 DMV Anti-Auto Theft	E11005407	581,200	(9,476)
FY17 Los Rios Vctnl Trng	E11006517	600,000	14,995
FY17 RCISP (AB 109)	E11006610	147,347	849
FY18 DMV Anti-Auto Theft	E11005408	500,000	132,260
FY18 Los Rios Vctnl Trng	E11006518	600,000	60,068
FY18 RCISP (AB 109)	E11006620	147,347	-
Los Rios Vctnl Trng Spec Proj	E11002516	14,033	13,370
Los Rios Vocational Training	E11002500	5,848,744	91,472
Los Rios Voctnl Trng 7/10-6/11	E11002511	837,054	-
Los Rios Voctnl Trng 7/11-6/12	E11002512	654,686	-
Los Rios Voctnl Trng 7/12-6/13	E11002513	279,983	1
PHSC Reserve Funding	E18000401	200,000	200,000
PODs - Arden Fair Assoc.	E11007118	68,000	4,085
PODs - Stockton Blvd Prtnshp	E11007119	13,820	13,820
Police Observation Devices	E11007100	98,712	27,715
Powerhouse Science Center	E18000400	2,850,000	1,236,585
RCAF Arena Mural Project	E17000800	300,000	36,000

FY2018/19 Approved Budget

Project Description	Project #	Total Budget	Available Budget
OTHER FUNDS (continued)			
SMUD Gallery - CY2014-16	E17000501	75,000	(13,416)
State Forfeiture - Hlth & Sfty	E11006700	233,460	74,573
State Forfeiture - Hlth & Sfty	E11006718	384,026	217,622
State Forfeiture Drug&GangPrev	E11006800	68,135	25,600
State Forfeiture Drug&GangPrev	E11006818	67,385	20,550
State Forfr - Drug Ed & Gang	E11002900	775,620	80,261
State Forfr - Hlth & Sfty	E11002800	4,094,655	60,980
Terminal B Arts Endowment 2013	E17000201	25,000	9,716
Vocational Ed Training - Fire	E12000100	2,792,662	304,123
Other Funds Total		29,348,271	2,970,667
Total All Funds		31,916,624	4,467,332

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SECTION – 25 **Financial Policies**



Emergency Medical Services (EMS) Revenue Recovery and Fee Waiver Policy

Scope: CITYWIDE

Policy Contacts

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Regulatory References

July 27, 1993 Resolution 1993-0434

October 2011AB 678-Ground Emergency Medical Transport

June 26, 2012 Resolution 2012-0214

March 18, 2014 Motion 2014-0053

December 5, 2017 Resolution 2017-0468

Effective Date: January 1, 2018

EMS Revenue Recovery and Fee Waiver Policy

1) PURPOSE

- a) To establish a policy for revenue recovery and fee waiver or reduction of costs associated with providing the City of Sacramento's (City) EMS program.

2) DEFINITIONS

- a) Advanced Life Support (ALS): This term is defined in Health and Safety Code section 1797.52.
- b) Basic Life Support (BLS): This term is defined in Health and Safety Code section 1797.60.
- c) Electronic Patient Care Report (ePCR): A patient care report, as defined in Sacramento County Emergency Medical Agency Policy No. 2305.22, in an electronic format. An ePCR is an electronic health record, within the meaning of Health and Safety Code section 1797.227, created for each patient by Fire Department staff at the time of service. The report is used to relay information between the responding unit and the receiving hospital staff. The report serves as documentation of the treatment provided.
- d) Emergency: This term is defined in Health and Safety Code section 1797.70.
- e) Emergency Medical Services (EMS): This term is defined in Health and Safety Code section 1797.72. EMS includes Fire Department responses to provide ALS, BLS, and treat-not-transport patient care.
- f) Fee Waiver: the forgiveness of all of a patient's owed City Council approved EMS user fees, based on a formalized criteria and processes as outlined in this policy.
- g) Fee Reduction: the forgiveness of a portion of a patient's owed City Council approved EMS user fees, based on a formalized criteria and processes as outlined in this policy.

3) BACKGROUND

- a) On July 27, 1993 (Resolution 93-434), the City established the ALS program.

As costs for ALS services continue to increase, the revenues generated by fees for service have not grown proportionally. The City is challenged to recover fee for service revenues due to several different reasons, one of them being payer mix. The City's payer mix is currently 40 percent Medicare, 40 percent Medicaid, and 15 percent private insurance with the remainder being from self- insured and uninsured. In addition, there are federally mandated write-offs which allow the City to collect only a small percentage of the actual

billed amount from Medicare and Medicaid. In an effort to maximize reimbursements and cover direct costs the City has pursued additional recovery options.

- b) In October 2011, AB 678 authorizing the Ground Emergency Medical Transport (GEMT) program, was enacted. It provides for the reimbursement of transports of Medi-Cal patients who are not in managed care. On March 18, 2014, the Council authorized an agreement with Sacramento Metropolitan Fire District (Motion No. 2014-0053) to pursue reimbursements through the GEMT program.
- c) On June 26, 2012, the Council approved increases to the ALS fees for service (Resolution 2012-214) to increase cost recovery to address a portion of the structural variance between the cost of providing services and the revenue collected for those services.
- d) On December 16, 2014, Council authorized the participation in the Rate Range Intergovernmental Transfer (IGT) program. IGT allows local governments to receive a federal reimbursement for transporting Medi-Cal patients that are in managed care.
- e) While the City can assure the continuation of fee for service revenues, revenue recovery programs such as GEMT and IGT are subject to the availability of state and federal funding.

4) EMS FEE RECOVERY POLICY

- a) The EMS Program shall be fully offset by fees generated by services provided. All revenues recovered for the provision of EMS services shall be used to cover direct and indirect costs to reduce the General Fund subsidy for this program.
- b) GEMT and IGT revenues received in excess of the Fire Department's approved General Fund revenue budget, during the fiscal year, shall be committed for future appropriations for the Fire Department.

5) EMS FEE WAIVER POLICY

- a) The City Manager or their designee may waive all or a portion of the EMS fees established by City Council as provided herein.
- b) In no event shall any person be denied EMS services because of their inability or failure to pay the charges incurred for services provided.
- c) Procedures:
 - i. Fee Waiver Application:

1. An applicant or applicant’s legal representative may submit a completed Fee Waiver Application with adequate supporting documentation to the Fire Department for review and consideration. The Fee Waiver Application shall be on a form prescribed by the City Manager or their designee.
2. Fire Department staff, through assistance from a contracted billing company, will use reasonable research methods to confirm the validity of the information provided.
3. Upon completion of the application review process above, the contracted billing company will notify all applicants as instructed by the Fire Chief or their designee.
4. Fee waiver applications and supporting documentation will be retained in accordance with the City’s Record Retention Policy.

d) Fee Waiver Conditions and Options:

- i. Financial Hardship. A fee waiver may be granted in circumstances where a financial hardship is demonstrated. The determination of a financial hardship shall be based on the most recent Federal Poverty Level (FPL) chart provided by the Department of Health and Human Services (HHS). The Fire Chief may grant a waiver, reduction, or payment plan to applicants that demonstrate a financial hardship.

2017 Federal Poverty Levels

Household Size	Poverty Level (100% Waiver)	2x Poverty Level (50% Reduction)	3X Poverty Level (25% Reduction)
1	12,060	24,120	36,180
2	16,240	32,480	48,720
3	20,420	40,840	61,260
4	24,600	49,200	73,800
5	28,780	57,560	86,340
6	32,960	65,920	98,880
7	37,140	74,280	111,420
8	41,320	82,640	123,960

Note: Poverty Levels will be updated annually.

The current poverty information is available at: <https://aspe.hhs.gov/poverty-guidelines>.

1. Waiver or Reduction: The Fire Chief may approve a full waiver or partial reduction of the remaining balance after all insurance

payments have been posted based on the applicant's ability to pay the remaining balance. Reductions may range from 25% to 50% based on the applicant's financial hardship as reflected above.

2. Payment Plan: The Fire Chief may offer a low-cost monthly payment plan in lieu of, or in addition to, a reduction for applicants that have a verified financial hardship.
- ii. Services Provided. A waiver may be granted in circumstances where the level of response or services provided do not justify application of the charges incurred. Such determination shall be based on the contents of the applicable ePCR or one or more of the following circumstances:
 1. The call for service did not require response by Fire Department apparatus including an ambulance, engine company, or truck company;
 2. Treatment or care provided to the applicant was at a lower level than the defined levels of ALS and BLS service;
 - iii. The applicant did not initiate the call for service, and the applicant refused care.



Budget Control Policy

Scope: CITYWIDE

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3.1 Annual Budget Development

3.2 Budget Amendments

Regulatory References

Council Motion 2016-0121

Effective Date: April 26, 2016

Budget Control Policy

1. PURPOSE

The purpose of this policy is to ensure the City makes informed fiscal decisions that take into account the full costs, in terms of dollars and service impacts, of implementing spending increases during the fiscal year. To maintain a structurally balance budget, any spending increases must be accompanied by compensatory revenue increases or spending decreases that clearly identify the associated opportunity costs.

2. BACKGROUND

The service plan for the City is based on an annual budget as required by the City Charter and by good financial and operational practices. Budgeting on an annual basis provides time to review all revenue sources, develop solutions to previously identified problems, and to discuss and decide on policies and priorities. An annual budget process also provides time for management to plan and more efficiently and effectively implement changes incorporated into the budget. Making significant mid-cycle changes outside of the orderly budget process can lead to poor decision-making due to incomplete information and to inefficient and ineffective operations or service delivery.

3. POLICY

3.1 Annual Budget Development

The annual budget process will be the method used by the City to develop its service delivery priorities and the level and type of resources required to fund those services.

Before the City undertakes any changes that would create fixed ongoing expenses, the cost implications of such changes will be projected for current and future years.

3.2 Budget Amendments

Changes to the budget and to service levels during the fiscal year will be minimized. Changes during the fiscal year will generally be limited to technical adjustments, emergency funding, unforeseen circumstances, time-sensitive opportunities or issues, or new grants or awards. The creation of a new program, a higher service level, or other increases in expenditures, without associated revenues or reimbursements, during mid-budget cycle is discouraged. Changes outside of the annual budget process should only be considered during the midyear budget review.

Unexpected revenue shortfalls or other significant issues that may create a budget shortfall during the fiscal year are to be reported to the Council with recommendations by the City Manager as to whether a mid-year budget adjustment should be made.

Budget amendments shall be considered and adopted by the Council except for where authority has been delegated as prescribed within the adopted Budget Resolution.



Debt Management Policy



Scope: CITYWIDE

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Regulatory References

Council Resolution 2018-0251

Effective Date: June 19, 2018

Debt Management Policy

1. Introduction

- 1.1 *Background.* The City of Sacramento (the “City”) has a long history of issuing multiple types of debt and working with various residents, businesses, developers, and other government agencies to achieve the most effective financing solutions for necessary project and capital improvements. Debt issuance is one way of financing capital projects in a cost-efficient manner while maintaining generational equity. With its limited fiscal resources, the City will continue to explore the issuance of debt as an equitable means of meeting its infrastructure needs.
- 1.2 *Purpose.* This Debt-Management Policy (this “Policy”) sets forth the principles and objectives that should guide the City’s decisions to issue debt and establishes guidelines for responsibly managing debt. The core objectives of this Policy include the following:
- (A) Minimize costs of debt service and issuance.
 - (B) Maintain access to cost-effective borrowing.
 - (C) Achieve and maintain the highest practical credit ratings of the various bond and credit types as well as the City’s overall credit rating.
 - (D) Balance pay-as-you-go financing with debt financing.
 - (E) Ensure full and timely repayment of debt.
 - (F) Maintain full and complete financial and non-financial disclosure and reporting with respect to debt and associated credit ratings.
 - (G) Ensure compliance with federal and state laws and regulations.
 - (H) Promote the City’s best interests and protect the City’s financial stability when deciding whether to approve debt.
 - (I) Maintain internal-control procedures to ensure the proceeds of each debt issuance are directed to the intended use.
 - (J) Increase transparency to debt stakeholders and consistency in debt decision making.
- 1.3 *Scope of Application.* This Policy applies to debt issued by or obtained by the City, the Sacramento City Financing Authority, the Sacramento Public Financing Authority, and the Redevelopment Agency Successor Agency; to debt the City issues on behalf of assessment districts and community facilities districts; and to debt the City issues for third parties i.e., conduit financing (collectively, “City Debt”). From time to time, however, compelling or extraordinary circumstances may arise that require the City Council, at the recommendation of the City Treasurer or Debt Manager, to make an exception to this Policy. Certain

obligations of the City—such as Other Post-Employment Benefits (“OPEB”) and debt not involving the issuance of bonds—are not subject to this Policy.

2. Governing Authority and Responsibility

- 2.1 *Authority.* The City’s debt program for all City funds must be operated in conformance with applicable federal, state, and other legal requirements, including authorizing sections of the Sacramento City Code and the various bond covenants of the City’s outstanding bond obligations.
- 2.2 *Delegation of Authority.* The City Council assigns its responsibility for managing and coordinating all activities related to the structure, issuance, and post-issuance management of all City Debt to the City Treasurer’s Office.
- 2.3 *Point of Contact.* The City Treasurer and the Debt Manager within the City Treasurer’s Office (the “**Debt Manager**”) are responsible for maintaining communication to the market on the City’s behalf, with a policy of full disclosure. This includes communication with rating agencies, investors, and other debt-related service providers about the City’s financial condition or the financial condition of enterprise funds that secure revenue bonds. As necessary, the City Treasurer or Debt Manager will seek guidance from the City Attorney’s Office and the City’s disclosure counsel on the appropriateness of disclosing certain matters.
- 2.4 *Responsibilities.* Debt obligations may not be presented to the City Council for authorization without a joint assessment and mutual recommendation by the City Manager’s Office and the City Treasurer’s Office. City Departments that propose debt-financed capital programs or small-equipment acquisitions must work in close coordination with the City Treasurer’s Office, the City Manager’s Office, the City Attorney’s Office, and the City Finance Department by providing information to facilitate the feasibility analysis and due-diligence process before the issuance of debt. In drafting bond-issuance documents and other related matters, the following roles shall serve as general guidance. Roles for a particular financing may differ slightly.

(A) The City Treasurer’s Office—

- (1) is responsible for selecting the structure, timing and other parameters of debt issuance;
- (2) serves as the primary contact between the City and rating agencies, investors, and all other market participants;
- (3) manages non-attorney members of the financing team (see Section 4.5. Professional Assistance)
- (4) leads the development of all necessary financing documents;

- (5) presents the financing structure and financing documents to the City Council for approval;
 - (6) manages compliance with post-issuance requirements, including, but not limited to: continuing-disclosure requirements (in accordance with the Supplemental Policy on Disclosure), private activity analysis and remediation, and arbitrage requirements; and
 - (7) conducts periodic reviews of this Policy and brings forward to City Council any proposed amendments.
- (B) The City Manager's Office and appropriate City Departments under the City Manager's purview—
- (1) identify and prioritize projects through the City's capital-improvement program;
 - (2) identify sources of funds for repayment of debt-service;
 - (3) identify sources of funds for project operations and maintenance;
 - (4) participate in document preparation and review;
 - (5) participate in conference calls or meetings regarding the debt, e.g., due-diligence reviews, rating-agency presentations, investor relations; and
 - (6) provide timely information as needed to ensure compliance with post-issuance requirements, including tracking bond proceed expenditures to comply with arbitrage requirements and annual reporting requirements.
- (C) The City Attorney's Office—
- (1) provides independent verification of the City's compliance with all applicable laws and regulations;
 - (2) selects, retains, and manages outside legal counsel (e.g., bond counsel, disclosure counsel);
 - (3) protects the City's interests;
 - (4) participates in document preparation and review; and
 - (5) participates in conference calls or meetings regarding due-diligence review.
- (D) The City Council—
- (1) takes this Policy into account when, as a member of joint-powers authorities or as a member of other agencies (e.g., Sacramento Area Flood Control Agency, Sacramento Transportation Authority), it

considers the issuance of debt that may affect the City and its constituents;

- (2) reviews and approves this Policy and, if necessary, reviews and considers the approval of recommendations to amend this Policy brought forward by the City Treasurer's Office; and
- (3) reviews and, if appropriate, approves supplemental policies that address various debt and financing instruments (if additional supplemental policies are adopted, then an amended version of Attachment A reflecting those policies must be attached to this Policy).

3. Capital Financing Considerations

3.1 *Constraints.* New debt will affect the long-term affordability of all outstanding and planned debt; the maintenance and operating costs of debt-financed improvements will also affect the City's budget.

- (A) The pledge of repayment implicit in the issuance of debt means that any future issuance of debt is limited; hence, the City Council must consider other current, planned, and outstanding debt (including overlapping debt) when assessing the financial feasibility of a planned project or purchase.
- (B) Additionally, the necessary maintenance and operating costs of projects financed with debt places constraints on the City's budgetary flexibility and should be considered alongside debt capacity as a factor when evaluating any proposed financing.
- (C) Finally, debt issuances should be coordinated with the City's overall capital-improvement program and budget process to the extent possible.

3.2 *Debt Capacity.* Existing laws and regulations and the Sacramento City Code, as well as applicable covenants of existing debt, limit the City's ability to issue new debt. The City Treasurer's Office shall work to ensure that the City Council and the City Manager are aware of outstanding debt levels and of the ramifications if more debt is issued, including the additional financial constraints the City may face. As needed, the City Treasurer's Office may perform debt-capacity analyses to evaluate the long-term effects of debt issuance in relation to the City's objectives.

3.3. *Feasibility.* To ensure consistency with this Policy, the City Council shall not undertake or authorize debt without an assessment and recommendation of the City Manager's Office and City Treasurer's Office.

- (A) General Fund or Lease Revenue Bonds. In conjunction with the City Treasurer's Office, the City's Department of Finance shall prepare for each long-term financing an internal feasibility analysis of the effect of debt

service and operations on current and future budgets and on the City's overall credit rating. This analysis must also address the reliability of revenues to support debt service. Lease Revenue Bonds annual debt service should not exceed 15% of annual budgeted revenues or expenditures.

- (B) Special Revenues. In conjunction with City Treasurer's Office, the City's Department of Finance shall prepare for each long-term financing and internal feasibility analysis of the effect of debt service and operation on current and future budgets and on the City's overall credit rating. This analysis must also address the reliability of revenues to support debt services. If the revenue source is Transient Occupancy Tax Revenues the projected gross revenues should be 150% for Senior Obligations and 115% for Subordinate Obligations. If the revenues are sources from a Non-Rated Community Facilities District or Assessment District, then the projected revenues must be 110% of the annual debt service plus administration costs.
- (C) Enterprise Funds. The City Manager's Office and the City Treasurer's Office shall evaluate the affordability of new debt for enterprise funds. Enterprise rate levels must fully cover debt-service requirements and debt-service-coverage ratios as outlined in the applicable bond covenants, as well as the anticipated costs of operations, maintenance, administration, and capital improvement. At the time of debt issuance, the projected net system revenues of the enterprise fund should be sufficient to maintain a coverage ratio equal to or greater than 120% for parity obligations and bonds and 1.00% for aggregate parity, subordinate, and unsecured obligations. The ability to afford new debt for enterprise operations will be evaluated as an integral part of the City's process for reviewing and setting rates.
- (D) Conduit Financing by a Joint-Powers Authority. The City may agree to the issuance of bonds by various joint-powers authorities (e.g., Association of Bay Area Governments, California Statewide Community Development Authority, California Municipal Finance Authority). Where the City is not the issuer of bonds for a project within the City, the City's policy will be to require the issuer to assume full responsibility for issuance and ongoing compliance of the bond issue with federal and state laws. Where feasible, however, the City may hold the public hearing required by the Tax Equity and Fiscal Responsibility Act of 1986 (26 U.S.C. § 147(f)(2)), but the City is not required to do so.
- (E) City-Issued Conduit Financing. In rare instances, the City Treasurer's Office may determine that it is in the City's best interest to issue bonds on behalf of another governmental agency or a 501(c)(3) corporation within City boundaries. In these instances, neither the City's general fund nor the City's taxing power will be pledged for repayment of the bonds. In addition, the

City will rely on the financial analysis provided by the governmental entity or the 501(c)(3) corporation for purposes of due-diligence review before moving forward on the request to issue debt. The City's preferred method for issuing conduit debt is conduit financing by a joint-powers authority.

- (F) Small-Equipment Lease Financing. The City may move forward with a small-equipment lease financing at the request of City Departments after analysis and due-diligence review by the City Manager's Office or the City Department of Finance, or both. Requests from City Departments must demonstrate the need (e.g., legal, environmental, cash flow) for small-equipment lease financing, and the City Departments must provide realistic, projected drawdown schedules showing that borrowed funds are spent in accordance with requirements **of the Internal Revenue Service (the "IRS")**.

3.4 *Capital Expenditure Considerations*. The City will consider the following factors to evaluate pay-as-you-go financing versus debt financing for funding capital expenditures:

(A) Factors favoring pay-as-you-go

- (1) Projected revenues and fund balances are adequate and available to complete the project, or the project can be completed in phases.
- (2) Existing debt levels might adversely affect the City's credit rating or rating outlook.
- (3) Market conditions are unfavorable or present difficulties in marketing the proposed debt.
- (4) The project's useful life is less than five years.

(B) Factors favoring debt financing

- (1) Current and projected revenues available for debt service are sufficient and reliable so that financings can be marketed with investment-grade credit ratings.
- (2) Market conditions present favorable interest rates and demand for the City financings.
- (3) The project is mandated by federal or state law, and current resources are insufficient or unavailable to fund the project fully within the time required.

- (4) The project is immediately needed to meet or relieve capacity needs or emergency conditions, and current resources are insufficient to fund the project fully within the time required.

4. Debt Issuance

4.1 *Types and Purposes of Debt*

(A) Long-Term Debt. Long-term debt may be used to finance the costs of acquiring or improving land, infrastructure, facilities, or equipment if it is appropriate to spread these costs over more than one budget year. Long-term debt may also be used to fund capitalized interest, costs of issuance, required reserves, and any other financing-related costs that may be legally capitalized. Long-term debt may not be used to fund City operating costs. The final maturity of long-term debt should not exceed 40 years. The following are the types of long-term debt that may be undertaken by the City:

- (1) Special-Tax Revenue Bonds. Under the Mello-Roos Community Facilities District Act of 1982, codified at Governmental Code sections 53311 to 53368.3 (the “Mello-Roos Act”), the City may use special-tax bonds to finance the construction or acquisition of various public improvements. The Mello-Roos Act provides an efficient means of financing certain public capital facilities and services and promotes economic development in areas that lack sufficient infrastructure, such as infill or brownfield areas. Bonds may be issued to fund capital facilities so long as the estimated useful life of the facilities is at least five years. These bonds must be approved by at least two-thirds of the qualified electors within the CFD.
- (2) Marks-Roos Bonds. Under the Marks-Roos Local Bond Pooling Act of 1985, codified at Government Code sections 6500 to 6599.3 (the “**Marks-Roos Act**”), governmental entities, in consort with or as part of a joint-powers authority, may use a “pooled” financing technique for a broad array of public capital improvements. The City has used the Marks-Roos Law to issue refunding bonds for community facilities districts as well as for two redevelopment project areas when new-money debt was issued concurrently. Voter approval is not required.
- (3) Special-Assessment Bonds. The Improvement Act of 1911 and the Improvement Bond Act of 1915 authorize the City to form assessment districts for imposing special-assessment liens on properties within the districts, with the assessment on each property calculated according to the “special benefit” the property receives from the improvements. The assessments are then used to secure payment of bonds that amortize the improvement costs over a period of years. A majority of the property owners within the district must approve both the formation of the district

and the issuance of the bonds. Approval occurs through submission of assessment ballots weighted according to the amount of each property's proposed assessment. Importantly, for some improvements the "general benefit" may outweigh the "special benefit"; if so, then the usefulness of special-assessment bonds to finance the improvements will be diminished and the City may be at risk of a lawsuit.

- (4) General Obligation Bonds. These bonds may be issued by governmental entities that have the legal authority to levy ad valorem property taxes and other charges at whatever rate and amount is necessary to pay the debt. Under article XVI, section 18 of the California Constitution, these bonds may only be issued for the acquisition or improvement of real property such as libraries and public-safety facilities. Two-thirds voter approval is required.
- (5) Tax-Allocation Bonds. Until January 2012, the City was authorized to issue tax-allocation bonds ("**TABs**") that were secured by a pledge of tax-increment revenues from project areas within a redevelopment agency. Proceeds from TABs were used to revitalize blighted and economically depressed areas and promote economic growth. The City is no longer authorized to issue new-money TABs unless the City or its related financing authorities are aware of enforceable obligations that need to be met. Only refunding TABs are now authorized, and only the Redevelopment Agency Successor Agency of the City of Sacramento may issue them.
- (6) Certificates of Participation and Lease-Revenue Bonds. These debt instruments are secured by a lease-leaseback arrangement between the City and another public entity. The City uses its general operating revenues (which are not expressly pledged) to pay amounts owed under the lease. The payments are in turn used to pay debt service on lease-revenue bonds issued by a joint-powers authority or on certificates of participation executed and delivered by a trustee. Voter approval is not required because these debt instruments are not subject to the debt limit in article XVI, section 18 of the California Constitution.
- (7) Revenue Bonds. These bonds are payable from revenue generated by a City enterprise, such as water and wastewater utilities. Because debt service on revenue bonds is paid solely from enterprise revenues and are not secured by any pledge of tax or general fund revenues, these bonds are not subject to the debt limit in article XVI, section 18 of the California Constitution. Revenue bonds are used for the improvements to the enterprise and are paid by ratepayers that benefit from the service provided by the City enterprise.

- (8) State Revolving Fund Loans or Other Similar Debt Instruments. An example is the Infrastructure State Revolving Fund Program, which provides financing to public agencies and non-profit corporations sponsored by public agencies; the loan proceeds are used for a variety of infrastructure and economic-development projects. Often the cost of borrowing through the loan programs is lower than the cost of issuing debt in the public market, but the maximum duration of the loan may be limited. Additionally, the process to obtain a loan may take longer than publicly-issued bonds. Though generally less cost effective than a loan, bonds may afford project financing that has a compressed timeframe.
- (B) Short-Term Debt. Short-term debt may be used as an interim source of funding before the issuance of long-term debt: It may be issued for any purpose for which long-term debt may be issued, including the payment of capitalized interest and other financing-related costs; it may also be used to address legitimate short-term cash-flow requirements during a given fiscal year, so that the City may continue to fund the operating costs of providing necessary public services; and it may be used to bridge the gap in financing before long-term debt is issued to meet the ongoing capital needs of a project or series of projects. The City will not engage in short-term borrowing solely for the purpose of generating investment returns (arbitrage). Short-term debt usually may not exceed five years.
- (1) Tax and Revenue Anticipation Notes (“TRANs”). These are short-term notes used to cover cash shortfalls resulting from a mismatch between the timing of revenues and expenditures. The City may issue TRANs when needed to meet general fund cash-flow needs in a fiscal year. TRANs are secured by the property taxes and other revenues received later in the fiscal year. Voter approval is not required.
- (2) Bond Anticipation Notes (“BANs”). These are short-term interest-bearing notes issued in the anticipation of long-term bond issuances. The City may issue BANs as a source of interim financing when the City Treasurer determines that doing so is prudent and advantageous to the City. Voter approval is not required.
- (3) Lease-Purchase Financings. These financings may be used for the short-term financing of essential equipment. The term of a lease-purchase agreement is typically less than 10 years but may be as long as 15 years. Under this type of financing, the City and a bank enter into a master lease agreement for the lease-purchase of equipment up to a certain aggregate amount. The City and the bank then enter into separate “schedules of property” or “lease schedules” for each lease-purchase of equipment, and the City Council annually budgets and appropriates an amount sufficient to pay rent for the equipment under lease during that year; the failure to appropriate will result in

termination of the lease-purchase agreement. Voter approval is not required.

- (4) Commercial Paper Notes. These notes serve as a cash-management tool used primarily to provide short-term interim funding of capital expenditures that will ultimately be funded from a long-term bond or loan. Commercial-paper notes can reduce a project's overall interest costs because only the amount needed for interim funding is borrowed, and interest rates on the interim funding are lower than the rates on the "permanent" funding with long-term bonds or loans. As of the date of this Policy, the City has never issued commercial paper notes, but the need for this type of short-term financing could arise in the future.
- (C) Other Debt. There may be special circumstances when other forms of debt are appropriate; these will be evaluated on a case-by-case basis.
- (D) Refunding. The City Treasurer's Office will periodically review outstanding City Debt to identify refunding opportunities and evaluate the costs and benefits of restructuring or retiring outstanding obligations. Refunding will be considered (within federal tax-law constraints) when it will provide a net economic benefit or when it is needed to achieve City objectives relating to changes in covenants, call provisions, operational flexibility, tax status, the issuer, debt-service profile, etc. The City may purchase City Debt in the open market for the purpose of retiring the debt when doing so is cost effective.
- (1) A current refunding occurs when outstanding bonds are paid off within 90 days after the proceeds of refunding bonds are deposited into an escrow account with the escrow agent (typically the same entity as the trustee).
 - (2) In general, when the City undertakes a current refunding for net economic benefit, the refunding should produce net-present-value debt-service savings of at least 5%. This 5% threshold is a goal rather than a requirement, as the City may have reason to refund an issue that generates net-present-value savings of less than 5% (e.g., the refunding will eliminate unduly restrictive bond covenants).
- 4.2 *Public Policy Discussion.* The proceedings to issue debt for projects that are controversial or of high public interest should be conducted with full transparency and public discussion (e.g., through community meetings, public outreach, City Council meetings).
- 4.3 *Method of Sale.* Except to the extent a competitive process is required by law, the City Treasurer is responsible for determining the appropriate manner in which to offer City Debt to investors. A negotiated sale is preferred because it (A)

provides the City more flexibility in determining the structure, time, and date of the sale, which is advantageous in a volatile municipal-bond market; (B) permits the schedule for the issuance and sale of bonds to be expedited when necessary to meet the City's goals; and (C) affords the chosen underwriter or senior managing underwriter (in the case of an underwriting syndicate) greater opportunity to pre-market the City Debt to potential purchasers, including local investors, before the sale—all of which contributes to the City's goal of achieving the lowest overall cost of funds. Other methods of sale, such as competitive sale and private placement, may be considered on a case-by-case basis. For example, private-placement debt may be appropriate when pending litigation or other risks or market conditions make a competitive or publicly negotiated sale difficult.

4.4 *Pooled Financing.* The City Treasurer is responsible for determining on each financing the appropriate use of third-party "pools" to issue City Debt. The current preferred method of sale is a direct issuance by the City led by one senior managing underwriter or co-senior managing underwriters. The need for each financing depends on par amount of bonds to be issued, complexity of the financing, and need for greater bond market penetration (institutional, retail, and high net worth individuals).

4.5 *Professional Assistance.* The City Treasurer may periodically select and retain service providers (other than bond and disclosure counsel, which the City Attorney's Office selects and retains) as needed to meet legal requirements and provide specialized analytical services in an effort to minimize the costs of City Debt. The City Treasurer will make these selections with the goal of achieving an appropriate balance between service (including experience, professional reputation, and market recognition) and cost. The City Treasurer may select service providers through a sole-source process of his or her choosing unless a competitive or other process is required by law or this Policy.

5. Debt Structure Features

5.1 *Debt Repayment*

(A) *Useful Life.* City Debt must be structured so that the weighted average maturity of the proposed debt is less than or equal to the weighted average economic or useful life of the capital projects or improvements to be financed.

(B) *Level Debt Service Preferred.* To the extent possible, the structure of debt-service for long-term debt other than special-tax revenue bonds should have combined annual principal and interest payments that remain relatively constant to maturity, i.e., "level debt service." But in some circumstances non-level debt service may be to the City's advantage. The City Treasurer's

Office will determine the structure of the debt at the time of borrowing after considering pricing, cash flows, and other relevant factors.

- 5.2 *Credit Quality.* The City should obtain and maintain the highest possible credit ratings when issuing short-term and long-term debt and will only issue bonds, for itself or others, that have a credit rating of “investment grade” or higher.* The City will, however, consider the issuance of non-rated land-secured bonds issued through assessment districts or community facilities districts, as well as the issuance of other non-rated bonds if circumstances warrant. The City will not seek a rating for bonds unless the City Treasurer’s Office determines that the bonds are likely to receive a rating of BBB or higher.
- 5.3 *Credit Enhancement.* The City Treasurer’s Office will work with the City’s municipal advisor and underwriter (or senior managing underwriter if there is an underwriting syndicate) of proposed City Debt to analyze the costs and benefits of obtaining bond insurance on a maturity-by-maturity basis for the debt.
- 5.4 *Non-Cash Reserve and Reduced Reserve.* The City Treasurer’s Office will work with the City’s municipal advisor and underwriter (or senior managing underwriter if there is an underwriting syndicate) of proposed City Debt to analyze the costs and benefits of no reserve, obtaining a surety reserve policy or reducing the typical lesser of three-prong reserve test to 50% of maximum annual debt service, or MADS, for example.
- 5.5 *Fixed-Rate Debt.* The City’s preferred interest-rate mode is fixed rate.
- 5.6 *Variable-Rate Debt.* The City may issue variable-rate debt—i.e., debt that pays interest at a rate that varies according to a pre-determined formula or specified index or results from a periodic remarketing of the debt. Although the City might benefit from variable-rate debt in some transactions, issuing variable-rate debt passes an unknown obligation and risk to future City Councils.
- 5.7 *Derivatives.* Derivatives might be appropriate for certain City borrowing programs. For example, derivatives may be used in connection with the issuance of variable-rate debt. The City Treasurer’s Office will evaluate the use of derivatives on a case by-case basis to determine whether the potential benefits are sufficient to offset any potential costs and whether the derivatives are consistent with state law and financially prudent.
- 5.8 *Call Provisions.* The City Treasurer’s Office will determine the call provisions for City Debt at the time of pricing, mindful that call provisions may affect the price of the bonds and the interest of potential investors. The City’s preferred structure is

* For Moody’s Investor Service, “investment grade” means a rating of **P-3** or higher for short-term debt and **Baa3** or higher for long-term debt. For Standard & Poor’s, “investment grade” means a rating of **A-3** or higher for short-term debt and **BBB-** or higher for long-term debt. And for Fitch Ratings, “investment grade” means a rating of **F-3** or higher for short-term debt and **BBB-** or higher for long-term debt.

early optional redemption at par in order to maintain flexibility for future refunding opportunities. The City will not issue non-callable debt unless it is legally required or unless market conditions dictate otherwise; non-callable debt should not be issued solely to generate additional debt-service savings.

- 5.9 *Bond Size.* Unless otherwise directed by the City Treasurer in consultation with the City Manager, the minimum amount the City will finance through the issuance of bonds is \$10 million unless circumstances justify a lower amount. The City may pursue other financing mechanisms—such as pay-as-you-go financing, inter-fund borrowing, lines of credit, and lease financing—for debt less than \$10 million. The City Treasurer will determine whether to move forward with a small debt financing.

6. Debt Administration and Regulatory Compliance

- 6.1 *Policies and Procedures for Post-Issuance Compliance.* The City Treasurer's Office must maintain written policies and procedures that require compliance with bond covenants and with federal, state, and local laws and regulations. The policies and procedures must address continuing-disclosure requirements; arbitrage-rebate requirements, private-use limitations, other tax-compliance requirements; levy enrollment and administration; delinquency and foreclosure management; debt service and other payments; and permitted investments and uses of bond proceeds.

- 6.2 *Arbitrage Compliance.* The City Treasurer's Office is responsible for keeping all records needed to comply with federal arbitrage requirements for tax-exempt debt.

(A) For each bond issue, the City Treasurer's Office will pay required rebate amounts, if any, no later than 60 days after each five-year anniversary of the issue date of the bonds and no later than 60 days after the last bond of the issue is redeemed.

(1) During the construction of each capital project financed with bond proceeds, the City's arbitrage consultant will typically prepare an interim arbitrage-rebate report at least once every 12 months until all collective proceeds deposited in the project fund have been expended; if, however, the proceeds remaining in the project fund are equal to or less than 5% of the collective proceeds deposited, then the City Treasurer's Office may have the arbitrage consultant prepare the interim arbitrage-rebate reports according to the timeframe required by IRS regulations.

(2) After the construction period, the City's arbitrage consultant will prepare an interim arbitrage-rebate report on each five-year

anniversary of the issue date of the bonds, or more frequently if warranted.

- (B) During the term of each issue plus three years, the City Treasurer's Office will retain copies of all arbitrage reports, records relating to the use and investment of tax-exempt proceeds, documentation of private use, and other relevant documents associated with the issue. If the issue is refunded, then the retention period for the refunded issue is the life of the refunding issue plus three years. Training may be provided for all personnel working on the IRS's post-issuance-compliance process. If any potential violations to complying with federal tax laws are discovered, then the City Treasurer or City Debt Manager, after consulting with the City Attorney's Office, will contact bond counsel and determine what if any corrective actions are needed (e.g., entry into the Voluntary Closing Agreement Program with the IRS).
- (C) The City Treasurer or City Debt Manager will periodically review the City's post-issuance compliance policies and procedures and will implement revisions as appropriate after consulting with the City Attorney's Office and, if needed, bond counsel.
- (D) In the case of refunding an outstanding bond issuance, all transferred proceeds, that is proceeds of a refunded issue such as amounts remaining construction fund, reserve fund, and other accounts plus interest accrued, may be considered as transferred proceeds if not utilized within the sources for the refunding issue in accordance with applicable IRS regulations. Any transferred proceeds would continue to be subject to arbitrage calculations for the refunding issue. In addition, in the case where the transferred proceeds represent more than 5% of the original deposit as specified in Section 6.2(a)(1) of this document, interim arbitrage calculations must be performed on an annual basis until such time that the balance of the transferred proceeds is less than 5% of the original deposit.

6.3 *Use of Proceeds from Tax-Exempt or Taxable Debt and of Assets Financed with Tax-Exempt Debt.* The City Treasurer's Office in conjunction with other City Departments is responsible for the following:

- (A) Monitoring the use of proceeds from tax-exempt and taxable debt and the use of assets financed or refinanced with tax-exempt debt throughout the term of the debt to ensure compliance with all covenants and restrictions in the documents relating to the debt and to ensure that the proceeds are directed to the intended use.
- (B) Consulting with the City Attorney's Office and tax counsel in reviewing contracts or other arrangements involving use of assets financed or

refinanced with tax-exempt taxable debt to ensure compliance with all covenants and restrictions in the documents relating to the debt.

- (C) Maintaining records for any contracts or other arrangements involving the use of assets financed or refinanced with tax-exempt or taxable debt.
- (D) Maintaining internal-control procedures related to the management and disbursement of proceeds, such as procedures requiring that proceeds are either (1) held by a third-party trustee or fiscal agent, which will disburse the proceeds to, or upon the order of, the City in accordance with one or more written requisitions; or (2) held by the City and deposited and accounted for in a separate fund or account, with withdrawals and expenditures carefully documented.
- (E) Consulting promptly with the City Attorney's Office and tax counsel to develop a course of action to remediate any identified existing or potential violations of restrictions on the use of tax-exempt or taxable proceeds or the use of assets financed or refinanced with tax-exempt or taxable proceeds.

Attachment A
Supplemental Policies

City of Sacramento *Policies and Procedures For Use of Special Assessment and Mello-Roos Community Facilities District Financing For Infrastructure, Public Facilities, Programs and Services* (Adopted on June 29, 1993, by Resolution No. 93-381, updated on August 9, 1994, by Resolution 94-491 and on May 15, 2012)

City of Sacramento *Development Fee Financing Program for Commercial, Industrial and Residential Development Projects* (Adopted January 1997 by Resolution No. 97-002)

California Debt and Investment Advisory Commission [Appraisal Standards for Land-Secured Financings](#) CDIAC 04-07 (Adopted in May 1994 and revised in July 2004)

City of Sacramento *Debt-Management Policy – Supplemental Policy on Disclosure* (Adopted on June 2, 2011, by Resolution No. 2011-322 and updated on February 7, 2017, by Resolution No. 2017-0046; and updated on May 30, 2018, by Council approval on June 19, 2018)



Debt Management Policy - Disclosure

Supplemental Policy on Disclosure



Scope: CITYWIDE

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Regulatory References

Council Resolution 2018-0251

Effective Date: June 19, 2018

Debt Management Policy - Disclosure

1. Introduction

1.1 This Supplemental Policy on Disclosure governs the City's discharge of its disclosure obligations related to debt (including lease-revenue obligations) issued by or obtained by the City or by related entities such as the Sacramento City Financing Authority, The Sacramento Public Financing Authority, and the Redevelopment Agency Successor Agency.

(A) The City and its related entities issue obligations in the public capital markets from time to time. When bonds are issued, the City, whether acting for itself or for a related entity, is obligated to disclose all material information in compliance with federal securities laws, including the Securities Act of 1933, the Securities and Exchange Act of 1934, Rule 10b-5 of the Securities and Exchange Commission ("**SEC**"), and Rule 15c2-12 of the SEC. California Governmental Code section 8855 required certain disclosures to the California Debt and Investment Advisory Commission.

(B) Incomplete, inaccurate, or misleading disclosure might have material financial consequences for the City and City officers and employees. For example:

- The SEC could bring civil actions charging that disclosure was negligent, reckless, or intentionally fraudulent; in addition, the SEC could refer cases to U.S. Department of Justice for criminal prosecution.
- The SEC could impose cumbersome procedures and oversight on the City as conditions for settling civil actions.
- The City could suffer adverse publicity, which might reduce market access.
- The credit rating on the City's debt could be downgraded, resulting in increased costs in future issuances.
- City officials could face personal fines for violations of securities laws.

(C) Sound disclosure practices can provide both tangible and intangible benefits, including the following:

- Enhanced credibility in the municipal-bond marketplace.
- Transparency with rating agencies, investors, and prospective investors.

- Improved decision making for prospective investors.
- Increased numbers of investors who purchase bonds.
- Improved liquidity for bonds.
- Demonstrated City commitment to providing timely disclosure to investors, credit-rating agencies, and the public.
- The potential for a lower overall cost of borrowing.

1.2 Scope of Policy. This policy applies to City information and document, including the following, that investors are reasonably expected to use when deciding whether to invest in the City's bonds:

- Initial-disclosure documents, i.e., preliminary and final official statements.
- Continuing-disclosure documents, i.e., annual financial information and event notices.
- In certain circumstances, other information such as presentations in investor conferences.
- The Debt Management section of the City Treasurer's webpage (on the City's website), which contains certain historical information, such as past official statements and audited financial reports.

2. Governing Authority and Responsibility

2.1 Authority. Either the City Treasurer or the Debt Manager within the City Treasurer's Office (the "**Debt Manager**") shall manage the City's disclosure program in conformance with federal, state, and local requirements, including the Sacramento City Code and the City's Debt-Management Policy.

2.2 Point of Contact. Either the City Treasurer or the Debt Manager shall be the City's point of contact for disclosure, primarily responsible not only for developing and distributing information but also for determining the materiality of information.

2.3 Responsibility,

- (A) The City Treasurer or the Debt Manager shall oversee all aspects of disclosure. As such, the City Treasurer or the Debt Manager shall review the form and content of the City's documents and materials prepared, issued, or distributed in connection with the City's disclosure obligations relating to its debt. Those documents and materials include preliminary and final official statements; annual financial information and event notices filed with Electronic Municipal Market Access ("**EMMA**"), the Municipal Securities

- Rulemaking Board's disclosure portal; voluntary filings with EMMA; and other communications that investors are reasonably expected to use in making investment decisions.
- (B) Along with the City Treasurer and his or her staff, the City Attorney and City Manager shall serve as integral members of the financing team, each responsible, as appropriate, for ensuring and certifying to the accuracy of information released to the market.
 - (C) The City is responsible for the content of its disclosure documents. The City Treasurer, City Attorney, and City Manager shall ensure the use of outside professionals for their respective areas of expertise is appropriate and that reliance upon outside professionals is reasonable and not excessive.
 - (D) The City Treasurer or the Debt Manager shall ensure that subject-matter experts, including City staff with relevant knowledge or expertise, are involved in developing and periodically reviewing and updating disclosure documents. For example, when obligations are secured by particular revenues such as water or sewer fees, City staff who are knowledgeable about the relevant utility must be involved.
 - (E) The City Treasurer and Debt Manager, in collaboration with the City Attorney, shall arrange for the engagement of disclosure counsel to assist the City in complying with disclosure requirements. The City Treasurer or the Debt Manager shall also arrange for the periodic training of City officers and employees regarding their disclosure obligations under federal securities laws.
 - (F) City officers and employees serving as financing-team members are responsible for reviewing and commenting on draft documents. As part of their review, they must determine whether all material information—including confidential or politically sensitive information—has been included and is both accurate and relevant.
 - (G) City officers and employees and the officers and employees of related entities shall promptly provide all information, assurance, and certifications that the City Treasurer requests, in his or her sole discretion, for compliance with federal securities laws. The City Manager and City Attorney shall require prompt and full responses to those requests.

3. Certifications

- 3.1 In connection with the City Council's approval of preliminary or final official statements for publicly issued debt, as appropriate City officer or employee shall certify in writing, to the best of his or her knowledge, the documents do not make any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

- 3.2 The City Treasurer or the Debt Manager shall provide offering documents such as preliminary official statements to appropriate City officials (which may include the Mayor and City Council, City Manager, City Attorney, and other City officers and employees) in such a manner as to allow timely, informed decisions regarding disclosure.



Development Stabilization Contingency Reserve (DSCR) and Development Services Fund Management Policy

Scope: CITYWIDE

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Policy

Management of Activities in Fund 2016

Regulatory References

February 23, 1999 Resolution 1999-0077

DSCR and Development Services Fund Management Policy

1. PURPOSE

The purpose of the DSCR and the Development Services Fund (Fund 2016) is to ensure the prudent management of development funds for the public and the City of Sacramento. The DSCR will be used to bridge gaps between budgeted and actual development revenues in the Community Development Department (CDD) during periods of significant revenue decline.

2. BACKGROUND

The Development Services Fund was established on February 23, 1999 (Reso 99-077), to account for major plan review and building permit projects, cyclical surplus plan review and building permit revenues, and environmental impact review projects. In 1999 the City Council authorized the transfer of General Fund budget surpluses, during periods of high building activity, in the Development Services Department to be transferred to the Development Services Fund. The intent was that the Development Services Fund would be drawn down in years of lower building activity. Over time, these resources were used to fund ongoing workload, without an ongoing revenue stream. When the Fund could no longer support ongoing budgeted expenditures, the authority to carryover surpluses was removed from the annual budget resolution.

A sustainable funding plan for CDD building and planning operations is necessary for the department to be responsive to the economic climate. Establishing a DSCR Policy for Fund 2016 and Management Guidelines will provide the department resources during a downturn in development activity and time to react to those changes.

3. POLICY

The DSCR shall be established as set forth below and any changes to the policy will be presented to and approved by the City Council.

- (a) The DSCR goal is one year's worth of building, building plan check, and current planning revenues.
- (b) The DSCR will be initially funded with the available fund balance upon completion of the FY2014/15 audited financial statements for Fund 2016.
- (c) Beginning with FY2014/15 actual year-end revenues in excess of budget from CDD's Building Inspection, Building Plan Check, Customer Service/Permit Counter, and Planning Operations, provided that the net year-end results (revenue and expenditure budget variance) of CDD are positive, will be transferred to the DSCR.

- (d) The DSCR will only be used to bridge gaps between projected and actual development-related revenues in CDD during periods of significant revenue shortfalls.

4. MANAGEMENT OF ACTIVITIES IN FUND 2016

The fund shall be used for the management of development activities, when those activities are intended to be fully offset by revenues as described below and summarized in Attachment 1.

- (a) Environmental impact review or planning review in fully reimbursable projects (P2100xxxx)
 - i. Revenues and expenditures must balance upon closure
 - ii. Shortfalls in completed projects where recovery efforts are unsuccessful will be covered by a transfer from the DSCR so that the project may be closed with balanced revenues and expenditures
- (b) Major development projects (I21xxxxxx) when building valuation is in excess of \$50 million, to be adjusted annually according to the Consumer Price Index (e.g., high rise buildings, arenas, theaters in fully reimbursable projects)
 - i. Revenues and expenditures must balance upon closure
 - ii. Funds remaining in a completed project will be transferred first to the DSRC until the Reserve level is attained, then to the department's General Fund operating budget
 - iii. Shortfalls in completed projects will be covered by a transfer from the DSCR so that the project may be closed with balanced revenues and expenditures
- (c) Citywide Development Activities (funding provided by a % fee on all permits/plan reviews)
 - i. Technology for building or planning permitting systems: (e.g., Accela, CitizenServe, or eCAPS) to be managed in the separate capital projects (A21xxxxxx)
 - ii. General Plan and Community Plan updates: To be managed in a multi-year projects (I22xxxxxx) with separate child projects for the various plans/updates



General Fund Economic Uncertainty Reserve Policy

Scope: CITYWIDE

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 - 3.3 Criteria for Expenditure of Reserve Funds
 - 3.4 Timeline for Replenishment of the EUR

Regulatory References

Council Motion 2016-0122

Effective Date: April 26, 2016

General Fund Economic Uncertainty Reserve Policy

1. PURPOSE

To establish the targeted level of General Fund operating reserves, a basic component of a financially strong city. Adequate reserves help sustain City operations when adverse or unexpected circumstances affect the City, providing resources to minimize service disruption in the event of temporary revenue shortfalls or unpredicted one-time expenditures. This policy establishes the amounts the City will strive to maintain in its Economic Uncertainty Reserve (EUR) and the conditions under which the reserve may be used.

2. BACKGROUND

Financial reserves strengthen the City's financial status and provide valuable resources for unexpected events. Every fund of the City represents a stand-alone financial set of accounts and has its own operating characteristics, financial capabilities, and constraints. The level of reserves needed should be based on the financial and operating characteristics of each fund. In June 2011, the City Council adopted a goal of establishing a General Fund EUR equivalent to 10% of annual General Fund revenues.

According to the Government Finance Officers Association (GFOA), it is essential that governments maintain adequate levels of fund balance to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) in order to protect taxpayers and employees from unexpected changes in financial conditions.

GFOA recommends, at a minimum, that general-purpose governments, regardless of size, maintain an unrestricted budgetary fund balance in their General Fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures (<http://www.gfoa.org/appropriate-level-unrestricted-fund-balance-general-fund>).

This policy establishes 10% of annual General Fund budgeted revenues as the minimum level of funding in the City's General Fund EUR and establishes two months of operating revenues as a target reserve level. The policy also outlines the methods the City will utilize to achieve the target reserve level, defines the conditions under which these funds can be used and describes how the City's expenditure and/or revenue levels will be adjusted to match any new economic realities that are causing the use of fund balance reserves as a financing bridge.

3. POLICY

3.1 Minimum and Target Reserve Levels

The City will maintain an EUR at a minimum of 10% of budgeted General Fund revenues. The City will seek to achieve and maintain a General Fund EUR equal to two months of regular ongoing General Fund expenditures, including transfers (i.e. 17% of General Fund expenditures).

The EUR shall be reported as a commitment of fund balance in the General Fund for external financial reporting. Appropriations from the EUR may only be made by a vote of the City Council to meet a critical, unpredictable financial need.

3.2 Methods to Achieve Funding Levels

Funding of the EUR will generally come from excess revenues over expenditures or one-time revenues.

At a minimum, during the budget process, staff shall review the current and five-year projected reserves to ensure that they are appropriate given the economic and financial risk factors the City faces.

3.3 Criteria for Expenditure of Reserve Funds

The EUR is intended to contend with significant short-term issues, inclusive of unexpected revenue shortfalls, higher than anticipated expenditures, or declared emergencies.

It is the intent of the Council to limit use of the EUR to address unanticipated, non-recurring needs. Reserves shall not normally be applied to recurring annual operating expenditures. The EUR may, however, be used strategically to allow time for the City to restructure its operations in a deliberate manner (as might be required in an economic downturn), but such use will only take place in the context of a Council-adopted long-term plan.

3.4 Timeline for Replenishment of the EUR

If the EUR is drawn down below the minimum level, a plan will be developed and implemented to replenish the reserve, generally from future surpluses. Replenishing the EUR will be a priority use of one-time resources. Generally, the City should seek to replenish the EUR to the minimum reserve level within one to three years.



Interfund Loans

Scope: CITYWIDE

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1. Purpose
2. Background
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 - 3.2 Short-term Loans
 - 3.3 Prohibited Uses

Regulatory References

Council Motion 2015-0141

Interfund Loans Policy

1. PURPOSE

The City's Interfund Loan Policy documents the methods used by the City to demonstrate prudent financial management over interfund loans. The policy:

- Requires City Council approval of interfund loans, except for short-term working capital loans,
- Permits short-term interfund loans for working capital to cover Council-approved reimbursable grants and projects and other temporary timing differences in cash flows, and
- Prohibits interfund loans from being used to solve ongoing structural budget issues or hindering the accomplishment of any function or project for which the lending fund was established.

2. BACKGROUND

Interfund loans are the lending of cash from one City fund to another for a specific purpose and with a requirement for repayment. The practice of interfund loans is a recognized and necessary aspect of municipal finance. Such loans are typically short-term in nature, and constitute the allocation of resources between individual funds for working capital purposes.

3. POLICY

3.1 Long-term Loans

Interfund loans, other than short-term working capital loans, must be approved by the City Council. Council approval will include the following terms of the loan:

- Purpose of Interfund Loan
- Identification of the source fund
 - Availability of unrestricted funds in the source fund
 - Review of multi-year plans for use of source fund cash
 - Analysis of legal or contractual restrictions
- Repayment of Interfund Loan
 - Repayment must have a payment source and funding stream
 - Specific repayment schedule
 - Interest imposed at a rate equal to at least investment earnings if loan did not occur
- Other Considerations
 - Feasibility of repayment
 - Internal controls to monitor repayment

3.2 Short-term Loans

Short-term interfund loans for working capital to provide cash for Council-approved reimbursable grants and projects, are permitted. Short-term working capital loans are also permitted for temporary timing differences in cash flows when expenditures are incurred before revenue is collected. The source funds for working capital interfund loans are the Risk Fund and the General Fund.

3.3 Prohibited Uses

- Interfund loans will not be used to solve ongoing structural budget issues.
- Interfund loans will not hinder the accomplishment of any function or project for which the lending fund was established.



Investment Policy

Scope: CITYWIDE

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Regulatory References

Council Resolution 2016-0291

Effective Date: August 16, 2016

Investment Policy

The purpose of this document is to set forth the investment and operational policies for the management of the public funds of the City of Sacramento. These policies are designed to ensure the prudent management of public funds under management by the Sacramento City Treasurer.

Although the Sacramento City Charter generally provides the City Treasurer with the authority to deposit and invest funds in the City Treasury, undertaking of the investment activities by the City Treasurer is subject to the annual delegation of investment authority from the City Council as the body being primarily responsible for the investment of City funds. Accordingly, these policies are applicable to the management of City treasury funds as that task may be delegated to the City Treasurer.

A copy of this policy statement will be provided to all investment brokers and dealers and others in related fields doing business with the City of Sacramento, and will be provided to other interested parties on request. In addition, this policy statement will be posted to the City Treasurer's page of the City's internet website.

An entity retained to provide investment-related services to the City of Sacramento shall not render services unless and until it confirms, in writing, that it has received and reviewed this policy statement, and is prepared to implement its terms, as applicable to the services to be provided by the entity.

Governing Authority; Scope

- A. Section 73 of the Sacramento City Charter vests the City Treasurer with authority to deposit and invest funds of the City treasury, subject to the annual delegation of investment authority from the City Council to the City Treasurer pursuant to Government Code section 53607. These policies shall apply to the City Treasurer's investment of City treasury funds.

- B. The City Treasurer investment program for all treasury funds shall be operated in conformance with applicable federal, state, and other legal requirements. This policy statement is intended to conform to Government Code sections 53600, et seq, and interpretation of these policies shall be consistent with those statutes.

Objectives

A. Primary Objectives

The primary objectives of investment activities, in order of priority, are safety, liquidity, and yield:

1. Safety

Safety of principal is the foremost objective of the investment program.

Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective is to mitigate credit risk and interest rate risk.

- a. Credit Risk. Credit risk is the risk of loss due to the failure of the security issuer or backer. The City will minimize credit risk by:
 - i. Limiting investments to the types of securities listed in Section VI of this Investment Policy
 - ii. Re-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business in accordance with Section IV.
 - iii. Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.
- b. Interest Rate Risk. Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates. The City will minimize interest rate risk by:
 - i. Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity
 - ii. Investing operating funds primarily in shorter-term securities, money market mutual funds, the Local Agency Investment Fund (“LAIF”) managed by the State of California, or similar investment pools and limiting the average maturity of the portfolio in accordance with this policy.

2. Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). Alternatively, a portion of the portfolio may be placed in money market mutual funds or LAIF which offer same day liquidity for short-term funds.

The staff of the City Treasurer’s Office shall (i) monitor the City’s budget formation and approval process and (ii) actively engage with City staff to assess and manage cash flow needs of the City.

3. *Yield*

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the low level of risk being assumed.

Securities shall generally be held until maturity with the following exceptions:

- a. A security with declining value may be sold early to minimize loss of principal.
- b. A security swap would improve the quality, yield, or target duration in the portfolio.
- c. Liquidity needs of the portfolio require that the security be sold.
- d. Where the sale of the security to realize capital gains is advisable in the judgment of the investment officers.

B. Other Objectives

1. *Pooling of Funds*

Except for cash in certain restricted and special funds, the City will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds proportionately based on their respective participation and in accordance with generally accepted accounting principles. The pooling of funds shall have no effect on the legal character of the pooled funds, i.e. funds whose use is restricted by law shall remain restricted and cannot be used as part of the City's general fund.

2. *Local Considerations*

Where possible, as a secondary objective, funds may be invested for the betterment of the local economy. The City Treasurer may accept a proposal from an eligible institution that provides for a reduced rate of interest provided that such institution documents the use of deposited funds for local community development projects.

3. *Favored Investments*

Investments are encouraged in entities that have demonstrated significant commitment and cooperation (a) with foreclosure prevention efforts, including, without limitation, temporary moratoriums on foreclosures, renegotiation of the principle mortgage balances to reflect current values, and other good faith negotiations with homeowners in regard to delinquent mortgages, and/or (b) in

offering free or low-cost banking services to low- and moderate-income residents who are part of the traditionally “unbanked” or “under-banked” population. The City Treasurer may take into consideration the level of effort an entity expends in either the foreclosure relief or community banking areas, or both, when considering competing investments. If the City Treasurer is satisfied with the record of an entity in regard to such efforts, then the Treasurer’s investment staff may invest in the securities of the entity, provided that the investment is otherwise consistent with the requirements of this Investment Policy statement.

Standards of Care

A. *Prudence*

In accordance with Government Code section 53600.3, the standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures developed by the City Treasurer and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided extraordinary deviations from expectations are reported by subordinate investment officers to the City Treasurer in a prompt fashion and that the sale of securities is carried out in accordance with the terms of this policy.

Pursuant to the "prudent person" standard, investment officers shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Funds shall be managed not for speculation where the sole goal of a transaction is to increase principal balances, but for investment intended to earn a reasonable rate of return on invested funds, considering the probable safety of their capital as well as the probable income to be derived. Despite that investment transactions are undertaken with care pursuant to the “prudent person” standard, it is recognized that invested funds are subject to the vagrancies of the markets beyond the control of the investment officers.

B. *Ethics and Conflicts of Interest*

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and investment officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City. Investment officers shall file

State Fair Political Practices Commission's Statement of Economic Interests and make the disclosures required by the City's conflict of interest policies.

C. *Delegation of Authority*

Authority to manage the City treasury investment program is granted to the City Treasurer pursuant to Sacramento City Charter section number 73, unless the Charter specifically indicates otherwise, subject to annual delegation of investment authority by the City Council pursuant to Government Code section 53607. Pursuant to the City Charter, the City Treasurer also is authorized to appoint deputies and employees, as prescribed by Council resolution, to implement the investment program. The City Treasurer and those employees appointed by the Treasurer to perform investment activities pursuant to these policies shall be referred to herein collectively as "investment officers."

Investment officers shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy ("Investment Procedures Manual"). Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures manual. The investment officers shall be responsible for all transactions undertaken and shall establish a system of controls to regulate their activities.

Authorized Financial Institutions, Depositories, and Broker/Dealers

A. *Selection*

Financial institutions and depositories involved in implementing the City Treasurer's investment activities are selected on a competitive basis in order to obtain high quality services by reliable, reputable and stable entities. The competitive process may be formal or informal, as determined by the City Treasurer in his or her discretion, with the objective of obtaining the quality of services necessary to serve the best interests of the City and relevant stakeholders, with services performed at competitive fees and rates. Such processes may occur from time to time by the City Treasurer's Office whether at the time the City Treasurer contracts for the general banking services or otherwise. The firm or firms providing investment-related services may or may not be, at the discretion of the City Treasurer, the same firm providing general banking services. Among the factors that the City Treasurer may consider in obtaining such services are (i) minimum qualifications pertaining to capacity, satisfaction of requirements to conduct required business, i.e. licenses, permits, registrations, certifications, etc.; (ii) capitalization; (iii) insurance and bonding; (iv) safekeeping and custodial experience; (v) status in good standing; (vi) ability and capacity of the firm to provide a full range of services as may be required by the City Treasurer; (vii) extent of the value added by an entity over the services provided by firms then-providing investment-related services to the City Treasurer's Office; and (viii) other attributes as may be determined by the City Treasurer from time to time. The City Treasurer may determine the number and nature of firms to

be retained to provide investment-related services based upon the volume of existing and projected investment work. Those firms that are selected to execute transactions on behalf of the City shall do so in a good faith manner and in the best interests of the City, and shall disclose to and advise the investment officers of material facts that bear upon the pricing of a given transaction order given by investment officers. All financial institutions executing investment transactions shall satisfy the requirements of Government Code section 53601.5. All depositories shall satisfy the institutional qualifications and security requirements described in Government Code sections 53648 et seq.

B. *Performance Review*

All financial institutions and depositories shall maintain the qualifications and attributes deemed appropriate by the City Treasurer, including, but not limited to those enumerated in subsection A above, and shall perform their duties in a satisfactory manner. The City Treasurer, at his or her discretion, shall conduct periodic performance reviews to ensure the institutions and depositories are providing services in the best interests of the City.

Safekeeping and Custody

A. *Delivery vs. Payment*

All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.

B. *Safekeeping*

Securities will be held by an independent third-party custodian selected by the City Treasurer. The inventory and value of cash and securities held by the custodian will be reconciled on a daily basis. The custodial institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standards No. 70, or SAS 70).

C. *Internal Controls, Investment Procedures Manual*

The City Treasurer is responsible for establishing and maintaining an internal control structure designed to guide the activities of the investment officers to ensure that the assets of the City are protected from loss, theft or misuse. Details of the internal controls system shall be documented in the Investment Procedures Manual and shall be reviewed and updated annually, as needed. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management. The internal controls structure shall address the following points:

I. Prevention of collusion

II. Separation of transaction authority from accounting and recordkeeping

- III. Custodial safekeeping
- IV. Avoidance of physical delivery securities
- V. Clear delegation of authority to subordinate staff members
- VI. Written confirmation of transactions for investments and wire transfers
- VII. Development of a wire transfer agreement with the lead bank and third-party custodian

Accordingly, the City Treasurer shall establish a process for an annual independent review by an external auditor to assure compliance with policies and procedures or alternatively, compliance should be assured through the City annual independent audit.

Suitable and Authorized Investments

A. *Investment Types*

Allowable investments of funds not required for the immediate use by the City are limited to those described in Government Code sections 16429.1 (Local Agency Investment Fund), 53601 (investment of surplus), 53601.8 (certificates of deposit), 53635 (purchase of commercial paper by pools) and 53638 (bank deposits), as such statutes may be amended or renumbered from time to time. These allowable investments, and their permitted amounts and attributes, are set forth in a summary prepared and updated from time to time by the California Debt and Investment Advisory Commission (“CDIAC”) entitled, “Allowable Investment Instruments Per State Government Code, Applicable To All Local Agencies,” included CDIAC’s “Local Agency Investment Guidelines” publication that may be located at <http://www.treasurer.ca.gov/cdiac/LAIG/guideline.pdf>.

B. *Extended Maturities*

The investment officers will observe the maximum maturity term of five years on various of the allowable investments. However, where a particular investment is found by the investment officers to be advantageous and consistent with these policies, but for a nominal exceedance of a 5-year maximum maturity caused by effect of the security’s issuance and maturity dates, or the settlement date of the transaction, or both, they are authorized to invest in the following obligations with remaining maturities of five (5) years, plus not more than thirty (30) calendar days: U.S. Treasury obligations, obligations of California or other states, California local agency obligations, U.S. Agency obligations and medium-term notes. The City Treasurer will provide notice to the City Council of such investments within periodic investment reports made to the Council. See, Section VIII.A. Pursuant to Government Code section 53601, investment officers shall not make investments in instruments with maturities longer than five (5) years, plus thirty (30) calendar days, without prior approval of the City Council.

C. *Securities Lending*

The investment officers at their discretion may engage in securities lending activities pursuant to securities lending agreements (as defined in Government Code section 53601(j)(5)(D)) provided that the following are satisfied:

- I. Securities lending transactions are to be governed by agreements entered into by the City Treasurer and the agent or agents the City Treasurer engages to perform such transactions provided that such agreements
 1. comply with the requirements of Government Code section 53601(j), and
 2. require the payment of cash collateral equal to or greater than 102% of the market value of the loaned security at the time of the loan.

- II. The securities lending agreements may allow for the use of cash collateral for the reinvestment in securities that
 1. comply with the requirements of Government Code section 53601(j)(3)(D), and
 2. are securities whose direct investment is authorized by Government Code section 53601 and these policies,
 3. provided that nothing herein shall preclude the City Treasurer from entering into securities lending agreements that reduces the scope of investments made with cash collateral to something less than that allowed under subsections (a) and (b) above.

Investment Parameters

A. *Diversification*

The City shall diversify its investment portfolio. To minimize risk of loss resulting from the over-concentration of assets in a specific maturity, issuer, or type of securities, all cash and cash equivalent assets in all City funds shall be diversified by maturity, issuer, and class of security. Diversification strategies shall be determined and revised on an ongoing basis by the investment officers for all funds covered by these investment policies. In establishing specific diversification strategies, these investment policies shall apply. The investment officers shall emphasize that portfolio maturities will be staggered to avoid undue concentration of assets in a specific maturity sector. Maturities selected shall provide for stability of income and reasonable liquidity.

B. *Cash Management Funds*

- I. Liquidity shall be assured through practices ensuring that the payroll dates and dates of large disbursements are covered through maturing investments or marketable U.S. Treasury bills.
- II. Positions in securities having potential default risk shall be limited in size pursuant to the maximum limits set forth in Government Code section 53601. See Attachment A. Such securities include the following: Commercial paper; negotiable certificates of deposit, and Banker's Acceptances.
- III. Risks of market price volatility shall be controlled through maturity diversification.
- IV. Liquidity risk: Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as LAIF, money market funds, overnight repurchase agreements, and/or marketable securities that can be sold to raise cash in one day's notice, to ensure that appropriate liquidity is maintained to meet ongoing obligations.

C. *Competitive Bids*

The investment officers shall obtain competitive bids from at least two brokers or financial institutions on all purchases of investment instruments purchased on the secondary market for consideration in excess of \$15 million per purchase transaction.

Reporting

A. *Investment Reports*

The City Treasurer shall present to the City Council, the City Manager and the City's internal auditor monthly investment reports that include the content described in Government Code sections 53607 and 53646(b).

B. *Marking to Market*

For purposes of preparation of the investment reports, the market value of the portfolio shall be calculated. In defining market value, considerations should be given to the GASB Statement 31 pronouncement.

C. *Performance Standards*

The investment portfolio will be managed in accordance with the parameters specified within this statement of policies. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. A series of appropriate benchmarks shall be established against which portfolio performance shall be compared on a regular basis. The benchmarks shall be reflective of the actual securities being purchased and risks undertaken.

Policy Considerations

A. Exemption

Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy, provided that the City Treasurer may take steps he or she deems appropriate to address non-compliant investments in the best interest of the City and pool participants. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

B. Amendments

This policy shall be reviewed annually by the investment officers. Any change must be approved by the City Treasurer, followed by review and consideration by the City Council pursuant to Section X of these policies.

City Council Consideration of Investment Policy

This policy shall be reviewed and considered by the City Council on an annual basis pursuant to Government Code section 53646(a)(2).

Miscellaneous

A. Statutory References

All statutory references cited in these policies shall refer to the statute as it may be amended or renumbered from time to time.



Measure U Financial Management

Scope: CITYWIDE

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November 2012 Ballot Measure U

Measure U Financial Management Policy

1. PURPOSE

The City's Measure U Financial Management Policy documents the methods the City will use to demonstrate prudent financial management over Measure U tax revenue. The policy:

- Establishes a Measure U Reserve to address unanticipated revenue reductions and the transition that will occur upon the expiration of the tax;
 - Commits to allocating the additional Measure U resources, above the amount needed to fund the Measure U Reserve and to accommodate growth of already-funded Measure U programs, to one-time expenditures;
 - Prohibits using Measure U resources to increase General Fund non-Measure U employee compensation or to balance the General Fund budget;
- Requires performance audits by the City's external independent auditor in addition to the City's annual financial and compliance audits; and
- Requires development of a transition plan to address the expiration of the Measure U tax and the reduction or phase out of services funded by Measure U.

2. BACKGROUND

Voter approval of the City of Sacramento Essential Services Protection Measure (Measure U) in November 2012 authorized the implementation of a six-year, one-half cent transaction and use tax effective April 1, 2013, which expires on March 31, 2019. The objectives of Measure U are "to restore and protect essential safety services, including 9-1-1 response, police officers, gang/youth violence prevention, fire protection/emergency medical response, and other essential services including park maintenance, youth/senior services, and libraries..."

3. POLICY

3.1 Measure U Reserve

The City shall maintain a Measure U Reserve dedicated to mitigating the effects of unanticipated revenue reductions and the transition away from Measure U revenue upon the expiration of the tax on March 31, 2019. The Measure U Reserve shall be funded equal to the estimated Measure U program/service costs in FY2020/21 to provide time and adequate funding to phase out the use of Measure U funds.

3.2 Use of Measure U Resources

- Measure U revenue, above the amount needed to fund the Measure U Reserve and to accommodate growth of Council-authorized Measure U programs, will be allocated to one-time expenditures focused on investment in City infrastructure used to deliver Measure U programs/services.
- Measure U revenue shall not be allocated to fund new or expanded programs with ongoing costs after June 30, 2015, as the expiration of the tax measure in 2019 may require those new programs to be reduced or eliminated.

3.3 Prohibited Uses

Measure U resources shall not be used to increase General Fund non-Measure U employee compensation or to balance the General Fund budget, except where funds would provide for the protection of programs/services specifically included in the Measure U ballot language.

3.4 Transparency and Reporting

Measure U revenue and expenditures should be transparent to the City Council, the Measure U Citizens Oversight Committee, and Sacramento residents. In order to achieve this transparency, Measure U resources will be accounted for and reported separately in order to facilitate review by the Council and the Oversight Committee. In addition, the following information shall be available:

- The City's annual financial and compliance audit will include revenues and expenditures for the Measure U Fund.
- As requested by the Citizens Oversight Committee, the City shall engage its external independent auditors to conduct annual performance audits of Measure U spending by budget allocation.

3.5 Transition Plan

The City Manager will prepare a transition plan as part of the FY2018/19 Proposed Budget to address the expiration of the Measure U tax and the phase out of services funded by Measure U. The transition plan should reduce the reliance on Measure U resources over time by utilizing the Measure U Reserve and converting support for essential programs and services to any alternative sources of funding identified.



Other Post-Employment Benefits (OPEB)

Scope: CITYWIDE

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Effective: February 16, 2016

Other Post-Employment Benefits (OPEB) Policy

1. PURPOSE

In order to assure that the City's Other Post-Employment Benefits (OPEB) program is financially sustainable, the program should accumulate adequate resources in a systematic and disciplined manner over the active service life of benefitting employees. The City's OPEB Funding Policy documents the method the City will use to determine its actuarially determined contributions to fund the long-term cost of benefits to City employees and retirees. The policy also:

- Demonstrates prudent financial management practices;
- Promotes long-term and strategic thinking;
- Provides guidance in making annual budget decisions;
- Reassures bond rating agencies; and
- Demonstrates to employees and the public how OPEB will be funded to ensure adequate funding for negotiated benefits.

2. BACKGROUND

The City provides OPEB benefits to active employees hired before specific dates based on negotiated labor agreements and the unrepresented resolution. The City's OPEB benefits consist of a cash contribution benefit for retiree medical and dental benefits and subsidized premiums resulting from blending retirees and active employees in the same risk pool. For police and miscellaneous employees, the cash benefit amount is \$300 per month for retirees only and \$365 per month for retirees with dependents. Police employees hired after September 3, 2013, and miscellaneous employees hired after June 30, 2012, are not eligible for OPEB benefits. For fire employees hired before January 14, 2015, the cash benefit amount is the total of the lowest cost \$25 co-pay health plan premium for one plus an additional 5.28 percent of that cost; the lowest cost PPO dental plan for one; and \$25.

Fire employees hired on or after January 14, 2015, are eligible for a cash benefit amount up to \$774 monthly from the date of retirement until the retiree reaches Medicare eligibility age, and up to \$387 monthly from the date the retiree reaches Medicare eligibility. Fire employees pay \$45 per month, with a City match of \$45 per month, deposited to a separate trust fund to pay for the benefit.

The City's OPEB cash benefit is prorated based on years of service – 50 percent for employees with ten to fifteen years of service, 75 percent for employees with fifteen to twenty years of service and 100 percent for employees with twenty years of service or more.

Currently, the City has \$363 million in underfunded long-term liabilities associated with retiree medical benefits from all funding sources, \$309 million attributable to the General Fund. While the benefit was historically funded on a pay-as-you-go (pay-go) basis, paying only the actual cost of the benefit for retirees in the current fiscal year, financial accounting standards require the City to account for the benefit as if it were actuarially funded. If the City does not replace the current plan of pay-go combined with minimal contributions to the City's relatively new OPEB trust fund, the City's pay-go obligation will continue to grow, consuming resources that would otherwise pay for vital programs and services.

Consistent with best practices, in January 2013 Council authorized the establishment of an irrevocable trust with an initial General Fund investment of \$2 million. Another \$2 million was contributed to the trust in FY2013/14. The FY2014/15 and FY2015/16 approved budgets each included a \$1 million contribution to the trust, bringing the total funding for the trust to \$6 million. The approved FY2014/15 and FY2015/16 Budget Resolutions also included authority to direct available budgetary resources in the pension budget accounts at the end of the fiscal year to the OPEB Trust.

3. POLICY

3.1 OPEB Actuarially Determined Contribution (ADC)

The City will engage an OPEB actuary to determine the City's ADC based on biennial actuarial valuations. The ADC will include the normal cost for current service and amortization of the unfunded liability. The normal cost¹ will be calculated using the entry age normal cost method using appropriate economic and non-economic assumptions approved by the City.

The City will review the actuarial valuations to validate the completeness and accuracy of the employee census data and the reasonableness of the actuarial assumptions. Actuarial valuations involve estimates and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

3.2 Funding the ADC

The City will continue to appropriate in the annual budget for contributions to the OPEB Trust and the pay-go costs of OPEB for current retirees, as well as use one-time savings in pension contributions to make additional contributions to the OPEB Trust.

¹ Normal Cost – the current year cost of the program to provide the benefit for current employees in the future.

The City will fully fund the ADC within 10 years, or by Fiscal Year 2025-26, by reducing the gap between its current OPEB funding and the ADC with a combination of City contributions, employee contributions, and OPEB plan changes.

The City will achieve “full funding” of its OPEB plan within 30 years, or by Fiscal Year 2045-46, with a 20-year amortization of the unfunded liability after the 10-year ramp-up period. Full funding of the OPEB plan is defined as funding 100 percent of the accrued liability on an actuarial basis.

3.3 Transparency and Reporting

Funding of the City’s OPEB should be transparent to all parties including City employees, retirees, recognized employee organizations, the City Council and Sacramento residents. In order to achieve this transparency, the following information shall be available:

- a. Copies of the biennial actuarial valuations for the City’s OPEB plan shall be made available to the City Council.
- b. The City’s Comprehensive Annual Financial Report shall be published on its website. This report includes information on the City’s OPEB plan, contributions to the OPEB Trust, and the funded status of the plan.
- c. The City’s annual operating budget shall include appropriations for contributions to the OPEB Trust and pay-go costs.

3.4 Review of Funding Policy

Funding OPEB requires a long-term plan. The City will review this policy at a minimum biennially, coincident with preparation of the actuarial valuations, to determine if changes to this policy are necessary to ensure adequate resources are being accumulated to fund OPEB benefits.



Pension Funding

Scope: CITYWIDE

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 - 3.4 Review of Funding Policy

Regulatory References

Council Motion 2015-0095 (May 5, 2015)

CalPERS

SCERS

Pension Funding Policy

1. PURPOSE

The City's Pension Funding Policy documents the method the City will use to determine its actuarially determined contributions to fund the long-term cost of benefits to the plan participants and annuitants. The policy also:

- Provides guidance in making annual budget decisions;
- Demonstrates prudent financial management practices;
- Reassures bond rating agencies; and
- Shows employees and the public how pensions will be funded.

2. BACKGROUND

The City provides defined benefit retirement benefits through the California Public Employees' Retirement System (CalPERS) and the Sacramento City Employees' Retirement System (SCERS). CalPERS is a multiple-employer public employee defined benefit pension plan. SCERS is a single-employer defined benefit pension plan.

All full-time and certain part-time City employees hired after January 28, 1977 and City safety employees, regardless of date of hire, are eligible to participate in CalPERS. CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and their beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and City ordinance.

All full-time, non-safety employees hired before January 29, 1977, were eligible to participate in SCERS. SCERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Benefit provisions and all other requirements are established by the City Charter.

The financial objective of a defined benefit pension plan is to fund the long-term cost of benefits provided to the plan participants. In order to assure that the plan is financially sustainable, the plan should accumulate adequate resources in a systematic and disciplined manner over the active service life of benefitting employees. This funding policy outlines the method the City will utilize to determine its actuarially determined contributions to fund the long-term cost of benefits to the plan participants and annuitants.

Pension Funding: A Guide for Elected Officials, issued by eleven national groups including the U.S. Conference of Mayors, the International City/County Management Association, and the Government Finance Officers Association, established the following five general policy objectives for a pension funding policy:

1. **Actuarially Determined Contributions.** A pension funding plan should be based upon an actuarially determined contribution (ADC) that incorporates both the cost of benefits in the current year and the amortization of the plan's unfunded actuarial accrued liability.
2. **Funding Discipline.** A commitment to make timely, actuarially determined contributions to the retirement system is needed to ensure that sufficient assets are available for all current and future retirees.
3. **Intergenerational equity.** Annual contributions should be reasonably related to the expected and actual cost of each year of service so that the cost of employee benefits is paid by the generation of taxpayers who receives services from those employees.
4. **Contributions as a stable percentage of payroll.** Contributions should be managed so that employer costs remain consistent as a percentage of payroll over time.
5. **Accountability and transparency.** Clear reporting of pension funding should include an assessment of whether, how, and when the plan sponsor will ensure sufficient assets are available for all current and future retirees.

3. POLICY

3.1 CalPERS ADC

CalPERS actuaries will determine the City's ADC to CalPERS based on annual actuarial valuations. The ADC will include the normal cost for current service and amortization of any under-funded amount. The normal cost will be calculated using the entry age normal cost method using economic and non-economic assumptions approved by the CalPERS Board of Administration.

The City will review the CalPERS annual actuarial valuations to validate the completeness and accuracy of the member census data and the reasonableness of the actuarial assumptions.

3.2 SCERS ADC

The City will determine its ADC to SCERS using the following principles:

- a. The ADC will be calculated by an enrolled actuary and will include the normal cost for current service and amortization to collect any under-funded amount.
- b. The normal cost will be calculated using the entry age normal cost method using the following assumptions:

- i. Economic assumptions such as the investment rate of return and average salary increase will be reviewed with the actuary to confirm reflection of the best anticipated experience.
- ii. Non-economic assumptions, such as rates of separation, disability, retirement, mortality, etc. shall be determined by City management in consultation with the actuary to reflect current experience.
- c. The un-funded actuarial accrued liability, or the difference between the accrued liability and actuarial value of assets, will be amortized over a declining number of years given the closed status of the plan.
- d. The actuarial value of assets will be determined using a 3-year smoothed market value to minimize volatility of the City's ADC.
- e. The City's ADC to SCERS will be stated in an annual contribution amount, rather than as a percentage of pay, given the closed status of the plan.

3.3 Transparency and Reporting

Funding of the City's pension plans should be transparent to vested parties including plan participants, annuitants, the SCERS Administrative, Investment, and Fiscal Management (AIFM) Board, the City Council and Sacramento residents. In order to achieve this transparency, the following information shall be available:

- a. Copies of the annual actuarial valuations for the City's CalPERS plans shall be made available to the City Council.
- b. A copy of the annual actuarial valuation for SCERS shall be made available to the City Council and the SCERS AIFM Board.
- c. The City's Comprehensive Annual Financial Report shall be published on its website. This report includes information on the City's annual contributions to the pension systems and their funded status.
- d. The City's annual operating budget shall include the City's contributions to SCERS and CalPERS.

3.4 Review of Funding Policy

Funding a defined benefit pension plan requires a long-term horizon. As such, the City will review this policy at least every five years to determine if changes to this policy are needed to ensure adequate resources are being accumulated.



Risk Management Funding and Reserve Policy

Scope: CITYWIDE

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1. Purpose

2. Background

3. Policy

Regulatory References

Motion: 2015-0094 (May 15, 2015)

Risk Management Funding and Reserve Policy

1. PURPOSE

The City's Risk Management Funding Policy documents the City's approach to providing adequate financial resources to fund the City's General and Auto Liability and Workers Compensation Programs and establishing and maintaining adequate reserves in the Risk Management Internal Service Fund.

2. BACKGROUND

The City has been self-insured for workers' compensation and for general and auto liability since 1971 and 1976, respectively. The General and Auto Liability and Workers Compensation Programs charge City Departments and funds for the costs of providing for claims, as well as for the cost of administering the claims.

3. POLICY

- (a) In order to methodically and consistently measure the City's projected claims, the City will contract with a professional outside actuary to prepare annual actuarial valuation reports for both categories of claims. Program funding will be based on the annual actuarial valuation reports.
- (b) The City's funding policy will provide program funding at the 80 percent confidence level, including recognition of anticipated investment income. Confidence level is used by actuaries to determine the realistic possibilities that a given funding rate will be sufficient to cover all claims that might be incurred in any one program year. An 80 percent confidence level indicates that the funding rate should be adequate eight out of 10 years.
- (c) The City shall maintain a Risk Management Reserve dedicated to mitigation of the risk of loss arising from potential claims and lawsuits against the City for general and auto liability as well as workers' compensation claims. The Risk Management Reserve shall be funded at the following levels:

General and Auto Liability – In addition to annual funding of projected claims at the 80 percent confidence level, the City shall maintain a reserve equal to two Self-Insured Retention allotments.

Workers' Compensation – In addition to annual funding of projected claims at the 80 percent confidence level, the City shall maintain a reserve equal to two SIR allotments.

If the SIR amount changes in future years, the two SIR allotments will continue to be the reserve requirement for both programs.

If either program maintains a balance above the minimum funding and reserve requirement, the excess reserves will be used to subsidize City contributions over a 1-5 year period depending upon the amount of the excess and the City's economic condition.

If either program has excess claims requiring additional contributions to the fund, the City will increase contributions over a 1-3 year period depending on the amount of the shortfall and the City's economic condition to get to the minimum funding and reserve requirement.

If one program has excess reserves and the other program has a shortfall, transfers between programs may be implemented to reduce or eliminate the program shortfall.

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SECTION – 26 **Resources**

Glossary

Account - The primary accounting field in the budget used to describe the type of the financial transaction.

Actual - Actual level of expenditures/FTE positions approved for fiscal year as noted.

Amended - Level of expenditures/FTE positions reflecting adjustments made during the current fiscal year.

Appropriation - An authorization by the Council, which permits officials to incur obligations and expend City resources, for a specific purpose within a fiscal year.

Assessment - Revenue collected for City services that benefit properties in specific areas or districts.

Assessment District - A separate local government agency formed to provide specific services. Property owners within the Assessment District boundary pay the district in proportion to the benefits or services they receive.

Balanced Budget - The amount of budgeted expenditures is equal to or less than the amount of budgeted revenues plus other available resources.

Beginning/Ending Fund Balance - Unencumbered resources available in a fund from the prior/current year after payment of the prior/current year's expenses. Not necessarily cash on hand (also refer to Fund Balance).

Budget - An annual financial plan consisting of Proposed/Approved expenditures for specified purposes and the Proposed/Approved means of financing them.

California Public Employees' Retirement System (CalPERS) – The nation's largest public pension fund, providing health and retirement benefits to more than 1.6 million state, public school, and local public agency employees, retirees and their families. The City contracts for retirement benefits only.

Capital Assets - Capital assets include land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period (fiscal year).

Capital Improvement - A specific undertaking involving procurement, construction or installation of facilities or related equipment that improves, preserves, enhances or modernizes the City's provision of municipal services, has a useful life of at least five years, and costs in excess of \$20,000. CIPs may include construction or major repair of City buildings and facilities such as streets, roads, storm drains, traffic signals, parks, community centers, etc.

Capital Improvement Program (CIP) - An ongoing five-year plan of single and multiple-year capital expenditures which is updated annually.

Carryover - Appropriated funds remaining unspent at the end of the fiscal year, which are allowed to be retained by the project to which they were appropriated so that they may be expended in the next fiscal year.

Charter Offices - City Attorney, City Clerk, City Manager, and City Treasurer.

Citywide and Community Support - Program costs that do not relate to any one department, but represent costs of a general citywide nature, such as debt service.

Combined Sewer System (CSS) - Sewers that are designed to collect rainwater runoff, domestic sewage, and industrial wastewater in the same pipe. Combined sewer systems transport their wastewater to a sewage treatment plant, where it is treated and then discharged to a water body.

Debt Financing - Issuance of bonds and other debt instruments to finance municipal improvements and services.

Debt Service - The costs of paying the principal and interest on borrowed money according to a predetermined payment schedule.

Department - "Department" refers to the Council; City Manager; City Attorney; City Clerk; City Treasurer; Convention and Cultural Services; Community Development; Finance; Fire; General Services; Human Resources; Information Technology; Police; Public Works; Utilities; Youth, Parks, & Community Enrichment; Capital Improvement; Debt Service; Citywide and Community Support; and Reserves.

Dept ID - A sub-unit of a department or division.

Division - A roll-up of units within a department. There are one or more units within a division.

Employee Services - The personnel costs of a City program, including wage/salary, direct and indirect benefits, such as health insurance, social security costs, retirement contribution, workers' compensation, unemployment insurance, etc.

Enterprise - A governmental facility or service that is self-supporting through fee and charge revenue.

Enterprise Funds - These funds are used to account for operations for which it is the stated intent that costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges and space rentals, e.g., Water Fund, Wastewater Fund (also known as the Sewer Fund), etc.

Equipment - Capital outlay for tangible property of a relatively permanent nature, such as vehicles or equipment with a unit cost of \$20,000 or more.

Expenditure Class - A roll-up of accounts: employee services, services and supplies, property, debt service, and interdepartmental transfers.

Expenditure/Requirement - The actual spending of funds authorized by an appropriation. Expenditures are divided into the following “classes” of individual line items:

- Employee Services
- Services and Supplies
- Equipment
- Debt Service
- CIP or Grant Labor Offset
- Capital Improvements

Externally Funded Program - Program revenues provided by external agencies which are restricted to a specified purpose.

Fiscal Year (FY) - A time period designated by the City signifying the beginning and ending period for recording financial transactions. Sacramento has a fiscal year from July 1 through June 30, referred to as FY2018/19 or FY19.

Full-Time Equivalent (FTE) - A unit indicating the workload of a position in order to distinguish workloads comparable to a full-time position. An FTE of 1.0 means that the position is equivalent to a full-time workload; while an FTE of 0.50 signals that the position is only half-time.

Fund - A group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives.

Fund Balance - The total dollars remaining after current expenditures for operations and capital improvements are subtracted from the sum of the beginning fund balance and current resources.

General Fund - The City's principal operating fund, which is supported by taxes and fees and which, generally, has no restrictions on its use. Expenditures may be described as discretionary and non-discretionary.

- Discretionary - That portion of the General Fund for which there are no restrictions on the use of the fees or taxes collected.
- Non-discretionary - Expenditure of revenues which are collected by users of a program to offset the cost of the program. State law requires that fees charged cannot exceed the cost of the service.

Grant - Contributions of cash or other assets provided by external agencies, which are restricted to a specific purpose, have a time limit for use, and frequently are reimbursed after incurring eligible costs.

Growth Rate - Level at which expenditures and revenues are expected to increase annually.

Impact - Effects on the service level provided by a particular program due to budget changes.

Indirect Costs - Those elements of cost necessary in the performance of a service that are not readily identified to the unit of service, such as administration, supplies, etc.

Internal Service Fund (ISF) - An ISF provides services to all City Departments and bills the various other funds for services rendered. ISFs are self-supporting. Only the expenditure by the ISF is counted in budget totals; the internal transfer from the department to the ISF is excluded to avoid double-counting expenditures.

Internal Service Fund Transfer - A transfer from operating funds to an ISF, e.g., Risk Management or Fleet Management.

Labor/Supply Offset (CIP/Grant/Labor) - Amounts for employee salaries and benefits expected to be charged to a CIP or grants, thus reimbursing the operating budget for these costs.

Measure U - An ordinance that provides for a ½ cent tax on each dollar of taxable sales of goods with the City of Sacramento, and on the taxable storage, use, or consumption in the city of goods purchased from a retailer. The tax went into effect on April 1, 2013, and will expire on March 31, 2019.

Operating Budget - Annual appropriation of funds for ongoing program costs, including employee services, other services and supplies, equipment, and debt service.

Operating Transfers - Moving dollars from a fund receiving revenue to a fund which will expend the resources.

Ordinance - A law or regulation made by a city or town government.

Other Governmental Funds - These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes, e.g., Gas Tax Fund, Traffic Safety Fund, Operating Grant fund.

Other Post-Employment Benefits (OPEB) - Benefits that an employee will begin to receive at the start of retirement, not including pension benefits.

Proposition 218 - Passed by California voters in 1996. It specifies requirements for how utility rates for water, sewer, drainage, and solid waste services are set and how

the funds generated by those rates are used. Some of the requirements of Proposition 218 include:

- Holding a public hearing prior to any rate changes for water, sewer, drainage, or solid waste services and notifying rate payers of that hearing via mail at least 45 days in advance.
- Using funds generated by a particular rate, such as water rates, for water operations and projects.

Resolution - A formal declaration by Council.

Resources - Total dollars available for appropriation during the fiscal year, including estimated revenues, fund transfers, and beginning fund balances.

Revenues - Income received from seven categories:

- Taxes - Revenue including sales tax, property tax, utility user tax, etc., collected to fund general operating City programs.
- Charges for Fees and Services - Fees charged to the user of any specific service provided by the City not supported by the General Fund. The fee cannot exceed the cost of providing the service.
- Licenses and Permits - Revenues collected for construction, maintenance, and/or operation of designated equipment, businesses, buildings, and private property including animals.
- Use of Money and Property - Interest earned on City investments or County-held funds.
- Inter-Governmental - Revenue disbursements from other agencies, such as State Motor Vehicle In-Lieu Tax and State Homeowners Property Tax Relief, and revenue reimbursement for services provided to other agencies.
- Fines, Forfeitures, and Penalties - Revenues collected for violations of City ordinances, late payments, etc.
- Miscellaneous Revenues - Revenues not categorized above.

Revenues can also be classified as operating or non-operating in the enterprise activities. Operating revenues are directly related to the fund's primary service activity and consist primarily of user fees and charges. Non-operating revenues are incidental to, or by-products of the enterprise's primary service, such as interest income or the Transient Occupancy Tax for the Community Center Fund.

Services and Supplies - Costs of contractual or outside services, office supplies, and equipment.

Special Revenue Funds - These funds are used to account for activities supported by specific taxes or other revenue sources. These funds are generally required by statute, charter, or ordinance to finance specific government functions.

Successor Agency - Pursuant to operation of California state law, the Redevelopment Agency was dissolved. Effective February 1, 2012, former activities and affairs of the Sacramento Redevelopment Agency were transformed to the City of Sacramento as the Successor Agency. The Successor Agency is authorized by law to accept and maintain the legal title, custody and dominion of records that were created by another agency.

Surplus - An excess of total current resources over total current requirements.

Total City Budget - The City's total fiscal year expenditure budget (operating and capital) as approved by the Council.

Trust Funds - These funds are used to account for assets and activities restricted to a specific purpose in accordance with a trust agreement, e.g., Ethel MacLeod Hart Trust Fund.

User Charges/Fees - The payment of a fee for direct receipt of a public service by the party benefiting from the service.

Variance - Change in expenditures or staffing levels between fiscal years.

ACRONYMS

AB	Assembly Bill
ADA	Americans with Disabilities Act
ASES	After School Education and Safety
BID	Business Improvement District
BOT	Business Operations Tax
BWC	Body Worn Camera
CalPERS	California Public Employees' Retirement System
CCM	Citywide Content Management
CFD	Community Facilities District
CIP	Capital Improvement Program or Project
CIS	Customer Information System
CNG	Compressed Natural Gas
CPI	Consumer Price Index
CSUS	California State University Sacramento
DOU	Department of Utilities
DSCR	Development Stabilization Contingency Reserve
EMS	Emergency Medical Services
EUR	Economic Uncertainty Reserve
FEMA	Federal Emergency Management Agency
FTE	Full-time equivalent
FY	Fiscal Year
GASB	Governmental Accounting Standards Board
GLAL	General Liability and Auto Liability
ISA	International Society of Arboriculture
IT	Information Technology
MOFIE	Mayor's Office of Innovation and Entrepreneurship
MYOP	Multi-year Operating Project
OPEB	Other Post-Employment Benefits
OES	Office of Emergency Services
OEG	Office of Economic Growth
PARCS	Parking Access and Revenue Control System
PPE	Personal Protective Equipment
PRAs	Public Records Act
RAILS	Rapid Acceleration, Innovation & Leadership
RASA	Redevelopment Agency Successor Agency
SAVSA	Sacramento Abandoned Vehicle Service Authority
SCERS	Sacramento City Employees' Retirement System
SHRA	Sacramento Housing and Redevelopment Agency
SMAC	Sacramento Metropolitan Arts Commission
SPCA	Society for the Prevention of Cruelty to Animals
SPLA	Sacramento Public Library Authority
SRF	State Revolving Fund
START	Students Today Achieving Results for Tomorrow

FY2018/19 Approved Budget

SUV	Sport Utility Vehicle
TOT	Transient Occupancy Tax
UUT	Utility User Tax

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SECTION – 27 Resolution

RESOLUTION NO. 2018-0235

Adopted by the Sacramento City Council

June 12, 2018

Approving the Fiscal Year 2018/19 Operating and Capital Improvement Program Budgets for The City of Sacramento

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 IX, 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 and budget guidelines on February 14, 2017 (Resolution 2017-0078):

Core Budget Policies

- 1. City Council must adopt a balanced budget.
- 2. Funding decisions should be consistent with Council adopted policies.
- 3. The Economic Uncertainty Reserve shall be maintained at a minimum of 10% of budgeted General Fund revenues. Resources shall be added to maintain this level through the budget and midyear processes as necessary.

Budget Guidelines

- 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.
- C. The FY2018/19 Approved Operating Budget and the 2018-2023 Approved Capital Improvement Program (CIP) (which includes the FY2018/19 CIP Budget) are consistent with City Charter requirements and Council's adopted Core Budget Policies and Budget Guidelines.
- D. The Mayor and City Council conducted hearings during the months of May and June 2018 related to the adoption of the City's FY2018/19 Operating and CIP Budgets.

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

- A. The Budget Changes attached as Exhibit A, the Summary of FTE attached as Exhibit B, and the Measure U Programming attached as Exhibit C are hereby approved.
- B. The FY2018/19 Operating and CIP Budgets (collectively the "Approved Budget"), as defined in Section 2.1, are hereby approved.
- C. The 2018-2023 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 to create the FY2018/19 Approved Budget.
- F. The attached Exhibits A through E, inclusive, are part of this resolution.
- G. The City Manager is authorized to establish the following General Fund commitments of fund balance:
 1. \$8.5 million in FY2018/19 to address the City's unfunded pension liabilities.

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 2017-0246.

SECTION 2. DEFINITIONS

- 2.1 “Approved Budget” consists of the following documents:
- (1) The Approved Operating Budget (“Operating Budget”), which is attached as Exhibit D and reflects the FY2018/19 Proposed Operating Budget, as amended by the City Council to incorporate the approved Budget Changes attached as Exhibit A, Summary of FTE attached as Exhibit B, and Measure U Programming attached as Exhibit C; and
 - (2) The Approved CIP Budget (“CIP Budget”), which is attached as Exhibit E and reflects the FY2018/19 Proposed CIP Budget, as summarized in Schedule 4 of the FY2018/19 Operating Budget and detailed in the 2018-2023 CIP, as amended by the City Council to incorporate the Proposed CIP and the Budget Changes attached as Exhibit A.
- 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; Finance; Fire; Human Resources; Information Technology; Police; Public Works; Utilities; Youth, Parks, and Community Enrichment; 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 (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 FY2017/18 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 as shown in Schedules 1A, 1B, 1C, 1D, and fund summaries, including transfers as shown on Schedules 2A and 2B, as displayed in Exhibit D.
- 3.3 The City Manager is authorized to modify FTE classifications by department as necessary to implement the reclassifications and studies authorized by Schedule 8, as displayed in Exhibit D.
- 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 (for example: changes in retirement rates, payroll taxes, health benefits), fleet (including accident recovery costs), utilities, 311 Call Center (reimbursements based on call data), cost plan, and risk management changes, from available fund balance or reserves for the respective funds.
- 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 FY2018/19.

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 FY2017/18, to adjust FY2018/19 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 in FTE by department or by fund as authorized in the Operating Budget, by subsequent approval of 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 Council-approved labor contracts.
- 5.5 All new job classifications or classification changes (as identified in Exhibit D, 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 Number 2016-00440) established a minimum reserve level equal to 10% of annual General Fund revenues and a target reserve level equal to two months of regular ongoing 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 maintained to bridge the 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 payouts, 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 payments to the Risk Fund from the Community Center Fund subject to the availability of funds. As of June 30, 2017, the balance of the Risk Fund loan to the Community Center Fund totaled approximately \$5.62 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 AND UNENCUMBERED APPROPRIATIONS

- 8.1 Each fiscal year, after any adjustments specifically provided for in other sections of this resolution, all appropriations in the Operating Budget that remain unspent and unencumbered (unobligated) on June 30, 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 below or in a subsequent resolution. In the event there is not a budgetary surplus in the General Fund at year-end, the City Manager shall suspend the General Fund transfers and carryovers authorized in this section.
- 8.2 All unrealized investment gains determined as part of the fiscal year-end close process will be reported in the CAFR as Assigned for Unrealized Investment Gains as the resources are not available for appropriation.
- 8.3 Each fiscal year, all purchase order commitments outstanding on June 30, and associated appropriations, are hereby continued.
- 8.4 Each fiscal year, unobligated appropriations in existence on June 30, for the City Council operations budget shall be carried over to the next fiscal year.
- 8.5 Each fiscal year, unobligated General Fund appropriations in existence in the Arts Stabilization budget (17001861) on June 30, shall be transferred to the Art in Public Places Maintenance Program (I17000500), provided that the Convention & Cultural Services Department has positive General Fund results.
- 8.6 The Rental Housing Inspection Program Fees have been established to recover the costs of the program. Excess revenues for this program,

provided the full cost of the current year operations for this program have been recovered, will be used to increase appropriations for this program in the next fiscal year.

- 8.7 Each fiscal year, unobligated net appropriations in the Information Technology (IT) Department operations General Fund budget and the citywide IT budget in Citywide and Community Support, in existence on June 30, shall be transferred to the Digital Strategy Project (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 In the City's California Public Employees' Retirement System (CalPERS) budget account (413170 / 413172), unobligated appropriations at the end of the fiscal year that are not required to balance the budget, shall be transferred to the City's other post-employment benefit (OPEB) trust.

SECTION 9. REVENUE BUDGET

- 9.1 The FY2018/19 revenue budget is summarized in Exhibit D, 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 budgetary 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 Each fiscal year, all multi-year CIP projects in existence on June 30, shall be continued, except as provided otherwise in Section 10.4. The FY2018/19 CIP Budget is summarized on Schedules 2 and 4 as displayed in Exhibit D and on Schedule 4 as displayed in Exhibit E.
- 10.6 Each fiscal year, unobligated 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 authorized by resolution by the City Council.
- 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 with spending in excess of available budget from all funding sources (i.e., with negative balance) shall be treated as follows:
- (1) If expenditures exceed 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 expenditures exceed the budget by more than \$100,000, a corrective plan of action shall be submitted to City Council for approval by resolution.
- 10.8 The City Manager is authorized to transfer appropriations up to and including \$100,000 as follows:
 - (1) General, Measure U and Capital Bond Funds:
 - (a) From a project that has not been completed and a revised project estimate confirms that there will be project savings upon completion to fund balance;
 - (b) From projects created through Section 10.1(2) to another project identified by the Council Office or to their District Improvement project.
 - (2) All other funds 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 in the case of capital grants, to amend the revenue and expenditure budgets to actual revenues received and expenditures incurred; 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. If the appropriation is from available fund balance, it is subject to the provisions in Section 6.
- 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 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 2700, 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-76s, Individual Project Agreements (IPA), 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 2018-2023 CIP Budget (Schedule 4, Exhibits D and E) 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.

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 authorize spending and allocation of resources in excess of \$100,000 in advance of formal agreements 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 grantor requires City Council action as a condition of funding the grant, the establishment of the grant shall require approval by the City Council regardless of the grant amount.
 - 11.4 Each fiscal year, all multi-year operating grant budgets in existence on June 30, shall be continued in the next fiscal year.
 - 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:
 - (2) 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
 - (a) Matching funds from City resources; or
 - (b) Any ongoing service or funding by the City.
 - (3) 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 Each fiscal year, all multi-year EFP budgets in existence on June 30, shall be continued in the next fiscal year.
- 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 Each fiscal year, unobligated appropriations in existence on June 30, for all existing MYOPs shall be continued in the next fiscal year, except as noted in Sections 13.9 through 13.11.

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 The Police and Fire Department are authorized to use Measure U MYOPs savings from vacancies for background investigations, recruit academies, and overtime associated with restored programs/ operations.

13.7 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 or \$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.

- 13.8 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.
- 13.9 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.
- 13.10 Beginning in FY2018/19 the Utility Rate Assistance MYOP (I14130100) will be budgeted based on a review of actual expenditures in the prior two fiscal years and any anticipated program changes that may result in the need for additional funding.
- 13.11 Unobligated fiscal year appropriations in the Measure U MYOPs (Fund 2401) at the close of the fiscal year shall be returned to Measure U available fund balance.
- 13.12 Externally funded projects, with existing contracts approved by the City Council funding ongoing operations and studies, can be adjusted annually (revenues and expenditures) based on the actual revenues received.
- 13.13 The Utility Box Artwork Program (I17000800) General Fund budget can be amended up to \$450,000 (\$50,000 for each Councilmember and the Mayor) based on requests and resources provided from the operations budgets of the requesting District and/or Mayor.

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 D. 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 FY2018/19 as detailed in Schedule 5 as displayed in Exhibit D.

SECTION 16. MIDYEAR REPORT

- 16.1 The City Council shall be provided a Midyear Report including a revised estimate of the financial condition of all funds, 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) 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.
 - (3) Establish and adjust budgets for private development activities (Funds 2016 and 2018) managed in MYOPs, that are fully offset by development fees.
 - (4) Establish and/or adjust revenue and expenditure budget for EFPs, MYOPs, and operating grants as detailed in Schedule 9 as displayed in Exhibit D.

- (5) Transfer appropriations from the Operating Budget to MYOPs for fleet replacement and projects as detailed in Schedule 9 as displayed in Exhibit D.
- (6) 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) MYOP 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.
- (7) 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.
- (8) Adjust the revenue and expenditure budgets in the Old Sacramento Garbage Service Courts (M17700000), Old Sacramento District Improvements (M17700100), and the Joe's Crab Shack 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.
- (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) based on departmental fleet purchasing changes (additional and/or early replacement) approved by Council during the fiscal year and 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 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 the Public Works Department revenue budget (15001811) and the expenditure budget in the Tree Planting and Replacement (R15188500) project based on actual revenues received in the Tree Planting and Replacement Fund (Fund 2035).
- (15) Adjust the Citywide revenue budgets for all Business Operations taxes in FY2017/18 and FY2018/19 based on actual revenues received and increase the expenditure budget in the Cannabis Policy and Enforcement Program (I06420000) as necessary to cover costs.
- (16) Adjust the revenue budget for the City Manager's Office Cannabis Policy and Enforcement operations (02001101) in FY2017/18 and FY2018/19 to reflect actual revenues received and increase/decrease the expenditure budget in the operating budget by a like amount. At year-end excess resources shall be transferred to I06420000 to offset the cost of enforcement. If there are inadequate revenues available, resources shall be transferred from I06420000 to cover the actual operating costs incurred in 02001101.
- (17) Adjust Fire Department revenue and expenditure budgets based on actual revenues received for department strike team services provided throughout California.
- (18) Adjust operating department revenue and expenditure budgets based on actuals revenues received for providing reimbursable services to the Golden 1 Center as outlined in the City's agreement to provide services.
- (19) The Old Sacramento Public Market Fund (Fund 2601) shall be used for the development, repair and maintenance of the north and south public markets.
- (20) The Recreation Program fees have been established to recover the costs of the program. Excess revenues for this program, provided the full cost of the current fiscal year operations for this program have been recovered and the department has positive year-end results will be transferred to the Recreation Facility Improvement CIP (L19800200).
- (21) Adjust the revenue budget to reflect actual revenues received and adjust the expenditure budget by the a like amount in the Sacramento Valley Station Operations and Management MYOP (I15001000)
- (22) Increase the transfer from the Community Center Fund (Fund 6010) to the General Fund (Fund 1001) provided Transient Occupancy Tax (TOT) revenues exceed budget by an amount up to \$600,000 at year-end and increase the expenditure budget in the Powerhouse

Science Center (E18000400) project as authorized by Council through December 2048.

(23) Realign the City Manager's Office operating budget to create separate financial and staffing details for the City's Homeless Services Division and Gang Prevention and Intervention Services Division and establish/adjust the offsets for these programs as necessary to cover staff costs.

(24) Establish and/or increase the revenue budget(s) for fines and administrative penalties collected pursuant to Sacramento City Code Section 8.132, relating to the cultivation of cannabis, in the department where collected and increase the expenditure budget in 106420000 to support enforcement activities based on actual revenues received.

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 City Council has a full understanding of the financial consideration and impacts of their decisions.

Table of Contents:

- Exhibit A: Budget Changes
- Exhibit B: Summary of FTE
- Exhibit C: Measure U Programming
- Exhibit D: Approved Operating Budget
- Exhibit E: Approved Capital Budget

Adopted by the City of Sacramento City Council on June 12, 2018, by the following vote:

Ayes: Members Ashby, Carr, Guerra, Harris, Jennings, Schenirer, Warren and Mayor Steinberg

Noes: None

Abstain: None

Absent: Member Hansen

Attest:  Digitally signed by Mindy Cuppy
Date: 2018.06.19 20:47:53
-0700'

Mindy Cuppy, City Clerk

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.

FY2018/19 BUDGET CHANGES

Operating Budget Adjustments

Department	Fund Name (Number)	Revenue Adjustment	Expenditure Adjustment	Description
Office of the City Manager	General Fund (1001)	-	185,522	Adjust offsets for the homeless services program and the gang prevention/intervention program.
Citywide and Community Support	General Fund (1001)	1,100,000	-	Increase sales tax revenues estimate based on third quarter sales tax report.
Convention and Cultural Services	General Fund (1001)	-	(134,273)	Eliminate two vacant Zoo Attendant II positions (2.0 FTE).
Finance	General Fund (1001)	-	(8,538)	Adjust the reimbursements for the Whole Person Care program to offset position costs.
Fire	General Fund (1001)	1,321,403	1,061,403	Provide staffing (6.0 FTE Firefighter Paramedics) and funding (including \$260,000 in the ALS Equipment Program [F12000200]) for Medic 4, offset by an increase in the revenue budget.
Public Works	General Fund (1001)	-	1,054,000	Reduce the budgeted reimbursements in the Facilities and Real Property Management Division.
Youth, Parks, and Community Enrichment (YPCE)	General Fund (1001)	-	(299,537)	Eliminate one-time funding provided in FY2017/18 for the START Program.
Subtotal General Fund (Fund 1001):		\$ 2,421,403	\$ 1,858,577	
YPCE	START (2501)	-	196,810	Eliminate \$299,537 in one-time funding (General Funds) provided in FY2017/18 for the START Program and 11.95 FTE to offset the loss of the 21st Century grant.
Subtotal Other Funds:		\$ -	\$ 196,810	
Net Operating Changes:		\$ 2,421,403	\$ 2,055,387	

Multi-year Project Appropriations

Project Name (Number)	Fund Name (Number)	Expenditure Adjustment	Description
Advanced Life Support Equipment Program (F12000200)	General Fund (1001)	260,000	Funding to purchase an ambulance and durable equipment for the addition of Medic 4.
City Facility Reinvestment Program (C13900000)	General Fund (1001)	(170,000)	Transfer resources for the removal of the History Museum Escalator project.
Gang Prevention and Intervention (I02000600)	General Fund (1001)	62,350	Increase the project budget based on receipt of the California Violence Intervention and Prevention Grant.
History Museum Escalator Removal (C15000810)	General Fund (1001)	170,000	Establish a new project and expenditure budget with a transfer from C13900000.

FY2018/19 Approved Budget

Multi-year Project Appropriations (cont.)

Project Name (Number)	Fund Name (Number)	Expenditure Adjustment	Description
Homeless Housing Initiative (I02000200)	General Fund (1001)	(106,737)	Transfer resources to the City Manager's Office expenditure budget to fund staff costs directly vs. through project reimbursements.
Subtotal General Fund (Fund 1001): \$ 215,613			
Measure U Park Improvements (L19706000)	Measure U (2401)	(100,000)	Transfer resources to pay for the Oki Park Restroom Renovation and Tahoe Park Restroom/Utility Building projects.
Oki Park Restroom Renovation (L19186100)	Measure U (2401)	50,000	Funding for the renovation of the restroom at Oki Park.
Oki Park Restroom Renovation (L19186100)	Park Development Impact Fee (3204) Quimby Act (2508)	(50,000)	Replace the budgeted funding with Measure U Funds.
Stanford Park Restroom Replacement (L19167400)	Park Development Impact Fee (3204) Quimby Act (2508)	-	Fund the restroom replacement with Fund 3204 instead of Fund 2508.
Tahoe Park Restroom/Utility Building (L19168200)	Measure U (2401)	50,000	Funding to renovate the restroom and utility building at Tahoe Park.
Tahoe Park Restroom/Utility Building (L19168200)	Park Development Impact Fee (3204)	(50,000)	Replace the budgeted funding with Measure U Funds.
Subtotal Other Funds: \$ (100,000)			
Net Project Changes: \$ 115,613			

POSITION CHANGES

Department Fund Name	Job Classification	Union (Rep. Unit #)	FTE Change	Description
CITY MANAGER				
General	Program Analyst	SCXEA (01)	1.00	Provide additional staff for the Office of Homeless Services.
General	Administrative Analyst	SCXEA (01)	1.00	Provide additional staff for the Office of Homeless Services.
Subtotal FTE Change:			2.00	
CONVENTION AND CULTURAL SERVICES				
General	Zoo Attendant II	Local 39 (03)	(2.00)	Eliminate two vacant positions and transfer the General Fund resources to the Office of Homeless Services to support additional staffing.
Subtotal FTE Change:			(2.00)	
FIRE				
General	Firefighter Paramedic	Local 522 (05)	6.00	Provide staffing (6.0 FTE Firefighter Paramedics) for Medic 4.
Subtotal FTE Change:			6.00	

FY2018/19 Approved Budget

POSITION CHANGES (cont.)

Department Fund Name	Job Classification	Union (Rep. Unit #)	FTE Change	Description
YOUTH, PARKS, AND COMMUNITY ENRICHMENT (YPCE)				
START	Program Coordinator	Local 39 (16)	(2.00)	Eliminate positions due to the loss of the 21st Century Grant
START	Program Leader	Local 39 (16)	(2.25)	Eliminate positions due to the loss of the 21st Century Grant
START	Recreation Aide	Unrepresented	(7.70)	Eliminate positions due to the loss of the 21st Century Grant
Subtotal FTE Change:			(11.95)	
Total Change:			(5.95)	

FY2018/19 SUMMARY OF FULL-TIME EQUIVALENT (FTE)

	FY2017/18 Amended	FY2018/19 Proposed	FY2017/18 Council Action ⁽¹⁾	FY2018/19 Augmentation	FY2018/19 Add/Deletes	FY2018/19 Approved
General Fund						
Mayor/Council	45.00	45.00	-	-	-	45.00
City Attorney	51.00	52.00	-	-	-	52.00
City Clerk	17.00	17.00	-	-	-	17.00
City Manager	33.00	43.00	-	-	2.00	45.00
City Treasurer	13.00	14.00	-	-	-	14.00
Community Development	272.00	272.50	-	-	-	272.50
Convention and Cultural Services	26.20	27.20	-	-	(2.00)	25.20
Finance	97.00	91.00	-	-	-	91.00
Fire	674.00	675.00	-	6.00	-	681.00
Human Resources	40.00	42.00	-	-	-	42.00
Information Technology	182.50	182.50	3.00	-	-	185.50
YPCE ⁽²⁾	473.56	479.39	1.00	-	-	480.39
Police	1,026.46	1,034.46	-	-	-	1,034.46
Public Works	416.00	421.00	-	-	-	421.00
Citywide and Community Support	1.00	1.00	-	-	-	1.00
Subtotal General Funds	3,367.72	3,397.05	4.00	6.00	-	3,407.05
Enterprise Funds						
Community Center						
Convention & Cultural Services	89.99	89.99	-	-	-	89.99
Parking						
Public Works	61.25	61.25	-	-	-	61.25
Solid Waste						
Public Works	160.30	161.30	-	-	-	161.30
Storm Drainage						
Utilities	130.00	135.00	1.00	-	-	136.00
Wastewater						
Utilities	80.18	82.18	-	-	-	82.18
Water						
Utilities	336.72	343.72	-	-	-	343.72
Subtotal Enterprise Funds	858.44	873.44	1.00	-	-	874.44
Internal Service Funds						
Fleet Management (Public Works)	85.00	85.00	-	-	-	85.00
Risk Management (Human Resources)	17.00	17.00	-	-	-	17.00
Workers' Compensation (Human Resources)	19.00	19.00	-	-	-	19.00
Subtotal Internal Service Funds	121.00	121.00	-	-	-	121.00
Other Governmental Funds						
4th R Program (YPCE)	122.45	122.45	-	-	-	122.45
Golf (YPCE)	1.00	-	-	-	-	-
Innovation and Growth (City Manager)	3.00	3.00	-	-	-	3.00
Marina (Public Works)	6.80	6.80	-	-	-	6.80
START (YPCE)	28.19	28.19	-	-	(11.95)	16.24
City/County Office-Water Planning (Citywide and Community Support)	4.00	4.00	-	-	-	4.00
Subtotal Other Governmental Funds	165.44	164.44	-	-	(11.95)	152.49
TOTAL	4,512.60	4,555.93	5.00	6.00	(11.95)	4,554.98

⁽¹⁾ Council action (R2018-0136) occurred after the FY2018/19 Proposed Budget was released.

⁽²⁾ YPCE = Youth, Parks and Community Enrichment Department

FY2018/19 MEASURE U PROGRAMMING

Revenues and Expenditures (\$ in 000s)	FY19 FTE Approved	FY2017/18 Amended	FY2018/19 Approved	FY2019/20 Projection	FY2020/21 Projection
BEGINNING FUND BALANCE		35,650	15,753	4,968	(43,621)
REVENUES		46,542	36,543	-	-
EXPENDITURES					
Fire Department					
SAFER Grant Retention	27.00	2,803	2,803	2,887	2,974
Fire Company Restorations	63.00	9,308	10,468	10,782	11,105
Two Medic Units - January 2014 (partially offset by \$1.2 million in new revenues)	-	875	-	-	-
Fire Prevention	-	152	-	-	-
Capital Investment and Equipment	-	5,186	-	-	-
Fire Subtotal	90.00	18,324	13,271	13,669	14,079
Police Department					
COPS Hiring Program Match and Retention (CHP and CHRP)	60.00	5,483	5,483	5,648	5,817
COPS Hiring Program (CHP) Match and Retention FY13 - New in FY15	10.00	1,214	1,435	1,478	1,522
COPS Hiring Program (CHP) Match and Retention FY14 and 15 vehicles in FY16	15.00	1,134	1,920	1,978	2,037
COPS Hiring Program (CHP) Match and Retention FY15 and 15 vehicles in FY17	15.00	1,051	1,370	1,411	1,453
Police Officers	15.00	1,648	1,872	1,928	1,986
Body Worn Cameras (BWC)	-	1,201	-	-	-
ShotSpotter	-	180	180	185	190
Public Safety Counter (Kinney Station)	-	247	-	-	-
Field & Operations (12.0 new FTE in FY15)	61.00	8,539	9,115	9,389	9,671
Investigations (2.0 new FTE in FY15)	8.00	1,131	1,382	1,423	1,466
Forensics	6.00	608	636	655	675
Communications	4.00	359	409	422	435
Crime Analysis	1.00	115	119	123	127
Hiring Pipeline	-	1,000	-	-	-
Vehicles and Equipment	-	1,642	-	-	-
Police Subtotal	195.00	25,552	23,921	24,640	25,379
Public Safety Total	285.00	43,876	37,192	38,309	39,458
Youth, Parks, and Community Enrichment					
Aquatics	38.85	2,153	2,145	2,177	2,210
Community Centers	24.70	1,494	1,691	1,716	1,742
Park Maintenance (includes Park Rangers)	53.00	4,242	4,180	4,243	4,307
Senior Programs	4.48	371	367	373	378
Teen Services	11.30	660	896	909	923
Neighborhood Services	1.00	535	128	130	132
Other Recreation Programs	3.75	313	223	226	230
Capital Investment and Equipment	-	7,246	-	-	-
Youth, Parks, and Community Enrichment Subtotal	137.08	17,014	9,630	9,774	9,921
MISCELLANEOUS RESTORATIONS					
Animal Control Officer	-	262	-	-	-
Capital Investment - Sacramento River Bike Trail	-	2,300	-	-	-
Library Restoration and Capital Investment	-	2,987	506	506	506
Miscellaneous Subtotal	-	5,549	506	506	506
Total Measure U Restorations	422.08	66,439	47,328	48,589	49,885
ENDING FUND BALANCE		15,753	4,968	(43,621)	(93,506)

FY2018/19 APPROVED OPERATING BUDGET

APPROVED 2018-2023 CAPITAL IMPROVEMENT PROGRAM

DARRELL STEINBERG

Mayor

ANGELIQUE ASHBY

Councilmember, District 1

ALLEN WARREN

Councilmember, District 2

JEFF HARRIS

Councilmember, District 3

STEVE HANSEN

Vice Mayor, District 4

JAY SCHENIRER

Councilmember, District 5

ERIC GUERRA

Councilmember, District 6

RICK JENNINGS, II

Councilmember, District 7

LARRY CARR

Councilmember, District 8

CITY OF SACRAMENTO FACTS

The City of Sacramento was founded in 1849 and is the oldest incorporated city in California.

In 1920, city voters adopted a Charter (municipal constitution) and a City Council/City Manager form of government.

The City is divided into eight districts.

Elected members of the City Council serve a four-year term.

The Mayor is elected by all voters in the City. In 2002, voters approved a measure for the Mayor to serve full-time. All other Councilmembers are elected by district and serve part-time.

The Mayor and other Councilmembers have an equal vote in all matters.

The City of Sacramento currently encompasses approximately 100 square miles.

The current estimated population is 493,025.



CityofSacramento.org