

City of Sacramento

PROPOSED BUDGET | FISCAL YEAR 2023/24



PROPOSED CITY OF SACRAMENTO FISCAL YEAR 2023/24 BUDGET

DARRELL STEINBERG
Mayor

LISA KAPLAN
Councilmember, District 1

SEAN LOLOEE
Councilmember, District 2

KARINA TALAMANTES
Councilmember, District 3

KATIE VALENZUELA
Councilmember, District 4



CAITY MAPLE
Councilmember, District 5

ERIC GUERRA
Vice Mayor, District 6

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SACRAMENTO, CA 95814

Organization Chart – updated 04/14/2023

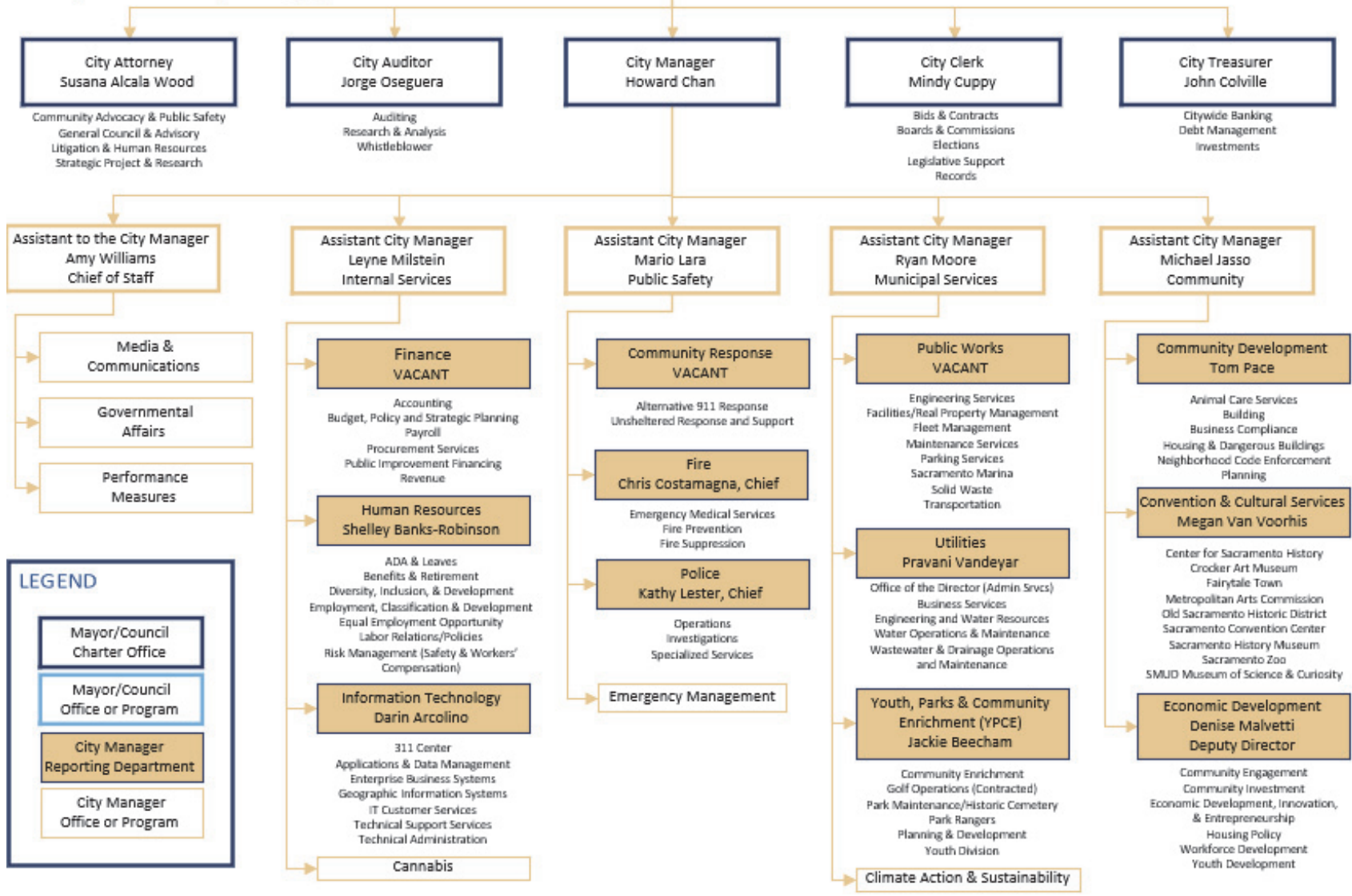


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SECTION - 1 Budget Message

City of
SACRAMENTO
Office of the City Manager

Howard Chan
City Manager

City Hall
915 I Street, Fifth Floor
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May 1, 2023

Honorable Mayor and City Council
Sacramento, California

Dear Mayor and Members of the City Council:

This letter transmits the proposed budget for fiscal year (FY) 2023/24. The proposed budget totals \$1.5 billion for operations and capital projects. The General and Measure U budget represents 51.4%, or \$771 million, of the total budget.

The proposed budget is balanced and represents the City's financial plan for the upcoming fiscal year. Sacramento has continued to recover from the financial challenges caused by the COVID-19 pandemic, and we are pleased that the worst of the pandemic's fiscal impacts are behind us. However, economic headwinds persist due to rising inflation and interest rates and the overall slowing of economic growth. This proposed plan reflects prudent investments in staffing and programs to reflect community needs and support Council's priority initiatives, which include but are not limited to, creating affordable housing opportunities, ensuring the continued support and stability of our workforce, the key to delivering all of our City's programs and services, and ensuring that programs and services are delivered safely, efficiently, and effectively.

The forecasts presented in this budget are based on trends collected over previous fiscal years as well as current financial modeling of data available as recently as the end of March. This past fiscal year, sales tax and Measure U revenues recovered faster than anticipated, and the City benefitted from a healthy housing market. With high inflation rates and the state of the current economy, revenue growth is forecasted to slow down, and in some cases, is forecasted to be less than the current fiscal year. In addition, the City continues to experience revenue shortfalls due to the pandemic (i.e., off-street parking), and it is unknown when such revenues will return to pre-pandemic levels. Although there is projected growth in certain revenue areas, increasing labor costs, supply costs and liabilities will cause the City to have financial challenges in the future. While we foresee challenges, as always, we will continue efforts to identify opportunities to provide long-term stability to our budgetary framework.

Federal support, via the Coronavirus Relief Fund and the American Rescue Plan Act funding totaling over \$200 million, the City continues to operate vital assistance programs related to small businesses and commercial corridor revitalization; homelessness and housing; youth, workforce training and gang prevention; and arts and the creative

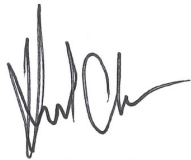
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economy. Core services -- such as the provision of clean and safe water, the consistent collection of recycling and solid waste and the ongoing maintenance of our parks, roads and streets -- remain a top focus for the City.

In addition, strategic investments the City has made in recent years continue to show their value and worth. This includes the McKinley Water Vault, which has helped the City manage major storms and keep local neighborhoods from flooding; the City's Zero-Dollar Impact Fee program, which has helped to create 2,500 new units of affordable housing; and the City's Safe Credit Union Convention and Performing Arts Center, which continues to bring thousands of residents and visitors to downtown Sacramento every week.

In my seventh year as City Manager, I offer a proposed budget that supports the overall vision articulated by the Council, one that strives to acknowledge and benefit all Sacramentans. I would like to thank the Council for its commitment to ensuring the fiscal health of the City while delivering essential services in the most cost-effective manner. Continued commitment to this strategy will help ensure that the City can sustain critical community services and programs in the future.

Respectfully submitted,



Howard Chan
City Manager

Operating Budget Excellence Award



The City's FY2022/23 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 budgets. Peer review methods are employed to maintain standards, improve performance, and provide credibility.

In preparing the FY2023/24 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 2023/24 Operating Budget Excellence Award.

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SECTION - 2 **City at a Glance**

Sacramento at a Glance

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 sixth largest city in California with a population estimated at 518,037.¹ The population of the County of Sacramento is estimated at 1,576,618.¹ Sacramento encompasses 101 square miles and is 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 Mayor and Councilmembers representing even numbered districts up for reelection in calendar year 2024 and the Councilmembers representing odd numbered districts up for reelection in 2026. 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 Auditor, City Clerk, and the City Treasurer to carry out its adopted policies. That would

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, community response, 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, 2022.

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Demographics

The information presented is based on the 2017-2021 American Community Survey (ACS) 1-Year Estimates from the United States Census Bureau.

Population by Sex

Percent female persons	51.0%
Percent male persons	49.0%

Race and Origin

White	30.4%
Hispanic or Latino (of any race)	29.3%
Asian	19.3%
Black or African American	10.7%
Two or more races	6.9%
Native Hawaiian and Other Pacific Islander	2.3%
Some other race	0.3%
American Indian and Alaska Native	0.8%

Age Distribution

0-14 years	16.0%
15-24 years	13.3%
25-64 years	55.7%
65 years and over	15.0%
Median age	36.3

Housing Status

Total	210,715
Occupied	202,093
Owner-occupied	103,994
Renter-occupied	98,099

Average Household Size

Owner-occupied unit	2.72
Renter-occupied unit	2.38

Residential Vacancy Rate

Vacant	8,622
Homeowner vacancy rate	0.9%
Rental vacancy rate	2.3%

Home Values

Median value of owner-occupied units	\$449,600
Occupied units paying rent	96,275
Median gross rent	\$1,549

Commuting to Work

Mean travel time to work in minutes	25.2
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Occupation

Management, business, science, and arts occupations	110,913
Service occupations	40,986
Sales and office occupations	53,780
Natural resources, construction, and maintenance occupations	19,986
Production, transportation, and material moving occupations	26,424

Household Income

Total households	202,093
Median household income	\$75,311
Mean household income	\$97,415

Individual Income

Per capita income	\$37,916
Median earnings for workers	\$41,239

Education

Percent high school graduate or higher	86.5%
Percent bachelor's degree or higher	34.1%

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Community Profile

The information presented is based on the City's Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 30, 2022.

Principal Employers

State of California	82,894
UC Davis Health System	16,075
Kaiser Permanente	12,301
US Government	10,698
Sutter Health	9,595
Dignity Health	7,488
Intel Corporation	6,013
San Juan Unified School District	5,126
Los Rios Community College District	2,833
Sacramento County	2,535

Operating Indicators

Police:

Citizen initiated calls for service with officer responses	155,159
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Fire:

Number of incidents	108,924
Number of structure fires	1,199
Number of construction inspections/reviews	9,517

Public Works:

Number of traffic investigations completed	1,075
Residential garbage disposed (in tons)	136,904

Youth, Parks, & Community Enrichment:

Number of students enrolled in START	1,770
Number of students enrolled in 4th R	1,484

Utilities:

Number of water accounts	147,150
Water distributed/pumped (millions of gallons)	30,130
Number of wastewater accounts	79,114
Wastewater distributed/pumped (millions of gallons)	6,042
Number of storm drainage accounts	146,385
Storm drainage distributed/pumped (millions of gallons)	18,921

Community Development:

Number of building permits issued	19,512
Building permit valuation (in millions of dollars)	\$1,351
Number of animal licenses issued	15,976
Number of animal outplacements	6,256

Convention & Cultural Services:

Number of Community Convention Center events	174
Community Convention Center event attendance	446,168
Number of Zoo attendance	568,311

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Capital Asset Statistics

Police:

Number of stations	4
Number of patrol units	236
Number of aircraft	4
Number of watercraft	4

Fire:

Number of stations	24
Number of fire suppression, support, or prevention vehicles	153
Number of watercraft	6

Public Works:

Miles of streets	3,118
Number of streetlights	39,604
Number of City parking spaces	5,283
Miles of off-street bikeways	78
Number of City garages & open parking lots	12
Number of City leased garages & open parking lots	7

Youth, Parks, & Community Enrichment:

Number of parks	230
Park acreage	4,829
Number of community centers	13
Number of swimming pools (including wading pools)	28

Utilities:

Miles of water mains and distribution lines	1,635
Miles of sanitary sewers and storm drainage	1,967

Miscellaneous:

Number of boat harbor slips	475
Number of Golf Courses	6

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SECTION - 3 **Budget Overview**

Proposed Budget Overview

Introduction

After three years, the City of Sacramento continues to recover from the fiscal challenges resulting from the COVID-19 pandemic. While most revenue streams have recovered faster than anticipated, some remain below pre-pandemic levels. The City now faces another challenge with rising inflation and interest rates and the slowdown of the economy, which will cause shortfalls in previously anticipated revenue growth. Increasing labor costs, supply costs and liabilities continue to put additional strain on the City's financial forecast. Despite these existing and new challenges, the City's fiscal year (FY) 2023/24 Proposed Budget is balanced and reflects adopted Council policies, goals, and planning/programming guides.

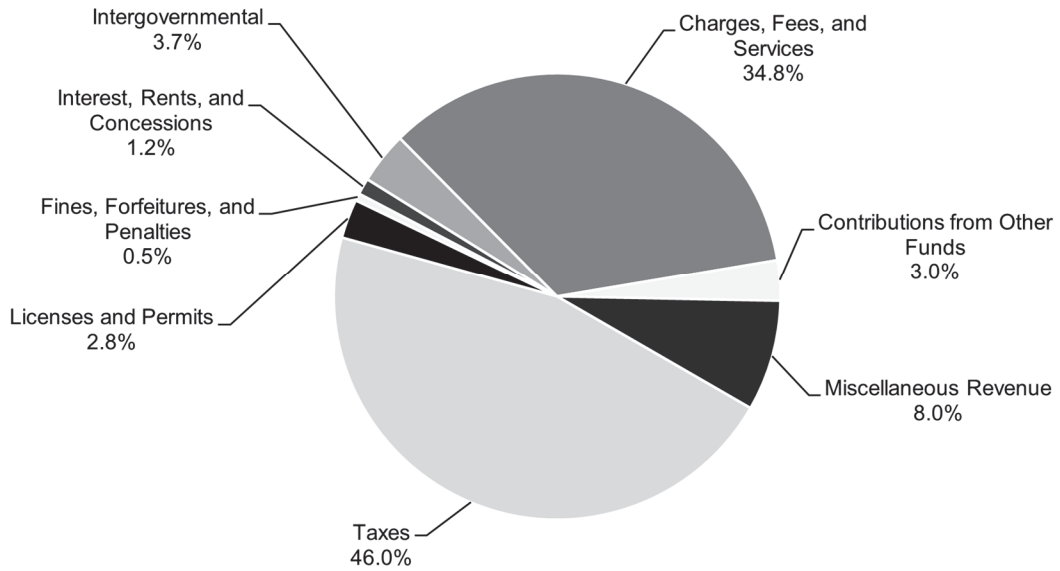
The FY2023/24 Proposed Operating and Capital Improvement Program (CIP) Budgets (Budget) total approximately \$1.5 billion from all funding sources and support 5,074.30 full-time equivalent (FTE) positions. This includes \$771 million for G/MU Fund operations and capital projects, and \$697 million for the City's enterprise and other fund activities.

While the Budget includes revenue growth, it is less than anticipated and there continues to be financial challenges due to increasing expenses. Property tax, Sales tax and Measure U revenues experienced substantial growth in FY2021/22, however growth has slowed in the current fiscal year and is anticipated to slow further in FY2023/24. Revenues from off-street parking and some department programs and services have not fully recovered from the pandemic. Ongoing impacts to the expenditure side of the budget include rising labor, employee pension, and liability costs. Expenses from homeless services at the current level will outpace revenues beginning in FY2024/25. The City's ability to balance community needs with available resources continues to be an ongoing challenge.

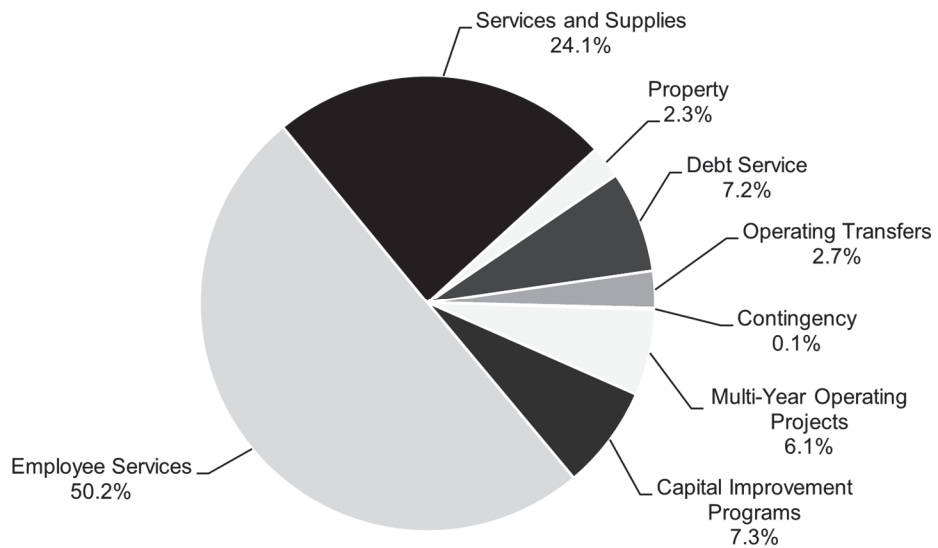
This Budget reflects investment in staffing and programs to reflect community needs and support Council's priority initiatives, which include but are not limited to, creating affordable housing opportunities, supporting and stabilizing our workforce, and ensuring that programs and services are delivered safely, efficiently, and effectively. Key programs and projects include ongoing funding for the Department of Community Response to continue the City's response to homelessness, continued funding of the affordable housing fee waiver program, the launch of the Fire Department's Single Role program which will create more effective career pathways, and the establishment of the voter approved Children's Fund project as required by Measure L. The Budget also includes adjustments to realign staffing and funding necessary to deliver programs and services in the coming fiscal year. Given the challenges identified in future fiscal years, resources are proposed to be redirected to address operational needs in the coming fiscal year and beyond.

Total Proposed City Budget: \$1.5 Billion

Revenues



Expenditures



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

Budget Modifications

A summary of the program and service changes included in the Budget for the G/MU Funds and the Enterprise Funds is provided below. Additional details are provided at the end of this section and in Department sections.

G/MU Funds (Operating/MYOPs)

Department	FTE Change	Net Budget Change
Mayor/Council	-	450,000
City Attorney	-	236,583
City Clerk	-	2,921
City Manager	1.00	141,112
City Treasurer	-	(600,000)
Community Development	4.00	945,254
Community Response	(1.00)	(129,871)
Finance	2.00	(10,834)
Fire	31.00	(3,561,646)
Human Resources	-	19,844
Information Technology	5.00	976,468
Police	5.20	1,785,113
Public Works	-	(972,667)
Youth, Parks and Community Enrichment	4.18	(1,102,451)
Citywide Support	-	9,813,780
	51.38	\$ 7,993,606

Note: Of the \$9.8 million increase in Citywide Support, \$8.78 million reflects the City's obligation to the Children's Fund as required by Measure L.

Other Funds

Department (Fund)	FTE Change	Net Budget Change
City Manager (Innovation and Growth)	2.00	570,937
Convention and Cultural Services (Community Center)	(4.00)	593,327
Convention and Cultural Services (Innovation and Growth)	-	1,000,000
Public Works (Fleet Management)	(1.00)	6,412
Public Works (Marina)	-	(127,727)
Public Works (Parking)	0.50	(785,940)
Utilities (Storm Drainage)	5.00	(2,803)
Utilities (Storm Drainage/Wastewater/Water)	5.00	419,279
Utilities (Wastewater)	(1.72)	(97,081)
Utilities (Water)	1.00	160,226
Youth, Parks and Community Enrichment (4th R)	-	-
	6.78	\$ 1,736,630

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2023-2028 CIP

The 2023-2028 Proposed CIP totals \$465.9 million. The G/MU fund portion of the CIP is \$71.7 million. The FY2023/24 CIP Budget totals \$107.3 million, funding 106 projects in all program areas in various geographic areas of the City, including \$14.2 million in G/MU Funds. A summary of program and service changes included in the CIP is provided below. Additional details are provided at the end of this section and in Department sections.

Capital Improvement Program

Department (Fund)	FTE Change	Net Budget Change
Information Technology (Various*)	-	1,000,000
Police (General)	-	120,000
Youth, Parks and Community Enrichment (Measure U)	-	100,000
	-	\$ 1,220,000

* Various Funds include General Fund, Gas Tax 2016, Recycling and Solid Waste, Storm Drainage, Wastewater and Water.

Budget Hearings

On May 9, 2023, the Budget and Audit Committee will hold the first public hearing on the Budget. The Council will consider the budget in May and June with adoption scheduled for June 13, 2023. These meetings provide the Council and public with an opportunity to provide input on the Budget. The following reflects the planned budget hearing schedule. It is important to note that meeting dates may change as needed to address other City business.

2023 Budget Hearing Schedule¹

Date	Time	Legislative		Subject
			Body	
Proposed Budget				
Week of May 1, 2023	TBD		n/a	FY2023/24 Budget Release
Tuesday, May 9, 2023	10:00 AM		Budget and Audit Committee	FY2023/24 Proposed Budget Overview and Fees & Charges
Tuesday, May 9, 2023	5:00 PM		City Council	FY2023/24 Proposed Budget Overview and Consolidated Department Budgets
Tuesday, May 16, 2023	2:00 PM		City Council	(1) 2023-2028 Capital Improvement Program, (2) Citywide Fees and Charges, and (3) YPCE Department budget
Tuesday, May 16, 2023	5:00 PM		City Council	(1) Fire Department Budget, (2) Police Department Budget
Tuesday, May 23, 2023	5:00 PM		City Council	HOLD
Tuesday, May 30, 2023	3:00 PM		Budget and Audit Committee	Adoption of the FY2023/24 Budget
Tuesday, June 13, 2023	5:00 PM		City Council	Adoption of the FY2023/24 Budget

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

On the Horizon – Future Fiscal Challenges

In addition to the economic impact of the pandemic and state of the current economy, ongoing challenges such as increasing labor costs and liabilities continue to compete with the priorities and needs of our community. The following summarizes a few of the challenges ahead, which could impact not only the G/MU Fund but the Enterprise Funds as well.

Rising Labor Costs

All contracts of the City's eleven recognized employee organizations (REOs) will expire in calendar 2023. The City is currently in negotiations with two of the eleven REOs and the remaining nine will enter into negotiations within the calendar year. Future labor cost increases resulting from negotiations are not included as part of the five-year forecast.

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

CalPERS employer retirement contribution rates have increased significantly resulting from lowered expectations for future investment returns (discount rate). Based on estimates provided by CalPERS, the City's payment for unfunded liabilities (when investment returns do not achieve the target earning assumptions rate) will increase by \$28.3 million over the term of the forecast, \$23.1 million in the G/MU Fund.

In July 2022, CalPERS announced a preliminary -6.1% net return on investments for the 12-months ending 6/30/22. Once private equity losses were finalized in September 2022, the overall investment loss increased to -7.5%. The City worked with CalPERS actuaries to estimate and include the investment loss in the City's five-year forecast. Should future investment returns not achieve the earning assumptions rate of 6.8%, the City's payments toward the unfunded liability will further increase.

General Liability and Auto Liability Insurance (GL&AL)

Liability costs continue to rise with higher settlements and jury awards. Claims that were previously resolved in the \$5 to \$10 million range are now costing \$20 to \$30 million. Public entities, including the City, have seen a dramatic increase in large liability claims since 2011. This has resulted in the excess liability insurance market for public entities tightening nationwide. Insurers are leaving the marketplace and further restricting capacity leading to increases in insurance premiums for the foreseeable future. Additionally, property insurance costs have been increasing since 2017 due to an increase in the number and cost of natural disasters. Recent winter storms nationwide will also contribute to a hardening property insurance market with increased costs.

Consistent with Council's adopted Risk Management Funding and Reserve Policy, the General Fund contribution to the GL&AL Fund increased from \$29.03 million in FY2022/23 to \$34.49 million (17% increase) in FY2023/24. The Forecast section of the Budget provides additional information on GL&AL cost increases.

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. This benefit was eliminated for all new hires between 2012 and 2014, except for Local 522 which eliminated the benefit in January 2020.

Several years ago, the Governmental Accounting Standards Board (GASB) set new standards (GASB Statement 45, subsequently updated by GASB Statement 75) that require 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 one point, the City's projected unfunded accrued liability for retiree benefits was \$452 million (June 2014). To address this liability, the City began including contributions to the City's OPEB Trust (Trust) in the FY2014/15 budget. In FY2015/16 the City 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 pension budget accounts at the end of the fiscal year to the Trust. The total OPEB liability for all funds was approximately \$279 million as of June 30, 2022, and there is approximately \$88.8 million (as of April 13, 2023) in the Trust to fund this liability.

Compliance with Zero Emission Vehicle (ZEV) regulations

Consistent with the City's Sustainability Policy and climate goals, the City is making all efforts to electrify its fleet. However, there are not sufficient funding programs to offset costs to install charging infrastructure and make necessary electrical upgrades at locations where electric City fleet vehicles are deployed. In addition, the California Air Resources Board is scheduled to adopt Advance Clean Fleets Regulation in late April 2023. As currently proposed, compliance with this regulation requires 50% of vehicle purchases to be ZEVs starting January 1, 2024, and 100% ZEV purchases by 2027.

Staff has not yet analyzed the potential costs to upgrade electrical capacity, install charging infrastructure to support this level of ZEV vehicles, and complete fleet shop modifications so City technicians can meet requirements to service electric vehicles at this accelerated pace. The cost could be tens to hundreds of millions of dollars to fully implement these regulations. In addition, there will be significantly higher costs associated with medium and heavy-duty electric vehicles compared with current models. Supply chain issues as well as lack of available proven ZEV models for many types of medium and heavy-duty vehicles will likely increase the need to retain older vehicles past recommended replacement. As a result, staff also anticipate increased costs associated with repairs of older vehicles and rental replacements while waiting extensive periods of time for ZEV delivery, which currently is frequently one to two years for some models. Until the regulations have been adopted, guidelines have been set and analysis can be conducted, electrifying the fleet will be a fiscal challenge. The City will update the five-year forecast once costs are known.

Current National Economic Conditions

Prior to the pandemic, the United States was experiencing the longest economic expansion in history. As a result of the pandemic the nation plunged into a short recession in the Spring of 2020, but the economy quickly rebounded in 2021. Growth continued in 2022, but growth has slowed in many economic sectors in 2023. Measured by the Consumer Price Index, inflation is running at 6% as of February 2023. To combat the high inflation, the Federal Reserve raised interest rates to 5% in 2023.

In the past year, the effects of the raising inflation and interest rates have caused a decrease in revenues and increases in expenditures. The five-year forecast includes the

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impacts of the current economic slowdown. If the slowdown continues and/or becomes worse, the City could face larger deficits than what is currently projected in the forecast. According to UCLA Anderson Forecast, gross domestic product will contract in 2023 and inflation will return to normal towards the end of 2024, which will be between 2.8% and 3.4%. The City will continue to monitor inflation rates and review our all available forecasts and recommendations and recommend adjustments to the Budget if necessary.

General Fund Revenues: Options and Opportunities

The following are budget sustainability measures for Council's consideration to ensure that the City's financial position is sustainable over the long-term:

- **American Rescue Plan (ARP):** On March 11, 2021, President Biden signed into law the ARP which contains \$325 billion to provide relief for states and local governments that lost significant revenues due to the economic fallout from the pandemic while simultaneously continuing to provide needed services to the community. The City has received the entire allocation of \$112.3 million.

In September 2021, the Council approved the ARP Framework and Funding Priorities. This framework committed funds for small businesses and commercial corridor revitalization; homelessness and housing; youth, workforce training, and gang prevention programs; arts and creative economy; and addressing organizational needs. ARP continues to fund these programs in FY2023/24.

- **Support state legislative efforts to maximize revenues 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 Taxes (UUT). The City will also advocate for a solution to collect parking meter revenue lost due to ongoing abuse, while also ensuring access for those with disabilities.
- **Update Business Operation Tax (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. Management Partners also included this recommendation in their updated review presented to Council in 2020. Options include, but are not limited to, providing for a cost-of-living adjustment, and resetting the BOT minimums and caps. However, consideration of this change may need to be deferred until our business community has had the opportunity to fully recover from the impacts of the pandemic.

Conclusion

As the City continues to recover from the pandemic and manages the effects of the current state of the slowing economy, ensuring long-term sustainability of the G/MU Fund remains a priority. The City will continue to balance anticipated revenue growth with known fiscal challenges and community needs. Maximizing revenue opportunities, especially from Federal and State relief funding and grants will provide some relief from previous years' revenue losses and help leverage limited resources for operational needs and community programming investments.

The City will monitor revenues and expenditures closely during the fiscal year and provide updates to Council as appropriate.

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Budget Modifications Details

G/MU Funds

Department	Description	FTE Change	Net Budget Change
Mayor/Council	Increase Mayor/Council District funding by \$50,000 each to provide resources to address neighborhood, community, and business needs.	-	450,000
City Attorney	Increase service and supplies budget to cover existing operational costs and other needed ongoing items.	-	212,858
City Attorney	Increase for Officer Involved Shooting standby pay per Sacramento City Exempt Employees Association labor agreement.	-	23,725
City Clerk	Delete a position (1.0 FTE Deputy City Clerk) and add a new position (1.0 FTE Senior Deputy City Clerk) to better align with the duties and responsibilities of the position.	-	2,921
City Manager	Add a position (1.0 FTE Media and Communications Specialist) to increase the efficiency and effectiveness of the Media & Communications Division by assisting with public outreach and educational programs.	1.00	143,901
City Manager	Delete a position (1.0 FTE Senior Staff Assistant) and add a position (1.0 FTE Administrative Technician) in the Office of Cannabis Management to assist with the quantity and complexity of the permit applications and to monitor updates and changes to grant reports and requirements. Position will be offset by the deletion of the position and a reduction in services and supplies.	-	(2,284)
City Manager	Delete two vacant positions (1.0 FTE Program Manager and 1.0 FTE Administrative Technician) and add two positions (1.0 FTE Program Specialist and 1.0 FTE Administrative Analyst) in the Office of Emergency Services to align the needs of the department with the appropriate classification and to manage the workload and responsibility needed to maintain an effective and positive outcome to area hazards. Positions will be offset by the deletion of the positions and a reduction in services and supplies.	-	(505)
City Treasurer	Increase Pool A Revenue Budget to align with historical revenues. One-time revenue increase due to Pool A interest earnings from American Rescue Plan funds, Delta Shores and railyards bond proceeds with unknown withdrawals.	-	(600,000)
Community Development	Delete a position (1.0 FTE Account Clerk II) in the Code Compliance Division and add a position (1.0 FTE Accounting Technician) to the Administrative Services Division as there is an increase in workload that requires higher-level review. No additional cost is associated with the new position.	-	9,026
Community Development	Decrease revenue budget from Customer Service to align with actual revenues and historical trends.	-	356,599
Community Development	Delete a position (1.0 FTE Customer Service Representative) and add a position (1.0 FTE Animal Services Adoption Coordinator) in the Animal Care Division to provide additional oversight to the robust volunteer program.	-	30,317
Community Development	Delete a position (1.0 FTE Customer Service Specialist) and add a position (1.0 FTE Administrative Analyst) in the Animal Care Division to support the veterinary, enforcement, and field services teams.	-	49,317
Community Development	Add two positions (2.0 FTE Animal Control Officers) in the Animal Care Division and two vehicles to improve response time for service calls from the community.	2.00	512,828
Community Development	Decrease revenue budget for Housing and Dangerous Building to align with actual revenues and historical trends.	-	490,000
Community Development	Decrease revenue budget due to the loss of the Sacramento Abandoned Vehicle Service Authority funding. The program sunset on April 30, 2022, and Measure C failed to pass during the June 7, 2022, primary elections.	-	405,292
Community Development	Delete four positions (0.5 Youth Aide) and add a position (0.5 FTE Crew Leader) in the Code Compliance Division to lead and supervise the citywide graffiti abatement youth program.	-	1,153

FY2023/24 Proposed Budget

G/MU Funds (continued)

Department	Description	FTE Change	Net Budget Change
Community Development	Add a position (1.0 FTE Program Specialist) in the Code Compliance Division to oversee the hearings and appeals process and supervise section's staff.	1.00	158,311
Community Development	One-time revenue budget increase for Neighborhood Code Compliance to align with actual revenues to be evaluated in the following fiscal year for sustainability.	-	(715,960)
Community Development	One-time revenue budget increase for Business Compliance to align with actual revenues to be evaluated in the following fiscal year for sustainability.	-	(350,000)
Community Development	Add a position (1.0 FTE Development Services Technician) in the Planning Division to handle increasing volume of work and meet customer service levels. The cost of the position is being offset by increasing reimbursement for existing positions.	1.00	(1,629)
Community Response	Delete a position (1.0 FTE Media and Communications Specialist) in the Office of the Director and transferred to the City Manager's Office.	(1.00)	(129,871)
Finance	Delete three vacant positions (3.0 FTE Principal Accountants) and add three new positions (3.0 FTE Supervising Financial Analyst) in the Accounting Division to address the pay inequities between the level of responsibilities for the positions and salary. Positions will be offset by the deletion of the positions and increasing the special assessment revenues based on three year actuals.	-	(13,566)
Finance	Add a position (1.0 FTE Senior Development Project Manager) in the Infrastructure Financing Division to manage five new Enhanced Infrastructure Finance Districts (EIFDs). Current staffing levels are unable to support the increased workload in forming and managing these EIFDs. The position costs for FY2023/24 will be offset by the Innovation & Growth Fund (IGF). Starting FY2024/25 position will be offset by the revenues generated from the EIFDs.	1.00	(4,493)
Finance	Add a position (1.0 FTE Administrative Analyst) in the Procurement Division to support contract administrative duties and provide oversight and analysis of current programs that have grown in scope. Position will be offset by budgeting rebate revenues generated through contracted vendors.	1.00	3,634
Finance	Delete a position (1.0 FTE Senior Staff Assistant) and add a new position (1.0 FTE Administrative Analyst) in the Revenue Division to align the needs of the department with the appropriate classification and allow the Program Manager to shift their focus to managerial duties. Position will be offset by the deletion of the position and a reduction in services and supplies.	-	3,591
Fire	Delete vacant dual role firefighter paramedic/Emergency Medical Technician (EMT) positions (18.0 FTE Firefighter) and convert into single role positions (15.0 FTE Fire EMT and 15.0 FTE Fire Paramedic) and add 10 positions (5.0 FTE Fire EMT and 5.0 FTE Fire Paramedic) to implement the Single Role Program. Add positions (3.0 FTE Assistant Chief, 1.0 FTE Fire Captain Admin, 3.0 Fire Captain) to manage the day-to-day operations of the Single Role Program. Positions will be offset by the deletion of the positions, new Advanced Life Support revenues and the Intergovernmental Transfer commitment of General Fund Balance.	29.00	-
Fire	Add a position (1.0 FTE Fire Investigator II) in the Fire Investigation Division to determine fire origin and cause and the detection and apprehension of parties responsible for committing arson, fire-related crimes, and insurance fraud.	1.00	305,788
Fire	Increase funding for the addition of two fleet vehicles for Fire Prevention Officers. Costs will be offset by the projected increase in the fire prevention revenues.	-	-
Fire	Add a position (1.0 FTE Fire Captain Admin) in the Fire Suppression Division in response to Assembly Bill 542 by early intervention/prevention, thus creating a healthier workforce.	1.00	318,678
Fire	Increase revenues in the Fire Prevention, Operations, Special Operations and Emergency Medical Services divisions to better align with actual revenues received in prior years.	-	(4,186,112)

FY2023/24 Proposed Budget

G/MU Funds (continued)

Department	Description	FTE Change	Net Budget Change
Human Resources	Delete a position (1.0 FTE Labor Relations Analyst) and add a position (1.0 FTE Labor Relations Officer) in the Labor Relations Division to assist with administrative operations of the City including the implementation of citywide policies through negotiations with Recognized Employee Organizations. The cost will be offset with Services and Supply savings.	-	9,470
Human Resources	Delete two positions (2.0 FTE Investigator) and add two positions (2.0 FTE Labor Relations Administrative and Equal Employment Opportunity Investigator) in the Labor Relations Division to align the job classification to duties and skills required to perform the assigned work. Departments are charged back for the cost of investigations.	-	10,374
Human Resources	Remove reimbursements from the Water Fund, Wastewater Fund and Storm Drainage Fund for 1.0 FTE Environmental Health and Safety Specialist. The Risk Management Division would like to retain this FTE if additional work arises to support the Utility Funds. If the FTE is filled, departments will be charged back for work performed.	-	-
Information Technology	Delete a position (1.0 FTE Department Systems Specialist II) and add one new position (1.0 FTE Information Technology Supervisor) in the DOU Systems Support Division to maintain Information Technology (IT) service levels necessary for Citywide operations.	-	70,680
Information Technology	Add a position (1.0 FTE - Principal Applications Developer) in the Enterprise Applications Management Division for the expansion and the support of centralized Constituent Relationship Management (CRM), Grants Management System, and other digital services.	1.00	188,864
Information Technology	Increase funding for ongoing support and capital enhancements for the Constituent Relationship Management (CRM) System. Of the \$1.2M, \$1M is for capital enhancements and \$200K is for ongoing operating support.	-	200,000
Information Technology	Delete a position (1.0 FTE Senior Applications Developer) and add two new positions (2.0 FTE Information Technology Trainees) in the Enterprise Applications Management Division to create journey level career paths for prospective IT candidates.	1.00	3,750
Information Technology	Increase funding for the IPRO Tech eDiscovery and Case Management Tool.	-	188,970
Information Technology	Add a position (1.0 FTE Administrative Analyst) in the IT Regional Support Division to oversee and manage the Software Asset Management Program.	1.00	131,599
Information Technology	Delete a position (1.0 FTE Senior Information Technology Support Specialist) and add two new positions (2.0 FTE Information Technology Trainees) in the IT Regional Support Division to create additional capacity to handle IT requests and support incidents.	1.00	3,741
Information Technology	Add a position (1.0 FTE - Principal Applications Developer) in the Public Safety IT Division to support the Fire Department.	1.00	188,864
Police	Add a position (1.0 FTE Administrative Analyst) in the Alarm Billings Unit to support the increased false alarm workload and verify companies are complying with ordinance changes. The FTE cost will be offset by additional revenue generated.	1.00	1,599
Police	Add three positions (2.0 FTE Dispatcher III, 1.0 FTE Supervising Dispatcher) in the Communications Unit to support the City Auditor's staffing recommendation and ensure the City has adequate recourses to meet the emergency needs of the growing population.	3.00	422,718
Police	Delete one position (1.0 FTE Administrative Assistant) and add one position (1.0 FTE Administrative Technician) in the Office of Specialized Services' Community Advancement Unit. This aligns the job classification to the job duties being performed.	-	(387)

FY2023/24 Proposed Budget

G/MU Funds (continued)

Department	Description	FTE Change	Net Budget Change
Police	Add a position (1.0 FTE Administrative Analyst) to support the increased crime analysis and analytical needs of the Office of Investigations' Crime Analysis Unit (CAU) for the community.	1.00	131,599
Police	Delete six positions (2.8 FTE Security Officer) and add a position (1.0 FTE Program Specialist) in the CAU. The proposed change adds a necessary supervisor in the CAU.	(1.80)	(7,186)
Police	Add a position (1.0 FTE Administrative Analyst) in the Professional Standard Unit to ensure compliance with AB 481, requiring law enforcement to create, maintain, track and report on the use of equipment.	1.00	131,599
Police	Add a position (1.0 FTE Administrative Technician) in the Violence Prevention Unit for administrative support and reporting functions.	1.00	105,171
Public Works	Delete a position (1.0 FTE Office Specialist) and add a position (1.0 FTE Senior Accounting Technician) in Engineering Services to improve the organization structure and help facilitate Private Development projects and employee supervision. The cost is being offset with projects.	-	(1,588)
Public Works	Delete a position (1.0 FTE Electrical Construction Inspector III) in the Engineering Services Division. Position was transferred to the Department of Utilities.	(1.00)	(57)
Public Works	Delete a position (1.0 FTE Supervising Construction Inspector) in the Engineering Services Division. Position was transferred to the Department of Utilities to assist with Capital Improvement Program (CIP) projects.	(1.00)	(77)
Public Works	Add a position (1.0 FTE Arborist) to Urban Forestry in the Maintenance Services Division to manage all tree related contracts and services. This position will work with the Department of Utilities and the offsets will come from the following funds: Water (Fund 6005), Wastewater (Fund 6006) and from Storm Drainage (Fund 6011).	1.00	(1,895)
Public Works	Delete a position (1.0 FTE Parking Enforcement Officer) and add a new position (1.0 FTE Parking Enforcement Supervisor) in the Parking Services Division to provide oversight of enforcement activities in the division. The cost is being offset with revenues.	-	(1,604)
Public Works	Add a position (1.0 FTE Administrative Analyst) in the Parking Services Division to manage the newly created Al Fresco Dining Program and collaborate with local businesses to maintain an effective program in the downtown and midtown area. The cost will be offset with revenues.	1.00	(13,401)
Public Works	Increase funding in the Parking divisions operating and revenue budgets to support the increase in on-street reservation operating expenses and to better align with projected revenues.	-	(949,474)
Public Works	Move a position (1.0 FTE Operations General Supervisor) from the Parking fund to the General fund. Budgeting the labor cost for this position within the General Fund will better align with the on street primary duties of the position and the Parking Services division. The cost will be offset with reduced services and supplies.	-	621
Public Works	Move a position (1.0 FTE Administrative Analyst) from Landfill Operations to Commercial Waste Compliance. Realigning the FTE will better support the division in regulating and enforcing commercial waste haulers within the city since Sacramento Waste Authority assistance terminated. The cost will be offset with services and supplies.	-	(5,192)
Youth, Parks and Community Enrichment	Delete various positions (2.45 FTE total) and add three positions (1.0 FTE Aquatic Recreation Coordinator, 1.0 FTE Program Coordinator and 1.0 FTE Jr. Plant Operator) to realign staffing to address programming needs in the Community Enrichment Division. Positions will be offset by the deletion of position and the increases in revenues made in the Division.	0.55	158,912

FY2023/24 Proposed Budget

G/MU Funds (continued)

Department	Description	FTE Change	Net Budget Change
Youth, Parks and Community Enrichment	Delete various positions (2.81 FTE total) and add various positions (5.41 FTE total) in the Community Enrichment Division as the department has taken over the management of the Clunie Community Center, Shepard Garden, former Tiny Tots building and the McKinley Rose Garden. Additional staffing is needed to manage, program and operate these facilities. Positions will be offset by the deletion of positions and the increases in revenues made in the Division.	2.60	210,199
Youth, Parks and Community Enrichment	Delete three positions (0.47 FTE Recreation Aide, 0.47 FTE Utility Worker and 1.0 FTE Recreation Superintendent) and add a position (1.0 FTE Recreation Manager) in the Community Enrichment Division to provide additional leadership support as operations have expanded at multiple facilities and spaces. Positions will be offset by the deletion of the positions.	(0.94)	(8,582)
Youth, Parks and Community Enrichment	Delete four positions (0.10 FTE Recreation Aide, two 0.15 FTE Recreation Aides and 0.40 FTE Senior Recreation Aide) and add two positions (0.30 FTE Recreation Aide and 0.47 FTE Building Monitor) in the Community Enrichment Division to realign staffing to meet the updated programming needs of the Division. Positions will be offset by the deletion of the positions.	(0.03)	2,671
Youth, Parks and Community Enrichment	Revenue adjustments to Aquatics, Community Recreation Services, Community Centers, Camp Sacramento, Older Adult Services and Permitting and Event's budget after evaluation of the department's history to better align with budget actuals.	-	(1,790,000)
Youth, Parks and Community Enrichment	Increase funding in the operating to address the ongoing maintenance costs for landscaping associated with the construction of the new 64-acre Del Rio Trail.	-	128,000
Youth, Parks and Community Enrichment	Delete a position (1.0 FTE Landscape Technician II) and add three positions (1.0 FTE Administrative Technician, 1.0 FTE Junior Landscape Assistant and 1.0 FTE Supervising Landscape Architect) in the Park Maintenance and Planning Division to address increased workload that are currently at an unsustainable level and expand programming. Positions will be offset by the deletion of the position and adjusting overhead charges to Capital Improvement Program (CIP) projects.	2.00	(1,844)
Youth, Parks and Community Enrichment	Reallocation of the FY2023/24 fleet replacement budget assumptions for vehicle unit 9972, which is no longer needed, to fund the purchase of other fleet vehicles/equipment in the Park Maintenance and Planning Division.	-	-
Youth, Parks and Community Enrichment	Revenue adjustments to Youth Enrichment's budget after evaluation of the department's history to better align with budget actuals.	-	198,193
Citywide Support	Increase funding for Visit Sacramento to continue to support tourism recovery through event support and production.	-	500,000
Citywide Support	Increase the annual Sacramento Utility Rate Assistance Program budget (Multi-Year Operating Project - I14130100) due to program changes approved by Council in FY2022/23.	-	527,280
		51.38	\$ (1,792,894)

FY2023/24 Proposed Budget

Other Funds

Department (Fund)	Description	FTE Change	Net Budget Change
City Manager (Innovation and Growth)	One time funding to expand export markets and promote job creation through direct foreign investments and international business.	-	138,500
City Manager (Innovation and Growth)	Add two positions (1.0 FTE Economic Development Manager and 1.0 FTE Administrative Analyst) for the newly created Nighttime Economy Division in support of improving collaborative public safety efforts within the downtown core and business community.	2.00	432,437
Convention and Cultural Services (Community Center)	Delete a position (1.0 FTE Administrative Assistant) in the Administration Division and add a position (1.0 FTE Assistant Director) to oversee department operations and facilitate department priorities.	-	36,747
Convention and Cultural Services (Community Center)	Increase the services and supplies budget in the History Division to continue contracting with Downtown Sacramento Partnership for management services, maintenance services, overnight security, and events/activation for the Old Sacramento Historic District.	-	96,400
Convention and Cultural Services (Community Center)	Increase funding for the Creative Edge Multi-Year Operating Project (MYOP) (I02181100) to support the expansion of the Cultural Arts Awards grant program.	-	500,000
Convention and Cultural Services (Community Center)	Delete various positions (12.0 FTE) and added various positions (8.0 FTE) to ensure event staffing needs are met at the SAFE Credit Union Performing Arts District.	(4.00)	(39,820)
Convention and Cultural Services (Innovation and Growth)	Increase funding for the Creative Edge MYOP (I02181100) to support grants, an internship program, and marketing activities related to film and media production in the City.	-	150,000
Convention and Cultural Services (Innovation and Growth)	Increase funding for the Creative Edge MYOP (I02181100) to support the expansion of the Cultural Arts Awards grant program.	-	200,000
Convention and Cultural Services (Innovation and Growth)	Increase funding for the Creative Edge MYOP (I02181100) to support creative placemaking activities at the neighborhood level.	-	650,000
Public Works (Fleet Management)	Delete three positions (3.0 FTE Equipment Service Worker) and add two positions (2.0 FTE Equipment Mechanic I) in the Fleet Division to provide additional support in vehicle maintenance and repairs for internal customers. The cost of the add/deletes provide a net savings.	(1.00)	10,021
Public Works (Fleet Management)	Delete a position (1.0 FTE Senior Equipment Service Worker) and add a position (1.0 FTE Operations General Supervisor) in the Fleet Division to oversee fleet shop operations and increase productivity. The cost is being offset with revenues.	-	(3,609)
Public Works (Marina)	Increase funding in the Sacramento Marina Division operating and revenue budgets to support the increase in Marina operating expenses and to better align with projected revenues.	-	(127,727)
Public Works (Parking)	Update a vacant (0.5 FTE Senior Parking Lot Attendant) position from 0.5 FTE to 1.0 FTE in the Parking Services Division to provide additional support in managing the City parking garages, surface lots, and other locations throughout the City. The cost is being offset with revenues.	0.50	897
Public Works (Parking)	Delete a position (1.0 FTE Senior Building Maintenance Service Worker) and add a position (1.0 FTE Custodian I) in the Parking Services Division to better align with operational needs. The cost of the add/delete provides a net savings.	-	(14,337)

FY2023/24 Proposed Budget

Other Funds (continued)

Department (Fund)	Description	FTE Change	Net Budget Change
Public Works (Parking)	Increase funding in the Parking Division operating and revenue budgets to support the increase in off street parking and increase in operating cost.	-	(772,500)
Utilities (Storm Drainage)	Add three positions (2.0 FTE Associate Engineers and 1.0 FTE Senior Engineer) in the Engineering & Water Resources Division to plan, design, and deliver projects for an expanded Capital Improvement Program (CIP) that will be offset through the new Storm Drainage Property Related Fee Capital Improvement Program (CIP).	3.00	2,054
Utilities (Storm Drainage)	Add two positions (1.0 FTE Construction Inspector II and 1.0 FTE Supervising Construction Inspector) in the Engineering & Water Resources Division to support the Utilities' CIP. These positions were deleted from Public Works and will continue to be offset by the CIP.	2.00	(4,857)
Utilities (Storm Drainage/ Wastewater/Water)	Delete five positions (0.72 FTE Student Trainee and 1.0 FTE Senior Office Specialist) in the Engineering & Water Resources Division to re-align positions within Utilities.	(1.72)	(97,081)
Utilities (Wastewater)	Add one position (1.0 FTE Program Specialist) to support regulatory requirements in the Wastewater Storm Drainage Division.	1.00	160,226
Utilities (Water)	Add one position (1.0 FTE Administrative Analyst) for the Asset Management Program in the Engineering & Water Resources Division to provide critical infrastructure system support. The position is being partially offset by reducing the Department's operating budget and existing utility rate payer revenues.	1.00	74,914
Utilities (Water)	Delete two positions (1.0 FTE Senior Engineer and 1.0 FTE Senior Engineering Technician) and add two new positions (2.0 FTE Associate Civil Engineer) in the Engineering & Water Resources Division to assist with the \$30M Annual Pay-Go CIP. The cost of the two new positions are being offset by the CIP.	-	16,530
Utilities (Water)	Delete a position (1.0 FTE Storekeeper) and add two positions (1.0 FTE Administrative Analyst and 1.0 FTE Administrative Technician) in the Office of Director Division to support Security & Emergency Preparedness and Safety Programs. The cost of the positions are being partially offset by reducing department's operating budget and the HR-Risk Management interfund transfer has been deleted.	1.00	83,719
Utilities (Water)	Add one position (1.0 FTE Public Information Coordinator) in the Office of Director Division to support water conservation outreach. The cost of the position is being offset by reducing professional services expense budget.	1.00	(3,039)
Utilities (Water)	Add one position (1.0 FTE Machinist Helper) in the Water Operations and Maintenance Division to keep up with the maintenance of facilities and avoid critical failures.	1.00	89,362
Utilities (Water)	Add one position (1.0 FTE Program Specialist) in the Water Operations and Maintenance Division to manage planning, coordination, and administration of Water Quality Laboratory and Research & Development section programs.	1.00	157,793
Youth, Parks and Community Enrichment (4th R)	Revenue and expenditure adjustments to 4th R's budget to reflect current operations post pandemic.	-	-
		6.78	\$ 1,736,630

FY2023/24 Proposed Budget

G/MU Funds Multi-Year Operating Projects (New)

Project Name (Number)	Fund Name	Description	Net Budget Change
Office of Violence Prevention (OVP) Disruption, Response, Intervention & Prevention (I11003200)	Measure U	Continue funding for community-based organizations' efforts to combat violence in Sacramento communities. The program was established with one-time ARPA funds.	1,000,000
Measure L Youth Funding (I80000100)	General	Children's Fund as approved by voters with Measure L.	8,786,500
Total MYOPs \$			9,786,500

Capital Improvement Program (CIP)

Project Name (Number)	Fund Name	Description	Net Budget Change
Digital Strategy (A07000700)	Various Funds*	Increase funding for ongoing support and capital enhancements for the Constituent Relationship Management (CRM) System. Of the \$1.2M, \$1M is for capital enhancements and \$200K is for ongoing operating support.	1,000,000
Police Safety Equipment Program (F11100800)	General	Increase funding to replace ballistic protection equipment every five years. \$600,000 is needed for the front/back replacement cycle.	120,000
Pedestrian and Bike Trail Repair and Maintenance Program (K15222100)	Measure U	Increase funding in the CIP to address the ongoing capital needs for landscaping associated with the construction of the new 64-acre Del Rio Trail.	100,000
Total CIPs \$			1,220,000

* Various Funds include General Fund, Gas Tax 2016, Recycling and Solid Waste, Storm Drainage, Wastewater and Water.

4

SECTION - 4 **Understanding the Budget**

Budget Information

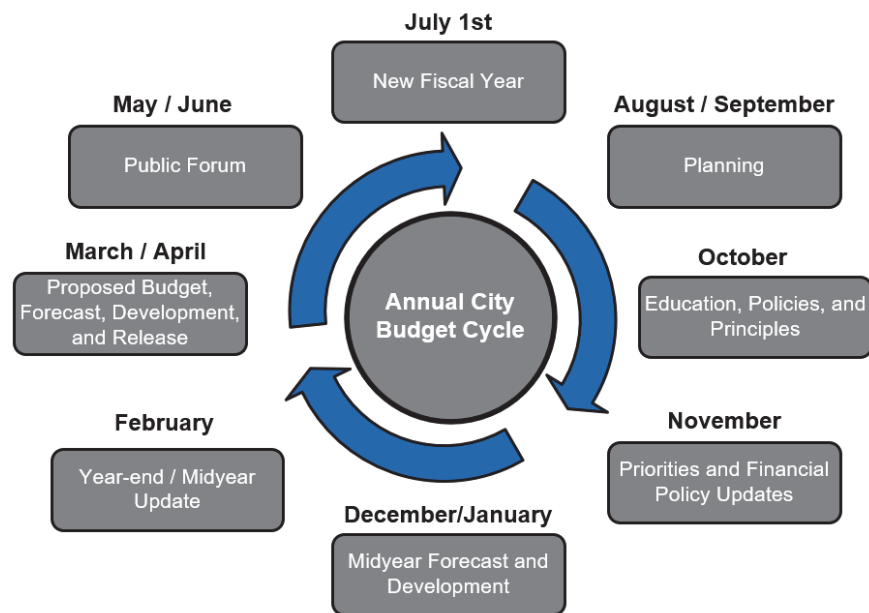
Budget Presentation

The presentation of the Budget includes both the FY2023/24 Proposed Operating Budget and the 2023-2028 Approved Capital Improvement Program (CIP) Budget which includes the FY2023/24 CIP Budget. The Budget documents are available on the City’s website at: www.cityofsacramento.org/finance/budget.

The Budget includes 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 G/MU Fund forecast (revenues and expenditures). The Budget Schedules include detailed information on staffing, revenue estimates, and proposed expenditures for the governmental funds, the enterprise, 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 Mayor and Council continued efforts to engage and educate the community on the budget process and the City’s financial challenges over the long-term by completing a community budget survey and facilitating discussions at the Budget and Audit Committee (Committee) and Council meetings in January and 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.

FY2023/24 Proposed Budget

To establish the annual budget, the Budget, Policy and Strategic Planning 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, minimum wage changes 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 the enterprise 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 established replacement schedules, prior year actual costs/usage and anticipated cost increases.
- General Liability and Auto Liability insurance costs are updated based on annual experience and exposure cost allocation studies in accordance with the adopted Risk Management Funding and Reserve Policy.
- Retiree health care costs and pension payments for the Sacramento City Employees' 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 repair and replacement of aging equipment and infrastructure, utilities, and staffing needs. These requests are submitted and reviewed by the City Manager's Office. A summary of budget modifications are outlined in the Budget Overview Section.

A five-year revenue model has been 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, including estimated ongoing impacts of the pandemic, is included in the Forecast Section. Capital improvement programs and projects are identified and funded with available G/MU Funds, enterprise funds, internal service funds, grants, transportation, and other funding sources as identified in Schedule 4 and detailed in the 2023-2028 CIP.

Council Priorities

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

FY2023/24 Proposed 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.
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 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.

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. The five-year forecast for the G/MU Funds will be updated as new information becomes available. Full reviews of revenue receipts in comparison to the budgetary estimates are 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. These policies are included in the Financial Policy Section of the document.

- Budget Control
- Debt Management and Debt Management Disclosure
- Development Stabilization Contingency Reserve (DSCR) and Development Services Fund Management
- Emergency Medical Services (EMS) Revenue Recovery

FY2023/24 Proposed Budget

- Fees and Charges
- General/Measure U (G/MU) Fund Economic Uncertainty Reserve (EUR)
- Interfund Loans
- Investment
- Other Post-Employment Benefits (OPEB)
- Pension Funding
- Risk Management Funding and Reserve
- Sacramento City Employees' Retirement System (SCERS) Investment

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 on strengthening existing measures and adding measures that are important to the Council, our community, and the operating departments/management.

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 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 measurable and available only when cash is received by the government.

Expenditures are generally 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 less than \$250,000 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 three 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.

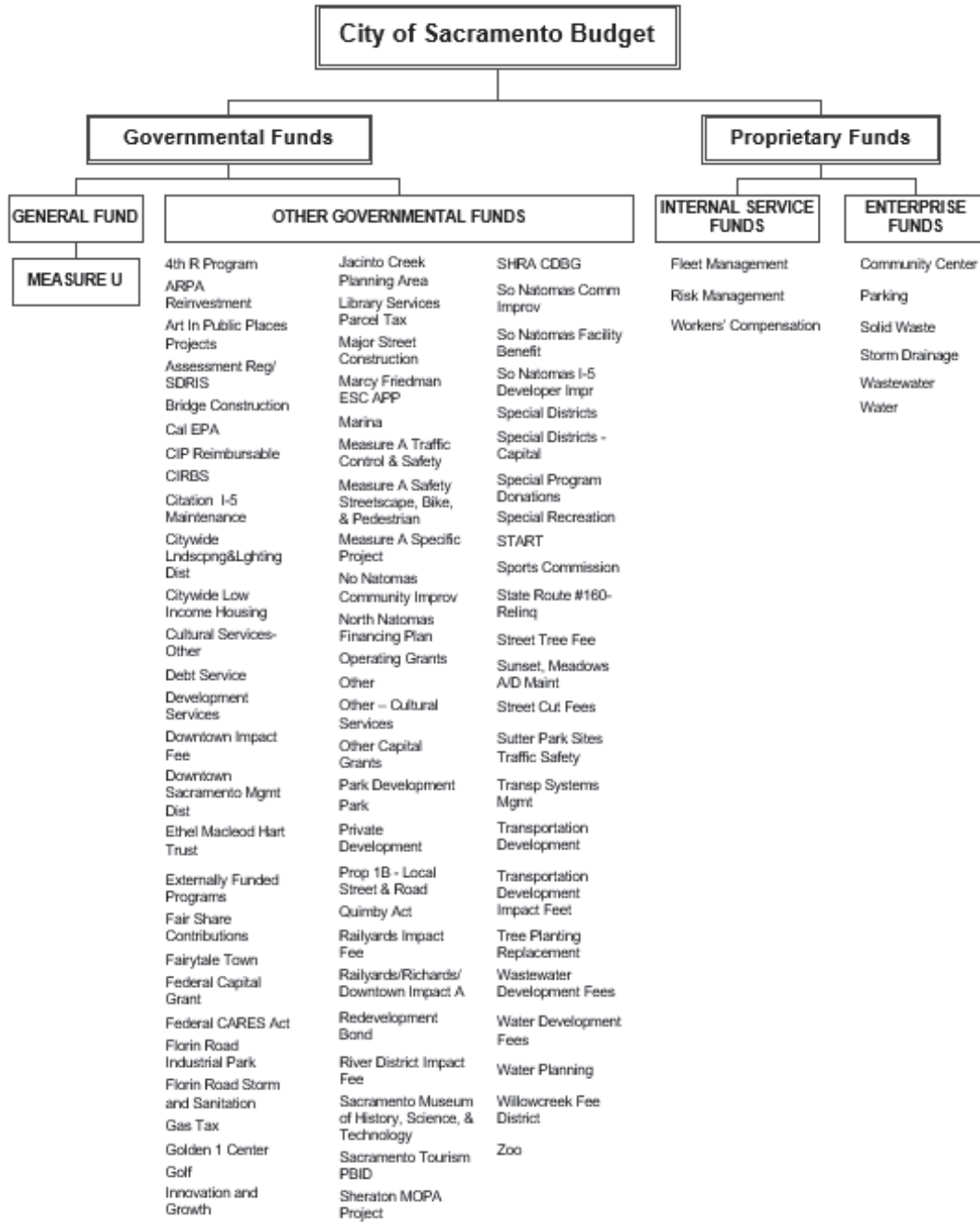
The G/MU Fund EUR was established to provide resources for the Mayor and Council to manage the impact of economic fluctuations that negatively impact the City's revenues.

- April 26, 2016 – Council-adopted the General Fund EUR Policy (Council Motion 2016-00440) establishing 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.
- February 5, 2019 – Council adopted the General/Measure U Fund EUR Policy (Resolution 2019-0248) adding the Measure U Fund to the original EUR Policy.
- o The Measure U Fund was established to account for revenues collected from the half-cent transactions and use tax approved by voters in on November 6, 2012. On November 6, 2018, the voters approved a change to Measure U, increasing the tax to one cent. Measure U was approved as a general tax and can be used for any general government purpose. This tax is charged on each dollar of taxable sales of goods purchased from retailers within the City of Sacramento, and on the taxable storage, use, or consumption of goods purchased outside the city and delivered to a location within the city.
- o 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:

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- 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 39 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 Fund 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 governmental funds, enterprise funds, special revenue funds, and internal service funds. Expenditures are appropriated on a modified accrual basis, except the commitments related to purchase orders and contracts are treated as expenditures in the year of commitment.



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:
 - FY2020/21 Actuals
 - FY2021/22 Actuals
 - FY2022/23 Approved Budget
 - FY2022/23 Amended Budget (as of February 2023)
 - FY2023/24 Proposed Budget
 - Variance

The summary table shows for each year:

- Budgeted expenditures by category
- Funding sources and amounts
- A division level summary budget table:
 - FY2020/21 Actuals
 - FY2021/22 Actuals
 - FY2022/23 Approved Budget
 - FY2022/23 Amended Budget (as of February 2023)
 - FY2023/24 Proposed Budget
 - Variance
- A division level summary staffing table:
 - FY2020/21 Actuals
 - FY2021/22 Actuals
 - FY2022/23 Approved Budget
 - FY2022/23 Amended Budget (as of February 2023)
 - FY2023/24 Proposed Budget
 - Variance

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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	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
Employee Services	\$ 10,146,890	\$ 10,827,246	\$ 12,406,712	\$ 12,406,712	\$ 12,647,112	\$ 240,400
Other Services and Supplies	36,973,006	43,999,886	44,866,723	44,834,723	52,114,348	7,279,625
City Property	61,186	36,321	43,200	43,200	43,200	-
Multi-Year Operating Projects	-	-	213,250	103,250	235,810	132,560
Transfers	(63,945)	(68,807)	-	-	-	-
Labor and Supply Offset	4,348,990	5,833,167	3,197,132	3,197,132	1,443,365	(1,753,767)
Total	\$ 51,466,126	\$ 60,627,813	\$ 60,727,017	\$ 60,585,017	\$ 66,483,835	\$ 5,898,818

Funding Summary by Fund/Special District	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
General Fund	\$ 3,474,946	\$ 4,090,961	\$ 4,730,981	\$ 4,698,981	\$ 5,145,579	\$ 446,598
Fleet Management	59,614	59,614	59,614	59,614	14,433	(45,181)
Interdepartmental Service	1,648,618	1,673,537	1,725,737	1,725,737	1,664,044	(61,693)
Marina	-	-	-	-	4,811	4,811
Measure U	-	-	473,906	473,906	456,897	(17,009)
Parking	-	-	-	-	4,811	4,811
Recycling and Solid Waste	117,545	117,545	150,087	150,087	152,226	2,139
Risk Mgmt	32,815,663	40,623,117	37,605,559	37,495,559	42,480,291	4,984,732
Storm Drainage	45,189	45,189	30,326	30,326	-	(30,326)
Wastewater	18,585	18,585	33,693	33,693	-	(33,693)
Water	57,700	57,700	104,452	104,452	-	(104,452)
Worker's Compensation	13,228,265	13,941,565	15,812,662	15,812,662	16,560,743	748,081
Total	\$ 51,466,126	\$ 60,627,813	\$ 60,727,017	\$ 60,585,017	\$ 66,483,835	\$ 5,898,818

- Column 1 - FY2020/21 actual expenditures by category and funding amounts by source.
- Column 2 - FY2021/22 actual expenditures by category and funding amounts by source.
- Column 3 - FY2022/23 Approved Budget by category and funding amounts by source.
- Column 4 - FY2022/23 Amended Budget by category and funding amounts by source.
- Column 5 - FY2023/24 Proposed Budget by category and funding amounts by source.
- Column 6 - The budget change between the FY2023/24 Proposed and the FY2022/23 Amended budget.

DIVISION BUDGET SUMMARY TABLE

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

Human Resources Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
HR Administration Division	\$ 1,515,347	\$ 1,645,888	\$ 2,006,636	\$ 2,006,636	\$ 2,139,606	\$ 132,970
Benefit Services Division	1,016,853	1,165,041	1,202,329	1,202,329	1,205,362	3,033
Employment, Classification & Dev Divison	1,700,365	1,758,658	2,024,944	2,024,944	2,050,499	25,555
Risk Management Administration Division	43,228,268	51,382,963	50,130,348	50,020,348	55,573,441	5,553,093
Workers' Compensation Division	2,591,627	2,958,229	3,143,378	3,143,378	3,183,751	40,373
Labor Relations Division	1,413,666	1,717,034	1,745,476	1,713,476	1,874,279	160,803
Office of Diversity and Equity Division	-	-	473,906	473,906	456,897	(17,009)
Total	\$ 51,466,126	\$ 60,627,813	\$ 60,727,017	\$ 60,585,017	\$ 66,483,835	\$ 5,898,818

Column 1 - FY2020/21 actual expenditures by division.

Column 2 - FY2021/22 actual expenditures by division.

Column 3 - FY2022/23 Approved Budget by division.

Column 4 - FY2022/23 Amended Budget by division.

Column 5 - FY2023/24 Proposed Budget by division.

Column 6 - The budget change between the FY2023/24 Proposed and the FY2022/23 Amended Budget.

STAFFING LEVELS SUMMARY TABLE

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

Human Resources Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
HR Administration Division	10.00	9.00	9.00	9.00	9.00	-
Benefit Services Division	9.00	9.00	9.00	9.00	9.00	-
Employment, Classification and Dev Division	15.00	15.00	15.00	15.00	15.00	-
Risk Management Administration Division	17.00	17.00	17.00	17.00	17.00	-
Workers' Compensation Division	19.00	19.00	19.00	19.00	19.00	-
Labor Relations Division	10.00	10.00	11.00	11.00	11.00	-
Office of Diversity and Equity Division	-	-	3.00	3.00	3.00	-
Total	80.00	79.00	83.00	83.00	83.00	-

- Column 1 – FTEs by division in FY2020/21.
- Column 2 – FTEs by division in FY2021/22.
- Column 3 – FTEs by division in the FY2022/23 Approved Budget.
- Column 4 – FTEs by division for the FY2022/23 Amended Budget.
- Column 5 – FTEs by division as Proposed for FY2023/24.
- Column 6 – The budget change in FTEs by division between the FY2023/24 Proposed and the FY2022/23 Amended Budget.

5

SECTION - 5 The Forecast

Proposed Financial Forecast

Financial Forecast

The financial forecast is a fiscal management tool that evaluates current and future fiscal trends and 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 Council's policies, strategic goals, and community programs and services.

General and Measure U (G/MU) Funds Overview

This section includes a five-year forecast for the G/MU Funds combined, a separate forecast for the Measure U Fund and the City's Enterprise Funds. The information in these forecasts provides a current picture of the fiscal condition of the funds, establishing an important context to the decision-making necessary to maintain both essential community services and fiscal stability.

As mentioned previously, the City continues to recover from the fiscal impacts of the COVID-19 pandemic, but our financial condition is now affected by rising inflation and interest rates and the overall slowing of economic growth. While the major G/MU Funds including Property Tax, General Sales and Use Tax, and the Transactions and Use Tax revenues performed better than originally predicted in the previous fiscal year, growth has slowed down and this slowing continues to in future fiscal years. Operating Department revenues including parking (off street) remain below pre-pandemic levels. These revenue sources as well as any State and Federal stimulus opportunities will be monitored closely. Staff will provide updates to Council as appropriate.

The forecast of expenditures includes anticipated growth to address increasing costs for pension and liability insurance. The labor forecast assumptions include estimated increases for known pension costs and negotiated salary increases (steps) for employees. However, it does not include future labor growth (e.g., cost-of-living [COLA], health insurance). All contracts of the City's eleven recognized employee organizations (REOs) will expire in calendar 2023. The City is currently in negotiations with two of the eleven REOs and the remaining nine will enter into negotiations within the calendar year.

The Five-Year G/MU 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 five-year forecast is developed during the annual budget process based on the most recent national, State, regional and local economic data, trends, and changes in both economic conditions and anticipated future revenues trends and cost estimates are key components of the long-range forecasting process. This allows the City to identify potential challenges and make course corrections through budget and operational

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adjustments. In addition, if there are significant changes to either revenues and/or expenditures during the year, outside of the budget or quarterly reviews, the impact of those changes will be reported to Council as soon as practicable.

The Proposed FY2023/24 Budget is balanced; however, rising labor and liability costs place additional strain on our ability to produce a balanced budget starting in FY2025/26. The current five-year forecast is presented below. It is important to note that the following forecast does not include the costs for homeless services.

5-Year Forecast General (G) and Measure U (MU) Funds (\$ in 000s)	FY2023/24 Projection	FY2024/25 Projection	FY2025/26 Projection	FY2026/27 Projection	FY2027/28 Projection
BEGINNING AVAILABLE FUND BALANCE	731	2,188	12,532	-	-
Revenues					
Revenues	771,859	784,999	807,842	829,064	850,205
Other Sources	4,745	3,689	3,404	3,429	2,900
Total Revenues/Resources	776,604	788,687	811,246	832,493	853,105
Expenditures					
Department Operating, Debt, and MYOPs	748,338	778,412	805,878	828,704	854,455
Capital Projects	14,167	14,635	14,444	14,469	13,941
EUR Contribution	3,857	4,009	4,146	4,260	4,386
Total Expenditures/Uses	766,361	797,056	824,469	847,434	872,781
Surplus/(Deficit)	10,243	(8,369)	(13,223)	(14,940)	(19,676)
Other Sources/(Uses)					
Reserve for Future Budget Development (FY2020/21)	-	10,000	-	-	-
Reserve for Future Budget Development (FY2021/22)	-	20,500	-	-	-
Impact Fee Waiver Program	-	(3,000)	(3,000)	(3,000)	(3,000)
Total Other Sources/(Uses)	-	27,500	(3,000)	(3,000)	(3,000)
Voter-Approved Spending					
Measure L	(8,787)	(8,787)	(8,787)	(8,787)	(8,787)
Total Voter-Approved Spending	(8,787)	(8,787)	(8,787)	(8,787)	(8,787)
Surplus/(Deficit) with Other Sources	1,456	10,344	(25,009)	(26,727)	(31,463)
ENDING AVAILABLE FUND BALANCE	2,188	12,532	(12,477)	(26,727)	(31,463)

Should the City continue to fund homeless services at the current level, expenditures will outpace revenues as early as FY2024/25. The forecast below includes homeless services, which shows a larger overall deficit in future fiscal years. If the City were to be awarded additional resources from the State as part of the Homeless Housing, Assistance and Prevention (HHAP) grant program, the funding gap would decrease. Future State and Federal resources are unknown at this time; however, they will be included in future forecasts when program funds have been awarded to the City.

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5-Year Forecast General (G) and Measure U (MU) Funds (\$ in 000s)		FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28
		Projection	Projection	Projection	Projection	Projection
BEGINNING AVAILABLE FUND BALANCE		731	1,100	-	-	-
Revenues						
Revenues		771,859	784,999	807,842	829,064	850,205
Other Sources		4,745	3,689	3,404	3,429	2,900
Total Revenues/Resources		776,604	788,687	811,246	832,493	853,105
Expenditures						
Department Operating, Debt, and MYOPs		748,338	778,412	805,878	828,704	854,455
Capital Projects		14,167	14,635	14,444	14,469	13,941
EUR Contribution		3,857	4,009	4,146	4,260	4,386
Total Expenditures/Uses		766,361	797,056	824,469	847,434	872,781
Surplus/(Deficit)		10,243	(8,369)	(13,223)	(14,940)	(19,676)
Other Sources/(Uses)						
Reserve for Future Budget Development (FY2020/21)		-	10,000	-	-	-
Reserve for Future Budget Development (FY2021/22)		-	20,500	-	-	-
Impact Fee Waiver Program		-	(3,000)	(3,000)	(3,000)	(3,000)
Total Other Sources/(Uses)		-	27,500	(3,000)	(3,000)	(3,000)
Voter-Approved Spending						
Measure L		(8,787)	(8,787)	(8,787)	(8,787)	(8,787)
Total Voter-Approved Spending		(8,787)	(8,787)	(8,787)	(8,787)	(8,787)
Surplus/(Deficit) with Other Sources		1,456	10,344	(25,009)	(26,727)	(31,463)
Homeless Services						
Schedule 9 MYOP Funding		11,368	11,414	11,460	11,507	11,555
Homeless Services Resources (HHAP)		19,833	-	-	-	-
Whole Person Care Savings		7,162	-	-	-	-
Current Year Savings/ARPA Scrub		2,922	-	-	-	-
Homeless Services Programming		(42,373)	(47,337)	(47,451)	(48,637)	(49,853)
Total Homeless Services		(1,088)	(35,923)	(35,991)	(37,130)	(38,298)
Surplus/(Deficit) with Homeless Services		368	(25,579)	(61,000)	(63,857)	(69,761)
ENDING AVAILABLE FUND BALANCE WITH HOMELESS SERVICES		1,100	(24,479)	(61,000)	(63,857)	(69,761)

Additional challenges in the G/MU Fund forecast are detailed below:

- California Public Employees' Retirement System (CalPERS) pension costs will increase by \$24.0 million (17.9%) over the next four years.
- Liability insurance premiums are estimated to increase by \$18.5 million (50%) over the next four years.
- Uncertainty with labor costs given that all eleven labor contracts will end before the close of calendar year 2023 and the forecast does not include future increases for COLAs or health insurance.
- Compliance with the Advance Clean Fleets Regulation, scheduled to be adopted in late April 2023, will have a financial impact which is unknown at this time.
- Homeless services will cost approximately \$193 million over the next four years.

With the exception of future labor contracts increases and the impact of the adoption of the Advance Clean Fleets Regulation, estimates for the above challenges have been included in the forecast as presented.

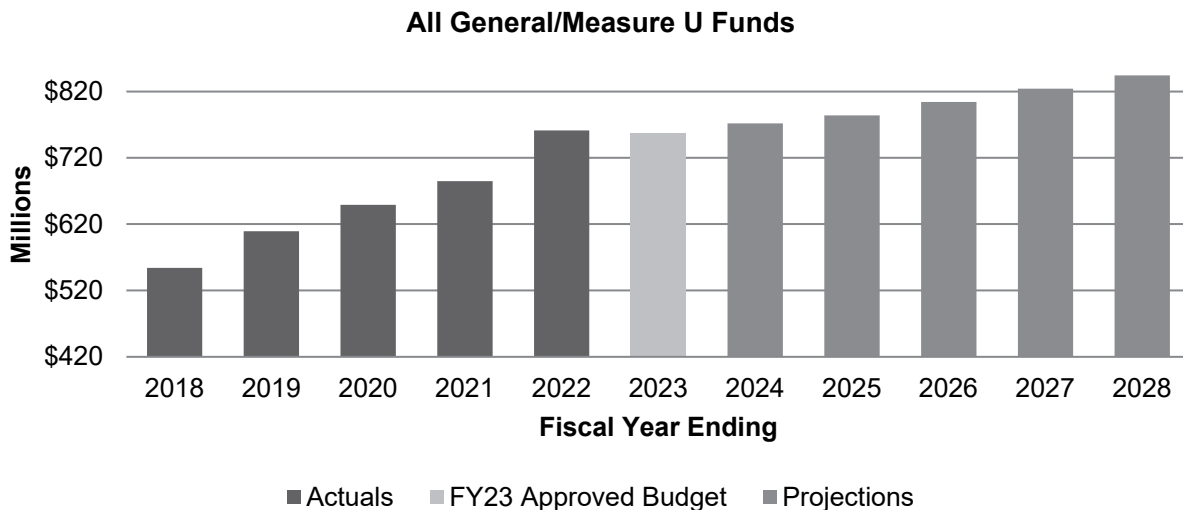
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General/Measure U Fund Revenues

The City’s G/MU Fund revenues continue to experience growth across most revenue sources. The following table highlights the top four G/MU Fund revenue sources representing 69% G/MU Fund revenues.

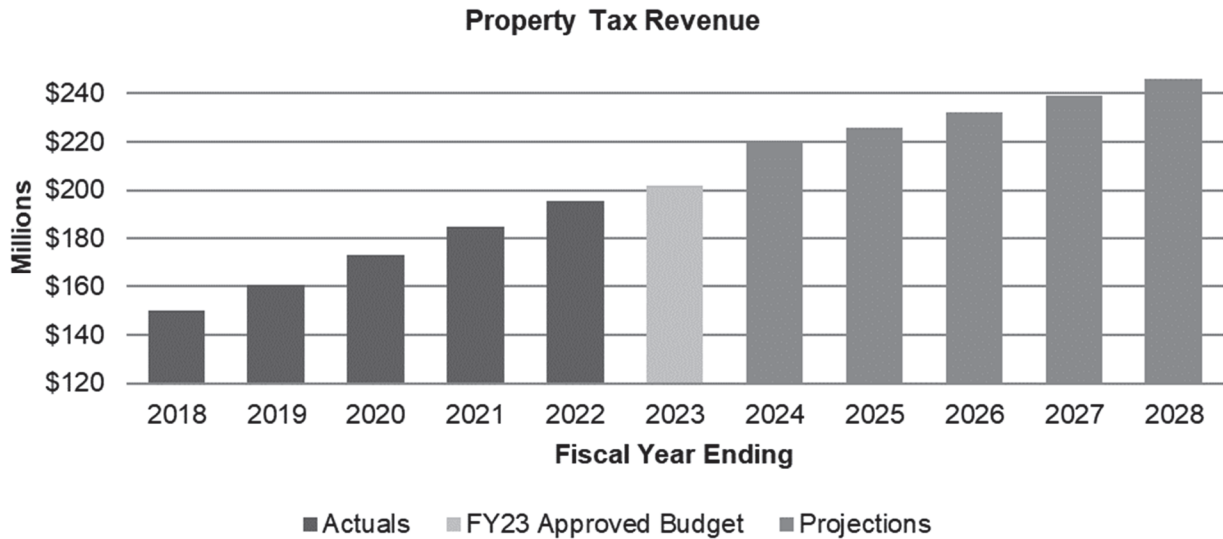
Revenue Source (\$ in 000s)	FY2022/23	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28
	Approved	Proposed	Projected	Projected	Projected	Projected
Property Tax	202,210	219,236	225,675	232,308	239,140	246,177
Measure U Transaction & Use Tax	137,099	135,124	135,330	140,219	144,812	149,115
General Sales & Use Tax	108,467	110,227	110,625	115,155	119,562	123,846
Utility User Tax	65,665	68,165	68,506	68,848	69,193	69,539
Other Revenue	242,668	239,107	244,863	251,312	256,358	261,529
Total General/Measure U Revenue	756,109	771,859	784,999	807,842	829,064	850,205

The chart below provides a five-year year look back and forecast of G/MU Fund revenue growth. Property tax and sales tax continue to be the main catalyst for revenue growth within the City. G/MU Fund revenues are projected to increase by 52% from FY2017/18 through the term of the forecast in FY2027/28.



Property Tax

Property taxes account for 29% of all G/MU 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.



Housing sales have slowed considerably over the past year as inflationary pressures have driven interest rates higher and reduced discretionary spending. According to the Sacramento Business Review (SBR) January 2023 Report, currently more than 50% of adults between age 18 and 29 are electing to live at home to avoid high real estate costs, thereby depressing demand for both single family and multifamily housing units. As for the commercial sector, SBR predicts increasing interest rates along with high tenant improvement construction costs will have a significant impact on property values. Interest rates are expected to peak in 2023, and current forecasts indicate as much as a 15% drop in pricing over the next few years. Sales volume has declined, and potential investors are waiting to see how far pricing will fall before investing in new office projects.

Overall Real Estate Activity for the Sacramento Region

Category	1/2023 vs 1/2022
	% Change
Average Price per Square Foot	-6.8%
Medium Sales Price	-4.4%
Median Days on the Market	262.5%
Active Inventory	64.1%
Sales Volume	-44.5%

Data provided by Norada Real Estate Investments, January 2023 report

From January 2022 through January 2023, Norada Real Estate Investments reported the cost of housing per square foot in the Sacramento region (region) decreased from \$340 to \$317 and the median home price decreased from \$522,000 to \$499,000. Fanny Mae expects both new and existing home sales volumes to drop by 5.4% and 19.2% respectively in 2023 across the nation. Concerns about housing affordability persist, with 59% of renters and 28% of homeowners spending more than 30% of their monthly income on housing.

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Total assessed value for Sacramento County's FY2022/23 secured and unsecured roll surpassed \$207 billion, an increase of 7.9% countywide. Additionally, the Sacramento County Assessor's (Assessor) 2022 Annual Report and monthly reports have highlighted several positive barometers for the City as follows:

- Total gross assessed value of secured/unsecured properties in the City grew 7.6% from FY2021/22 to FY2022/23.
- City properties with Proposition 8 assessments (temporary reduction in property taxes due) decreased from 5,722 in March 2022 to 3,152 in March 2023, a 45% decrease adding \$207 million to the City's secured roll over the past twelve months.

The table below illustrates the assessed roll value that remains to be restored as a result of the housing crash during the Great Recession. Restoration of Proposition 13 values happens annually, while reductions as the result of a Proposition 8 appeals can be applied to the tax roll at any time during the year. Therefore, the reduction in pending appeals limits the City's exposure to a reduction in roll value.

Summary of Proposition 8 Assessments by Land Use

Property Type	Prop 8	Prop 13	% of Full Value
Commercial	1,992,967,814	2,768,071,162	72%
Single-Family Residence	575,428,134	628,719,604	92%
Multi-Family Residence	264,405,231	378,433,742	70%
Industrial	196,670,352	232,948,637	84%
Others	76,967,696	104,331,055	74%
City Total	3,106,439,227	4,112,504,200	76%

In December 2022, the California State Board of Equalization directed the Assessor to apply the full 2% inflation factor (CCPI – California Consumer Price Index) to property values for taxation. Because the Assessor does not complete 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. The property tax secured roll forecast for FY2023/24 is 8.7% higher than the FY2022/23 Approved Budget which included 3.8% growth over FY2021/22 actuals. Estimates over the term of the forecast include 3% from FY2024/25 through FY2027/28, assuming the application of the full 2% for the 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.

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

Property Tax In-Lieu of Vehicle License Fees (VLF)

The State's 2004 property tax for VLF swap permanently reduced the VLF rate from 2% to 0.65%, shifted the VLF revenue to the State General Fund to make up for reduced property taxes to schools and shifted property taxes from the school share to property tax in-lieu of VLF to cities/counties. The County of Sacramento Audit-Controller Division provided updated information in October 2022 for FY2022/23 collections and indicated the City would receive an increase of 7.8% in estimated revenues when compared to FY2021/2022 collections. After revising the FY2022/23 base upward by \$1 million, 5% growth was applied to the new baseline in FY2023/24, with 3% annual growth in over the term of the forecast.

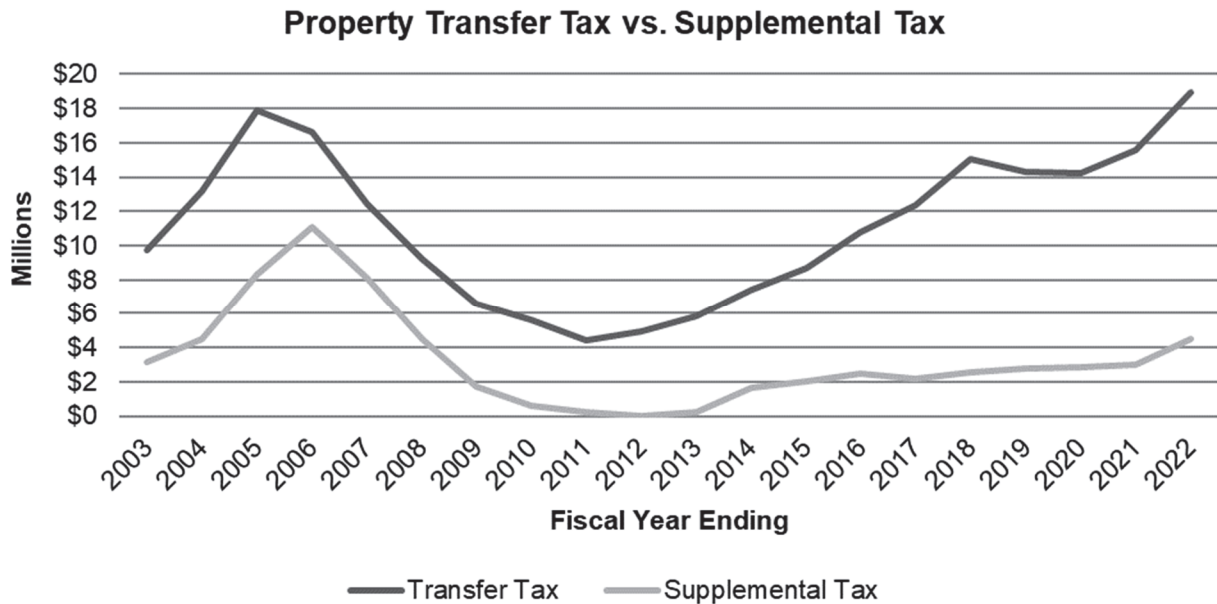
Property Transfer Tax and Supplemental Property Tax

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 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. During the first seven months of FY2022/23, real estate transactions decreased by 40% and the value of these transactions decreased by 32% when compared to the same period in the prior year. January 2023 transaction volume was the lowest in the past ten years. As inflation continues to erode disposable income and interest rates hover around 6-7% for a 30-year mortgage, buyers are reluctant complete transactions and sellers aren't in a rush to sell if they're locked in lower interest rates and have few options for an affordable mortgage upon the sale of their current property. FY2021/22 was an all-time high of \$19.0 million for transfer tax collections, however activity has come to what seems like a gridding halt comparatively with current FY2022/23 projections in the \$11-12 million range based on collections through the first seven months of the fiscal year. Transfer Tax and Supplemental Property Tax revenue streams are expected to decrease by 5% annually from FY2024/25-FY2027/28 as higher interest rates, increased housing supply and inflationary factors weigh heavily on the real estate market.

The following graph reflects the significant effect the Great Recession had on these revenue sources and the gradual rebound over the last eleven years. Given the volatility of these revenues it is especially important to be aware of market trends and adjust the forecast early should overall sales volume and price decrease dramatically.



Sales Tax

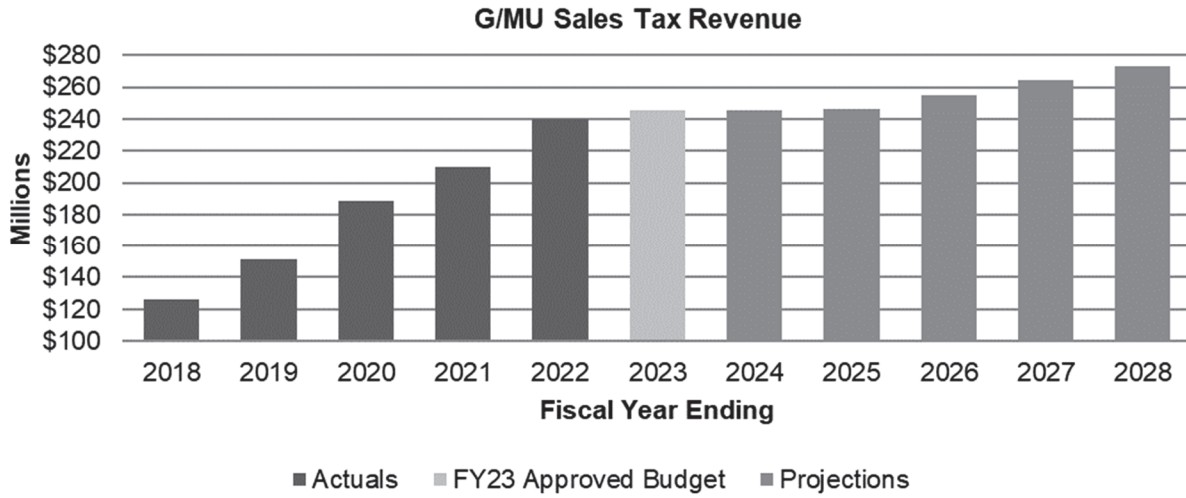
The biggest catalyst for growth in G/MU Funds continues to be sales tax which accounts for 32% of G/MU Fund revenues. General Sales and Use tax is imposed on all retailers for the privilege of selling tangible personal property in the state, whereas use tax is imposed on the purchase for storage, use, or other consumption of tangible personal property purchased from any retailer within the City. General Sales and Use tax accounts for 14% of all G/MU Fund revenue. The General Fund receives only one cent of every 8.75 cents of sales tax paid per dollar sale in Sacramento. The Measure U Transactions and Use tax, approved by voters in November 2018, applies to most transactions subject to sales tax and is also collected on purchases made by residents outside of the City on items such as automobiles. Measure U Transactions and Use tax revenues account for 18% of all G/MU Fund revenue. Measure U generates one cent on every 8.75 cents of sales tax paid per dollar sale in the City and on major purchases delivered within the City. As consumers changed their purchasing habits during the pandemic, sales tax was minimally impacted as consumers shifted their purchasing power to online sales. The table below lists the percentage breakdown of each economic segment of the G/MU Fund sales tax forecasted in FY2023/24.

G/MU Sales Tax Breakdown by Economic Segment	
General Retail	23.5%
Business to Business	18.8%
Transportation	17.0%
Food Products	16.8%
Construction	14.1%
County Pool	7.3%
Miscellaneous	2.5%
Total	100.0%

Inflation reached a 40-year high in 2022 putting a strain on household budgets, affecting consumer confidence, and driving up the cost of living. Many consumers have tightened their purse strings in response to the rising cost of living. Research by intelligence company Morning Consult shows that 56% of U.S. consumers are willing to shop less overall. Shoppers are prioritizing staples over discretionary goods and big-ticket items as 75% said they will delay the purchase of an electronic device, while 36% said they will buy fewer groceries.

The California used vehicle market also shifted into a lower gear during 2022. Used vehicle registrations fell 15.5% from 2021 to 2022. The new vehicle market declined 10.2%. Record high prices at the beginning of 2022 and cooling demand as the economy softened are the key causes for the decline. Wholesale used vehicle prices have generally drifted lower during the past few months and new vehicle inventories continue to be constrained due to supply chain issues. This should provide some support to used vehicle sales during the next six to 12 months, although sales are likely to drift lower. Below average new vehicle sales during the past three years is putting a squeeze on supplies of late model used cars. Registrations of vehicles three years old or newer declined by 23.8% in 2022.

Avenu Insights & Analytics, the City’s sales tax consultant, predicts a reduction in energy prices will create downward pressure on taxable items shipped by plane, ship, train, truck or auto. Lower prices are usually followed by increased demand. With declining gasoline prices some spending will shift to other taxable purchases like restaurants and retail. Some disposable income previously spent on taxable gasoline and diesel will be spent on non-taxable services. Some disposable income previously spent on rising non-taxable housing costs and monthly utilities will be spent on taxable goods. The possibility of a recession in 2023 or 2024 remains but continued low unemployment and a tight labor market indicate that a severe downturn is unlikely. Avenu’s baseline forecast assumes a mild recession starting in 2023Q3 and lasting for three quarters. Growth projections in the five-year forecast range from one to four percent from FY2023/34-FY2027/28.



The table below breaks down the prior four calendar years for the base 1% sales tax excluding Measure U providing a picture of the impact of the pandemic on the City's sales tax revenues.

General Sales and Use Tax

(Benchmark Calendar Year)

	YE 2019Q4	YE 2020Q4	YE 2021Q4	YE 2022Q4
Apparel Stores	2,902,376	2,012,819	3,174,709	3,053,126
Department Stores	5,883,940	5,108,578	5,725,539	6,014,833
Furniture/Appliance	2,458,629	2,071,701	2,576,139	2,818,738
Drug Store	2,441,289	3,007,201	3,058,457	2,506,005
Recreation Products	655,269	637,283	776,143	721,020
Florist/Nursey	564,546	1,023,337	1,131,393	462,616
Miscellaneous Retail	4,615,521	3,988,424	5,363,019	5,160,920
General Retail Total	19,521,570	17,849,343	21,805,399	20,737,258
Restaurants	12,917,784	8,702,846	11,966,392	14,103,333
Food Markets	3,508,385	3,463,708	3,608,980	3,740,949
Liquor Stores	482,395	508,478	568,461	597,894
Food Processing Equipment	546,817	409,807	517,886	658,712
Food Products Total	17,455,381	13,084,839	16,661,719	19,100,888
Auto Parts/Repair	2,277,144	2,207,793	2,431,884	2,538,615
Auto Sales - New	1,661,159	1,754,319	1,700,174	1,955,613
Auto Sales - Used	1,825,188	2,109,747	3,233,422	3,089,119
Service Stations	5,901,799	4,351,079	5,950,250	7,405,599
Misc. Vehicle Sales	2,034,358	1,937,268	1,878,961	1,759,897
Transportation Total	13,699,648	12,360,206	15,194,691	16,748,843
Building Materials Wholesale	8,084,853	8,114,676	9,636,920	11,780,286
Building Materials Retail	2,230,024	2,563,275	2,789,002	2,938,275
Construction Total	10,314,877	10,677,951	12,425,922	14,718,561
Office Equipment	1,700,268	1,637,698	1,703,892	1,989,294
Electronic Equipment	548,546	561,613	608,767	690,361
Business Services	777,159	581,749	791,869	769,709
Energy Sales	2,585,052	1,993,607	3,207,516	4,343,172
Chemical Products	583,061	560,832	637,674	780,526
Heavy Industry	3,478,837	4,103,700	4,341,097	4,462,159
Light Industry	1,469,047	1,559,543	1,416,180	1,618,074
Leasing	1,173,263	1,140,395	1,446,263	1,570,982
Biotechnology	422,446	489,143	643,322	642,510
I.T. Infrastructure	271,583	426,483	45,538	47,234
Green Energy	0	0	0	0
Business To Business Total	13,009,262	13,054,763	14,842,118	16,914,021
Health & Government	920,869	835,203	843,600	1,018,120
Miscellaneous Other	708,268	687,047	842,203	910,805
Miscellaneous Total	1,629,137	1,522,250	1,685,803	1,928,925
Net Pools/Admin/Adjustments	14,662,239	14,624,175	19,061,199	18,097,150
Total Measure U Receipts	90,292,114	83,173,527	101,676,851	108,245,646

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The table below breaks down the prior four calendar years for the Measure U 1% Transactions and Use Tax providing a picture of the impact of the pandemic on the City's sales tax revenues. Note: The YE 2019Q4 data includes a partial year of the 1% collections as the Measure went into effect on April 1, 2019.

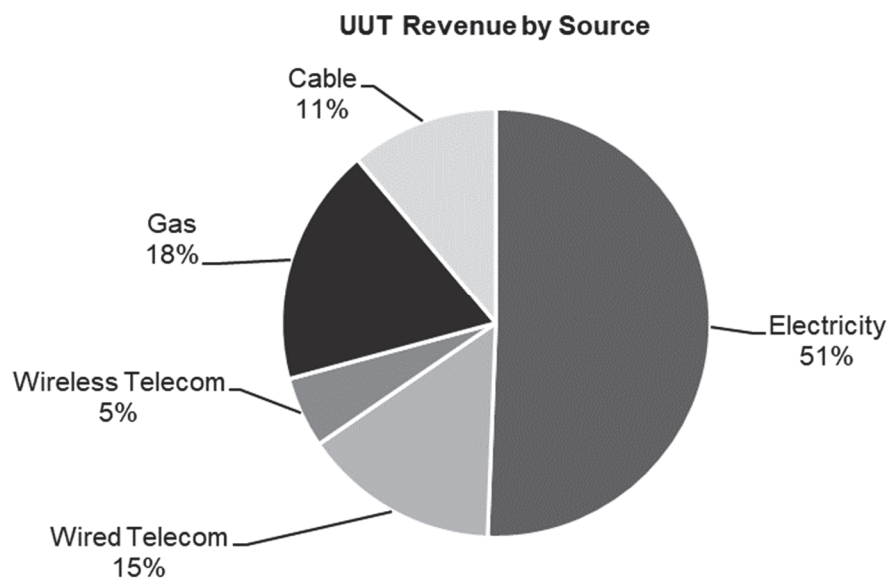
Measure U Transactions and Use Tax

(Benchmark Calendar Year)

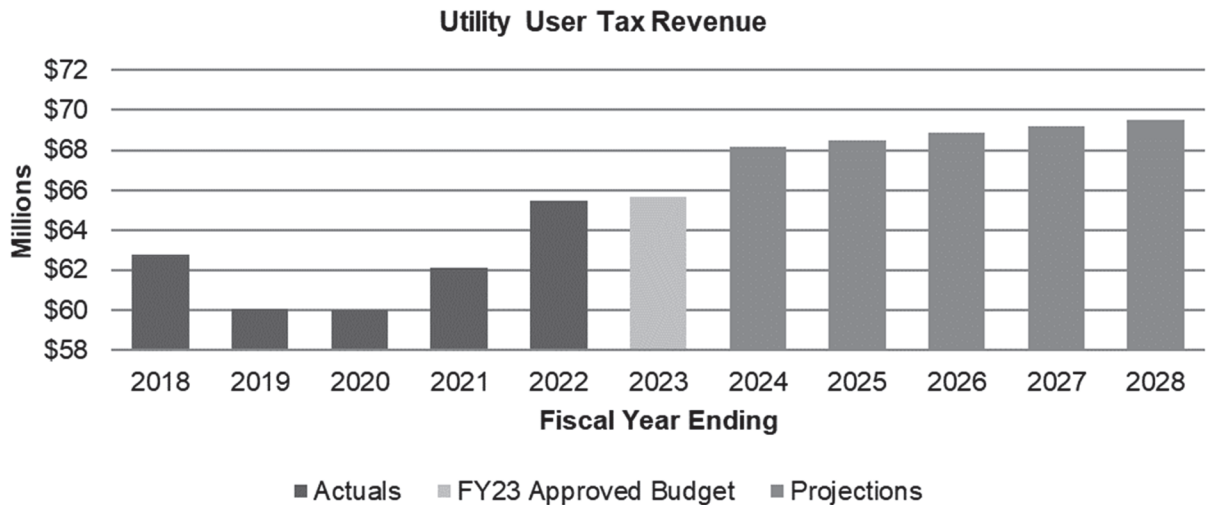
	YE 2019Q4	YE 2020Q4	YE 2021Q4	YE 2022Q4
Apparel Stores	3,112,418	3,314,608	4,537,199	4,246,741
Department Stores	5,895,930	6,863,657	7,693,316	7,017,943
Furniture/Appliance	2,504,060	3,321,200	3,816,206	3,687,463
Drug Store	1,780,102	2,831,878	2,958,556	2,510,370
Recreation Products	660,484	990,611	1,127,006	1,041,951
Florist/Nursey	507,285	1,107,988	1,242,221	544,740
Miscellaneous Retail	7,120,880	12,120,216	14,609,534	14,665,757
General Retail Total	21,581,159	30,550,158	35,984,038	33,714,965
Restaurants	9,948,366	9,137,664	12,650,266	14,959,626
Food Markets	2,913,821	3,571,195	3,644,632	3,839,338
Liquor Stores	381,358	547,432	611,326	631,836
Food Processing Equipment	612,811	646,340	772,089	973,459
Food Products Total	13,856,356	13,902,631	17,678,313	20,404,259
Auto Parts/Repair	2,216,441	2,754,574	3,025,042	3,141,105
Auto Sales - New	5,450,759	7,435,076	9,711,021	10,216,220
Auto Sales - Used	1,660,747	2,484,116	3,158,399	2,704,257
Service Stations	4,750,481	4,491,228	6,165,146	7,559,681
Misc. Vehicle Sales	507,817	1,017,347	949,713	983,086
Transportation Total	14,586,245	18,182,341	23,009,321	24,604,349
Building Materials Wholesale	6,554,339	8,885,831	10,201,143	12,288,984
Building Materials Retail	3,492,489	4,968,243	5,369,071	5,342,135
Construction Total	10,046,828	13,854,074	15,570,214	17,631,119
Office Equipment	4,483,460	6,364,797	5,672,304	6,058,157
Electronic Equipment	1,342,097	1,749,122	2,605,299	2,162,038
Business Services	1,648,732	2,139,682	2,299,918	2,632,326
Energy Sales	537,260	601,067	920,726	1,290,140
Chemical Products	609,717	900,393	895,664	988,313
Heavy Industry	3,127,311	4,685,877	5,019,884	5,290,153
Light Industry	4,863,580	6,058,772	6,727,706	7,203,709
Leasing	1,790,418	2,739,050	2,862,801	2,911,301
Biotechnology	48,942	163,824	231,526	205,872
I.T. Infrastructure	901,231	552,883	316,492	365,644
Green Energy	88,501	148,163	238,680	184,586
Business To Business Total	19,441,249	26,103,630	27,791,000	29,292,239
Health & Government	1,704,964	2,205,836	2,644,490	2,777,494
Miscellaneous Other	1,267,681	1,728,536	1,928,680	1,942,823
Miscellaneous Total	2,972,645	3,934,372	4,573,170	4,720,317
Net Pools/Admin/Adjustments	(3,621,541)	(2,239,334)	2,648,755	1,932,497
Total Measure U Receipts	78,862,941	104,287,872	127,254,811	132,299,745

Utility User Tax (UUT)

UUT is a usage tax on communication, electric, and gas charges billed to a billing or service address in the City as authorized in the City Code (Section 3.32). 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 9% of General Fund revenue. UUT was the most consistent revenue stream over the past five years but also faces the most potential for adversity with industry regulation and the market growth of unregulated media platforms. The following graph represents the UUT revenues by source:



Cable, wireless and wired telecom revenue components continue to face regulatory and fiscal pressure across their respective industries. The City has reduced UUT revenue projections in previous fiscal years to address these underperforming sectors. Electricity and gas now account for almost 70% of all UUT revenue providing overall growth despite continued losses by the other components. Based on revenues collected during the first seven months of FY2022/23, UUT is projected to increase by 3.8% in FY2023/24, and FY2024/25-FY2027/28 include 0.5% annual growth reflected in the following chart.



Details on each of the five components that comprise the UUT is provided below.

Cable Subscriptions – Cable providers lost 3.5 million subscribers in 2022 compared to a 2.7 million subscriber loss in 2021. Comcast, the City’s biggest cable provider, took the biggest hit losing over 2 million subscribers. Comcast accounted for 64% of the City’s cable UUT receipts in FY2021/22. Avenu, Insights and Analytics forecasts an additional 13% decline in revenue by FY2026/27. The City’s cable revenue decreased by \$930,000 through the first seven months of FY2022/23, versus the same period in FY2021/22. Cable accounts for \$7.3 million (11%) of all UUT revenue.

Electricity – Energy will continue to be the main catalyst for UUT growth for the foreseeable future. Since FY2016/17, the electricity sector has increased its share of the UUT pie from 47% to a projected 53% in FY2022/23. SMUD is the City’s primary source of electricity and continues to face cost pressures for compliance, risk mitigation requirements, technology, and grid investments. SMUD’s Board of Directors approved a 2.0% rate increase on January 1, 2023 to combat these issues. During the first seven months of FY2022/23, the City’s electricity UUT revenue increased by 4.6% compared to the same period in FY2021/22.

Natural Gas – PG&E approved a rate increase effective March 1, 2023. The increase is needed to address the cost of maintaining aging infrastructure, paying off debt accrued during the energy crisis, cost overruns for new natural gas pipeline construction and the rising natural gas and wholesale electric energy price increases due to inflation and the war in Ukraine. The average bill will increase 8-9% on a monthly basis. UUT gas collections were up \$2.1 million during the first seven months of FY2022/23 compared to FY2021/22. Gas accounts for \$11.8 million (18%) of all UUT revenue.

Wired Telecommunications – Wired telecom revenues continue to decline due to competition among providers and the lack of product and service differentiation. Existing residential customers continue to migrate towards less expensive alternatives. Wired UUT revenue accounts for approximately 9.7 million or 15% of the total UUT base; however, the revenue stream has decreased by 47% since FY1999/00. Through the first seven months of

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FY2022/23 wired telecom revenue is down \$339,000 (-6.0%) compared to the same period in FY2021/22.

Wireless Telecommunications – Many wireless providers are generating the majority of their revenue through data services, which are not taxable. On average, this equates to an allocation of approximately 70-85% to data usage. This has caused a 78% decrease in wireless revenues since FY2009/10. During the first seven months of FY2022/23, wireless UUT revenues have increased by \$105,000 (5.1%) versus the same period in FY2021/22. Wireless telecom accounts for \$3.5 million (5.4%) of all UUT revenue.

Cannabis Business Operations Tax (CBOT)

The California Department of Tax and Fee Administration reported an 8.2% decrease in cannabis sales in 2022 compared to 2021, the first decrease since state legalization five years ago. California is now considered a mature market for cannabis and without federal legalization to export to other states, growth potential remains slim. In addition, higher State taxes and increased regulation are pushing industry growth away. Cannabis tax revenue is generated from cultivation, manufacturing, testing, delivery, microbusiness, dispensary, and distribution. FY2021/22 CBOT revenue decreased by \$1.7 million or -6.8%. Based on collections through the first seven months of FY2022/23, revenue collections are projected to be \$22.0 million despite a budget of \$23.6 million. The FY2023/24 budget will remain at \$22.0 million with no additional growth in the out years until more data becomes available.

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 No. 2006-106), 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 the establishment and modification of 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 consumer price index (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. 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 9.2% of G/MU Fund revenues. As part of the annual budget process, the Finance Department will present the annual Fees and Charges Update to Council for adoption in May 2023.

Pandemic Impact on Local Revenues

The public health emergencies associated with the pandemic are winding down, and normalcy has mostly returned to daily life. The State of California ended its COVID-19 State of Emergency on February 28, 2023, and the federal government has announced its intent to end its national emergency and public health emergency declarations on May 11, 2023. The improving outlook of the pandemic has resulted in most revenue streams, including the Transient Occupancy Tax (TOT) in the Community Center Fund, recovering to pre-pandemic levels. However, off-street parking fees in the Parking Fund are still below pre-pandemic levels. Should revenues fail to recover to pre-pandemic levels and forecasted growth in this fund, it could compromise the City's ability to make required debt service payments, resulting in the need for additional General Fund support.

Over three-quarters of fund revenues collected in the Community Center Fund are TOT. In FY2022/23, TOT is estimated to reach 94% of FY2018/19 actual collections, the last fiscal year with TOT collections uninterrupted by the pandemic. In FY2023/24, TOT is estimated to exceed FY2018/19 actual collections, indicating full recovery from the pandemic. It is worth noting that the recovery is largely due to inflation in hotel room prices and additions to the supply of available hotel rooms, while market occupancy of hotel rooms is still below pre-pandemic levels. These revenues will continue to be monitored as the hotel market normalizes.

To help stabilize the Community Center Fund, Council approved one-time General Fund support of \$6.7 million as part of the FY2021/22 Midyear Budget Report. Due to the improving TOT forecast, the Community Center Fund no longer requires this support to maintain a positive fund balance over the next five fiscal years. The removal of this support from the Community Center Fund has been reflected in the Budget.

Revenue from parking fees collected at City garages is projected to increase by 5.4% in FY2023/24 as operations continue to recover from the impacts of the pandemic, which lowered the usage of City-owned parking garages. Additionally, the City is anticipating annual parking fee increases of 5% through FY2026/27 and a 1% increase in FY2027/28. However, estimated revenues in FY2027/28 are still below pre-pandemic levels. As employers adopt hybrid work models, the decline in usage of City-owned parking garages will continue to impact revenues.

To help stabilize the Parking Fund, Council approved one-time General Fund support of \$5.1 million as part of the FY2021/22 Midyear Budget Report. Despite this, the Parking Fund is projecting deficits in the five-year forecast. If revenues fail to recover over the next couple of years, the City will need to examine ways to reduce operational costs to meet its required obligations, including debt service payments for the Golden 1 Center. The Budget reflects additional one-time General Fund support of \$633,000 to the Parking

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Fund to keep the fund positive for the fiscal year. The fund condition will be reevaluated next fiscal year.

Most revenue streams have recovered to pre-pandemic levels, however certain economic conditions which the pandemic contributed to but did not cause directly, such as inflation's impact on property tax, sales tax, and utility user tax, are addressed in the General Fund forecast section. The forecast and information as presented in this Budget are based on the best information available to date. Staff will continue to monitor the impacts to the City's revenue streams as well as opportunities for State and Federal relief and provide updates to Council as new information is available.

General and Measure U Fund Expenditures

The single largest expenditure in the G/MU Fund is the cost of employees who support department operations through the delivery of programs and services to the community. The Budget and forecast include scheduled step increases for employees based on existing labor agreements. However, as mentioned above, the forecast does not include future labor cost growth beyond 2023. In FY2023/24, labor costs are expected to increase by 3.7% compared to the FY2022/23 Amended Budget due to approved salary increases, movement of employees through salary steps, pension cost increases and new position augmentations.

California Public Employees Retirement System (CalPERS)

The City participates in the CalPERS pension plan managed by the State of California. Contributions to the plan consist of the normal cost rate which is determined by looking at the annual cost of providing benefits to active employees for the upcoming fiscal year. The normal cost should be viewed as the long-term contribution rate which both the City and the employees contribute toward.

The second component is a payment for the unfunded accrued liability (UAL) which is determined by looking at the Market Value of Assets of the City's two defined benefit plans (Miscellaneous and Safety) and comparing it with the accrued liability of that plan. To the extent that the assets are different from the liability, the City is required to make a payment (determined by CalPERS) toward the UAL. The purpose of the UAL payment is to get the assets and liabilities back to even over time. The City's current UAL with CalPERS is over \$900 million.

The total employer contribution is the sum of the normal cost rate applied to an employer's reported payroll plus the UAL payment. These two components are the required contribution amount that employers pay CalPERS to fund their employees' pension benefits.

California Public Employees' Pension Reform Act (PEPRA): On January 1, 2013, PEPRA changed the way CalPERS retirement and health benefits are applied and placed compensation limits on members. PEPRA employees share 50/50 in the normal cost of the defined benefit plan with the City. Whereas the normal cost contribution for classic members (employees or CalPERS members prior to 2013) was capped at 7% for miscellaneous members and 9% for safety members, unless REOs agreed to pick up a portion of the employer's cost. In response to The Great Recession our REOs agreed to

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pick up a portion of the employer's normal cost (1% for miscellaneous members and 3% for safety members).

For PEPRA members the cost sharing of the normal cost as well as the benefit changes has resulted in a reduced financial burden for the City. As Classic members continue to transition to retirement, PEPRA employees have become a larger portion of the City's workforce. The graph below illustrates the increase in PEPRA employees over the past five years.

PERS Type	Approved FY2017/18	Approved FY2018/19	Approved FY2019/20	Approved FY2020/21	Approved FY2021/22	Approved FY2022/23	Proposed FY2023/24
Classic	76%	69%	67%	61%	56%	52%	37%
PEPRA	24%	31%	33%	39%	44%	48%	63%

CalPERS Discount Rate (earnings assumption)

In July 2021, in accordance with the CalPERS Funding Risk Mitigation Policy (Policy) approved by the Board in 2015, the discount rate was lowered from 7.0% to 6.8% following a 21.3% FY2020/21 fiscal year return. Under the Policy, when CalPERS achieves a double-digit return on investments, a reduction in the discount rate is triggered. The combined impact of all these changes was an increase in employer rates. These increases in costs are included as part of the five-year forecast.

In November 2021, the CalPERS Board (Board) adopted new actuarial assumptions based on the recommendations in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increases, and inflation assumption for public agencies. These new assumptions are incorporated in this actuarial valuation and will impact the required contribution for FY2023/24. In addition, the Board adopted a new strategic asset allocation as part of its Asset Liability Management process. The new asset allocation, along with the new capital market assumptions and economic assumptions, support a discount rate of 6.8%. This includes a reduction in the price inflation assumption from 2.5% to 2.3%.

In July 2022, CalPERS announced a preliminary -6.1% net return on investments for the 12-months ending 6/30/22. Once private equity losses were finalized in September 2022, the overall investment loss increased to -7.5%. The City worked with CalPERS actuaries to estimate and include the investment loss in the City's five-year forecast.

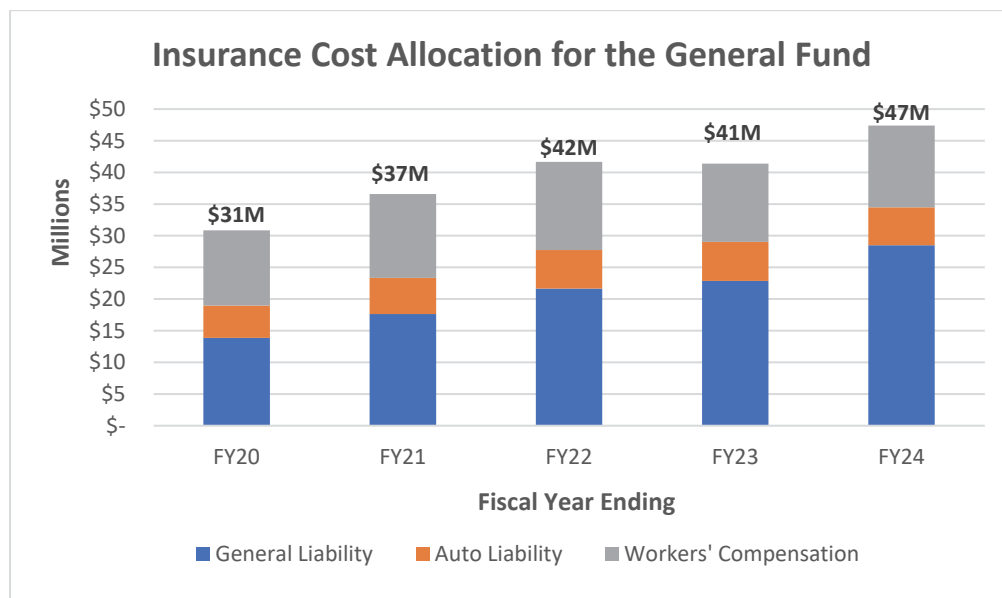
General Liability, Auto Liability, and Workers' Compensation Insurance

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

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adopted policy to maintain this funding level, the General Fund contribution to the GL&AL Fund was increased from \$29.03 million in FY2022/23 to \$34.49 million or 17% in FY2023/24. Insurance premiums have been rising in recent years, primarily excess liability premiums, and public entities will continue to experience a difficult insurance market in FY2023/24. A deterioration in loss experience and fewer insurance carriers willing to write public entity business are driving a tightening insurance market. The City's loss history, which has seen an increase in large liability losses since FY2011/12, is also adding to an increase in insurance premiums. Property insurance rates are now on the increase due to years of catastrophic events such as the wildfires in California.

The General Fund contribution to the Workers' Compensation Fund increased from \$12.35 million in FY2022/23 to \$12.91 million in FY2023/24 or 4%. The graph below details the general liability, auto liability and workers' compensation cost allocations for the General Fund over the past five fiscal years.



Recent information from Public Risk Innovation, Solutions, and Management (PRISM), the member directed risk sharing pool where the City currently purchases excess liability and workers' compensation insurance, states that in recent years, public entities, and the insurance industry as a whole, are witnessing dramatic increases in liability loss development. The increase in size and number of large liability claims continues to create difficult market conditions. The excess liability insurance market for public entities continues to tighten nationwide driven by increases in plaintiff demands, rising jury verdicts and liability settlements, and high inflation. For example, the frequency of claims of \$1M or higher has more than doubled in the last five years. The annual growth rate in jury verdicts from 2010 to 2020 was 11%. Additionally, there are many recent jury verdicts or settlements against California public entities more than \$30M. The number of reinsurers writing public entity business in California had been reduced to about one third of what it was in 2015, resulting in fewer options for excess insurance and higher premiums. Concerns regarding potential exposure to loss, that may have been less

FY2023/24 Proposed Budget

concerning until recently, will likely yield coverage restrictions, new exclusions, and/or reduction in limits.

Along with increasing liability costs and premiums, property and pollution markets continue to harden with higher premium costs due to increases in the number and size of natural disasters.

Measure U Programming and Forecast - \$142 million

Voter approval of the City of Sacramento Essential Services Protection Measure (Measure U) in November 2018 authorized the extension and expansion of the City's Measure U Transaction and Use Tax from a half-cent to a full cent effective April 1, 2019, which can be used for any general government purpose. This one-cent tax is charged on each dollar of taxable sales of goods purchased from retailers within the City of Sacramento, and on the taxable storage, use, or consumption of goods purchased outside of the City and delivered to a location within the City. Measure U is projected to generate approximately \$135.1 million in revenues for FY2023/24.

The G/MU Funds were presented separately in prior fiscal year financial forecasts. However, in FY2019/20, the Council directed staff to combine the two funds (G/MU) and present them in a single forecast. While the Measure U Fund is included in the G/MU five-year forecast, the following forecast is included to provide additional transparency and details on the revenue estimates and budgeted expenditures. The Measure U Fund is projecting a deficit at the end of FY2023/24 as the growth in expenditures for ongoing programs, especially labor costs and service and supplies, is higher than revenue growth.

As presented, the Measure U Fund provides \$142 million for ongoing programs and services for Affordable Housing, Arts/Creative Edge, Climate Action, Community Investment, Community Response, Homelessness, Inclusive Economic Development, Library, Public Safety, and Youth. Detailed information on each program is included in the department sections.

FY2023/24 Proposed Budget

FY2023/24 Measure U Programming

	FY2023/24 FTE	FY2023/24 Proposed	FY2024/25 Projection	FY2025/26 Projection	FY2026/27 Projection	FY2027/28 Projection
Revenues and Expenditures in (\$ in 000s)						
REVENUES		135,124	135,330	140,219	144,812	149,115
EXPENDITURES						
Affordable Housing						
Operations	21.00	1,998	2,070	2,104	2,161	2,215
Multi-Year Operating Projects		1,200	1,200	1,200	1,200	1,200
Affordable Housing Subtotal	21.00	3,198	3,270	3,304	3,361	3,415
Arts/Creative Edge						
Operations	22.95	4,585	4,675	4,733	4,810	4,886
Multi-Year Operating Projects		114	114	114	165	114
Arts/Creative Edge Subtotal	22.95	4,699	4,789	4,847	4,975	5,000
Climate Action						
Operations	2.00	357	367	373	382	390
Multi-Year Operating Projects		300	300	300	300	300
Climate Action Subtotal	2.00	657	667	673	682	690
Community Investment						
Operations	183.57	19,305	19,705	19,946	20,283	20,608
Multi-Year Operating Projects		7,103	6,136	7,587	6,739	6,909
Capital Improvements		2,700	2,700	2,700	2,700	2,700
Community Investment Subtotal	183.57	29,109	28,541	30,233	29,722	30,218
Community Response						
Operations	124.00	14,274	14,656	14,887	15,211	15,524
Multi-Year Operating Projects		10,192	10,402	10,333	10,373	10,529
Community Response Subtotal	124.00	24,466	25,058	25,219	25,583	26,053
Homelessness						
Operations	6.00	924	950	967	990	1,012
Multi-Year Operating Projects		2,146	2,146	2,146	2,146	2,146
Homelessness Subtotal	6.00	3,070	3,096	3,113	3,136	3,158
Inclusive Economic Development						
Operations	33.00	7,417	7,596	7,716	7,873	8,026
Multi-Year Operating Projects		750	750	750	750	750
Inclusive Economic Development Subtotal	33.00	8,167	8,346	8,466	8,623	8,776
Library						
Operations	-	14,272	14,272	14,772	15,272	15,872
Multi-Year Operating Projects		400	400	400	400	400
Library Subtotal	-	14,672	14,672	15,172	15,672	16,272
Public Safety						
Community Development						
Operations	15.00	1,814	1,863	1,895	1,938	1,979
Multi-Year Operating Projects		322	51	290	-	307
Community Development Subtotal	15.00	2,135	1,914	2,185	1,938	2,287
Fire						
Operations	18.00	10,121	10,158	10,348	10,553	10,760
Fire Subtotal	18.00	10,121	10,158	10,348	10,553	10,760
Police						
Operations	63.50	5,802	5,965	6,074	6,217	6,357
Police Subtotal	63.50	5,802	5,965	6,074	6,217	6,357
Youth Parks & Community Enrichment (YPCE)						
Operations	13.00	1,640	1,688	1,718	1,759	1,798
Multi-Year Operating Projects		30	-	-	161	78
YPCE Subtotal	13.00	1,670	1,688	1,718	1,920	1,876
Public Safety Subtotal	109.50	19,729	19,725	20,324	20,627	21,280
Youth						
Operations	391.50	24,364	24,945	25,376	25,906	26,430
Multi-Year Operating Projects		5,799	5,845	5,786	5,312	4,947
Youth Subtotal	391.50	30,163	30,789	31,162	31,218	31,376
Miscellaneous						
Operations	-	4,186	4,485	4,818	5,187	5,598
Multi-Year Operating Projects		234	234	234	234	234
Miscellaneous Subtotal	-	4,420	4,719	5,052	5,421	5,832
Total Expenditures	893.52	142,349	143,672	147,565	149,020	152,069
Economic Uncertainty Reserve (EUR) Contribution (0.5% of Expenses)		712	718	738	745	760
Net Resources (revenues less expenditures)		(7,936)	(9,061)	(8,085)	(4,953)	(3,714)

FY2023/24 Measure U Programming (continued)

Revenues and Expenditures in (\$ in 000s)	FY2023/24 FTE	FY2023/24 Proposed	FY2024/25 Projection	FY2025/26 Projection	FY2026/27 Projection	FY2027/28 Projection
Other Sources/Uses						
Beginning Available Fund Balance		485	-	-	-	-
Homeless Services						
Schedule 9 MYOP Funding		11,368	11,414	11,460	11,507	11,555
Homeless Services Resources		19,833	-	-	-	-
Whole Person Care Savings		7,162	-	-	-	-
Current Year Savings/ARPA Scrub		2,922	-	-	-	-
Homeless Services Programming		(42,373)	(47,337)	(47,451)	(48,637)	(49,853)
Homeless Services Subtotal		(1,088)	(35,923)	(35,991)	(37,130)	(38,298)
Revised Forecast	893.52	\$ (8,540)	\$ (44,984)	\$ (44,075)	\$ (42,083)	\$ (42,012)

Summary of Measure U Programs:

Affordable Housing – \$3.2 million, 21.0 FTE

- Resources for Specific Plans, Long Range Planning, and Zoning services in the Community Development Department, and to the City Manager’s Office to focus on planning and zoning a citywide housing policy and opportunities to promote development of additional housing.

Arts/Creative Edge – \$4.7 million, 22.95 FTE

- Resources for nonprofit arts and cultural organizations through the Cultural Arts Award Program and for City programs that promote cultural and creative life including the Arts Education and Outreach office, City’s Film and Media, Arts and Culture, History, Crocker Art Museum, and Creative Economy and Grants.

Climate Action – \$657,000, 2.00 FTE

- Resources for sustainability and cost-saving energy programs to reduce the City's greenhouse gas emissions as required by State law and staff for the City’s Climate Action Initiatives Office.

Community Investment - \$29.1 million, 183.57 FTE

- Resources for the Sacramento History Museum, Utility Rate Assistance Program, Facility Reinvestment and Americans with Disabilities Act Compliance Programs as well as park operations, older adult services, golf administration, city cemetery, permitting and events, and fiscal & technological support for the Youth, Parks & Community Enrichment Department (YPCE).

Community Response - \$24.5 million, 124.0 FTE

- Resources for the Department of Community Response to provide an alternative response to homelessness model through community outreach; and additional resources to address illegal dumping, neighborhood code compliance, public safety accountability, animal care/shelter, and the Sacramento City 311 Call Center activity.

Homelessness - \$3.0 million, 6.0 FTE

- Resources for the Department of Community Response to coordinate with various Federal, State, local, nonprofit, and faith-based entities to end homelessness.

Inclusive Economic Development - \$8.2 million, 33.0 FTE

- Resources for Community Programs, and City departments that promote inclusive economic and community development such as Community Engagement, Community Investment, Economic Development, Office of Diversity and Equity, and Railyards and Riverfront.

Library - \$14.7 million

- Resources for the support and maintenance of the City's twelve libraries.

Public Safety - \$19.7 million, 109.50 FTE

- Resources to staff and support the hiring pipeline in Police, Diversity Outreach Recruitment Program and fire suppression in the Fire Department, park safety services in YPCE, and animal enforcement and field services in the Community Development Department.

Youth - \$30.2 million, 391.50 FTE

- Resources for programs such as the Fare Free Transit, Youth Sports Field Permit, Youth Pop-Ups, Gang Prevention, Powerhouse Science Center, and Family and Youth Investments. Resources also include the operation of the City's aquatics, community centers, youth employment, youth enrichment, Camp Sacramento, Fairytale Town, Sacramento Zoo, and recreation programs.

Miscellaneous - \$4.4 million

- Resources for the Digital Equity Program, commission stipends for various Commissions, expanded technology support, and Citywide employee services/benefits costs related to staffing funded by Measure U.

Enterprise Funds

Enterprise Funds capture the financial activity of government facilities or services that are self-supporting through the fees associated with operating that service. Revenues and expenditures are expected to sustain operational needs, maintenance, and replacement of 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 FY2023/24 Budget for the Enterprise Funds:

Department	Description	Fund	Net Budget Change	FTE Change
Convention and Cultural Services	Increase funding to realign various positions to better serve department operations, continue contract services for the Old Sacramento Historic District, and support expansion of the Cultural Arts Awards grant program.	Community Center	593,327	(4.00)
Public Works	Position move to the General fund to assist with Commercial Waste Compliance objectives.	Solid Waste and Recycling	(126,974)	(1.00)
Public Works	Increase expense and revenue budgets and adjust various positions to align with the Parking division operational needs.	Parking	(961,179)	(0.50)
Utilities	Add, delete and realign positions to support continued operations and maintenance and the Department's expanded Capital Improvement and Multi-Year Operating Programs. Costs are being offset by reductions to operations, increases to reimbursements, and ratepayer revenues.	Storm Drainage/ Wastewater/ Water	479,621	9.28
Total Change			\$ (15,205)	3.78

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 following chart summarizes the status of the Enterprise Funds.

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Fund	Status
Community Center	The revenues collected for the Community Center Fund continue to show growth and are anticipated to exceed pre-pandemic levels in FY2023/24. The Transient Occupancy Tax (TOT) is projected to be 115% of FY2018/19 actual collections in FY2023/24 due to high demand for tourism, rising hotel prices, and an increase in the supply of available hotel rooms. The User Fees collected for events held at the SAFE Credit Union Convention and Performing Arts District are projected to be about 90% of FY2018/19 actual collections for FY2023/24.
Parking	A rate increase is not included in the five-year forecast. Although revenue from parking fees collected at City garages continues to stabilize from severe declines during the pandemic, projected revenues for FY2022/23 are still only about 79% of FY2018/19 actual collections. Revenue recovery continues to steadily increase as the economy recovers and more events return downtown, which will increase the utilization of the garages. The General Fund provided one-time support of \$633,000 in FY 2023/24 in order maintain a positive fund balance. The Parking Fund will continue to be monitored.
Solid Waste	The approved three-year rate increase through FY2023/24 is included in the five-year forecast. Organics collection and disposal have been implemented to comply with Senate Bill 1383. The new law targets a 50% reduction in the landfill of organic waste in 2023 and a 75% reduction by 2025.
Storm Drainage	A rate increase is not included in the five-year forecast. The anticipated revenues and use of fund reserves will provide sufficient resources to continue operations and maintenance, as well as to ensure compliance with state and federal regulations. A Reserve Fund Policy was adopted by City Council on January 24, 2023 for Department of Utilities' (DOU) enterprise funds to ensure sufficient funding is available to meet its operating, capital, and debt service
Storm Drainage Property Fee	A rate increase is not included in the five-year forecast. This fund was established through a voter-approved ballot measure in April 2022 to support a Storm Drainage Capital Improvement Program and associated operating costs. In June 2022, a lawsuit was filed against the City that challenges the constitutionality of the measure. DOU is currently collecting the new fee but is not spending the proceeds pending the outcome of the litigation.
Wastewater	A rate increase is not included in the five-year forecast. The anticipated revenues will provide sufficient resources to continue critical infrastructure repair and rehabilitation, as well as to ensure compliance with state and federal regulations. A Reserve Fund Policy was adopted by City Council on January 24, 2023 for DOU's enterprise funds to ensure sufficient funding is available to meet its operating, capital, and debt service obligations.
Water	A rate increase is not included in the five-year forecast. The anticipated revenues and reserves will provide sufficient resources to continue critical infrastructure repair and rehabilitation, as well as to ensure compliance with state and federal regulations. A Reserve Fund Policy was adopted by City Council on January 24, 2023 for DOU's enterprise funds to ensure sufficient funding is available to meet its operating, capital, and debt service obligations.

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FY2023/24 Proposed Budget

The following tables 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

(\$ in 000s)	FY2022/23 Estimated	FY2023/24 Proposed	FY2024/25 Projection	FY2025/26 Projection	FY2026/27 Projection	FY2027/28 Projection
Beginning Fund Balance	17,942	8,717	8,066	10,717	13,969	18,772
Revenue	35,370	42,897	47,780	50,849	52,266	53,658
Expenditures	44,482	43,298	44,879	47,347	47,213	48,573
Other Source/(Use)	(113)	(250)	(250)	(250)	(250)	(250)
Ending Funding Balance	8,717	8,066	10,717	13,969	18,772	23,607

Parking Fund

(\$ in 000s)	FY2022/23 Estimated	FY2023/24 Proposed	FY2024/25 Projection	FY2025/26 Projection	FY2026/27 Projection	FY2027/28 Projection
Beginning Fund Balance	3,817	2,209	368	(1,894)	(3,439)	(4,625)
Revenue	15,608	16,418	17,284	18,104	18,965	19,187
Expenditures	18,102	18,258	19,546	19,649	20,151	19,476
Other Source/(Use)	886	-	-	-	-	-
Ending Funding Balance	2,209	368	(1,894)	(3,439)	(4,625)	(4,914)

Solid Waste Fund

(\$ in 000s)	FY2022/23 Estimated	FY2023/24 Proposed	FY2024/25 Projection	FY2025/26 Projection	FY2026/27 Projection	FY2027/28 Projection
Beginning Fund Balance	30,358	26,699	31,141	35,918	35,378	33,137
Revenue	86,857	93,473	97,695	98,602	99,517	100,439
Expenditures	91,507	89,031	92,919	99,142	101,758	105,818
Other Source/(Use)	991	-	-	-	-	-
Ending Funding Balance	26,699	31,141	35,918	35,378	33,137	27,758

Storm Drainage Fund

(\$ in 000s)	FY2022/23 Estimated	FY2023/24 Proposed	FY2024/25 Projection	FY2025/26 Projection	FY2026/27 Projection	FY2027/28 Projection
Beginning Fund Balance	32,228	21,509	22,329	21,758	19,982	17,281
Revenue	40,122	39,839	40,053	40,136	40,208	40,260
Expenditures	38,057	39,019	40,624	41,912	42,909	44,141
Other Source/(Use)	(12,784)	-	-	-	-	-
Ending Funding Balance	21,509	22,329	21,758	19,982	17,281	13,400

Storm Drainage Property Fee Fund

(\$ in 000s)	FY2022/23 Estimated	FY2023/24 Proposed	FY2024/25 Projection	FY2025/26 Projection	FY2026/27 Projection	FY2027/28 Projection
Beginning Fund Balance	-	3,051	1,744	2,235	2,965	3,959
Revenue	19,264	19,500	19,518	19,523	19,531	19,541
Expenditures	16,213	20,807	19,027	18,793	18,537	23,343
Other Source/(Use)	-	-	-	-	-	-
Ending Funding Balance	3,051	1,744	2,235	2,965	3,959	157

Wastewater Fund

(\$ in 000s)	FY2022/23 Estimated	FY2023/24 Proposed	FY2024/25 Projection	FY2025/26 Projection	FY2026/27 Projection	FY2027/28 Projection
Beginning Fund Balance	25,451	20,414	22,419	23,911	24,659	20,083
Revenue	44,537	44,015	44,562	44,701	44,833	44,874
Expenditures	39,714	42,423	43,071	43,953	49,409	45,369
Other Source/(Use)	(9,860)	413	-	-	-	-
Ending Funding Balance	20,414	22,419	23,911	24,659	20,083	19,588

Water Fund

(\$ in 000s)	FY2022/23 Estimated	FY2023/24 Proposed	FY2024/25 Projection	FY2025/26 Projection	FY2026/27 Projection	FY2027/28 Projection
Beginning Fund Balance	101,960	62,378	49,320	45,098	26,123	4,666
Revenue	138,130	136,798	138,004	138,305	138,466	138,519
Expenditures	143,074	149,857	142,225	157,281	159,923	157,946
Other Source/(Use)	(34,638)	-	-	-	-	25,408
Ending Funding Balance	62,378	49,320	45,098	26,123	4,666	10,647

Community Center Fund (6010)

The Community Center Fund supports the operations, debt service, and capital improvements for the SAFE Credit Union Convention & Performing Arts District, which includes the SAFE Credit Union Convention Center, SAFE Credit Union Performing Arts Center, and Memorial Auditorium. This fund also provides support to cultural partners and the General Fund. The operational and 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 TOT revenues, and offering a premier venue to contribute to the economic vitality of the downtown and Sacramento region.

On September 25, 2018, Council authorized the issuance of TOT revenue bonds. A total of \$285.2 million in TOT Revenue, Tax Exempt bond funding was received to help finance the Convention Center Complex Renovation Project. Debt service payments for these new bonds started in May 2019.

Over three-fourths of fund revenue collected in the Community Center Fund is TOT. For FY2023/24, TOT is projected to be about 115% of FY2018/19 actual collections. This estimated growth is due to the continuation of all of the Performing Arts District facilities being opened to hold events for the full fiscal year, increases in room nights being booked in the Sacramento area, and higher average daily rates for hotel rooms.

Additionally, in 1997, to maintain the financial integrity of the Community Center Fund, the City Council approved a loan of up to \$12 million from the Risk Fund, if needed, 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 FY2023/24 with payments continuing in future years. As of the beginning of FY2022/23, there is a remaining balance of approximately \$5.0 million.

FY2023/24 Proposed Budget

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

	FY2022/23	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28
	Estimated	Proposed	Projection	Projection	Projection	Projection
BEGINNING FUND BALANCE	17,942	8,717	8,066	10,717	13,969	18,772
REVENUES						
TOT	27,499	33,958	38,057	40,960	42,188	43,378
Charges, Fees, and/or Services	6,905	7,924	8,708	8,850	9,009	9,172
Interest	66	115	115	139	169	208
Other (Facility Fee)	900	900	900	900	900	900
TOTAL REVENUES	35,370	42,897	47,780	50,849	52,266	53,658
EXPENDITURES						
Operating - Employee Services	9,475	9,456	9,928	10,425	10,946	11,494
Operating - Other	11,504	12,743	13,457	14,333	15,172	16,034
Debt Service	19,221	19,219	19,219	19,218	19,220	19,220
Multi-Year Operating Projects	-	500	500	696	500	500
Capital Improvements	4,282	1,380	1,775	2,675	1,375	1,325
TOTAL EXPENDITURES	44,482	43,298	44,879	47,347	47,213	48,573
ANNUAL SURPLUS/(DEFICIT)	(9,112)	(401)	2,901	3,502	5,053	5,085
Other Source/Use ⁽¹⁾	(113)	(250)	(250)	(250)	(250)	(250)
ENDING FUND BALANCE	8,717	8,066	10,717	13,969	18,772	23,607

⁽¹⁾ Other Sources in FY2022/23 include additions to fund balance for prior reduction related to outstanding short-term portion of debt liability, and removal of one-time General Fund support provided to the fund during FY2021/22 Midyear.

Parking Fund (6004)

The City of Sacramento operates 5 City-owned parking garages, 9 City-owned surface lots, and 30 garages and surface lots that are managed for private owners to increase parking availability for residents and visitors. The Parking Services Division also manages over 60,000 square feet of retail space servicing 19 tenants within the various City parking structures.

Parking Fund revenue decreased to 52% of pre-pandemic levels in FY2020/21 and is projected to recover to 76% of pre-pandemic levels in FY2022/23. Revenue for FY2023/24 from parking fees collected at City garages is projected to increase 5% as the operation continues to recover from the impacts of the pandemic, which lowered the utilization at City-owned parking garages as employers adopted hybrid work environments. The Parking Services Division anticipates an additional 5% annual recovery in parking fees through FY2026/27 and a modest growth in subsequent years. There are no rate increases in this model. Programs that promote a hybrid work environment and more event parking will contribute to future growth. The parking system's utilization is projected to recover to 95% of pre-pandemic revenue levels in FY2027/28, but hybrid work models and retention of staff may continue to impact revenues.

Administrative fee revenue reflects a budgeted increase of \$455,000 in FY2023/24 for historic and anticipated revenue from the managed locations as well as system hosting services. Rental revenue is based on current and anticipated leases of commercial spaces. A minimal increase is anticipated in FY2023/24 as businesses stabilize from the pandemic closures and the annual increases to base rent are applied per the Tenant Protection Program framework (Resolution No. 2021-0226) through FY2024/25.

Services and supplies costs have a budgeted increase in FY2023/24 of approximately \$1.1 million. Operating costs have increased 33% since FY2017/18 due to increased security, repair and maintenance, technical services, utilities, and rental of land and building costs. FY2022/23 includes a budgeted labor reduction of \$1.2 million for known vacancies. This labor reduction is also reflected in FY2023/24. This is not included in out-years of the forecast, but future labor savings are anticipated due to employee turnover rates. The forecast includes a 2% increase annually for expenses in the out-years beginning in FY2023/24.

Operating transfers include cost plan support, the in-lieu franchise tax, the in lieu property tax, support to the Office of the Director, and a \$5.3 million support transfer from the Meter Shop. Debt service is projected to decrease by about 2%. Funding anticipated technology upgrades and replacement or upgrades of current infrastructure is included in the CIP.

The General Fund provided one-time support of \$5.1 million to the Parking Fund in FY2021/22 and additional one-time support of \$633,000 during FY2022/23. This support has ensured the Parking Fund will remain positive in FY2023/24; however the Parking Fund is still projecting deficits in the five-year forecast through FY2027/28. The fund will be evaluated on an annual basis and additional General Fund subsidies may be required.

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

	FY2022/23	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28
	Estimated	Proposed	Projection	Projection	Projection	Projection
BEGINNING FUND BALANCE	3,817	2,209	368	(1,894)	(3,439)	(4,625)
REVENUES						
Parking Fees	14,053	14,492	15,217	15,977	16,776	16,944
Administrative Fees	729	879	879	879	879	879
Interest (Operating Funds)	171	300	330	347	364	371
Real Property Rental	655	746	858	901	946	993
TOTAL REVENUES	15,608	16,418	17,284	18,104	18,965	19,187
EXPENDITURES						
Operating - Employee Services	4,345	4,583	5,928	6,076	6,228	6,384
Operating - Other	2,401	2,510	2,689	2,883	3,084	3,223
Debt Service	10,280	10,077	9,781	9,577	9,680	8,783
Multi-Year Operating Projects	271	321	383	348	394	321
Capital Improvements	805	768	765	765	765	765
TOTAL EXPENDITURES	18,102	18,258	19,546	19,649	20,151	19,476
ANNUAL SURPLUS/(DEFICIT)	(2,494)	(1,841)	(2,262)	(1,545)	(1,186)	(289)
Other Source/Use ⁽¹⁾	886	-	-	-	-	-
ENDING FUND BALANCE	2,209	368	(1,894)	(3,439)	(4,625)	(4,914)

⁽¹⁾ Other Sources include additions to fund balance for prior reductions related to outstanding short-term portion of debt liability.

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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 (RSW) Division manages the collection of garbage, containerized organics, and recyclables. In addition to direct solid waste services, the Division provides on-going post-closure monitoring of landfills, street sweeping, hazardous waste disposal services, and code enforcement services. To meet the state-mandated waste diversion requirements, RSW provides public outreach to educate residents on recycling standards to reduce contamination, encourage composting, and proper disposal of household hazardous waste.

The following chart provides a five-year forecast for the Solid Waste Fund and includes the rate adjustments approved by Council through December 31, 2024.

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

	FY2022/23	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28
	Estimated	Proposed	Projection	Projection	Projection	Projection
BEGINNING FUND BALANCE	30,358	26,699	31,141	35,918	35,378	33,137
REVENUES						
Charges, Fees, and/or Services	85,105	92,409	96,631	97,538	98,453	99,375
Interest	380	750	750	750	750	750
Other (Intergovernmental)	1,372	315	314	314	314	314
TOTAL REVENUES	86,857	93,473	97,695	98,602	99,517	100,439
EXPENDITURES						
Operating - Employee Services	22,445	22,264	23,155	24,081	25,044	26,046
Operating - Other	50,169	54,035	56,164	58,390	60,728	63,183
Debt Service	1,677	1,677	1,674	1,667	1,667	1,668
Multi-Year Operating Projects	16,371	8,975	10,778	13,964	13,279	13,881
Capital Improvements	845	2,081	1,148	1,040	1,040	1,040
TOTAL EXPENDITURES	91,507	89,031	92,919	99,142	101,758	105,818
ANNUAL SURPLUS/(DEFICIT)	(4,650)	4,442	4,776	(540)	(2,241)	(5,379)
Other Source/Use ⁽¹⁾	991	-	-	-	-	-
ENDING FUND BALANCE	26,699	31,141	35,918	35,378	33,137	27,758

⁽¹⁾ Other Sources include additions to fund balance for prior reductions related to outstanding short-term portion of debt liability.

Storm Drainage Fund (6011)

Revenue generated for the purpose of providing storm drainage services under the 1996 drainage fee schedule is deposited in the Storm Drainage Fund. Revenues are primarily derived from customer service fees and interest. Storm Drainage Fund revenues support the cost of storm drainage operations for pumping stations, wet weather treatment and storage, collection system maintenance, related engineering services, floodplain management, customer service and billing, education programs, water quality monitoring, innovative “green” infrastructure programs, and regulatory compliance. Fund expenditures are divided among operating costs, debt service, and multi-year operating projects.

Rate adjustments for the storm drainage utility are subject to a citizen vote. The Storm Drainage Fund has not had an increase since 1996, prior to the implementation of Proposition 218. As a result, revenue collection has not kept pace with storm drainage system costs, and the utility has been historically underfunded. The City worked closely with the community, the Utilities Rate Advisory Commission, and the City Council to develop a new Storm Drainage Property Fee (Fund 6021) to support capital infrastructure and related operating costs. The fee is currently being collected but due to litigation, the funds are currently on hold. The Storm Drainage Fund will continue to rely on reserves for existing operations and maintenance.

The City Council passed the DOU Reserve Policy on January 24, 2023 (Motion No. 2023-0028), which has been incorporated into the five-year forecast. Approval of the policy allowed the DOU to formalize existing guidelines and practices for better financial management of the DOU enterprise funds. The balance of the unrestricted operating reserve associated with the Storm Drainage Fund represents a commitment of \$12.2 million that is incorporated into the available fund balance calculation.

The Storm Drainage Fund faces significant challenges over the next five years. Key issues for the Storm Drainage Fund include the following:

- Declining fund reserves, as the existing revenue will not be sufficient to cover future operating expenses.
- Upgrading drainage service to areas outside the City’s Combined Sewer System (CSS) to meet citywide standards.
- Improving drainage system reliability and contributing to the combined wastewater system repair.
- Maintaining state and federal regulatory compliance, e.g. National Pollution Discharge Elimination System (NPDES), floodplain management, and regional flood control efforts.
- Implementing a new tree inventory and maintenance plan trees on DOU facilities, including flood control channels and levees that will provide consistent tree care and maintenance and defend the city against tree-related risk claims and lawsuits.
- Increasing maintenance needs of drainage facilities related to the cleanup of waste and debris caused by homeless encampments.

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- Maintaining life and safety measures for DOU employees and regulatory requirements by increasing the safety training monitoring and management of training and certifications.
- Implementing an asset management system that will provide accurate reporting for operating, maintaining, and replacing infrastructure at appropriate lifecycle intervals.
- Increasing costs related to carbon neutral sustainability goals for fleet and facilities.
- Expanding and improving Supervising Control and Data Acquisition (SCADA) system security program to meet regulatory compliance and to mitigate risk from escalating threats related to cyber-attacks, across all four funds.

The following chart provides a five-year forecast that addresses some of the challenges facing the Storm Drainage Fund, anticipated cost increases, regulatory requirements, and assumes no rate adjustments.

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

	FY2022/23	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28
	Estimated	Proposed	Projection	Projection	Projection	Projection
BEGINNING FUND BALANCE	32,228	21,509	22,329	21,758	19,982	17,281
REVENUES						
Charges, Fees, and/or Services	39,706	39,369	39,671	39,760	39,849	39,928
Interest	416	440	351	345	328	301
Other (Intergovernmental)	-	30	31	31	31	31
TOTAL REVENUES	40,122	39,839	40,053	40,136	40,208	40,260
EXPENDITURES						
Operating - Employee Services	17,774	18,893	19,460	19,849	20,246	20,651
Operating - Other	17,660	17,999	18,580	19,121	19,679	20,258
Debt Service	235	235	233	232	233	233
Multi-Year Operating Projects	2,388	1,885	2,351	2,710	2,751	2,999
Capital Improvements	-	6	-	-	-	-
TOTAL EXPENDITURES	38,057	39,019	40,624	41,912	42,909	44,141
ANNUAL SURPLUS/(DEFICIT)	2,065	820	(571)	(1,776)	(2,701)	(3,881)
Other Fund Sources/Uses ⁽¹⁾	(12,784)	-	-	-	-	-
ENDING FUND BALANCE	21,509	22,329	21,758	19,982	17,281	13,400

⁽¹⁾ Other Sources in FY2022/23 include additions to fund balance for prior reductions related to outstanding short-term portion of debt liability, and the Operating Reserve calculation (\$12.2 million) for the DOU Reserve Fund Policy adopted by City Council on January 24, 2023 (Motion No. 2023-0028).

Storm Drainage Property Fee Fund (6021)

Revenue generated for the purpose of providing storm drainage services under the 2022 drainage fee schedule is deposited in the Storm Drainage Property Fee Fund. Revenues are derived from customer fees and interest earnings. Services include costs associated with capital programs such as rehabilitation and replacement, regulatory, master planning, asset management, and improvement programs. These varying programs will: repair aging and deteriorating storm drainage pipelines and infrastructure; keep pollution, trash, and debris out of local water sources; reduce long-term costs; and protect water supplies and infrastructure against floods and emergencies. Fund expenditures are summarized and reflected as operating costs, capital improvement costs, and multi-year operating project costs.

Rate adjustments for the storm drainage utility are subject to a citizen vote. Storm drainage rates have not been increased since 1996, prior to the implementation of Proposition 218. As a result, revenues have not kept pace with storm drainage system costs and the Storm Drainage Fund (Fund 6011) cannot support a capital program. The City worked closely with the community, the Utilities Rate Advisory Commission, and the City Council to develop a new Storm Drainage Property Fee that was adopted by the City Council in April 2022. The new fee will support a capital improvement program and associated operating costs.

In June 2022, a lawsuit was filed against the City that challenges the constitutionality of the measure. The DOU is currently collecting the new fee but is not spending the proceeds pending the outcome of the litigation.

While the new fee will help address some level of capital replacement and regulatory requirements, it will not provide sufficient resources to fund all storm drainage aging infrastructure or regulatory needs. The Storm Drainage Property Fee Fund faces significant challenges over the next five years. Key issues for the Fund include the following:

- Ongoing replacement of aging infrastructure to meet state and federal standards.
- Upgrading drainage service to areas outside the City's CSS to meet citywide standards.
- Improving drainage system reliability and contributing to the CSS repair and rehabilitation or replacement.
- Design and construction of certified full trash capture devices and/or multi-benefit low impact development features that will prevent trash greater than 5 mm from being discharged to waterways for identified areas (high density residential, commercial, industrial, and mixed use) with litter to meet the requirements of the State Water Resources Control Board's Statewide Trash Provisions.
- Maintaining state and federal regulatory compliance, e.g., NPDES, and supporting regional flood control efforts.

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- Implementing an asset management system that will provide accurate reporting for operating, maintaining, and replacing infrastructure at appropriate lifecycle intervals.
- Continued implementation of the Drainage Master Plan Program that develops hydrologic and hydraulic models and completes master plans for the City's 135 drainage basins.
- Improving the Drainage and Combined System to adequately handle intensity of weather events related to climate change.
- Expanding and improving SCADA system security program to meet regulatory compliance and to mitigate risk from escalating threats related to cyber-attacks, across all four funds.

The following chart provides a five-year forecast that addresses some of the challenges facing the Storm Drainage Property Fee Fund, anticipated cost increases, meets regulatory requirements, and assumes no rate adjustments.

Storm Drainage Property Fee Fund (Fund 6021)
Revenue and Expenditure Five-Year Forecast
Dollars in Thousands

	FY2022/23	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28
	Estimated	Proposed	Projection	Projection	Projection	Projection
BEGINNING FUND BALANCE	-	3,050	1,743	2,234	2,964	3,958
REVENUES						
Charges, Fees, and/or Services	19,264	19,500	19,500	19,500	19,500	19,500
Interest	-	-	18	23	31	41
Other (Intergovernmental)	-	-	-	-	-	-
TOTAL REVENUES	19,264	19,500	19,518	19,523	19,531	19,541
EXPENDITURES						
Operating - Employee Services	-	-	-	-	-	-
Operating - Other	3,647	3,712	3,660	3,700	3,741	3,784
Debt Service	-	-	-	-	-	-
Multi-Year Operating Projects	1,250	1,700	1,250	826	472	460
Capital Improvements	11,316	15,395	14,117	14,267	14,324	19,099
TOTAL EXPENDITURES	16,213	20,807	19,027	18,793	18,537	23,343
ANNUAL SURPLUS/(DEFICIT)	3,050	(1,307)	491	730	994	(3,802)
Other Fund Sources/Uses	-	-	-	-	-	-
ENDING FUND BALANCE	3,050	1,743	2,234	2,964	3,958	156

Wastewater Fund (6006)

Revenue generated to provide wastewater collection services 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 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, education programs, water quality monitoring, regulatory compliance. Fund expenditures are generally divided among operating costs, debt service, capital improvement, and multi-year operating projects.

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 serves the other areas of the city. While the City is responsible for the 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 City Council passed the DOU Reserve Policy on January 24, 2023 (Motion No. 2023-0028), which has been incorporated into the five-year forecast. Approval of the policy allowed DOU to formalize existing guidelines and practices for better financial management of the DOU enterprise funds. The balance of the unrestricted operating (\$10.3 million) and capital (\$2.2 million) reserves associated with the Wastewater Fund represents a commitment incorporated into the available fund balance calculation.

While prior rate adjustments have helped address operational costs and some level of capital replacement, they have not provided sufficient resources to fund major capital replacement projects. The Wastewater Fund presents unique challenges due to the system's growth potential and the age and nature of the system's infrastructure, which includes:

- Compliance with state and federal regulations, (e.g., NPDES, including state-mandated rehabilitation of the central city. The CSS collects wastewater from homes and businesses, as well as stormwater 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 stormwater.
- Incorporating the 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 the rehabilitation of the CSS.

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- Maintaining life and safety measures for DOU employees and regulatory requirements by increasing the safety training monitoring and management of training and certifications.
- Implementing a new tree inventory and maintenance plan trees on DOU facilities that will provide consistent tree care and maintenance; and defend the city against tree-related risk claims and lawsuits.
- Implementing an asset management system that will provide accurate reporting for operating, maintaining, and replacing infrastructure at appropriate lifecycle intervals.
- Expanding and improving SCADA system security program to meet regulatory compliance and to mitigate risk from escalating threats related to cyber-attacks, across all four funds.

The following chart provides a five-year forecast that addresses some of the challenges facing the Wastewater Fund, anticipated cost increases, meets regulatory requirements, and assumes no rate adjustments.

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

	FY2022/23	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28
	Estimated	Proposed	Projection	Projection	Projection	Projection
BEGINNING FUND BALANCE	25,451	20,414	22,419	23,911	24,659	20,083
REVENUES						
Charges, Fees, and/or Services	43,209	42,535	43,135	43,259	43,384	43,470
Interest	328	430	361	376	383	338
Other (Intergovernmental)	1,000	1,050	1,066	1,066	1,066	1,066
TOTAL REVENUES	44,537	44,015	44,562	44,701	44,833	44,874
EXPENDITURES						
Operating - Employee Services	12,467	12,998	13,388	13,656	13,929	14,208
Operating - Other	17,917	19,518	20,009	20,434	20,870	21,314
Debt Service	3,908	3,911	3,910	3,913	3,911	3,909
Multi-Year Operating Projects	2,862	3,112	3,336	3,522	3,833	3,947
Capital Improvements	2,560	2,883	2,428	2,428	6,866	1,991
TOTAL EXPENDITURES	39,714	42,423	43,071	43,953	49,409	45,369
ANNUAL SURPLUS/(DEFICIT)	4,823	1,593	1,491	748	(4,576)	(495)
Other Fund Sources/Uses ⁽¹⁾	(9,860)	413	-	-	-	-
ENDING FUND BALANCE	20,414	22,419	23,911	24,659	20,083	19,588

⁽¹⁾ Other Sources in FY2022/23 include additions to fund balance for prior reductions related to outstanding short-term portion of debt liability, and includes the Operating (\$10.3M) and Capital (\$2.2M) Reserves calculation for the DOU Reserve Fund Policy adopted by City Council on 1/24/2023, Motion No. 2023-0028. Other Sources in FY2023/24 include release of debt reserve for final payment of FY2012/13 Wastewater Bonds.

Water Fund (6005)

Revenue generated to provide water services 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 services 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, and the City-County Office of Metropolitan Water Planning. Fund expenditures are summarized and reflected as operating costs, debt service, capital improvement costs, and multi-year operating project costs.

The City Council passed the DOU Reserve Policy on January 24, 2023 (Motion No. 2023-0028), which has been incorporated into the five-year forecast. Approval of the policy allowed DOU to formalize existing guidelines and practices for better financial management of the DOU enterprise funds. The balance of the unrestricted operating (\$26 million) and capital (\$25.8 million) reserves associated with the Water Fund represents a commitment incorporated into the available fund balance calculation.

While prior rate adjustments have helped address operational costs, the accelerated water meter program implementation, and some level of capital replacement, they have not provided sufficient resources to fund major capital replacement projects. The Water Fund faces significant challenges over the next five years. Key issues 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.
- Continued implementation and monitoring of an aggressive water conservation program 1) consistent with meeting past state-wide water efficiency mandates and 2) responsive to new legislation establishing a framework for long-term improvements in urban water use efficiency and drought planning as California adapts to climate change.
- Supporting regional, long-term water supply planning.
- Developing wholesale and wheeling agreements in support of effective regional water management.
- Meeting future debt service requirements related to rehabilitating and improving intake structures and treatment plants.
- Maintaining life and safety measures for DOU employees and regulatory requirements by increasing the safety training monitoring and management of training and certifications.
- Implementing an asset management system that will provide accurate reporting for operating, maintaining, and replacing infrastructure at appropriate lifecycle intervals.

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- Implementing a new tree inventory and maintenance plan for trees on DOU facilities that will provide consistent tree care and maintenance; and defend the city against tree-related risk claims and lawsuits.
- Increasing costs for items vital to collecting, treating, and delivering water to meet service levels. The most significant cost increases are for chemicals, utilities, and replacement and maintenance of water meters.
- Expanding and improving SCADA system security program to meet regulatory compliance and to mitigate risk from escalating threats related to cyber-attacks, across all four funds.
- Maintaining state and federal regulatory compliance.

The following chart provides a five-year forecast that addresses some of the challenges facing the Water Fund, anticipated cost increases, meets regulatory requirements, and assumes no rate adjustments.

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

	FY2022/23	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28
	Estimated	Proposed	Projection	Projection	Projection	Projection
BEGINNING FUND BALANCE	101,960	62,377	49,319	45,097	26,122	4,665
REVENUES						
Charges, Fees, and/or Services	131,722	135,718	136,665	137,010	137,359	137,626
Interest	1,315	865	1,120	1,077	888	673
Other (Intergovernmental) ⁽¹⁾	5,092	215	219	219	219	219
TOTAL REVENUES	138,129	136,798	138,004	138,305	138,466	138,519
EXPENDITURES						
Operating - Employee Services	42,817	48,753	50,216	51,220	52,244	53,289
Operating - Other	34,918	35,930	36,604	37,118	37,644	38,174
Debt Service	34,686	36,016	33,144	35,996	35,984	35,977
Multi-Year Operating Projects	4,501	3,474	4,258	4,946	5,210	5,098
Capital Improvements	26,152	25,684	18,003	28,001	28,841	25,408
TOTAL EXPENDITURES	143,074	149,857	142,225	157,281	159,923	157,946
ANNUAL SURPLUS/(DEFICIT)	(4,945)	(13,058)	(4,221)	(18,975)	(21,457)	(19,427)
Other Sources/Uses ⁽²⁾	(34,637)	-	-	-	-	25,408
ENDING FUND BALANCE	62,377	49,319	45,097	26,122	4,665	10,646

⁽¹⁾ Other (Intergovernmental) revenues in FY2022/23 include the 2022 Ground Water Transfer Program (GWTP) revenue of \$4.5M. The GWTP is dependent on hydrology and subsequent influence on water markets and cannot be projected.

⁽²⁾ Other Sources in FY2022/23 include additions to fund balance for prior reductions related to outstanding short-term portion of debt liability and includes the Operating (\$26.0M) and Capital (\$25.7M) Reserves calculation for the DOU Reserve Fund Policy adopted by City Council on 1/24/2023, Motion No. 2023-0028. Other Fund Sources/Uses in FY2027/28 includes the use of the capital reserve to fund the FY2027/28 CIP.

6

SECTION - 6 **Budget Schedules**

FY2023/24 Proposed Budget

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

	FY2020/21	FY2021/22	FY2022/23	FY2022/23	FY2023/24	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Governmental Funds						
General Fund	\$ 495,650	\$ 541,052	\$ 580,939	\$ 577,074	\$ 617,475	\$ 40,401
Measure U	515	84,981	142,764	142,044	139,649	(2,395)
Subtotal Governmental Funds	496,164	626,033	723,702	719,118	757,124	38,006
Enterprise Funds						
Community Center	36,734	29,959	38,984	38,984	41,918	2,934
Parking	11,771	11,091	16,426	16,426	17,491	1,065
Solid Waste	57,475	63,960	92,659	78,214	86,950	8,736
Storm Drainage	32,610	33,306	38,706	38,072	39,013	941
Storm Drainage Property Fee	-	-	4,897	4,897	5,412	515
Wastewater	31,750	32,552	38,098	36,593	39,539	2,946
Water	103,641	106,630	120,545	120,224	124,173	3,949
Subtotal Enterprise Funds	273,980	277,499	350,316	333,410	354,496	21,086
Internal Service Funds						
Fleet Management	46,123	42,795	66,883	70,359	62,032	(8,327)
Risk Management	47,220	55,745	54,702	54,592	60,339	5,747
Subtotal Internal Service Funds	93,343	98,540	121,585	124,951	122,371	(2,580)
Other Governmental Funds						
4th R Program	581	5,935	3,125	3,125	5,406	2,281
ARPA Reinvestment	-	(112,313)	4,253	4,253	3,889	(363)
Assessment Reg and SDRIS	3	4	-	-	-	-
Cal EPA	3	-	-	-	-	-
CIP Reimbursable	56	23	-	-	-	-
Citation I-5 Maintenance	34	47	40	40	40	-
Citywide Low Income Housing	2,453	2,791	3,100	3,100	2,390	(710)
Cultural Services - Other	233	74	149	94	149	55
Debt Service Funds	8,042	4,140	10,832	10,832	10,691	(141)
Development Services	423	313	2,266	2,266	2,266	-
Downtown Impact Fee	-	-	25	25	100	75
Downtown Management District	3,438	3,773	3,808	3,808	3,998	190
Externally Funded Programs	123	26	19	19	-	(19)
Fairytale Town	76	103	50	50	50	-
Gas Tax	5,750	7,638	9,054	6,283	7,297	1,014
Golf	1,148	366	337	337	328	(9)
Greenbriar Impact Fee	38	32	-	-	-	-
Innovation and Growth	20,743	12,121	8,424	8,424	10,669	2,245
Jacinto Creek	58	25	-	-	-	-
Land Park	167	144	172	122	122	-
Library Services Parcel Tax	8,446	8,777	9,271	9,271	9,642	372
Landscaping and Lighting	17,236	17,422	19,443	18,580	20,088	1,509
Marina	1,920	2,246	2,166	2,166	2,248	81
Measure A Maintenance	13,016	10,494	16,676	16,676	19,231	2,555
Museum of History, Science, & Tech	307	-	-	-	-	-
North Natomas Financing Plan	9,164	11,822	2,429	2,429	2,008	(421)
Operating Grants	51	149	-	-	-	-
Other	325	112	87	87	110	23
Park Development	184	1,638	442	442	442	-
Private Development	97	677	-	-	-	-

FY2023/24 Proposed Budget

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

	FY2020/21	FY2021/22	FY2022/23	FY2022/23	FY2023/24	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Other Governmental Funds (continued)						
Quimby Act	10	5	10	10	10	-
Railyards Impact Fee	1,369	11,666	-	-	50	50
Redevelopment Bond Funds	-	-	9	9	9	-
River District Impact Fee	-	-	25	25	25	-
Sheraton MOPA Project	149	107	-	-	-	-
SHRA CDBG	-	-	29	29	29	-
So Natomas Comm Improv	2	9	-	-	-	-
So Natomas Facility Benefit	23	16	-	-	-	-
Special Districts	19,860	23,148	22,373	22,373	23,221	848
Special Districts - Capital	(3,928)	2,203	-	-	-	-
Special Program Donations	-	-	250	250	250	-
START	425	853	1,140	1,140	383	(757)
State Route 160	1	-	-	-	-	-
State Route 275	2	-	-	-	-	-
65th Street Area Impact Fee	5	-	-	-	-	-
Transportation Development Impact Fee	59	81	-	-	-	-
Traffic Safety	412	253	350	350	350	-
Greenbriar Traffic Congestion	5	-	-	-	-	-
NMA Safety, Streets, Ped, Bic	-	-	7	7	6	(1)
Wastewater Development Fees	-	1,631	-	-	-	-
Water Planning	1,368	1,682	1,417	1,382	1,226	(156)
Willow creek Fee District	130	-	-	-	-	-
Zoo	74	101	50	50	50	-
Subtotal Other Governmental Funds	114,081	20,336	121,829	118,054	126,775	8,721
Total	\$ 977,569	\$ 1,022,407	\$ 1,317,432	\$ 1,295,533	\$ 1,360,766	\$ 65,233

FY2023/24 Proposed Budget

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

	FY2020/21	FY2021/22	FY2022/23	FY2022/23	FY2023/24	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Mayor Offices						
Mayor/Council	\$ 6,405	\$ 7,202	\$ 7,532	\$ 9,407	\$ 8,087	\$ (1,319)
Subtotal Mayor Offices	6,405	7,202	7,532	9,407	8,087	(1,319)
Charter Offices						
City Attorney	9,994	11,549	11,945	12,107	12,982	876
City Auditor	1,369	1,706	1,714	1,714	1,847	133
City Clerk	2,627	3,150	3,794	3,834	3,839	5
City Manager	9,318	11,895	24,052	24,208	25,646	1,438
City Treasurer	2,350	2,344	2,842	2,842	2,937	95
Subtotal Charter Offices	25,659	30,643	44,347	44,705	47,251	2,547
Operating Offices						
Community Development	36,047	40,340	52,713	52,567	53,802	1,235
Community Response	-	2,977	25,037	25,037	16,825	(8,212)
Convention and Cultural Services	14,003	21,314	24,254	24,005	27,859	3,854
Finance	11,000	11,804	14,005	14,005	14,412	406
Fire	143,477	130,624	173,335	172,440	191,702	19,263
Human Resources	51,466	60,628	60,727	60,585	66,484	5,899
Information Technology	23,217	25,801	29,454	29,454	32,750	3,296
Police	157,864	146,319	224,651	219,688	228,165	8,477
Public Works	156,914	160,388	228,354	213,817	221,790	7,973
Utilities	130,942	135,295	165,254	162,794	169,810	7,017
Youth, Parks, and Community Enrichment	32,639	55,157	57,807	56,965	63,587	6,622
Subtotal Operating Offices	757,570	790,649	1,055,592	1,031,358	1,087,186	55,828
Other Offices						
Citywide and Community Support	95,759	96,965	131,608	131,711	137,670	5,959
Debt Service	116,164	101,319	104,838	104,838	105,714	876
Non-Appropriated	(23,988)	(4,371)	(26,485)	(26,485)	(25,143)	1,342
Subtotal Other Offices	187,935	193,913	209,961	210,064	218,241	8,177
Total	\$ 977,569	\$ 1,022,407	\$ 1,317,432	\$ 1,295,533	\$ 1,360,766	\$ 65,233

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

	FY2020/21	FY2021/22	FY2022/23	FY2022/23	FY2023/24	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Mayor Offices						
Mayor/Council	37.00	37.00	37.00	40.00	40.00	-
Subtotal Mayor Offices	37.00	37.00	37.00	40.00	40.00	-
Charter Offices						
City Auditor	10.00	10.00	10.00	10.00	10.00	-
City Manager	87.00	73.00	70.00	70.00	73.00	3.00
City Attorney	59.00	62.00	62.00	62.00	62.00	-
City Clerk	19.00	24.00	24.00	24.00	24.00	-
City Treasurer	14.00	14.00	14.00	14.00	14.00	-
Subtotal Charter Offices	189.00	183.00	180.00	180.00	183.00	3.00
Operating Offices						
Finance	91.00	92.00	93.90	93.90	95.90	2.00
Information Technology	198.50	200.50	201.50	202.50	207.50	5.00
Human Resources	80.00	79.00	83.00	83.00	83.00	-
Police	1,097.96	1,126.96	1,128.96	1,128.96	1,134.16	5.20
Fire	712.50	717.50	729.50	729.50	760.50	31.00
Utilities	569.90	571.90	572.90	572.90	582.18	9.28
Public Works	747.35	751.15	766.15	766.15	765.65	0.50
Convention and Cultural Services	123.50	123.50	123.00	123.00	119.00	4.00
Youth, Parks, and Community Enrichment	724.54	720.22	716.53	737.23	741.41	4.18
Community Development	290.50	308.00	315.00	315.00	319.00	4.00
Community Response	-	40.00	38.00	38.00	37.00	1.00
Subtotal Operating Offices	4,635.75	4,730.73	4,768.44	4,790.14	4,845.30	55.16
Other Offices						
Citywide and Community Support	7.00	7.00	7.00	7.00	6.00	1.00
Subtotal Other Offices	7.00	7.00	7.00	7.00	6.00	1.00
Total	4,868.75	4,957.73	4,992.44	5,017.14	5,074.30	57.16

FY2023/24 Proposed Budget

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

	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	More/(Less) Proposed/Amended
Governmental Funds						
General						
Mayor/Council	37.00	32.00	32.00	35.00	35.00	-
City Auditor	10.00	10.00	10.00	10.00	10.00	-
City Manager	85.00	28.00	28.00	29.00	30.00	1.00
City Attorney	59.00	62.00	62.00	62.00	62.00	-
City Clerk	19.00	24.00	24.00	24.00	24.00	-
City Treasurer	14.00	14.00	14.00	14.00	14.00	-
Finance	91.00	92.00	93.90	93.90	95.90	2.00
Information Technology	198.50	200.50	201.50	202.50	207.50	5.00
Human Resources	44.00	43.00	44.00	44.00	44.00	-
Police	1,097.96	1,063.46	1,063.46	1,063.46	1,067.66	4.20
Fire	712.50	710.50	711.50	711.50	742.50	31.00
Public Works	425.00	429.00	431.00	431.00	433.00	2.00
Convention and Cultural Services	26.20	5.00	5.00	5.00	-	(5.00)
Youth, Parks, and Community Enrichment	573.95	12.00	12.00	12.00	14.00	2.00
Community Development	290.50	191.00	196.00	196.00	197.00	1.00
Citywide and Community Support	1.00	1.00	1.00	1.00	-	(1.00)
Subtotal General Fund	3,684.61	2,917.46	2,929.36	2,934.36	2,976.56	42.20
Measure U						
Mayor/Council	-	5.00	5.00	5.00	5.00	-
City Manager	-	43.00	40.00	39.00	39.00	-
Human Resources	-	-	3.00	3.00	3.00	-
Police	-	63.50	65.50	65.50	66.50	1.00
Fire	-	7.00	18.00	18.00	18.00	-
Convention and Cultural Services	-	21.20	19.95	19.95	24.95	5.00
Youth, Parks, and Community Enrichment	-	558.88	555.19	575.89	578.07	2.18
Community Development	-	117.00	119.00	119.00	122.00	3.00
Community Response	-	40.00	38.00	38.00	37.00	(1.00)
Subtotal Measure U Fund	-	855.58	863.64	883.34	893.52	10.18
Subtotal Governmental Funds	3,684.61	3,773.04	3,793.00	3,817.70	3,870.08	52.38
Enterprise Funds						
Community Center						
Convention and Cultural Services	97.30	97.30	98.05	98.05	94.05	(4.00)
Parking						
Public Works	61.25	61.25	61.25	61.25	60.75	(0.50)
Solid Waste						
Public Works	171.30	171.30	184.30	184.30	183.30	(1.00)
Storm Drainage						
Utilities	123.18	123.18	125.36	125.36	130.00	4.64
Wastewater						
Utilities	94.36	94.36	94.18	94.18	94.00	(0.18)
Water						
Utilities	352.36	354.36	353.36	353.36	358.18	4.82
Subtotal Enterprise Funds	899.75	901.75	916.50	916.50	920.28	3.78

FY2023/24 Proposed Budget

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

	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	More/(Less) Proposed/Amended
Internal Service Funds						
Fleet Management	85.00	85.00	85.00	85.00	85.00	(1.00)
Public Works	83.00	83.00	83.00	83.00	82.00	(1.00)
Risk Management Fund	17.00	17.00	17.00	17.00	17.00	-
Human Resources	17.00	17.00	17.00	17.00	17.00	-
Workers' Compensation Fund	19.00	19.00	19.00	19.00	19.00	-
Human Resources	19.00	19.00	19.00	19.00	19.00	-
Subtotal Internal Service Funds	119.00	119.00	119.00	119.00	118.00	(1.00)
Other Government Funds						
4th R P Program	134.35	133.10	133.10	133.10	133.10	-
Youth, Parks, and Community Enrichment	134.35	133.10	133.10	133.10	133.10	-
Cty/Cnty Office-Water Planning	6.00	6.00	6.00	6.00	6.00	-
Citywide and Community Support	6.00	6.00	6.00	6.00	6.00	-
Innovation and Growth	2.00	2.00	2.00	2.00	4.00	2.00
City Manager	2.00	2.00	2.00	2.00	4.00	2.00
Marina	6.80	6.60	6.60	6.60	6.60	-
Public Works	6.80	6.60	6.60	6.60	6.60	-
START	16.24	16.24	16.24	16.24	16.24	-
Youth, Parks, and Community Enrichment	16.24	16.24	16.24	16.24	16.24	-
Subtotal Other Governmental Funds	165.39	163.94	163.94	163.94	165.94	2.00
Total	4.868.75	4.957.73	4.992.44	5.017.14	5.074.30	57.16

Schedule 1E
Current Operations – Staffing and Appropriations by Department (in 000s)

	Total FTE	FY2023/24 Operating	FY2023/24 MYOP*	Total Operating Budget
Mayor Offices				
Mayor/Council	40.00	\$ 8,083	\$ 5	\$ 8,087
Subtotal Mayor Offices	40.00	8,083	5	8,087
Charter Offices				
City Auditor	10.00	1,847	-	1,847
City Manager	73.00	15,157	10,489	25,646
City Attorney	62.00	12,982	-	12,982
City Clerk	24.00	3,837	2	3,839
City Treasurer	14.00	2,936	1	2,937
Subtotal Charter Offices	183.00	36,759	10,492	47,251
Operating Offices				
Finance	95.90	13,662	750	14,412
Information Technology	207.50	32,290	460	32,750
Human Resources	83.00	66,248	236	66,484
Police	1,134.16	217,876	10,289	228,165
Fire	760.50	190,038	1,665	191,702
Utilities	582.18	159,639	10,171	169,810
Public Works	765.65	206,819	14,970	221,790
Convention and Cultural Services	119.00	26,245	1,614	27,859
Youth, Parks, and Community	741.41	61,446	2,140	63,587
Community Development	319.00	49,571	4,231	53,802
Community Response	37.00	5,457	11,368	16,825
Subtotal Operating Offices	4,845.30	1,029,292	57,894	1,087,186
Other Offices				
Debt Service	-	105,714	-	105,714
Citywide and Community Support	6.00	117,188	20,483	137,670
Non-Appropriated	-	(25,143)	-	(25,143)
Subtotal Other Offices	6.00	197,759	20,483	218,241
Total	5,074.30	\$ 1,271,892	\$ 88,874	\$ 1,360,766

*See schedule 9 for Multi-Year Operating Projects (MYOPs) included in the Department Budget charts.

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

	Governmental** Funds	Enterprise Funds	Internal Service Funds	Other Gov't Funds	Gross Total	Net* Total
<u>Current Resources</u>						
Revenues						
Taxes	\$593,737	\$33,954	-	\$31,828	\$659,520	\$659,520
Licenses and Permits	34,683	110	-	5,640	40,433	40,433
Penalties	7,273	3	-	350	7,626	7,626
Concessions	1,854	4,406	1,949	8,690	16,900	14,951
Intergovernmental	18,754	2,853	-	32,010	53,616	53,616
Charges, Fees, and Services	71,180	350,708	9,698	67,375	498,960	489,263
Contributions from Other Funds	42,469	-	-	-	42,469	42,469
Miscellaneous Revenue	1,908	906	111,882	343	115,039	3,157
Total Current Resources	771,859	392,941	123,529	146,235	1,434,564	1,311,035
<u>Current Requirements</u>						
Current Operations						
Employee Services	634,759	115,689	14,466	4,311	769,226	754,760
Other Services and Supplies	172,895	94,596	74,007	34,158	375,656	301,649
City Property	2,932	2,336	28,320	217	33,805	5,485
Multi-Year Operating Projects	49,210	19,967	284	19,414	88,874	88,591
City Debt Service	16,951	71,135	46	17,582	105,714	105,668
Transfers	(2,237)	1,720	180	337	-	(180)
Labor and Supply Offset	(124,956)	14,353	5,068	51,736	(53,798)	(58,866)
Contingency	2,000	-	-	(180)	1,820	1,820
Operating Transfers	5,570	34,700	-	(801)	39,469	39,469
Subtotal Current Operations	757,124	354,496	122,371	126,775	1,360,766	1,238,395
Capital Improvements	14,167	48,197	202	44,754	107,320	107,118
Total Current Requirements	771,291	402,693	122,573	171,529	1,468,086	1,345,513
Other Fund Sources (Uses)	(200)	163	(1,231)	10,487	9,219	10,450
Total Surplus (Deficit)	368	(9,590)	(275)	(14,807)	(24,304)	(24,028)
Beginning Fund Balance	731	144,975	573	195,662	341,941	341,368
Ending Fund Balance	\$1,100	\$135,385	\$298	\$180,855	\$317,638	\$317,340

* Net Total excludes Internal Service Funds (ISF).

** Governmental Funds reflect General and Measure U Funds combined.

FY2023/24 Proposed 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
Governmental Funds								
General Fund	\$636,734	\$617,475	\$11,467	\$628,942	\$1,600	\$9,393	\$247	\$9,639
Measure U	135,124	139,649	2,700	142,349	(1,800)	(9,025)	485	(8,540)
Subtotal Governmental Funds	771,859	757,124	14,167	771,291	(200)	368	731	1,100
Enterprise Funds								
Community Center	42,897	41,918	1,380	43,298	(250)	(651)	8,717	8,066
Parking	16,418	17,491	768	18,258	-	(1,841)	2,209	368
Solid Waste	93,473	86,950	2,081	89,032	-	4,442	26,699	31,141
Storm Drainage	39,839	39,013	6	39,019	-	820	21,509	22,329
Storm Drainage Property Fee	19,500	5,412	15,395	20,807	-	(1,307)	3,050	1,743
Wastewater	44,015	39,539	2,883	42,423	413	2,005	20,414	22,419
Water	136,798	124,173	25,684	149,857	-	(13,058)	62,377	49,319
Subtotal Enterprise Funds	392,941	354,496	48,197	402,693	163	(9,590)	144,975	135,385
Internal Service Funds								
Fleet Management	61,959	62,032	202	62,234	-	(275)	573	298
Risk Management	61,570	60,339	-	60,339	(1,231)	-	-	-
Subtotal Internal Service Funds	123,529	122,371	202	122,573	(1,231)	(275)	573	298
Other Governmental Funds								
4th R Program	5,406	5,406	-	5,406	-	-	928	928
Art In Public Places Projects	-	-	-	-	-	-	81	81
Assessment Reg and SDRIS	-	-	-	-	-	-	168	168
Cal EPA	-	-	-	-	-	-	1,316	1,316
CIP Reimbursable	-	-	21	21	21	-	-	-
Capital Improv. Revenue Bonds	-	-	-	-	-	-	30	30
Citation I-5 Maintenance	-	40	-	40	-	(40)	657	617
Citywide Low Income Housing	2,390	2,390	-	2,390	-	-	240	240
Cultural Services - Other	155	149	-	149	-	6	1,156	1,162
Debt Service Funds	10,286	10,691	-	10,691	406	-	2,017	2,017
Development Services	3,616	2,266	1,350	3,616	-	-	-	-
Downtown Impact Fee	-	100	-	100	-	(100)	2,364	2,264
Downtown Management District	3,998	3,998	-	3,998	-	-	65	65
Ethel MacLeod Hart Trust	-	-	-	-	-	-	1,467	1,467
Fair Share Contributions	-	-	-	-	-	-	5,842	5,842
Fairytale Town	50	50	-	50	-	-	4	4
Federal Capital Grant	-	-	5,104	5,104	5,104	-	-	-
Florin Road Storm and San	-	-	-	-	-	-	8	8
Gas Tax	14,320	7,297	4,396	11,693	-	2,627	7,590	10,217
Golf	816	328	-	328	-	488	(3,346)	(2,858)
Greenbriar Impact Fee	-	-	-	-	-	-	940	940
Innovation and Growth	11,185	10,669	-	10,669	(2,500)	(1,983)	7,708	5,725
Jacinto Creek	-	-	-	-	-	-	1,765	1,765
Land Park	23	122	-	122	-	(99)	225	126
Library Services Parcel Tax	9,642	9,642	-	9,642	-	-	-	-
Landscaping and Lighting	20,019	20,088	1,415	21,503	-	(1,484)	4,621	3,137
Major Street Construction	1,500	-	4,400	4,400	-	(2,900)	7,131	4,231
Marcy Friedman ESC APP	-	-	-	-	-	-	12	12

Schedule 2B (continued)
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
Other Governmental Funds (continued)								
Marina	1,894	2,248	60	2,308	-	(414)	535	121
Measure A Maintenance	15,177	19,231	325	19,556	-	(4,379)	5,420	1,041
North Natomas Financing Plan	325	2,008	12	2,020	-	(1,695)	29,651	27,957
Other	-	110	-	110	-	(110)	5,890	5,780
Other Capital Grants	-	-	7,457	7,457	7,457	-	-	-
Park Development	806	442	1,187	1,629	-	(823)	21,971	21,148
Quimby Act	100	10	-	10	-	90	742	832
Railyards Impact Fee	50	50	-	50	-	-	6,182	6,182
Redevelopment Bond Funds	-	9	-	9	-	(9)	4,171	4,162
River District Impact Fee	-	25	-	25	-	(25)	2,654	2,629
SHRA CDBG	29	29	-	29	-	-	-	-
So Natomas Comm Improv	473	-	-	-	-	473	496	968
So Natomas Facility Benefit	-	-	-	-	-	-	3,593	3,593
So Natomas I-5 Developer Impr	-	-	-	-	-	-	622	622
Special Districts	24,641	23,221	-	23,221	-	1,420	10,269	11,689
Special Districts - Capital	-	-	-	-	-	-	1,434	1,434
Special Program Donations	250	250	-	250	-	-	-	-
START	658	383	-	383	-	274	-	274
I-5 Subregional Corridor Mitig	-	-	-	-	-	-	149	149
Street Cut	25	-	25	25	-	-	45	45
Sunset, Meadows A/D Maint	-	-	-	-	-	-	158	158
Transportation Development	400	-	400	400	-	-	33	33
65th Street Area Impact Fee	-	-	-	-	-	-	603	603
Transportation Dev Impact Fee	1,000	-	-	-	-	1,000	4,052	5,052
Traffic Safety	350	350	-	350	-	-	6	6
Tree Planting Replacement	120	-	120	120	-	-	-	-
Road Maint and Rehabilitation	11,533	-	12,572	12,572	-	(1,039)	4,029	2,990
NMA Traffic Control & Safety	1,518	-	1,813	1,813	-	(295)	866	571
NMA Safety, Streets, Ped, Bic	2,210	6	2,597	2,603	-	(393)	965	572
Wastewater Development Fees	-	-	-	-	-	-	4,171	4,171
Water Development Fees	-	-	1,500	1,500	-	(1,500)	36,182	34,682
Water Planning	1,220	1,226	-	1,226	-	(6)	553	547
Willow creek Fee District	-	-	-	-	-	-	2,272	2,272
Zoo	50	50	-	50	-	-	-	-
Subtotal Other Governmental Funds	146,235	126,775	44,754	171,529	10,487	(14,807)	195,662	180,855
Total	\$1,434,564	\$1,360,766	\$107,320	\$1,468,086	\$9,219	(24,304)	\$341,941	\$317,638

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

	FY2019/20 Approved	FY2020/21 Approved	FY2021/22 Approved	FY2022/23 Approved	FY2023/24 Proposed
Governmental Funds*					
Revenues	609,072	589,064	665,245	743,069	771,859
Total Resources	609,072	589,064	665,245	743,069	771,859
Expenses					
Operations	579,019	613,750	666,956	723,702	757,124
CIP	23,988	11,280	14,623	18,096	14,167
Total Requirements	603,007	625,030	681,579	741,799	771,291
Other Fund Sources (Uses)	19,990	19,500	15,913	1,089	(200)
Beginning Fund Balance	11,233	17,042	589	4,761	731
Ending Fund Balance	37,288	577	168	7,120	1,100
Enterprise Funds					
Revenues	336,792	329,402	330,673	373,458	392,941
Total Resources	336,792	329,402	330,673	373,458	392,941
Expenses					
Expenses	303,898	327,060	318,333	350,316	354,496
CIP	17,354	42,810	41,165	43,527	48,197
Total Requirements	321,252	369,870	359,498	393,842	402,693
Other Fund Sources (Uses)	(250)	(2,727)	(3,071)	(250)	163
Beginning Fund Balance	207,997	212,227	239,840	248,632	144,975
Ending Fund Balance	223,287	169,032	207,944	227,998	135,385
Internal Service Funds					
Revenues	89,897	100,253	103,762	121,562	123,529
Total Resources	89,897	100,253	103,762	121,562	123,529
Expenses					
Expenses	90,887	100,271	102,598	121,585	122,371
CIP	202	202	209	202	202
Total Requirements	91,089	100,473	102,807	121,787	122,573
Other Fund Sources (Uses)	708	(262)	(1,597)	298	(1,231)
Beginning Fund Balance	1,432	1,083	2,646	403	573
Ending Fund Balance	948	601	2,005	476	298
Other Governmental Funds					
Revenues	122,989	126,148	126,393	138,135	146,235
Total Resources	122,989	126,148	126,393	138,135	146,235
Expenses					
Expenses	114,139	120,981	108,720	121,829	126,775
CIP	38,875	68,563	39,534	70,265	44,754
Total Requirements	153,014	189,544	148,254	192,094	171,529
Other Fund Sources (Uses)	15,257	32,845	(658)	38,007	10,487
Beginning Fund Balance	159,543	163,527	161,403	190,936	195,662
Ending Fund Balance	144,775	132,975	138,883	174,984	180,855

*Governmental Funds reflect General, and Measure U Funds combined.

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	
	FY2022/23	FY2023/24	FY2022/23	FY2023/24	FY2022/23	FY2023/24	FY2022/23	FY2023/24
Enterprise Funds								
Community Center	\$ 1,908	\$ 2,002	\$ 456	\$ 456	\$ 1,310	\$ 1,562	-	-
Parking	1,427	1,273	244	244	1,164	1,449	-	-
Solid Waste	4,807	4,884	-	-	-	-	9,343	10,146
Storm Drainage	2,876	3,174	-	-	-	-	6,437	6,492
Wastewater	2,541	2,450	-	-	-	-	4,598	4,636
Water	7,267	7,558	-	-	-	-	14,484	14,484
Total Enterprise Funds	20,826	21,341	700	700	2,474	3,011	34,862	35,758
Internal Service Funds								
Fleet Management	2,400	2,089	-	-	-	-	-	-
Risk Management	3,260	1,451	-	-	-	-	-	-
Total Internal Service Funds	5,659	3,540	-	-	-	-	-	-
GRAND TOTAL	\$ 26,485	\$ 24,881	\$ 700	\$ 700	\$ 2,474	\$ 3,011	\$ 34,862	\$ 35,758

***COST ALLOCATION PLAN**

Most of the City's centralized services reside in the General Fund. Each year a study is conducted to identify and assign each fund's fair share of these centralized service costs on a reasonable and consistent manner. Then these charges are incorporated in non-General Fund departments Budget.

FY2023/24 Proposed Budget

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

Fund	Description	Budget Through						Total Five-year Funding
		02/2023	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	
1001:	General Fund	\$ 177,498	\$ 11,467	\$ 11,935	\$ 11,744	\$ 11,769	\$ 11,241	\$ 58,156
1003:	ARPA Reinvestment Fund	5,997	-	-	-	-	-	-
2001:	Sacto Transp.Sales Tax-Cip.	1,471	-	-	-	-	-	-
2002:	Gas Tax 2016	19,296	4,396	1,671	1,671	1,671	1,671	11,078
2007:	Major Street Construction	24,629	4,400	1,400	1,400	1,400	1,400	10,000
2008:	Street Cut	88	25	25	25	25	25	126
2012:	Transportation System Management	380	-	-	-	-	-	-
2013:	Transportation Development	2,485	400	400	400	400	400	2,000
2016:	Development Services	19,490	1,350	1,414	1,517	1,590	1,662	7,533
2019:	Citation I-5 Improvements	417	-	-	-	-	-	-
2020:	So Natomas Comm Improv	1,436	-	-	-	-	-	-
2021:	So Natomas Facility Benefit	220	-	-	-	-	-	-
2023:	New Measure A Specific Project	16,187	-	-	-	-	-	-
2025:	New Measure A Construction	2,589	-	-	-	-	-	-
2026:	New Measure A Maintenance	3,234	325	385	385	385	385	1,865
2028:	Prop 1B - Local Street & Road	21	-	-	-	-	-	-
2031:	Innovation and Growth	990	-	-	-	-	-	-
2032:	Fair Share Contributions	353	-	-	-	-	-	-
2035:	Tree Planting Replacement	928	120	120	120	120	120	600
2036:	Road Maint and Rehabilitation	28,832	12,572	12,572	12,572	12,572	12,572	62,860
2038:	NMA Traffic Control & Safety	7,819	1,813	1,813	1,813	1,813	1,813	9,067
2039:	NMA Safety, Streets, Ped, Bic	11,375	2,597	2,597	2,597	2,597	2,597	12,986
2220:	Sunset, Meadows A/D Maint	1,600	-	-	-	-	-	-
2230:	N Natomas Lands CFD 3	123	-	-	-	-	-	-
2232:	Landscaping and Lighting	7,051	1,415	615	615	615	615	3,875
2235:	Florin Road Storm and San	90	-	-	-	-	-	-
2401:	Measure U	46,228	2,700	2,700	2,700	2,700	2,700	13,500
2502:	Special Program Donations	287	-	-	-	-	-	-
2504:	Special Recreation	842	-	-	-	-	-	-
2507:	Land Park	172	-	-	-	-	-	-
2508:	Quimby Act	7,044	-	-	-	-	-	-
2601:	Old Sac Market	85	-	-	-	-	-	-
2603:	Golf	93	-	-	-	-	-	-
2605:	Zoo	1	-	-	-	-	-	-
2607:	Art In Public Places Projects	26	-	-	-	-	-	-
2608:	Marina	845	60	60	60	60	60	300
2609:	Marcy Friedman ESC APP	1,000	-	-	-	-	-	-
2700:	Block Grant/Housing & Redev	6,912	-	-	-	-	-	-
2701:	Disaster Relief Act	3	-	-	-	-	-	-
2703:	Externally Funded Programs	369	-	-	-	-	-	-
3001:	1993 Series B Cop	600	-	-	-	-	-	-
3002:	2002 Capital Improv. Revenue Bonds	2	-	-	-	-	-	-
3003:	2003 Capital Improv. Revenue Bonds	21,749	-	-	-	-	-	-
3004:	2006 CIRB - Tax Exempt	3,623	-	-	-	-	-	-
3005:	2006 CIRB - Taxable	361	-	-	-	-	-	-
3006:	2006 CIRBs Ser C Cap Projs	115	-	-	-	-	-	-
3008:	Willow creek Fee District	788	-	-	-	-	-	-
3201:	N. Natomas Financial Plan	171	-	-	-	-	-	-
3202:	Railyards/Richards/Downtown	359	-	-	-	-	-	-
3204:	Park Development	34,687	1,187	-	-	-	-	1,187
3206:	NNFP Public Facilities Fee	119	12	12	12	12	12	58
3210:	Downtown Impact Fee	907	-	-	-	-	-	-
3215:	Transportation Development Impact Fee	6,619	-	-	-	-	-	-

FY2023/24 Proposed Budget

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

Fund	Description	Budget Through					FY2027/28	Total Five-year Funding
		02/2023	FY2023/24	FY2024/25	FY2025/26	FY2026/27		
3311:	N Laguna Creek Park CFD	70	-	-	-	-	-	-
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	-	-	-	-	-	-
3338:	Florin Depot Industrial Park	564	-	-	-	-	-	-
3701:	Sacto Housing & Redev Agency	3,853	-	-	-	-	-	-
3702:	CIP Reimbursable	19,429	21	21	21	21	21	105
3703:	Federal Capital Grant	74,371	5,104	8,664	-	-	-	13,768
3704:	Other Capital Grants	96,876	7,457	-	-	-	-	7,457
3802:	2006 Army Depot TA	1,479	-	-	-	-	-	-
3803:	2006 Army Depot TE	715	-	-	-	-	-	-
6001:	Water Development Fees	37,724	1,500	5,400	1,000	1,000	1,000	9,900
6004:	Parking	37,557	768	765	765	765	765	3,828
6005:	Water	131,390	25,684	18,003	28,001	28,841	25,408	125,936
6006:	Wastewater	18,121	2,883	2,428	2,428	6,866	1,991	16,595
6007:	Recycling and Solid Waste	31,240	2,081	1,148	1,040	1,040	1,040	6,349
6008:	Landfill Closure	5,195	-	-	-	-	-	-
6009:	Sacramento Marina	874	-	-	-	-	-	-
6010:	Community Center	19,886	1,380	1,775	2,675	1,375	1,325	8,530
6011:	Storm Drainage	15,953	6	-	-	-	-	6
6012:	4th R Program	653	-	-	-	-	-	-
6021:	Storm Drainage Property Fee	11,316	15,395	14,117	14,267	14,324	19,099	77,202
6205:	Water Grant Reimbursement	5,488	-	-	-	-	-	-
6206:	Wastewater Grant Reimbursement	450	-	-	-	-	-	-
6207:	Solid Waste Grant Reimbursement	721	-	-	-	-	-	-
6310:	Water Revenue Bonds	6,662	-	-	-	-	-	-
6311:	Water Revenue Bonds Ser. 2017	1,938	-	-	-	-	-	-
6312:	Drinking Water SRF Loan	107,167	-	-	-	-	-	-
6320:	Wastewater Revenue Bonds	545	-	-	-	-	-	-
6321:	Wastewater Revenue Bonds 2019	6,580	-	-	-	-	-	-
6330:	2018 TOT Revenue Bonds, Tax Exempt	294,180	-	-	-	-	-	-
6331:	2018 TOT Revenue Bonds, Taxable	20,033	-	-	-	-	-	-
6332:	2019 STID Revenue Bonds	53,900	-	-	-	-	-	-
6501:	Fleet Management	8,612	202	202	202	202	202	1,010
6502:	Risk Mgmt	10	-	-	-	-	-	-
Total		\$ 1,483,441	\$ 107,320	\$ 90,242	\$ 88,030	\$ 92,163	\$ 88,123	\$ 465,877

Schedule 5
Article XIIIB 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 XIIIB 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 XIIIB for each of the fiscal years as shown below.

APPROPRIATION LIMIT (Section 1)	FY2019/20	FY2020/21	FY2021/22	FY2022/23	FY2023/24
Prior year limit	\$ 805,638	\$ 849,122	\$ 890,747	\$ 945,554	\$ 1,016,435
Multiply by:					
Change in CPI or Per Capita Personal Income	1.0385	1.0373	1.0573	1.0755	1.0755
Change in Population	1.0149	1.0113	1.0040	0.9995	0.9995
Total Appropriation Limit	\$ 849,122	\$ 890,747	\$ 945,554	\$ 1,016,435	\$ 1,092,629
PROCEEDS OF TAXES (Section 2)					
Total governmental revenue	\$ 731,951	\$ 715,212	\$ 791,638	\$ 881,204	\$ 918,093
Add taxes in enterprise funds:					
Transient Occupancy Tax	28,433	12,589	18,628	26,359	33,872
Add user fees in excess of cost:	-	-	-	-	-
Deduct:					
Non-proceeds of tax revenue	(256,436)	(265,669)	(251,937)	(270,816)	(289,818)
General obligation debt service	-	-	-	-	-
Qualified capital outlay	(12,005)	(6,962)	(7,793)	(15,454)	(12,173)
Total Proceeds of Taxes	\$ 491,943	\$ 455,170	\$ 550,536	\$ 621,293	\$ 649,974
APPROPRIATIONS SUBJECT TO LIMIT (Section 3)					
Total Governmental Funds:					
Operating appropriations	\$ 693,158	\$ 734,731	\$ 775,676	\$ 845,531	\$ 883,899
CIP appropriations	62,863	79,843	54,157	88,361	58,921
Add:					
Enterprise fund tax appropriation	28,433	12,589	18,628	26,359	33,872
User fees in excess of cost	-	-	-	-	-
Current proceeds of taxes appropriated to reserves	38,590	7,385	7,922	20,970	13,020
Deduct:					
Non-proceeds of tax revenue	(256,436)	(265,669)	(251,937)	(270,816)	(289,818)
General obligation debt service	-	-	-	-	-
Qualified capital outlay	(12,005)	(6,962)	(7,793)	(15,454)	(12,173)
Total Appropriations Subject to Limit	\$ 554,603	\$ 561,917	\$ 596,653	\$ 694,951	\$ 687,721

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

	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed
Governmental Funds					
Taxes					
Property Taxes - Current Secured	\$ 124,894	\$ 132,062	\$ 137,099	\$ 137,099	\$ 149,018
Property Taxes - Current Unsecured	4,669	4,642	4,220	4,220	4,585
Property Taxes - In Lieu VLF	51,809	54,619	57,896	57,896	61,775
Property Taxes - Prior Secured	1,231	1,166	1,070	1,070	1,157
Property Taxes - Prior Unsecured	94	95	40	40	76
Property Taxes - Redevelopment Passthrough	2,584	2,757	1,885	1,885	2,624
Property Taxes - Supplemental	2,974	4,531	2,734	2,734	2,597
Subtotal Property Taxes	188,256	199,872	204,944	204,944	221,833
Business Operations Taxes (BOT)	8,527	9,660	8,523	8,523	8,836
Cannabis Business Operations Tax (CBOT)	25,395	23,674	23,592	23,592	21,966
General Sales and Use Taxes	209,734	240,315	244,235	244,235	245,351
Property Taxes - Resident Development	1,059	885	349	349	1,013
Public Safety Sales Tax	6,437	8,200	6,430	6,430	9,014
Real Property Transfer Taxes	15,544	19,372	16,659	16,659	10,768
Transient Occupancy Tax	2,924	5,232	5,289	5,289	6,792
Transient Occupancy Tax - Prior	168	142	-	-	-
Utility Users Tax - Current	62,089	65,388	65,665	65,665	68,165
Utility Users Tax - Prior	75	73	-	-	-
Subtotal Other Taxes	331,953	372,941	370,743	370,743	371,904
Total Taxes	520,209	572,813	575,687	575,687	593,737
Licenses and Permits					
Alley Parking Permit	31	8	-	-	-
Alley Parking Permits	-	2	7	7	3
Animal Licenses	347	371	520	520	520
Building Trades Certification	-	-	1	1	1
Burglar Alarm Permits	1,064	984	1,000	1,000	1,130
Business Permits and Licenses	364	345	353	353	360
Cellular Revocable Permits	880	1,476	1,500	1,500	1,814
Construction Permits	13,074	13,064	12,732	12,732	12,714
Dance Permits	28	62	10	10	10
Emergency Permits	7	6	7	7	7
Excavation Permits	45	27	25	25	25
Home Occupation Permits	228	172	156	156	156
Marijuana Cultivation Permit	1,160	1,339	1,558	1,558	1,558
Marijuana Delivery Permit	590	868	484	484	484
Marijuana Dispensary Permit	625	635	624	624	624
Marijuana Manufacturing Permit	185	316	280	280	280
Marijuana Other Business Permit	583	718	666	666	666
Miscellaneous Licenses and Permits	4	12	-	-	-
Neighborhood Responsibility	3,393	2,338	-	-	-
On-Site Plan Review Permit	55	73	87	87	87
Plan Check Fees	7,579	7,932	9,155	9,155	10,254
Public Works Review	7	8	-	-	-

Schedule 6
Revenue Budget (in 000s)

	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed
Governmental Funds (continued)					
Licenses and Permits (continued)					
Sign and Billboard Permit	39	50	63	63	63
Sign and Billboard Permits	72	313	240	240	240
Special Event Permits	53	371	122	122	252
Special Use Permits	2,416	3,051	3,177	3,177	3,354
Street Vendor Permits	21	26	5	5	5
Taxi Permits	20	20	32	32	32
Towing Vehicle Permits	32	34	45	45	45
Tree Fee	1	-	-	-	-
Subtotal Licenses and Permits	32,898	34,624	32,848	32,848	34,683
Fines, Forfeitures, and Penalties					
Delinquency Charges	156	260	-	-	-
Fines and Penalties	7,440	9,794	7,082	7,082	7,273
Transient Occupancy Tax - Penalty	-	3	-	-	-
Subtotal Fines, Forfeitures, and Penalties	7,284	10,057	7,082	7,082	7,273
Interest, Rents, and Concessions					
Interest on Investments	1,807	1,259	2,500	2,500	1,500
Interest on Receivables	136	121	125	125	125
Real Property Rental	455	521	229	229	229
Subtotal Interest, Rents, and Concessions	2,398	1,901	2,854	2,854	1,854
Intergovernmental					
Fire District Reimbursement	7,226	9,435	5,870	5,870	8,875
Miscellaneous Governmental Revenue	5,217	6,484	3,545	3,545	4,520
Miscellaneous Other Federal	5,121	2,507	1,210	1,210	1,210
Other Agency Payments	2,388	4,893	1,232	1,292	1,210
Other Agency Training Reimbursement	4	-	-	-	-
Other County Payments	369	949	425	425	425
Other Recoveries	371	283	130	130	133
Other State Payments	2,118	2,787	76	76	76
P.O.S.T. Reimbursement	96	219	167	167	167
Planning Technology Fee	1	-	-	-	-
Redevelopment Agency Services	256	538	680	680	373
Sacramento County Support - Metro Arts	43	-	-	388	-
Sacramento County Support - Museums	459	459	459	258	258
State Homeowners Property Tax	936	1,104	1,200	1,200	1,045
State Mandated Reimbursement SB 90	332	454	212	212	212
State Motor Vehicle In Lieu Tax	375	596	-	-	250
Subtotal Intergovernmental	25,311	30,708	15,205	15,452	18,754
Charges, Fees, and Services					
Administrative Fee	570	654	527	527	505
ALS Fees	27,415	29,426	30,518	30,518	31,500
Animal Shelter Fees and Charge	299	246	340	340	340
Appeal Fees	12	14	-	-	-

FY2023/24 Proposed Budget

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

	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed
Governmental Funds (continued)					
Charges, Fees, and Services (continued)					
City Attorney Fees	3	-	-	-	-
Code Enforcement Fee	3,615	5,172	3,471	3,471	3,231
Community Services Fees	221	885	754	754	1,428
Compliance Fee	1,261	589	3,548	3,548	448
Concessions	27	85	115	115	115
Demolition Charges	355	369	599	599	417
DUI Fees	105	6	2	2	32
Facility Use Fees	561	1,882	1,012	1,012	1,632
Fire Permit Fees	1,280	1,240	1,244	1,244	1,326
Franchise Fees	5,659	8,829	4,418	4,418	7,571
Housing and Dangerous Buildings	72	75	182	182	111
Jail Booking Fee Recovery	320	19	40	40	40
Law n and Garden Service	-	3	-	-	-
Miscellaneous Proprietary Revenue	24	30	32	32	32
Non-Subsidized Parent Fees	6	-	-	-	-
Other Departmental Service	7,598	9,024	9,337	9,337	9,738
Other Fees	42	203	-	-	1
Other General Fees and Charges	190	73	28	28	28
Parking Fees	6	10	1	1	5
Parking Meter Receipts	5,157	8,428	8,419	8,419	9,919
Parking Meter Removal Fees	1,085	688	370	370	520
Recyclables Sales	7	5	15	15	15
Registration Fees	114	169	135	105	105
Service Fees	80	68	35	35	35
Special Assessments - Administ	423	483	74	74	150
Special Assessments - Service SD	165	-	-	-	-
Street Sidewalk and Curb Repair	1,291	2,115	1,525	1,525	1,525
Subdivision Map Processing - Planning	-	-	30	30	30
Swimming Pool Fees	51	261	133	133	383
Third Party Recoveries - Vehicle	366	40	-	-	-
Tour Fees	-	2	-	-	-
Vehicle Abatement SAVSA	590	603	405	405	-
Subtotal Charges, Fees, and Services	58,971	71,654	67,309	67,279	71,180
Contributions from Other Funds					
Contributions from Other Funds Accounts	37,058	38,895	41,035	41,035	42,469
Subtotal Contributions from Other Funds	37,058	38,895	41,035	41,035	42,469
Miscellaneous Revenues					
Escheat	1,144	627	242	242	242
Gifts and Donations	30	23	-	-	-
One-time Budgeted Revenue Adj	-	-	450	560	1,666
Other Departmental Services	-	-	357	357	-
Sale of Real or Personal Property	107	26	-	-	-
Subtotal Miscellaneous Revenue	1,281	676	1,049	1,158	1,908
Total General Funds	\$ 685,410	\$ 761,328	\$ 743,069	\$ 743,395	\$ 771,859

FY2023/24 Proposed Budget

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

	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed
Enterprise Funds					
Community Center					
Box Office Fees	\$ (94)	\$ 1,484	\$ 1,016	\$ 1,016	\$ 1,016
Catering Fees	-	449	550	550	1,125
Concessions	-	154	275	275	275
Facility Use Fees	180	3,687	2,924	2,924	3,230
Insurance Fee	-	-	1	1	1
Interest on Investments	1,167	276	67	67	115
Miscellaneous Governmental Revenue	-	660	51	51	80
Other Fees	7	865	900	900	900
Real Property Rental	13	636	591	591	700
Registration Fees	-	1	-	-	-
Royalties	16	1,716	866	866	866
Service Fees	-	487	631	631	631
Transient Occupancy Tax	14,704	26,117	26,359	26,359	33,872
Transient Occupancy Tax - Penalty	(2)	17	3	3	3
Transient Occupancy Tax - Prior	842	709	83	83	83
Subtotal Community Center	16,834	37,259	34,316	34,316	42,897
Parking					
Administrative Fee	480	542	424	424	774
Delinquency Charges	-	4	-	-	-
Facility Use Fees	21	19	-	-	-
Interest on Investments	212	171	300	300	300
Miscellaneous Governmental Revenue	-	19	-	-	-
Other Fees	1	31	-	-	20
Other General Fees and Charges	8	31	-	-	-
Other Recoveries	451	36	-	-	-
Parking Fees	9,108	12,440	12,540	12,540	14,492
Real Property Rental	291	504	501	501	746
Royalties	(7)	52	-	-	40
Sale of Real or Personal Property	1	-	-	-	-
Vehicle or Equipment Rental	47	47	-	-	45
Subtotal Parking	10,616	13,894	13,766	13,766	16,418
Solid Waste					
Facility Use Fees	192	177	182	182	182
Fines and Penalties	26	(10)	-	-	-
Interest on Investments	459	363	750	750	750
Miscellaneous Governmental Revenue	139	159	-	-	-
Miscellaneous Proprietary Revenue	51	35	-	-	-
Other Agency Payments	296	43	33	33	33
Other Departmental Services	29	10	-	-	-
Recyclables Sales	186	132	100	100	100
Sale of Real or Personal Property	18	15	-	-	-
Service Fees	127	167	-	-	-
Utility Services Charges	72,589	75,575	85,105	85,105	92,409
Subtotal Solid Waste	74,112	76,666	86,170	86,170	93,473

FY2023/24 Proposed Budget

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

	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed
Enterprise Funds (continued)					
Storm Drainage					
Compliance Fee	100	84	110	110	110
Interest on Investments	490	354	440	440	440
Interest on Receivables	45	35	-	-	-
Miscellaneous Governmental Revenue	123	25	30	30	30
Miscellaneous Proprietary Revenue	30	22	15	15	15
Other Fees	221	27	30	30	50
Other General Fees and Charges	-	1	-	-	-
Other Recoveries	8	(8)	-	-	-
Plan Check Fees	48	61	55	55	55
Sale of Real or Personal Property	4	-	-	-	-
Service Fees	43	52	50	50	50
Subdivision Map Processing - Engineering	2	2	-	-	-
Utility Services Charges	38,574	39,761	38,574	38,574	39,074
Vehicle or Equipment Rental	21	49	15	15	15
Subtotal Storm Drainage	39,709	40,465	39,319	39,319	39,839
Storm Drainage Property Fee					
Utility Services Charges	-	-	20,250	20,250	19,500
Subtotal Storm Drainage Property Fee	-	-	20,250	20,250	19,500
Wastewater					
Interest on Investments	687	402	430	430	430
Interest on Receivables	3	-	-	-	-
Miscellaneous Governmental Revenue	5	61	-	-	-
Miscellaneous Proprietary Revenue	51	49	-	-	48
Other Agency Payments	-	4	-	-	-
Other Bonds Issued	3	-	-	-	-
Other Recoveries	-	(9)	-	-	-
Regional Sanitation District	1,192	1,186	1,000	1,000	1,050
Sale of Real or Personal Property	22	-	-	-	-
Service Fees	70	114	60	60	75
Sewer Permits	64	80	65	65	72
Subdivision Map Processing - Engineering	2	2	2	2	2
Utility Services Charges	42,614	42,999	41,988	41,988	42,338
Subtotal Wastewater	44,713	44,888	43,545	43,545	44,015
Water					
Capital Contributions	59	48	-	-	-
Catering Fees	2	-	-	-	-
Cellular Revocable Permits	16	52	55	55	55
Fines and Penalties	-	1	-	-	-
Fire Hydrant Use Fee	59	143	125	125	125
Fleet Vehicle Revenue	-	9	-	-	-
Interest on Investments	1,216	1,466	865	865	865
Miscellaneous Governmental Revenue	54	64	100	100	60
Miscellaneous Proprietary Revenue	115	85	50	50	100

FY2023/24 Proposed Budget

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

	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed
Enterprise Funds (continued)					
Water (continued)					
Other Agency Payments	46	1,710	1,000	1,000	1,600
Other Bonds Issued	70,784	22,646	-	-	-
Other Fees	40	58	-	-	-
Other General Fees and Charges	-	5	-	-	-
Other Recoveries	63	269	-	-	-
Park Impact Fee	-	61	-	-	-
Residential Construction Water	214	168	125	125	160
Service Fees	147	155	150	150	200
Special Item Revenue	4,473	-	-	-	-
Subdivision Map Processing - Engineering	2	2	-	-	2
Utility Service Extensions	18	50	36	36	20
Utility Services Charges	137,840	132,576	132,191	132,191	132,191
Utility Shut-Off Fee	1	-	95	95	-
Water Flow Test Fee	179	277	100	100	220
Water Tap Sales	1,241	1,058	1,200	1,200	1,200
Subtotal Water	216,568	160,903	136,092	136,092	136,798
Total Enterprise Funds	\$ 402,551	\$ 374,075	\$ 373,458	\$ 373,458	\$ 392,941

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

	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed
Internal Service Funds					
Fleet Management					
Fleet Charges Accident Repair	\$ 526	\$ 636	\$ 609	\$ 609	\$ 765
Fleet Charges O & M	19,798	21,454	23,185	23,185	21,323
Fleet Vehicle Revenue	27,846	19,383	33,255	36,819	28,279
Gasoline and Oil Sales	6,724	9,739	8,409	8,409	9,348
Interest on Investments	222	154	200	200	200
Miscellaneous Governmental Revenue	18	7	-	-	-
Miscellaneous Other Federal	573	118	-	-	-
Other Recoveries	409	83	-	-	-
Sale of Real or Personal Property-Salvage	509	824	438	438	856
Vehicle or Equipment Rental	787	1,150	1,062	1,062	1,189
Subtotal Fleet Management	57,413	53,548	67,158	70,722	61,959
Risk Management					
Interest on Investments	1,184	953	500	500	500
Interest on Receivables	-	281	66	66	60
Other Departmental Services	1,705	1,388	-	-	-
Risk Fund In-Lieu Insurance	45,311	50,992	53,488	53,488	60,660
Service Fees	-	-	100	-	100
Third Party Recoveries - Property	642	2,335	250	250	250
Third Party Recoveries Workers' Compensation	3	1	-	-	-
Subtotal Risk Management	48,875	55,993	54,404	54,304	61,570
Total Internal Service Funds	\$ 106,288	\$ 109,541	\$ 121,562	\$ 125,026	\$ 123,529

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

	FY2020/21	FY2021/22	FY2022/23	FY2022/23	FY2023/24
	Actuals	Actuals	Approved	Amended	Proposed
Other Governmental Funds					
4th R Program	\$ 583	\$ 4,455	\$ 3,156	\$ 3,156	\$ 5,406
65th Street Area Impact Fee	11	38	-	-	-
ARPA Reinvestment Fund	-	546	-	-	-
Art In Public Places Projects	5	4	-	-	-
Assessment Reg and SDRIS	2	1	-	-	-
Cal EPA	221	215	113	113	-
Capital Improv. Revenue Bonds	3	2	-	-	-
CIP Reimbursable	56	23	-	-	-
Citation I-5 Improvements	4	3	-	-	-
Citation I-5 Maintenance	8	5	-	-	-
Citywide Low Income Housing	2,194	2,292	3,100	3,100	2,390
Cultural Services - Other	152	225	155	155	155
Debt Service Funds	3,636	4,578	10,076	10,076	10,286
Development Services	2,109	2,012	3,817	1,551	3,616
Downtown Impact Fee	323	1,020	-	-	-
Downtown Management District	3,497	3,655	3,808	3,808	3,998
Ethel MacLeod Hart Trust	291	153	-	-	-
Externally Funded Programs	109	26	19	-	-
Fair Share Contributions	662	306	-	-	-
Fairytale Town	76	103	50	50	50
Gas Tax	11,461	12,457	12,754	12,754	14,320
Golf	1,765	842	816	816	816
Greenbriar Impact Fee	1,191	1,503	-	-	-
I-5 Subregional Corridor Mitig	2	1	-	-	-
Innovation and Growth	10,260	11,391	11,185	11,185	11,185
Jacinto Creek	91	33	-	-	-
Land Park	93	163	23	23	23
Landscaping and Lighting	18,178	18,742	19,336	19,336	20,019
Library Services Parcel Tax	8,446	8,777	9,271	9,271	9,642
Major Street Construction	3,750	3,289	1,500	1,500	1,500
Marcy Friedman ESC APP	1	-	-	-	-
Marina	2,147	2,111	1,678	1,678	1,894
Measure A Maintenance	13,924	16,187	15,658	15,658	15,177
Museum of History, Science, & Tech	1	-	-	-	-
NMA Safety, Streets, Ped, Bic	2,062	2,432	2,330	2,330	2,210
NMA Traffic Control & Safety	1,423	1,645	1,594	1,594	1,518
North Natomas Financing Plan	10,747	11,351	-	-	325
Operating Grants	51	149	-	-	-
Other	56,963	56,277	-	-	-
Park Development	8,487	8,698	766	806	806
Private Development	1,369	364	-	-	-
Quimby Act	342	301	100	100	100
Railyards Impact Fee	3,826	11,686	50	50	50
Redevelopment Bond Funds	130	80	-	-	-
River District Impact Fee	11	1,386	-	-	-
Road Maint and Rehabilitation	8,776	11,332	10,109	10,109	11,533

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

	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed
Other Governmental Funds (continued)					
Sheraton MOPA Project	149	107	-	-	-
SHRA CDBG	-	-	29	29	29
So Natomas Comm Improv	6	480	473	473	473
So Natomas Facility Benefit	567	387	-	-	-
So Natomas I-5 Developer Impr	6	5	-	-	-
Special Districts	19,801	24,806	22,169	22,169	24,641
Special Districts - Capital	222	128	-	-	-
Special Program Donations	-	-	250	-	250
START	482	486	658	658	658
State Route 16 Relinquishment	3	-	-	-	-
Street Cut	52	40	25	25	25
Sunset, Meadows A/D Maint	17	13	-	-	-
Traffic Safety	347	200	350	350	350
Transportation Development	8	981	400	400	400
Transportation Development Impact Fee	2,174	2,802	1,000	1,000	1,000
Tree Planting Replacement	98	202	120	120	120
Wastewater Development Fees	4,317	17,096	-	-	-
Water Development Fees	5,094	4,701	-	-	-
Water Planning	1,199	886	1,147	1,147	1,220
Willow creek Fee District	150	118	-	-	-
Zoo	75	101	50	50	50
Other Governmental Funds	\$ 211,465	\$ 141,846	\$ 138,135	\$ 135,640	\$ 146,235

Schedule 7A
Operating Grants - \$105.5 million

This section provides an overview of 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 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 2023-2028 CIP. Significant grant amounts that will benefit FY2023/24 are summarized by department below.

CITY MANAGER - \$77,188,588

FY2022/23 Go-Biz Cannabis Equity Grants for Local Jurisdictions \$1,563,722

The Go-Biz social equity grants focus on the inclusion and support of individuals in California's legal cannabis marketplace who are from communities that have been negatively or disproportionately impacted by cannabis criminalization. The grant funds are intended to reduce barriers for entrance into the legal cannabis industry for social equity community members.

FY2021/22 Department of Cannabis Control, Local Jurisdiction Assistance Grant \$5,566,415

Funding is intended to support local jurisdictions in aiding provisional license holders meet those requirements that are necessary to attain an annual state license.

FY2023/24 Homeless Housing, Assistance and Prevention II \$678,168

Use of the Homeless Housing, Assistance and Prevention II funding is envisioned as part of the Homelessness and Rehousing Plan adopted as part of the COVID-19 Relief Funding and Response, including for an Operational Reserve at the La Mancha Homekey Supportive Housing Project, ongoing youth sheltering contracts, and tiny homes placement and operations in the Comprehensive Siting Plan.

FY2023/24 Homeless Housing, Assistance and Prevention III \$24,791,417

The Homeless Housing, Assistance and Prevention III funding allocation continues existing sheltering programs and expands prevention programming. Requires grantees to expend funds on evidence-based solutions that prevent, reduce and end homelessness. Staff recommended the HHAP-4 cycle provide funding for permanent housing in addition to continued support of youth sheltering, and continued operations of North Fifth Street, X Street Navigation, Meadowview Navigation, Grove Bridge to Housing, city motel shelters, and other local sheltering spaces.

**FY2022/23 State Senate Bill 170, California Natural Resources Agency \$1,922,368
Planting Justice Tree Nursery**

Transform the vacate tree nursery located at 1920 34th Avenue into a nationally significant center for urban agriculture, social entrepreneurship, multifaceted biodiversity, youth mentorship, and farmer training. As part of the Budget Act of 2021 (Senate Bill 170, Chapter 240).

**FY2022/23 State Senate Bill 170, California Natural Resources Agency \$1,000,000
Sacramento LGBT Community Center Improvements**

State approved grant funding for the LGBT Center is being administered by the California Natural Resources Agency. The funds will be used to lessen the Sacramento Pride Properties, Inc.'s mortgage burden on its property at 1015 20th Street. This will result in reducing the operational burden of the Sacramento LGBT Community Center and ensure that the LGBTQ+ community will always have a place to call home in the region and future philanthropic support can be primarily focused on advancing the mission and serving more people.

**FY2023/24 California Natural Resources Agency \$1,000,000
Mini Sacramento - Children's Play Area**

Mini Sacramento is a proposed children's play area located at the Old Sacramento Schoolhouse. The purpose of this project is to cultivate inclusivity within the City of Sacramento by providing a unique, playful framework for social inclusion and interaction. Mini Sacramento will reintroduce the diversity of Sacramento through themed play structures. A state funded grant allocated by Assemblymember McCarthy.

**FY2023/24 State Senate Bill 126, Section 96 City of Sacramento \$30,000,000
Railyards Rehabilitation**

Pass-through grant funds to support the rehabilitation of the Sacramento Railyards (Railyards). The subrecipient, Downtown Railyard Venture, LLC, will use the state grant funds to pay for a portion of the considerable remaining infrastructure that must be built in the Railyards, which will catalyze rehabilitation of the Railyards.

**FY2023/24 State of California Volunteers, \$ 6,980,080
Californians for All: Youth Workforce**

State grant to support Californians for All Youth Workforce Development program to fortify career pathways into public sector and high-growth jobs and institute a more cohesive youth workforce ecosystem that better aligns the efforts of public agencies, education systems, community-based organizations, and employers within growing local industries. State grant to support the City's efforts to develop public sector pathways including training youth to step into existing high-need positions and building out sustainable pre-apprenticeship and on-the-job training (OJT) programs that support long-term COVID-19 recovery and climate change mitigation goals.

FY2022/23 Board of State and Community Corrections Proposition 64 \$536,919

A City in partnership with PRO Youth & Families to implement a tailored version of our #SacYouthWorks program entitled #SacYouthWorks_Futures (#Futures). Responding to the needs of Sacramento youth from communities most impacted by the passage of

FY2023/24 Proposed Budget

Proposition 64 - legalizing the Adult Use of Marijuana - the program aims to support Sacramento youth in creating pathways to healthy futures and college/career success. #Futures integrates underage marijuana and substance use prevention education and advocacy into a work-based learning model.

FY2022/23 National League of Cities Institute, Youth Excel Initiative **\$149,499**

The National League of Cities Institute Youth Excel Initiative (NLCI) is to support costs associated with implementing the City's Youth Excel Action Plan. The program aims to build knowledge about educational options and career pathways that create access to quality jobs in STEM industries; gain understanding of key strategies to build systems to promote economic equity for marginalized young people and their communities; and strengthen policy and practice by intentionally engaging with youth and equity-focused youth-serving community-based organizations.

FY2016/17 State Department of Health Care Services **\$3,000,000** **Whole Person Care (WPC) Program**

The Department of Community Response managed the City's WPC programs which were designed to be experimental and innovative to address the unprecedented homelessness crisis. DCR managed the federal funding that was provided to the City upon completion of certain Pathways program milestones. Since then, the Pathways program has ended, and the State Department of Health Care grant funds are for future WPC audit risk assessments and other audit-related expenses.

COMMUNITY RESPONSE - \$13,999,560

ESG Step Up Outreach and Housing Coordination Program **\$56,781** **(Emergency Solutions Grant)**

The Scope of Work includes, but is not limited to, essential services necessary to reach out to unsheltered homeless individuals and families, connect them with emergency shelter, housing, or critical services, and provide them with urgent, non-facility-based care. Component services generally consist of engagement, case management, emergency health and mental health services.

FY2023/24 Homeless Housing Assistance and Prevention III **\$13,942,779**

Use of the Homeless Housing, Assistance and Prevention III funding is envisioned as part of the Homeless and Rehousing Plan adopted as part of the COVID-19 Relief Funding and Response, including ongoing youth sheltering contracts, the Meadowview Navigation Center, Emergency Bridge Housing at the Grove, the North 5th Street Navigation Center, and the City Motel Program.

CONVENTION & CULTURAL SERVICES - \$1,215,000

National Endowment for the Arts **\$150,000**

The City of Sacramento Office of Arts & Culture (OAC) will seek a \$150,000 grant to support sub granting for arts projects as a local arts agency.

California Arts Council State and Local Partners Grant **\$65,000**

This grant is made to County designated agencies for participation in the California Arts Council's State and Local Partner program. Sacramento Office of Arts & Culture is the County's designated agency. This grant will support capacity building and investment in unincorporated Sacramento County.

California Department of Natural Resources Grant **\$500,000**

The Center for Sacramento History was awarded funding from the State of California through the Department of Natural Resources and Assemblymember McCarty's office in the amount of \$500,000. The funding will be used to purchase compact shelving for the Center's offsite storage at McClellan.

Sacramento Historical Society **\$500,000**

In December 2022, the Sacramento Historical Society was awarded \$900,000 from the Joan Didion estate to distribute in the Sacramento region. The estate was seeking a names opportunity for Didion. The Society is donating \$500,000 of the award to the City to be used toward a new building for the Center for Sacramento History and are requesting a naming opportunity.

FIRE DEPARTMENT - \$1,332,150

Urban Search and Rescue (US&R) **\$1,332,150**

The National US&R system is a cooperative effort between the Department of Homeland Security (DHS), Federal Emergency Management Agency, 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 events, victims of major flooding and, when assigned, performing incident command or other operational activities. California has 8 of the 28 US&R Task Forces. The City of Sacramento's Fire Department 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. The Department is solely responsible for the administrative management of CA-TF7. As required by the cooperative agreement, the Department 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: one Battalion Chief, one Administrative Analyst, one Administrative Technician, and two Cache Logisticians. Funding for this program varies annually and is provided on an annual basis from DHS.

POLICE DEPARTMENT - \$8,377,829

FY2019/20 Urban Area Security Initiative **\$2,687,750**

FY2020/21 Urban Area Security Initiative **\$3,097,500**

This program provides funding from the U.S 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.

FY2021/22 Citizens' Option for Public Safety **\$781,337**

FY2022/23 Citizens' Option for Public Safety **\$800,102**

This State-mandated program provides funding to local law enforcement jurisdictions to support law enforcement activities. Annual allocations are determined by population, based on the most recent January estimate provided by the California Department of Finance.

FY2022/23 Selective Traffic Enforcement Program **\$390,000**

This is a federal grant program, passed through the State of California's Office of Traffic Safety. The grant objectives are to reduce the number of traffic-related injuries and fatalities. Funded strategies include traffic safety enforcement, outreach, and engagement activities to reduce motorist, bicyclist, and pedestrian injuries and fatalities attributable to driving under the influence (DUI) and unsafe driving (e.g., speed, texting, etc.).

FY2022/23 Gang Violence Suppression **\$363,000**

This state-mandated program provides funding to local law enforcement jurisdictions to support a comprehensive, cohesive, strategic, and tactical plan to effectively address issues that are associated with or contribute to gang involvement and violent crime. A portion of funds is awarded to local criminal justice partners such as the Sacramento County's District Attorney's Office, the Sacramento County Probation Department, the Sacramento City Unified School District as well as community-based organizations such as Another Choice, Another Chance and the La Familia Counseling Center.

FY2021/22 Edward Byrne Memorial Justice Assistance Program **\$258,140**

This federal program provides annual funding to state and local governments to support a broad range of activities to prevent and control crime and to improve the criminal justice system. This grant will support future costs for ShotSpotter technology in the North Sacramento area.

UTILITIES - \$2,343,250

Department of Water Resources (DWR), **\$375,200**
Flood Maintenance Assistance Program (FMAP) Grant

The FMAP program provides State funds to Local Maintaining Agencies (LMAs) for eligible maintenance activities to obtain acceptable maintenance levels of the State's Flood Control Facilities Plan (levees, channels, and structures). As an LMA, the Department of Utilities Wastewater and Drainage Division Levee Maintenance Section is responsible for maintaining and inspecting 3.66 miles of levee on the Sacramento River

and 19 miles of levees in the South Sacramento Streams Group (Morrison Creek). The City has been awarded the DWR FMAP Grant for five years.

Department of Water Resources, Floodplain Management **\$621,161**
Protection and Risk Awareness Program, Prop 68 Grant (Basin 147)

The objective of this project is to improve how the drainage system conveys stormwater and reduce the flooding to the properties and infrastructure for the Basin 147 watershed. The recommended alternative to achieve that goal through hydraulic and operational improvements is to construct a detention basin on a vacant lot on 6122 Dias Avenue to hold back the peak flows until the drainage system downstream of the basin is able to recover.

Department of Water Resources, **\$306,000**
Prop 1 Round 3 Delta Flood Emergency Response Grant

This grant allows for the purchase of equipment for flood emergency response. Including the purchase of 50 Motorola portable radios and associated bank battery charges for daily operations and ten bank charger stations. Flood Fight materials such as sandbags, stakes, Visqueen (plastic sheeting), and strong wall to protect critical infrastructure and enhance local and regional supplies. The Department of Utilities (DOU) also included purchasing levee patrol supplies to assist staff in emergency high water monitoring and patrolling, and riprap rock to create emergency material stockpiles for critical infrastructure.

Department of Water Resources, **\$740,889**
Sacramento and San Joaquin Drainage District (SSJDD) Grant Program

This grant is a three-year program to address the abatement of illegal dumping and hauling of materials and debris on property owned by the City of Sacramento and San Joaquin Drainage District (SSJDD), managed and controlled by the Central Valley Food Protection Board (CVFPB). The City of Sacramento, Department of Utilities, will provide all labor and expertise for surveying, documenting, clean-up, collecting, removal, and disposal services involving clean-up abatement actions on an as-needed basis per county and city guidelines, standards, and operating procedures.

Sierra Institute for Community and Environment, **\$300,000**
A Grantee of the Department of Water Resources: Leak Free Sacramento

Homeowners within the City with residential leaks will be able to apply to have a City contracted plumber to repair leaks and replace inefficient fixtures. The program, through this grant, will focus on customers in disadvantaged community areas, as defined by the DWR mapping tool census tracts. The project will result in approximately 89 acre-feet per year of conserved water.

YOUTH, PARKS, & COMMUNITY ENRICHMENT - \$1,365,968

START (Students Today Achieving Results for Tomorrow) **\$753,792**

START has funding of \$753,792 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.

Workforce Innovation and Opportunity Act (WIOA)/Youth Program Development **\$89,216**

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.

ASES Program **\$172,960**

Grant funding from the Department of Education (DOE) provides after-school academic support, enrichment activities, recreation, and sports for students at middle schools in the Sacramento City Unified School District (SCUSD). The school district is the “grantee” who contracts with the City for the delivery of the program.

CalCOMPASS Project **\$350,000**

Grant funding from the California Department of Aging provides funding to support CalCOMPASS Pilot Project. CalCOMMPASS is a 13-month pilot project to meet the needs of diverse older adults and families in a community setting through the provision of dementia care services, provided at licensed Adult Day Programs and Adult Day Health Care Centers, to address the health and wellbeing of older adults and their caregivers, prevent or delay institutionalization and advance health equity. The Triple R Adult Day Program will provide person-centered care and support services for individuals and families experiencing dementia and serve as a model program for the State.

**Schedule 7B
City Grant Awards**

This section provides an overview of grants awarded by the City of Sacramento, to non-profits, businesses, community-based organizations, or other entities to support essential City programs. The information provided is a general summary of the grants awarded during calendar year 2022 and includes the program's name, grantee, grant amounts, and funding source.

Department	Grant Program Name	Grantee	Amount Awarded
City Manager			
	ARPA City of Festivals	City of Festivals Organizations	700,000
	ARPA Funding Grant with DSP in Old Sac	Downtown Sacramento Partnership	800,000
	ARPA Shop916	Yiftee, Inc.	250,000
	Center for Worker's Right's Grant Agreement	Center for Worker's Rights	550,000
	Child Action ARPA Grant Agreement	Child Action Inc	881,000
	Child Action FCCH Start up Stipend	Child Action Inc	225,044
	DSP ARPA Grant Agreement for Clean and Safe Improvements in CBD	Downtown Sacramento Partnership	1,150,000
	FCCH Start up Stipend	California Capital Women's Business Center	100,000
	Food Assistance Program	Sacramento Food Bank and Family Services	500,000
	Food Justice Program	Meals on Wheels by ACC	223,130
		NorCal Resist Fund	113,966
		South Sacramento Christian Center	117,295
	Marginalized Community and Small Business Coalition (MCSBC) Program	California Black Chamber of Commerce Foundation, Inc.	500,000
	Midtown ARPA Grant Agreement	Midtown Sacramento PBID Corporation	635,000
	Minority Business Assistance and Recovery Kickstart (MBARK) Program	Sacramento Asian Pacific Chamber of Commerce	2,800,000
	North Area Façade Pilot	Various Organizations 64 grants	2,000,000
	Northgate Boulevard Nonprofit Support	The Health Communication Research Institute	560,350
	Northgate Boulevard Small Business Recovery (NBSBR) Program	Sacramento Hispanic Chamber of Commerce Foundation	2,000,000
	R Street Partnership	R Street Partnership	180,000
		Subtotal American Rescue Plan Fund	\$ 14,285,785
	Economic Gardening	Economic Gardening Organizations	349,900
		Subtotal Innovation & Growth Fund	\$ 349,900
	CMC Program Expansion Project	California Mobility Center	1,000,000
	Economic Development Opportunity Center	La Familia Counseling Center, Inc.	2,000,000
	SacBuildsSkills2Careers	Youth Workforce Development Organizations	321,834
		Subtotal Measure U Fund	\$ 3,321,834
	Economic Mobility Ambassadors	Economic Mobility Ambassadors and Businesses	95,000
	Sacramento LGBT Community Center Improvements	Pride Properties, Inc.	1,000,000
	#SacYouthWorks: Futures - Youth & Family Underage, Cannabis Prevention, and Outreach	PRO Youth and Families, Inc.	718,101
		Subtotal Operating Grants	\$ 1,813,101
	City of Sacramento Railyards Rehabilitation	Downtown Railyard Venture	30,000,000
	Planting Justice Tree Nursery	Planting Justice Tree Nursery	2,000,000
		Subtotal Other Capital Grants	\$ 32,000,000
		City Manager Total	\$ 51,770,620
Community Response			
	ARPA	Shree Enterprises, LLC	225,000
		Shree Enterprises, LLC	950,000
		Siyaram Hotels, LLC	99,998
		Siyaram Hotels, LLC	350,000
		Sky Riders	350,000
		Step Up on Second Street	701,196
	Emergency Shelter Response	First Step Communities - Safegrounds	2,240,290
	Outreach Services	Capitol Station dba the River District	249,475
	Women and Family Shelter Project	WEAVE	300,000
		Subtotal American Rescue Plan Fund	\$ 5,465,959
	Community Response	Sacramento Regional Coalition to end Homelessness	100,000
	Homeless Housing, Assistance and Prevention II (HHAP II)	Waking the Village	30,000
		Subtotal General Fund	\$ 130,000
	Women and Family Shelter Project	City of Refuge	1,459,410
		Saint John's Program for Real Change	101,827
		Subtotal Measure U Fund	\$ 1,561,237
	Congregate Sheltering Program	Shelter Inc	3,447,202
	Homeless Housing, Assistance and Prevention (HHAP)	Wind Youth Services	100,228
	Homeless Housing, Assistance and Prevention II (HHAP II)	Sacramento LGBT Community Center	387,699
	Homeless Housing, Assistance and Prevention III (HHAP III)	Arden Acres	150,000
		Subtotal Operating Grants	\$ 4,085,129
		Community Response Total	\$ 11,242,325

Schedule 7B (continued)
City Grant Awards

Department	Grant Program Name	Grantee	Amount Awarded		
Convention and Cultural Services	ARPA	Sacramento Convention and Visitors Bureau	1,500,000		
		Subtotal American Rescue Plan Fund \$	1,500,000		
Cultural Arts Awards (CAA)		ARTners	5,317		
		Atrium 916	18,113		
		B St Theater for Children	34,162		
		Balance Dance Project	5,672		
		Big Idea Theatre	5,989		
		Brazilian Center for Cultural Exchange of Sacramento	6,166		
		Broad Room Creative Collective	6,040		
		Broadway Sacramento	21,717		
		Calidanza Dance Company	16,482		
		California Lawyers for the Arts	19,031		
		Camellia Symphony Association	5,000		
		Capital Public Radio	21,717		
		Capital Stage Company	21,274		
		Casa de Brazilian Folkloric Arts	14,867		
		Celebration Arts	6,541		
		Chalk It Up to Sacramento	16,267		
		Crocker Art Museum Association	34,162		
		DBA Arts, Inc	5,000		
		DDSO	8,302		
		Department of Sound	17,718		
		Empire Arts Collective	5,582		
		Fairytale Town	8,302		
		Folsom Symphony, Inc	7,330		
		GIRLS Rock Sacramento	15,156		
		Hmong Youth and Parents United	17,083		
		Lu Mien Community Services	6,040		
		KVIE	17,711		
		Latino Center of Art and Culture	28,256		
		Lenaea High School Theatre Festival	5,000		
		LOAA Foundation	17,415		
		Los Rios Community College District AKA Sacramento Shakespeare Festival	5,000		
		Mandarin of Sacramento, Inc	32,771		
		National Academic Youth Corp dba Sojourner Truth African Heritage Museum	19,003		
		Natomas Arts and Education Foundation	6,941		
		Nu Art Education, Inc DBA NorCal School of the Arts	17,562		
		Rincones de mi Tierra Grupo Folklorico	15,377		
		Sacramento Mens Chorus	6,834		
		Viewpoint Photographic Art Center	5,000		
		Voices of California, CA Delta Chapter of BHS	5,000		
		916 Ink	20,480		
			Subtotal General Fund \$	551,379	
		Cultural Arts Awards (CAA)		Sacramento Ballet	21,717
				Emend the Mass Media Group	2,500
				Emend the Mass Media Group	5,000
				Goodsides LLC	5,000
				Leslie Silver Enterprises dba Madpix Films	5,000
				Marcus Johnson	5,000
				Melissa Muganzo-Murphy dba Muganzo Ent.	10,000
				Melissa Muganzo-Murphy dba Muganzo Ent.	2,500
				On Native Ground	5,000
				Robert Young dba Digital Curanderas	5,000
				Ryan Graham dba Orchard Fort	5,000
				Sacramento Children's Chorus	6,336
				Sacramento Children's Museum	19,478
				Sacramento Choral Society and Orchestra	5,000
				Sacramento Comedy Spot	18,325
				Sacramento Fine Arts Center	5,000
				Sacramento French Cultural Society DBA Sacramento French Film Festival	6,141
				Sacramento LGBT Community Center	25,870
				Sacramento Master Singers	6,261
				Sacramento Regional Assoc of Malayalees	5,000
Sacramento Theatre Company	8,302				
Sacramento Valley Chapter of Sweet Adelines International	7,481				
Sacramento Valley Spark	5,844				
Sacramento Youth Symphony	19,013				
Sisters of NIA, Incorporated	5,936				
Sol Collective (Freedom Bound Center, Inc)	32,758				
St. HOPE Academy	26,992				

FY2023/24 Proposed Budget

Schedule 7B (continued)
City Grant Awards

Department	Grant Program Name	Grantee	Amount Awarded
Convention and Cultural Services (continued)			
		Strauss Festival of Elk Grove, Inc.	5,000
		Stuart Harmon dba Continental Drift	5,000
		Studio T Urban Dance Academy (3 Point 0)	18,948
		Studios for the Performing Arts (CLARA)	30,439
		The Library of MusicLandria	16,338
		The Regents of the University of California	29,088
		University Enterprises, Inc DBA Sacramento State Sponsored Research	5,000
		Verge Center for the Arts	20,203
		Wellspring Women's Center	16,601
		Women's Wisdom Art	15,453
		Subtotal Measure U Fund \$	437,526
Seeding Creativity			
		Aaron Jay Cardoza	10,000
		Alexandria Griffith	10,000
		Andreas Tillman Jr. dba Dre-T	10,000
		Andri Tambunan	10,000
		Antonio Smith	10,000
		Aster K. Foley dba Dead Penny Press	10,000
		Brenden Lowe	10,000
		Brianna James	10,000
		Carlos Rene Ayala	10,000
		Christopher J. Lango	10,000
		Citalin Rodriguez	10,000
		Daniel Herrera	10,000
		Deborah Pittman	10,000
		Dewayne Ewing Jr. dba Consci8us	10,000
		Douglas Winter dba Doug Winter Studio	10,000
		Emily Perez dba Macondo Music	10,000
		Eric Tagg	10,000
		Faith J. McKinnie	10,000
		Franceska Gamez	10,000
		Jayda Irene Preyer dba Jayda Irene	10,000
		Jennifer Ann Merrill dba Jennifer	10,000
		Jennifer Packer dba Jennifer Lugris	10,000
		Jermaine Tilson	10,000
		Jodi M. Connelly	10,000
		Kachiside Madu dba Make It Madu Images	10,000
		Khanstoshea Johnson-Zingapan	10,000
		Kimberly Garza	10,000
		Laurelin Gilmore	10,000
		Lawrence M. Williams	10,000
		Lisa M. Daniels	10,000
		Matthew Osiwemu dba Dare 2 Be Diffrent	10,000
		Meghna Bhat	10,000
		Miguel Angel Mayagoytia Sosa	10,000
		Mone't Ha-Sidi	10,000
		Muzi L. Rowe	10,000
		Nancy Ledesma dba Ramona Garcia	10,000
		Natachi Mez	10,000
		Nicole C. Limon	10,000
		Rieko Kotoku	10,000
		Salvin Chahal	10,000
		Sepncer K. Tsang	10,000
		Stephanie Yu dba Steph Rue	10,000
		Sunny Eselekhomhen	10,000
		Tamara M. Knox	10,000
		Venetia-Renee L. James	10,000
		Subtotal Operating Grants \$	450,000
		Convention and Cultural Services Total \$	2,938,905
Police			
	Evidence-Based Community Violence Interruption, Disruption and Suppression (EBCVIDS) Grant Program		
		Brother 2 Brother Mentoring	249,999
		City of Refuge	25,000
		Helping Our People Eat	249,999
		Impact Sacramento	25,000
		Neighborhood Wellness Foundation	25,000
		Rose Family Creative Empowerment Center	25,000
		Self Awareness & Recovery	100,000
		Voice of the Youth	200,000

Schedule 7B (continued)
City Grant Awards

Department	Grant Program Name	Grantee	Amount Awarded
Police (continued)			
	Evidence-Based Community Violence Intervention (EBCVI) Grant Program	Academics 4 Athletes	56,250
		California Wraparound	56,250
		Hawk Institute	75,000
		Helping Our People Eat	56,250
		Hooked on Fishing, Not on Violence	56,250
		Neighborhood Wellness Foundation	75,000
		Sacramento County of Education	50,000
		Sacramento Youth Center	75,000
		Subtotal American Rescue Plan Fund \$	1,399,998
	Gang Prevention and Intervention Taskforce (GPIT)	Academics 4 Athletes	83,330
		Brother 2 Brother	249,990
		Help Our People Eat	83,333
		Impact Sac	249,999
		Neighborhood Wellness Foundation	249,990
		Rose Family Creative Empowerment Center	83,333
		Subtotal Measure U Fund \$	999,975
	Gang Violence Suppression	Another Choice, Another Chance	35,000
		Brother to Brother Mentoring	10,000
		La Familia Counseling Center	10,000
		Sacramento City Unified School District	75,000
		Sacramento County District Attorney's Office	70,000
		Sacramento County Probation Department	20,000
	Urban Area Security Initiative	City of Auburn	8,000
		City of Folsom	165,000
		City of Lincoln	6,500
		City of Rocklin	16,000
		City of Roseville	438,940
		City of West Sacramento	273,500
		City of Woodland	33,500
		County of Placer	142,500
		County of Sacramento	650,000
		Foresthill Fire Protection District	5,000
		Newcastle Fire Protection District	2,000
		Penryn Fire Protection District	2,000
		Placer Hills Fire Protection District	3,800
		Sacramento Metropolitan Fire District	105,000
		South Placer Fire Protection District	12,000
		Subtotal Operating Grants \$	2,083,740
		Police Total \$	4,483,713
Youth, Parks & Community Enrichment			
	Community Reinvestment (SB 170)	Alchemist CDC OBO Community Connections 95820 Project	50,000
		Gender Health Center	250,000
		Grant Drum Line Music Association Program	75,000
		NeighborWorks Sacramento	250,000
		Our Daughter's Destiny	70,000
		Pesticide Action Network North America OBO International	
		Garden of Many Colors	50,000
		Sacramento City College	1,000,000
		Sacramento Girls on the Run	100,000
		Sacramento Hispanic Chamber of Commerce	150,000
		SCUSD - Hiram Johnson High School	1,000,000
		Sojourner Truth Museum	125,000
		Studio T Arts Urban Dance Academy	500,000
		UC Davis Childcare Center	4,380,000
		Yes2Kollege Educational Resources Inc	150,000
		Yisrael Family Farms	50,000
	Lower American River Parkway Public Access Improvements (SB 170)	Sacramento County	3,500,000
		Sacramento Regional Conservation Corps	100,000
		Sacramento Valley Conservancy	3,000,000
		Subtotal Other Capital Grants \$	14,800,000
	Ann Land & Bertha Henschel Memorial Fund Grant	Acc Senior Services	3,600
		Alchemist CDC	8,000
		Community Against Sexual Harm	3,600
		First Step Communities	10,000
		Meals On Wheels By Acc	9,000
		My Sister's House	8,000
		Reimagine Mack Road Foundation	7,680
		Repairing The Breach Neighborhood Project	4,500
		River City Food Bank	10,000
		Roberts Family Development Center	3,400

Schedule 7B (continued)
City Grant Awards

Department		Grantee	Amount Awarded
Grant Program Name			
Youth, Parks, & Community Enrichment (continued)		Sacramento LGBT Community Center	3,640
		Sacramento Loaves & Fishes	4,500
		Sacramento Regional Family Justice Center	6,000
		South Sacramento Christian Center	5,760
		South Sacramento Interfaith Partnership Food Closet	8,000
		Stanford Settlement Neighborhood Center	8,000
		The Salvation Army	5,200
		Weave, Inc.	10,000
		Wellspring Women's Center	6,000
		Women's Civic Improvement Club	3,480
		Women's Empowerment	10,000
		Subtotal Ann Land/Berthal Henschel Fund	\$ 138,360
		Youth, Parks & Community EnrichmentTotal	\$ 14,938,360
		Grand Total	\$ 85,373,923

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

The City is currently undergoing a citywide classification and compensation study as approved by Council. Until this is completed individual reclassification requests are not being considered. The following summarizes the next steps in this study.

- **Citywide Classification and Compensation Study**
The Human Resources Department is authorized to work with the Finance Department and all represented unions to review existing job classifications and compensation structures for positions in the City to ensure they are internally equitable and externally competitive.

FY2023/24 Proposed Budget

**Schedule 9
Multi-year Operating Projects (MYOPs)**

This section provides an overview of FY2023/24 appropriations to existing and new MYOPs. Appropriations will be transferred to the respective project July 1, 2023. The information is a general summary of MYOPs in each department by fund, project number, project name, budget as of March 2023, balance as of March 2023, and FY2023/24 funding amount.

Department Fund	Project Numer	Project Name	Total Project Budget as of March 2023	Estimated Balance as of March 2023	FY2023/24 Funding
City Clerk's Office					
General Fund	I04000100	Commission Stipends	-	-	50,850
Measure U	I04000100	Commission Stipends	-	-	33,900
Water	I04000100	Commission Stipends	-	-	3,500
New Measure A Streetscape, Safety, Pedestrian & Bicycling Fund	I04000100	Commission Stipends	-	-	5,500
			-	-	93,750
City Manager's Office					
General Fund	I06420000	Cannabis Policy and Enforcement	47,136,116	32,274,685	2,018,300
Innovation and Growth	E18000400	Powerhouse Science Center	3,000,000	163,628	400,000
	I02001500	City Hall Tech Program	625,000	354,803	125,000
	I02180100	Centene Emp Incentive	10,800,000	10,800,000	2,700,000
	I02180400	Forgivable Loan	2,301,000	2,267,833	500,000
	I02180900	Inclusive Economic Development	1,000,000	699,000	1,000,000
	I02182000	Financial Empowerment	685,000	19,991	450,000
	I02184000	Sacramento Economic Gardening	2,022,000	557,310	813,750
	I18000100	RAILS Grant Program	5,970,709	3,687,714	1,000,000
	I22000100	Specific Plans	-	-	132,000
	I80020500	Major League Soccer Stadium	2,100,000	951,102	300,000
Measure U	I01000300	Thousand Strong	1,911,954	1,284,214	750,000
	I02180910	Economic Development and Youth Priorities	10,350,000	7,775,465	300,000
		City Manager's Office Total	87,901,779	60,835,744	10,489,050
Community Development					
Development Services	I22000000	General Plan Update	18,974,122	7,510,879	2,266,000 ¹
General Fund	I22000000	General Plan Update	726,578	337,445	73,000
	I06000999	Fleet Acquisitions	-	-	83,630
Measure U	I06000999	Fleet Acquisitions	-	-	321,500
	I22000100	Specific Plans	4,635,256	2,475,872	1,200,000
Special Program Donations	I13000400	F.O.C.A.S.	3,705,706	761,440	250,000 ¹
		Community Development Total	28,041,662	11,085,636	4,194,130
Community Response					
Measure U	I02000200	Homeless Housing Initiative	22,796,022	3,935,623	2,146,000
	I23000100	Community Outreach	15,826,738	8,383,029	9,222,213
		Community Response Total	38,622,760	12,318,652	11,368,213
Convention and Cultural Services					
Community Center	I02181100	Creative Edge	-	-	500,000
Innovation and Growth	I02181100	Creative Edge	-	-	1,000,000
Measure U	I17000700	Cultural Arts Awards	114,000	114,000	114,000
		Convention and Cultural Services Total	114,000	114,000	1,614,000
Finance					
Downtown Impact Fee	I06132110	Central City Fee District	125,000	25,000	100,000
NNFP Drainage Fee	I22200100	N Natomas Admin Control	284,940	50,000	25,000
	I22200600	Basin 6 Drainage	3,438,343	755,701	300,000
NNFP Pub Land Acquisition	I22200100	N Natomas Admin Control	546,313	42,313	50,000
NNFP Public Facilities Fee	I22200100	N Natomas Admin Control	1,911,423	115,331	200,000
Railyards Impact Fee	I06132100	Railyards Fee District	75,000	45,111	50,000
River District Impact Fee	I06132120	River District Fee District	75,000	38,033	25,000
		Finance Total	6,456,019	1,071,489	750,000
Fire					
General Fund	I06000999	Fleet Acquisitions	-	-	1,664,500
		Fire Total	-	-	1,664,500
Human Resources					
Risk	E08000100	Driver Training Program	1,739,000	612,476	100,000 ¹
	I06000999	Fleet Acquisitions	-	-	133,560
		Human Resources Total	1,739,000	612,476	233,560
Information Technology					
General Fund	I07000900	Webgrant Restructuring Program	1,149,558	76,731	260,000
Measure U	I07001100	Digital Equity	200,000	-	200,000
		Information Technology Total	1,349,558	76,731	460,000

¹These are reimbursable projects and have corresponding revenue budgets.

²New MYOPs

FY2023/24 Proposed Budget

Schedule 9 (continued)
Multi-year Operating Projects (MYOPs)

Department Fund	Project Numer	Project Name	Total Project Budget as of March 2023	Estimated Balance as of March 2023	FY2023/24 Funding
Police					
General Fund	I06000999	Fleet Acquisitions			5,171,699
	I11002300	Police Observation Devices (PODs)	174,786	30,677	30,999
	I11002400	Police Impact Teams	3,408,220	666,113	583,664
	I11002500	Police ShotSpotter Gunshot Detection System	767,200	21,833	320,892
	I11002700	Police Information Technology Infrastructure	946,562	739,800	482,747
Measure U	I11003000	Gang Prevention and Intervention	1,411,696	406,678	1,398,567
	I11003100	Family and Youth Investments	1,300,000	56,000	1,300,000
	I11003200	OVP Disruption, Response, Intervention & Prev	-	-	1,000,000 ²
Police Total			8,008,464	1,921,100	10,288,568
Public Works					
General Fund	I06000999	Fleet Acquisitions	-	-	386,950
	I13000100	Electrical Safety Program	730,259	42	100,000
	I15230200	Disability Advisory Commission	19,200	359	25,050
Measure U	I15200200	Illegal Dumping	3,142,219	188,219	970,000
	I15220300	Sustainability Program (PW)	273,986	127,789	300,000
Parking	I15001000	SVS Operations and Management	1,084,000	178,568	221,000
	I15001211	City of Festivals Program	1,389,000	109,775	100,000
Solid Waste	I06000999	Fleet Acquisitions	-	-	6,975,000
	I14120200	Solid Waste Outreach	3,468,834	973,800	200,000
	I14120500	Solid Waste Container Replacement	15,693,245	284,839	1,800,000
Gas Tax	I06000999	Fleet Acquisitions	-	-	2,975,000
	I15221700	Transportation Planning	500,000	411,843	250,000
Landscaping & Lighting	I06000999	Fleet Acquisitions	-	-	607,000
Fleet	I06000999	Fleet Acquisitions	-	-	50,000
Public Works Total			26,300,743	2,275,234	14,960,000
Utilities					
Storm Drainage	I14100000	Storm Drainage Planning and Management	18,014,836	1,919,886	1,885,261
Storm Drainage Property Fee	I14100000	Storm Drainage Planning and Management	1,250,000	1,250,000	1,700,000
Wastewater	I06000999	Fleet Acquisitions	-	-	1,445,000
	I14600000	Wastewater Planning and Management	14,396,253	5,561,465	1,667,077
Water	I06000999	Fleet Acquisitions	-	-	645,000
	I14400000	Water Planning and Management	28,061,689	5,154,115	2,825,282
Utilities Total			61,722,778	13,885,466	10,167,620
Youth, Parks, and Community Enrichment					
General Fund	I19101100	Oak Park Clinic Building Maintenance	210,854	210,854	56,726
	I19101200	Cesar Chavez Park Maintenance	81,141	75,948	24,764
Measure U	I06000999	Fleet Acquisitions	-	-	1,833,345
	I19143000	Youth Sports Field Permit Program	570,000	570,000	200,000
Youth, Parks, and Community Enrichment Total			861,995	856,802	2,114,835
Citywide and Community Support					
ARPA Reinvestment Fund	I02000200	Homeless Housing Initiative	-	-	223,710
	I11002800	Public Records Staffing	2,258,754	1,162,283	1,413,036
	I11002900	2021 CHP Grant	2,264,059	2,247,520	1,777,703
	I21000400	Building Compliance Unit Night Team	1,018,353	633,507	698,705
	I21008500	Animal Services for Homeless Response	753,230	580,105	(223,710)
General Fund	I80000100	Measure L Youth Funding	-	-	8,786,500 ²
	I80310000	Citywide Litigation Project	2,538,686	1,573,268	500,000
Measure U	E18000400	Powerhouse Science Center	600,000	600,000	600,000
	I02181400	Fare Free Transit for Youth	2,750,000	-	1,000,000
	I14130100	Utility Rate Assistance Program	4,772,720	1,510,381	5,300,000
	I15220100	SPLA Maintenance Program	800,000	365,653	400,000
Citywide and Community Support Total			17,755,802	8,672,716	20,475,944
Grand Total			\$ 278,760,560	\$ 113,612,046	\$ 87,260,170

¹These are reimbursable projects and have corresponding revenue budgets.

²New MYOPs

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

This section provides the five-year projected Net Debt Service by fund, which is Debt Service expenses less revenues and offsets.

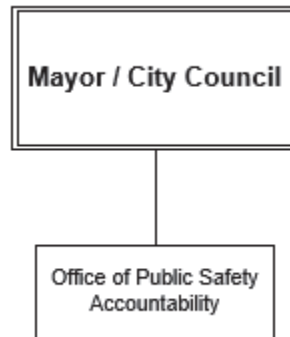
Fund Type	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28
<u>Governmental Funds</u>					
General Fund	\$ 16,951	\$ 16,578	\$ 16,567	\$ 16,631	\$ 16,858
Subtotal Governmental Funds	16,951	16,578	16,567	16,631	16,858
<u>Enterprise Funds</u>					
Community Center	19,219	19,219	19,218	19,220	19,220
Parking	10,077	9,781	9,577	9,680	8,783
Solid Waste	1,677	1,674	1,667	1,667	1,668
Storm Drainage	235	233	232	233	233
Wastewater	3,911	3,910	3,913	3,911	3,909
Water	36,016	36,004	35,996	35,984	35,977
Subtotal Enterprise Funds	71,135	70,821	70,604	70,694	69,791
<u>Internal Service Funds</u>					
Fleet Management	46	45	45	45	45
Worker's Compensation Fund	(60)	(54)	(48)	(42)	(36)
Subtotal Internal Service Funds	(14)	(9)	(3)	3	9
<u>Other Governmental Funds</u>					
2006 CIRBs, Series B (CRCIP)	-	312	312	241	-
2015 Golden 1 Center Revenue Bonds	406	460	404	47	677
Golf	435	435	435	435	435
Innovation and Growth	1,100	1,100	1,100	1,100	1,100
Marina	1,182	1,207	1,257	1,257	1,257
NNFP Public Facilities Fee	587	573	577	579	582
NNFP Reg Park Land Acquisition	846	825	831	834	838
Sacramento TID	2,740	2,742	2,742	2,739	2,743
Subtotal Other Governmental Funds	7,297	7,655	7,658	7,232	7,633
Total	\$ 95,369	\$ 95,045	\$ 94,825	\$ 94,560	\$ 94,291

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SECTION - 7 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 financially sound.



The **Mayor and City Council (Council)** pass City ordinances, provide administrative direction and authority by resolution, approve new programs, and approve the annual budget. The Council acts as Sacramento’s Financing Authority, Housing Authority, Public Financing Authority, and Redevelopment Agency Successor Agency. They also appoint the City’s Charter Officers (City Attorney, City Auditor, City Clerk, City Manager, and City Treasurer) 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.
- **Office of 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

- Provide work experience opportunities in the Mayor’s and City Council Offices to high school and college youth through the City’s volunteer internship program, Thousand Strong program, and various university and fellowship programs.
- Sponsor and/or organize community events such as movie nights, musical entertainment, holiday celebrations, cultural celebrations, community resources, and farmer’s markets to enhance the communities’ experience of living in the City.
- Financially support community organizations that provide services to City residents in the areas of racial equity, health and wellness, homelessness, teen learning, arts and culture, and youth sports.

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- Hold ongoing community meetings throughout the City to share information and gather ideas that support and connect residents to one another and local government.
- Through the ceremonial resolution process, recognize community-oriented civic celebrations, causes, issues, companies, organizations, and individual residents that have achieved notable milestones or made contributions to the city and/or community. Also, honor and recognize the passing of residents.
- Issue Keys to the City via the Mayor’s Office for residents reaching the 100-year milestone birthday or who have demonstrated remarkable service to the City throughout their life.

DEPARTMENT EFFICIENCIES

- Utilizing the 311 system and integrated constituent management system to support constituents in tracking neighborhood complaints and requests for service.

OBJECTIVES FOR FY2023/24

- Continue evaluating and incorporating new and existing information technology tools to achieve sustainable services, increase transparency, and strengthen community engagement.
- Continue using websites and social media to share information and to communicate in a timely fashion with the community on issues of interest and impact.
- 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. Printed materials will be made available to constituent communities, as necessary.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Mayor/Council	Increase Mayor/Council District funding by \$50,000 each to provide resources to address neighborhood, community, and business needs.	General	-	450,000	-
Total Change			\$ -	\$ 450,000	-

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Department Budget Summary

Mayor/Council Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended*	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
Employee Services	\$ 6,132,981	\$ 6,626,779	\$ 6,517,407	\$ 6,517,407	\$ 7,253,160	\$ 735,753
Other Services and Supplies	397,527	600,868	1,007,817	2,882,358	827,388	(2,054,970)
City Property	3,681	17,704	2,000	2,000	2,000	-
Multi-Year Operating Projects	-	-	4,950	4,950	4,950	-
Labor and Supply Offset	(129,423)	(43,443)	-	-	-	-
Total	\$ 6,404,766	\$ 7,201,907	\$ 7,532,174	\$ 9,406,715	\$ 8,087,498	\$ (1,319,217)

*The Amended FY2022/23 Budget includes carryover of unspent FY2021/22 Budget and/or transfers to capital projects.

Funding Summary by Fund/Special District	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended*	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
General Fund	\$ 4,961,591	\$ 4,927,365	\$ 5,080,035	\$ 6,954,576	\$ 5,642,077	\$ (1,312,499)
Interdepartmental Service	1,443,175	1,433,202	1,503,943	1,503,943	1,477,587	(26,356)
Measure U	-	841,340	948,196	948,196	967,834	19,638
Total	\$ 6,404,766	\$ 7,201,907	\$ 7,532,174	\$ 9,406,715	\$ 8,087,498	\$ (1,319,217)

*The Amended FY2022/23 Budget includes carryover of unspent FY2021/22 Budget and/or transfers to capital projects.

Division Budget Summary

Mayor/Council Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended*	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
Office of the Mayor	\$ 1,660,805	\$ 1,885,366	\$ 1,847,639	\$ 2,073,914	\$ 1,914,776	\$ (159,138)
City Council District 1	467,219	544,439	271,353	572,735	650,611	77,876
City Council District 2	460,518	454,544	592,042	849,420	650,611	(198,809)
City Council District 3	516,514	615,343	271,353	391,273	650,611	259,338
City Council District 4	529,676	515,195	592,042	787,879	650,611	(137,268)
City Council District 5	519,620	641,304	271,353	383,563	650,611	267,048
City Council District 6	501,257	664,941	271,353	791,451	650,611	(140,840)
City Council District 7	472,769	546,331	592,042	861,586	650,611	(210,975)
City Council District 8	577,444	493,104	592,042	784,629	650,611	(134,018)
Mayor Council Operations Division	-	-	1,282,759	962,069	-	(962,069)
Office of Public Safety Accountability Division	698,944	841,340	948,196	948,196	967,834	19,638
Total	\$ 6,404,766	\$ 7,201,907	\$ 7,532,174	\$ 9,406,715	\$ 8,087,498	\$ (1,319,217)

*The Amended FY2022/23 Budget includes carryover of unspent FY2021/22 Budget and/or transfers to capital projects.

Staffing Levels

Mayor/Council Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
Office of the Mayor	12.00	12.00	12.00	15.00	15.00	-
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 Public Safety Accountability Division	5.00	5.00	5.00	5.00	5.00	-
Total	37.00	37.00	37.00	40.00	40.00	-

MEASURE U

The following chart summarizes the Office’s Measure U programs.

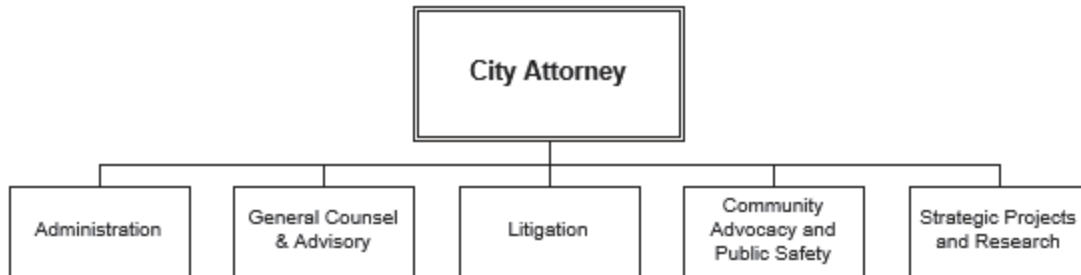
Funding Category	Program Name	FTE	FY2023/24 Proposed
Community Response			
Operations	Office of Public Safety Accountability	5.00	962,884
Miscellaneous			
MYOP	Commission Stipends	-	4,950
Grand Total		5.00	\$ 967,834

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SECTION - 8 **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 **Office of the City Attorney** serves as legal counsel to the City 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 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 its related entities. The City Attorney's Office is organized into four operational divisions and an administration division.

- **Administration:** Develops and implements office policies and procedures; monitors overall office performance; prepares and administers the office budget; develops and implements education and training; handles all personnel hiring, evaluation, and other personnel matters; assembles and analyzes office productivity data, including the production of an annual report; and engages in long-range planning.
- **General Counsel & Advisory Division:** Provides advisory and transactional advice and support to charter offices and city departments on all aspects of municipal law including: Brown Act; Public Records Act; CEQA and National Environmental Policy Act (NEPA); water law; propositions 26 and 218; public bidding, construction and procurement; contract negotiation, drafting and review; prevailing wages; transportation modes; real estate procurement, conveyance and leasing; solid waste disposal; landfill regulation; and various other areas of municipal law.
- **Litigation Division:** Defends and prosecutes civil litigation cases on behalf of the City and its officers and employees acting in the course and scope of employment; and provides legal support to Risk Management.

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- Community Advocacy & Public Safety Division: Works 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 & Research Division: Provides strategic support to the City Council's policymaking function by providing legal advice and response on multi-departmental projects and Council initiatives, including issues of homelessness, economic development, cannabis regulations, and emergency management.

PROGRAMS/SERVICE HIGHLIGHTS

General Counsel & Advisory

- Aided in the drafting of a first-in-the-nation ordinance creating a youth liaison to City Council, to enhance youth participation at Council meetings.
- Assisted City staff (planning division and utilities department) in drafting ordinances for alternate water systems (dual plumbing) and prohibiting gas infrastructure for certain new buildings of three stories or less.
- Assisted the planning division and building division in enacting an ordinance making local amendments to the 2022 California Green Standards Code that prohibited gas infrastructure for certain new buildings three stories or less.
- Advised the Community Development Department on the drafting of the 2040 General Plan (scheduled for adoption in 2023).
- Advised on the implementation of new housing laws on topics including accessory dwelling units, ministerial housing approvals, urban lot splits, and issues raised under the Housing Accountability Act and advised on several housing projects that will bring much needed housing to the City, including Joshua's House, which will provide a place to stay and comfort care to terminally ill individuals experiencing homelessness.

Litigation & Human Resources

- Led the Officer Involved Shooting Response Team, which responds to these critical incidents to perform real-time information gathering and early liability assessment.
- *Khous Vang v. City of Sacramento*: Plaintiffs alleged civil rights violations and wrongful death in this officer-involved shooting case. Senior Deputy City Attorneys Sean Richmond and Matthew Day tried the case in Federal Court. The result was a hung jury heavily favoring the City.

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- Represented the City in many discipline arbitrations involving many Departments and issues ranging from terminations and suspensions to compensation and seniority issues.
- *Angela Updegraff v. City of Sacramento*: This case involved a tree branch that fell and struck Plaintiff, causing significant injuries. Senior Deputy City Attorneys Chance Trimm and Matthew Day tried the case in Superior Court and obtained a defense verdict.
- *Curtis Luckey v. City of Sacramento*: Plaintiff alleged he was falsely arrested by the Sacramento Police Department. Division attorneys filed a motion for summary judgment which the Superior Court granted, resulting in judgment in favor of the City.

Community Advocacy & Public Safety

- Continued to close illegal residential cannabis grow houses and collect a substantial amount of administrative and civil penalties.
- Led the Justice for Neighbors team to abate social and physical nuisance properties throughout the City.
- Assisted the Department of Community Response and the City Manager's Office with producing the Citywide Homelessness Response Protocols establishing a priority ranking system to address encampments and criteria for removal.
- Assisted the Police Department with training and producing confidential police personnel records pursuant to Senate Bill 1421 and Assembly Bill 748 state disclosure laws.
- Assisted the Police Department with training and guidance on petitioning the courts for emergency gun violence restraining orders against persons posing a danger to self or others.

Strategic Projects & Research

- Emergency Shelter and Enforcement Act of 2022 (ESEA). Drafted and advised on the voter approved ESEA, as well as the related homelessness partnership agreement between the City and County of Sacramento, and the City's and County's collaboration protocol; all of which commit the City and County to work together to address the local homelessness crisis, with a focus on unified outreach, enrollment of services, mental health services, and temporary and permanent housing.
- Railyards Community Facilities District (CFD) Special Tax Bonds, Series 2022. Represented the City in the \$30 million bond issuance for the Railyards CFD, which included the review and revision of the master indenture, supplement indenture, bond purchase agreement, and the preliminary official statement. The Bond proceeds are expected to be used for the acquisition and construction of a storm drainage pump station and outfall facility as well as other water and storm

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drain improvements, roadways and traffic improvements, and landscaping and park improvements.

- La Familia Opportunity Center Grant Agreement. Drafted a \$2 million grant agreement between the city and La Familia Counseling Center, Inc., for the acquisition and construction of the La Familia Opportunity Center. The Center will serve as a community hub and provide critical services and resources to some of the city's most disadvantaged neighborhoods.
- Public Benefits and Mixed Income Housing Policy. Assisted with the adoption of the policy and the completion of the first policy project with CT Gateway LLC at 3400-3401 Stockton Blvd. The project involved a \$15 million investment for 230 units, with 161 affordable housing units, including low- and moderate-income units. This project contributes to the City's efforts to reduce homelessness by increasing the number of affordable housing units in the city and by utilizing non-housing city funds to create a public benefits fund to produce more projects that support the community.
- Railyards Infrastructure Grant Project Delivery Agreement. Drafted a project delivery agreement between the city and the master developer of the Railyards project, Downtown Railyard Venture, LLC, under which the city will provide up to \$30 million in State-allocated funds for the design and construction of public infrastructure that will spur development in the Railyards.

DEPARTMENT EFFICIENCIES

- Implemented return to work plan formulated last FY using current COVID-19 protocols and health orders, and allowing for flexible staff hours, thus minimizing impact on City Hall resources.
- Incorporating new office space CH4131 to existing City Attorney suite, minimizing costs by using carryover budget, utilizing existing furnishings and electronic equipment where possible.
- Currently reducing hard copy materials contained in the City Attorney's resource library and converting hard copy publications to electronic where possible, to better facilitate the new hybrid work environment, and reduce staff resources needed for manual publication updates.
- Cooperatively sourced e-discovery software with the City Clerk and IT Department to allow for efficient handling of PRA documents and emails, and case related documents, resulting in greater accuracy in data and record management, and legal compliance.

OBJECTIVES FOR FY2023/24

- Follow through with process put in place to enhance the Office Diversity, Equity and Inclusion goals designed to improve internal commitment for recruitment and hiring, outreach to the community, and operations within the City Attorney's Office.
-

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- Continue to advise the Council and City departments regarding recent changes to cannabis laws and regulations, and the ongoing development of the Cannabis Opportunity Reinvestment and Equity program.
- Assist the Council and City Manager with interpretation and implementation of recently passed Measure L (Sacramento Children & Youth Health and Safety Act); Measure M (Redistricting); Measure N (Sacramento Tourism and Economic Development Facilities); and Measure O (Emergency Shelter Act).
- Assist the Council and City Manager with issues related to the cancellation of the statewide emergency related to COVID-19, and citywide impacts including the health and safety of employees and citizens, economic recovery, access to available funding, and return-to-work protocols.
- Provide citywide training through City U courses to include Public Records Act, public contracting, First Amendment issues, and the Brown Act.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
City Attorney	Increase service and supplies budget to cover existing operational costs and other needed ongoing items.	General	-	212,858	-
City Attorney	Increase for Officer Involved Shooting standby pay per Sacramento City Exempt Employees Association labor agreement.	General	-	23,725	-
Total Change \$			-	\$ 236,583	-

Department Budget Summary

City Attorney Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
Employee Services	\$ 10,889,645	\$ 12,308,760	\$ 13,045,497	\$ 13,045,497	\$ 13,987,257	\$ 941,760
Other Services and Supplies	323,364	440,580	318,392	479,938	529,466	49,528
City Property	8,819	33,163	13,750	13,750	13,750	-
Labor and Supply Offset	(1,227,831)	(1,233,585)	(1,432,284)	(1,432,284)	(1,547,991)	(115,707)
Total	\$ 9,993,998	\$ 11,548,917	\$ 11,945,355	\$ 12,106,901	\$ 12,982,482	\$ 875,581

Funding Summary by Fund/Special District	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
General Fund	\$ 7,378,195	\$ 8,638,526	\$ 8,990,539	\$ 9,152,085	\$ 10,467,827	\$ 1,315,742
City/Cnty Office-Water Planning	10,000	12,457	13,684	13,684	14,257	573
Interdepartmental Service	2,395,712	2,432,221	2,426,557	2,426,557	1,983,763	(442,794)
Measure U	-	229,033	254,577	254,577	245,744	(8,833)
Storm Drainage	42,018	42,602	46,526	46,526	48,475	1,949
Wastewater	42,018	47,336	52,000	52,000	54,178	2,178
Water	126,055	146,742	161,472	161,472	168,238	6,766
Total	\$ 9,993,998	\$ 11,548,917	\$ 11,945,355	\$ 12,106,901	\$ 12,982,482	\$ 875,581

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Division Budget Summary

City Attorney Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
City Attorney Division	\$ 9,993,998	\$ 11,548,917	\$ 11,945,355	\$ 12,106,901	\$ 12,982,482	\$ 875,581
Total	\$ 9,993,998	\$ 11,548,917	\$ 11,945,355	\$ 12,106,901	\$ 12,982,482	\$ 875,581

Staffing Summary

City Attorney Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
City Attorney Division	59.00	62.00	62.00	62.00	62.00	-
Total	59.00	62.00	62.00	62.00	62.00	-

MEASURE U

The following chart summarizes the Office's Measure U programs.

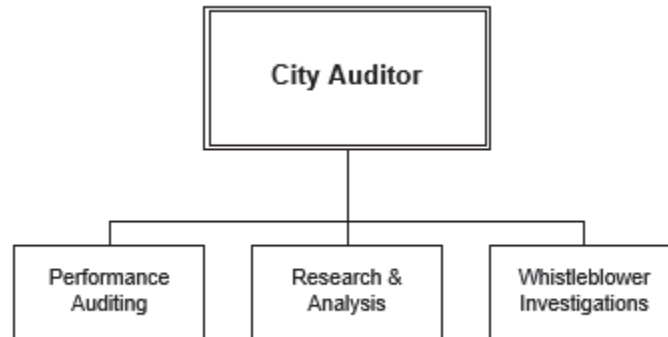
Funding Category	Program Name	FTE	FY2023/24 Proposed
Community Response			
Operations	City Attorney Department	-	245,744
Grand Total		-	\$ 245,744

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SECTION - 9 **City Auditor**

City Auditor

The mission of the Office of the City Auditor is to provide a catalyst for improvements of municipal operations, promote credible, efficient, effective, fair, focused, transparent, and a fully accountable City Government.



The **Office of the City Auditor** is an essential element of the City of Sacramento's public accountability, built on the standards of independence, objectivity, and technical accuracy. The audit process involves verifying compliance with laws and regulations, identifying internal control weaknesses and failures, and assessing whether the City has acquired and used its resources efficiently. The Office of the City Auditor conducts performance audits in accordance with Generally Accepted Government Auditing Standards and has strict quality assurance programs to ensure that staff exercise due professional care, adequately plan audits, and prepare work papers that contain sufficient and compelling evidence to support any statements of fact in its audit reports. The Office of the City Auditor consists of the following operations:

- **Performance Auditing:** 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.
- **Research and Analysis:** Provides independent, objective, and reliable research and analysis related to a wide variety of topics including revenues, expenditures, diversity, and community livability.
- **Whistleblower Investigative Audits:** Conducts investigative audits of allegations of potential improper government activities (i.e. fraud, waste, or abuse) reported through the City's whistleblower hotline.

PROGRAMS/SERVICE HIGHLIGHTS

- Developed an Annual Work Plan using several quantitative and qualitative techniques, sources, and stakeholder input to identify areas of high audit and research potential.

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- Continued to be a leader in providing diversity information related to the City's workforce. Issued the 2021 Audit of City Employee Workforce Diversity and Salary Trends. Conducted a workplace survey of City employees to gather feedback on workplace climate, leadership opportunities, and discrimination in relation to the City's diversity and inclusion efforts; results were published in a summary report and interactive dashboards on the City Auditor's website.
- Issued an Audit of the City's Financial Condition. This report provided detailed analysis of the City's financial health using two methodologies. The analysis found that although the COVID-19 pandemic impacted the City's financial condition in fiscal years 2020 and 2021, Sacramento's financial condition slowly improved during the review period and Sacramento is performing better than many of its peers. However, its performance on the debt and solvency ratios lagged the peer group.
- Issued an audit of the City's funding to Wide Open Walls (WOW) and David Sobon Events. The audit found that the City executed a contract with DSE, when WOW was the actual service provider and that the City provided WOW with two \$25,000 sponsorships to fund the Del Paso mural project without written agreements. Both of these issues compromised the City's ability to audit the funding provided to the two organizations.
- Conducted a Community Survey of Sacramento residents to understand how they feel about the quality of services provided, facets of livability, use of resources, and present and future needs of the community as a whole.
- Issued an Audit of the City's Cannabis Code Enforcement Unit (CCEU). This audit made eleven recommendations aimed at improving the City's cannabis code enforcement processes, developing policies and procedures, and establishing performance metrics.
- Issued Language Access Gap Analysis, Survey Results, and Policy Recommendations. The Office partnered with Nimdzi Insights, LLC to conduct the work. The report made 16 recommendations aimed at improving language access services.
- Monitored the status of over 140 open audit recommendations by conducting follow-up reviews every six months.
- Conducted investigative audits of various whistleblower allegations regarding potential improper government activities (i.e., fraud, waste, or abuse).

DEPARTMENT EFFICIENCIES

- Continued our agreement with Missionmark to explore the potential for developing audit software that will streamline internal audit processes and reduce processing time. Areas for improvement currently under review include report indexing, supporting documentation referencing, and time tracking.

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- Managed online dashboards that provide the public with interactive information on the status of whistleblower investigations, audit recommendations, and gender and ethnic composition of City employees.

OBJECTIVES FOR FY2023/24

- Improve the efficiency and effectiveness of City operations by performing audits and conducting independent research and analysis.
- Deter and detect improper government activities (i.e., fraud, waste, or abuse) by managing the City's Whistleblower Hotline and conducting investigative audits of whistleblower allegations.
- Provide work experience opportunities (internships) to college and high school students focused on building meaningful skill sets that will aid the students in obtaining full-time employment.

Department Budget Summary

City Auditor Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
Employee Services	\$ 1,404,193	\$ 1,763,346	\$ 1,709,032	\$ 1,709,032	\$ 1,847,344	\$ 138,312
Other Services and Supplies	109,683	90,066	163,581	163,581	163,581	-
City Property	5,725	6,066	5,000	5,000	5,000	-
Labor and Supply Offset	(150,357)	(153,391)	(163,233)	(163,233)	(168,553)	(5,320)
Total	\$ 1,369,244	\$ 1,706,088	\$ 1,714,380	\$ 1,714,380	\$ 1,847,372	\$ 132,992

Funding Summary by Fund/Special District	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
General Fund	\$ 894,435	\$ 1,125,369	\$ 1,100,904	\$ 1,100,904	\$ 1,271,362	\$ 170,458
Interdepartmental Service	449,428	455,925	476,696	476,696	427,958	(48,738)
Storm Drainage	4,568	22,463	24,620	24,620	26,649	2,029
Wastewater	5,076	24,959	27,356	27,356	29,611	2,255
Water	15,736	77,372	84,804	84,804	91,792	6,988
Total	\$ 1,369,244	\$ 1,706,088	\$ 1,714,380	\$ 1,714,380	\$ 1,847,372	\$ 132,992

Division Budget Summary

City Auditor Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
Performance Auditing Division	\$ 889,843	\$ 1,184,564	\$ 1,138,153	\$ 1,138,153	\$ 1,269,660	\$ 131,507
Research & Analysis Division	479,401	521,523	576,227	576,227	577,712	1,485
Total	\$ 1,369,244	\$ 1,706,088	\$ 1,714,380	\$ 1,714,380	\$ 1,847,372	\$ 132,992

Staffing Levels

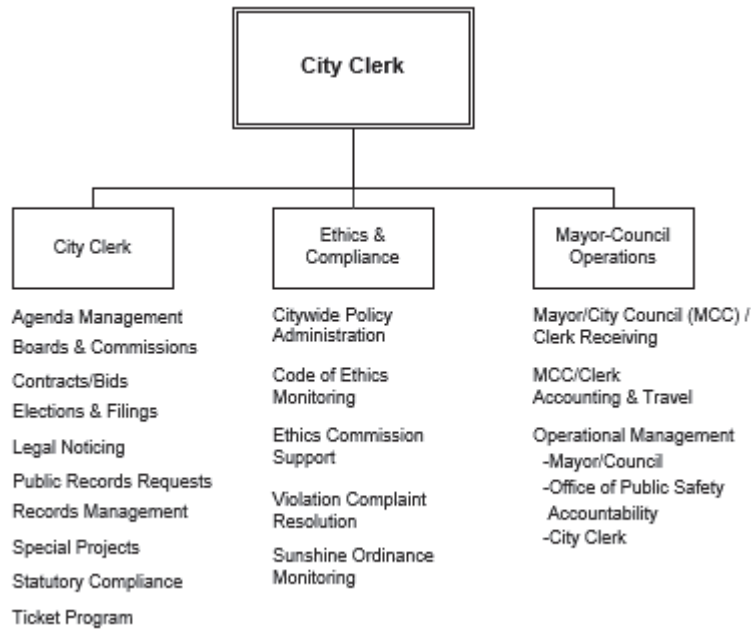
City Auditor Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
Performance Auditing Division	7.00	7.00	7.00	7.00	7.00	-
Research & Analysis Division	3.00	3.00	3.00	3.00	3.00	-
Total	10.00	10.00	10.00	10.00	10.00	-

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SECTION - 10 **City Clerk**

City Clerk

The mission of the City Clerk’s Office is to provide quality public service and connect 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 can 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:** 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 Public Record Act (PRA) requests, administers 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 Official for the City and the Filing Officer for Fair Political Practices Commission requirements, and serves as the official custodian of the City Seal.

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- Mayor-Council Operations: Manages the administrative, personnel, and fiscal operations of the City Clerk's Office and Offices of the Mayor and Council, including the Office of Public Safety Accountability.
- 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

- 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 efficient 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.
- Provided training opportunities to City staff on procedures and resources associated with the Clerk's Office to maintain institutional knowledge and provided training on new policy and legal requirements to ensure compliance.
- Continued evaluation and implementation of new and existing information technology tools to achieve sustainable services, increase transparency, and provide new records and data to the public with an emphasis on virtual access.
- Continued to utilize Microsoft Teams for better collaboration and accountability between both in office and remote workers.

OBJECTIVES FOR FY2023/24

- Continue to utilize social media to communicate in a timely fashion with citizens on issues managed by the Clerk's Office.
 - Utilize new functionality in the Office 365 suite to reduce duplication and improve responses to PRA requests.
 - Continue to expand utilization of the CCM.
-

FY2023/24 Proposed Budget

- Continue to refine and expand our Boards and Commissions recruiting, onboarding, and ongoing training.
- Continue to evaluate and expand our programs and technology tools to create more efficient processes and products for staff and citizens.
- Optimize webpages associated with the Office of the City Clerk.

BUDGET AND POSITION CHANGES*

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
City Clerk*	Delete a position (1.0 FTE Deputy City Clerk) and add a new position (1.0 FTE Senior Deputy City Clerk) to better align with the duties and responsibilities of the position.	General	(110,127)	113,048	-
Total Change			\$ (110,127)	\$ 113,048	-

* Position offset amounts will be finalized in the Approved Budget.

Department Budget Summary

City Clerk Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
Employee Services	\$ 2,192,635	\$ 2,705,958	\$ 3,159,263	\$ 3,159,263	\$ 3,206,092	\$ 46,829
Other Services and Supplies	406,372	412,215	632,173	672,288	628,672	(43,616)
City Property	30,345	28,422	2,000	2,000	2,000	-
Multi-Year Operating Projects	-	-	500	500	2,250	1,750
Labor and Supply Offset	(1,930)	3,054	-	-	-	-
Total	\$ 2,627,423	\$ 3,149,649	\$ 3,793,936	\$ 3,834,051	\$ 3,839,014	\$ 4,963

Funding Summary by Fund/Special District	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
General Fund	\$ 1,668,288	\$ 2,155,907	\$ 2,787,197	\$ 2,827,312	\$ 2,697,965	\$ (129,347)
Interdepartmental Service	959,135	993,742	1,006,739	1,006,739	1,141,049	134,310
Total	\$ 2,627,423	\$ 3,149,649	\$ 3,793,936	\$ 3,834,051	\$ 3,839,014	\$ 4,963

Division Budget Summary

City Clerk Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
City Clerk Division	\$ 2,470,062	\$ 3,038,136	\$ 3,516,421	\$ 3,556,536	\$ 3,559,749	\$ 3,213
Office of Ethics & Compliance Division	78,040	50,039	187,795	187,795	189,545	1,750
Mayor-Council Operations Division	79,322	61,474	89,720	89,720	89,720	-
Total	\$ 2,627,423	\$ 3,149,649	\$ 3,793,936	\$ 3,834,051	\$ 3,839,014	\$ 4,963

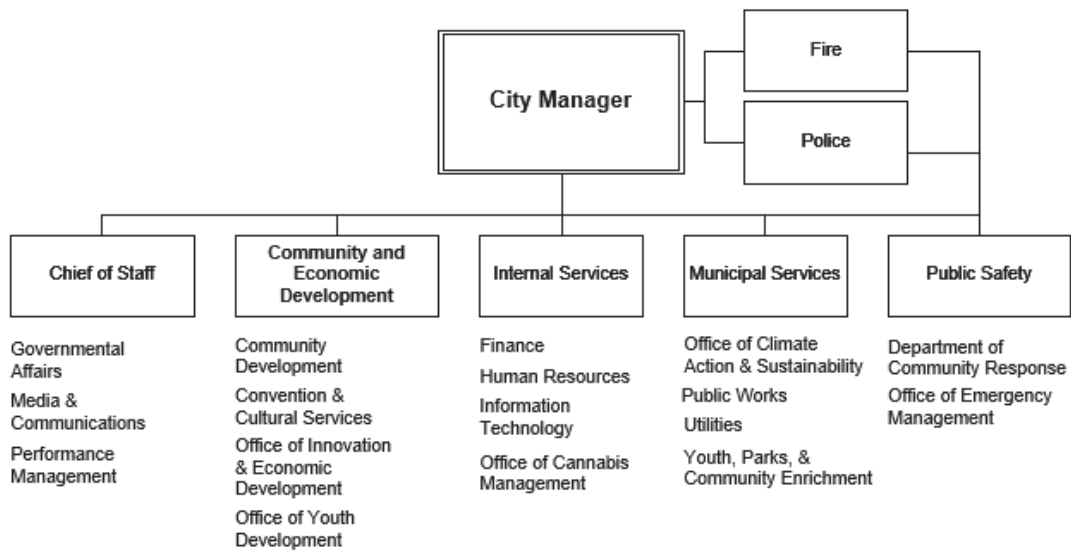
Staffing Levels

City Clerk Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
City Clerk Division	19.00	24.00	24.00	24.00	24.00	-
Total	19.00	24.00	24.00	24.00	24.00	-

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SECTION - 11 City Manager

City Manager



The **City Manager** is the Chief Executive Officer of the City and is responsible for the leadership and direction of all operations, programs, and services, per City Charter. The City Manager facilitates the implementation of Council’s policies and priorities, provides policy recommendations to the Council concerning the annual budget, future needs of the City, and oversight of all City departments. The City Manager’s Office (CMO) contains a wide-range of high-profile programs that handle issue-specific needs such as: Innovation and Economic Development, Media and Communications, Cannabis Management, Government Affairs, Emergency Management, Youth Development, Performance Management, and Climate Action and Sustainability.

It has been over three years since the beginning of the global pandemic and unprecedented health crisis. During this time, the Office has coordinated the allocation of \$89.6 million in Coronavirus Relief Funding. Those expenditures funded numerous response programs that resulted in approximately 1,400 loans to small businesses, 229 grants to small businesses to establish safe outdoor dining, workforce training for over 2,500 residents, extended learning programs for thousands of youth and 2,635 laptops and hot spots to name a few. As we transition from response to recovery, the Office has worked with many departments to implement the Mayor and Council approved priorities in the areas of Small Business and Commercial Corridor Revitalization, Homeless and Housing, Arts and the Creative Economy, and Valuing City Employees and Addressing Organizational Needs. To date, \$111,599,609 of the \$112.2 American Rescue Plan Act (ARPA) fundings has been obligated towards over 30 projects and programs including clean and safe for the corridors, COVID-19 vaccination awareness campaign, arts and cultural grants, small business technical assistance, youth summer programming, and housing assistance. Our Office will continue to work closely with residents, small businesses and community-based organizations as we lead the city through the economic recovery.

PROGRAMS/SERVICE HIGHLIGHTS

Chief of Staff

- The Office of Governmental Affairs provides oversight and coordinates and develops policies for local, state, and federal legislative activities including management of the City's contract lobbyists. The Office identifies state and federal funding opportunities and works with lobbyists and elected officials to secure needed resources. 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.
- Media and Communications coordinated with all departments to share relevant information and engage citizens in important City services, projects and initiatives. This included managing a \$1 million contract with a third-party service provider to create a new COVID-19 vaccination outreach campaign, translating outreach materials into multiple languages, placing local media ads, working with media outlets both local and national and supporting events and workshops. Materials created and disseminated fostered neighborhood/community involvement, promoted access to civic, recreational and educational resources, and encouraged a safe and healthy environment for all.
- The Performance Management program provides accountability and supports decision-making to inform City operations and ensures that the City serves the community in the most effective and efficient way possible. All Departments track performance management data on their core operations and have developed dashboards to track high level outcomes.

Community and Economic Development

- The Office of Innovation and Economic Development (OIED) focuses on opportunities to support and increase job creation, business growth, and development activities. Accomplishments for the office in the last fiscal year include continuing deploying state and federal funds for economic recovery programs including Food Access; Al Fresco Dining; Small Business Technical Assistance; Workforce Development; Childcare, Housing Development, Commercial Corridor Support; Emergency Rental Assistance; Financial Empowerment Center Expansion; and Outreach and Engagement.
- The OIED led the effort to approve financing of 889 new residential units and the rehabilitation of 70 to 100 existing affordable units. Approval and implementation of the Aggie Square Anti-displacement and Housing Stabilization program.
- Creation of the Nighttime Economy position in OIED to serve as a liaison with the City, business partners and the community to collaboratively address the issues facing entertainment and nighttime economy.

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- OIED concluded the second cohort of the Economic Gardening Program 2.0 which assisted 10 small businesses by pairing them with business experts who assisted them in developing growth strategies. The participating businesses experienced revenue and employment growth.
- The OIED Community Engagement Team launched a Community Ambassador Program to bring trusted messengers to the community.
- The Office of Youth Development (OYD) continues to onboard team members and is charged with deepening systems-wide integration of the Citywide Youth Development Plan & Framework (Plan) and facilitating greater cohesion across multiple stakeholders, systems and priorities that touch young people. Over the past year, the Youth Development Policy Manager continues to manage multiple citywide projects and grant programs in-line with Plan goals and in response to pandemic impacts/emergent youth needs, including the highly successful #SacYouthWorks program; continues to manage the \$6 million FY2020/21 midyear allocation to children and youth services including the City of Sacramento Youth Development Plan Funding Grant Program. The OYD has begun designing the competitive solicitation and grant-making processes for FY2021/22 midyear allocation to support children and youth organizations with general operating support and capacity building.
- The Office of Cannabis Management (OCM) coordinates cannabis policy and outreach. OCM administers the local cannabis equity program, reviews and processes cannabis business permits, which includes the oversight and coordination of an interdepartmental team to ensure the safe and legal operation of cannabis businesses and provides logistical support for cannabis administrative appeal hearings. OCM operates a \$1.5 million local equity grant and zero-interest loan program funded by state equity grants, helps fund a youth cannabis education and prevention program, and is leveraging technology upgrades in compliance with State requirements to migrate provisional license holders to annual licenses. OCM has also implemented a marketing program for local equity cannabis businesses.

Municipal Services

- The Office of Climate Action and Sustainability leads City efforts to address climate change and achieve a resilient, carbon zero future. The Office continues to support the Climate Implementation Work Plan and development of the City's Climate Action and Adaptation Plan. Work underway includes support for the City's electrification initiatives and transportation work, in addition to climate communications, coordination, and air quality monitoring partnership.

Public Safety

- Office of Emergency Management (OEM) coordinates internal and allied agency communication, planning, preparedness, response, and recovery during all hazards affecting the city, including managing activations of Crisis Action Teams and the Emergency Operations Center. During the last fiscal year, staff responded

to several crises including severe weather, civil unrest, and wildfires. Additionally, staff updated several internal and interagency plans and memorandums of understanding (MOU) to improve cohesion and unified response with other government agencies and non-government organizations.

OBJECTIVES FOR FY2023/24

- The OYD team will finalize the design and begin formal implementation of the City's first evaluation, learning and continuous quality improvement system (CQI System) to be applied across all youth investments while centering racial equity and social justice, these broad areas include: Research, Data, Evaluation & Learning, Grants Administration & Management, Organizational & Professional Development, and Community Engagement & Strategic Partnerships.
- Aggregate and distill existing resolutions and strategic plans from across City departments that do or can impact youth in significant ways, into a focused Citywide Youth Action Plan centered on equity and inclusive of youth and community voice.
- Work closely with the City's Youth Workforce Manager to strengthen the City's youth workforce pipeline and develop/begin implementing a robust public sector pathway for young people.
- With a focus on equity and inclusion, continue to implement innovative approaches to strengthening Sacramento's workforce, neighborhoods, and commercial corridors.
- Implement the Climate Implementation Work Plan and related climate planning efforts, and coordinate for new state and federal funding opportunities.
- Create processes for department engagement and capacity building, while strengthening community collaboration.
- Continue to advance catalytic projects, like Aggie Square, in a way that maximizes inclusive economic opportunities for adjacent communities.
- Pursue opportunities to permanently implement programs, like Al Fresco, that were developed during the Pandemic and increase economic growth options for Sacramento's small businesses.
- Explore and implement policies to streamline housing development and increase the stock of housing opportunities at all levels.
- Continue to work closely with the Council in developing sound policies related to the cannabis industry and local cannabis equity, including monitoring of Department of Justice clearance results for cannabis businesses and community outreach regarding potential changes to City regulations for on-site consumption, administer a local cannabis equity no-interest revolving loan, create competitive grant opportunities to fund business start-up costs, reduce barrier of entry and

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provide comprehensive business support to cannabis entrepreneurs and meet State requirements transferring provisional license holders to annual licenses.

- Educate and inform parents and young people about the potential hazards of cannabis use by adolescents and teens.

BUDGET AND POSITION CHANGES*

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Economic Development	One time funding to expand export markets and promote job creation through direct foreign investments and international business.	Innovation and Growth	-	138,500	-
Media & Communications	Add a position (1.0 FTE Media and Communications Specialist) to increase the efficiency and effectiveness of the Media & Communications Division by assisting with public outreach and educational programs.	General	-	143,901	1.00
Nighttime Economy	Add two positions (1.0 FTE Economic Development Manager and 1.0 FTE Administrative Analyst) for the newly created Nighttime Economy Division in support of improving collaborative public safety efforts within the downtown core and business community.	Innovation and Growth	-	432,437	2.00
Office of Cannabis Management*	Delete a position (1.0 FTE Senior Staff Assistant) and add a position (1.0 FTE Administrative Technician) to assist with the quantity and complexity of the permit applications and to monitor updates and changes to grant reports and requirements. Position will be offset by the deletion of the position and a reduction in services and supplies.	General	(109,185)	106,901	-
Office of Emergency Services*	Delete two vacant positions (1.0 FTE Program Manager and 1.0 FTE Administrative Technician) and add two positions (1.0 FTE Program Specialist and 1.0 FTE Administrative Analyst) to align the needs of the department with the appropriate classification and to manage the workload and responsibility needed to maintain an effective and positive outcome to area hazards. Positions will be offset by the deletion of the positions and a reduction in services and supplies.	General	(292,340)	291,835	-
Total Change			\$ (401,525)	\$ 1,113,574	3.00

* Position offset amounts will be finalized in the Approved Budget.

Department Budget Summary

City Manager Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
Employee Services	\$ 10,299,076	\$ 10,204,399	\$ 11,859,812	\$ 11,859,812	\$ 12,494,582	\$ 634,770
Other Services and Supplies	1,402,120	2,000,501	2,501,620	2,657,606	2,767,031	109,425
City Property	26,740	58,274	24,326	24,326	24,326	-
Multi-Year Operating Projects	-	-	9,795,100	9,795,100	10,489,050	693,950
Transfers	(63,900)	(11,502)	-	-	-	-
Labor and Supply Offset	(2,196,557)	(249,776)	(129,075)	(129,075)	(129,075)	-
Operating Transfers	(149,112)	(107,136)	-	-	-	-
Total	\$ 9,318,367	\$ 11,894,761	\$ 24,051,783	\$ 24,207,769	\$ 25,645,914	\$ 1,438,145

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Department Budget Summary (continued)

Funding Summary by Fund/Special District	FY2020/21	FY2021/22	FY2022/23	FY2022/23	FY2023/24	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
General Fund	\$ 7,214,392	\$ 4,692,507	\$ 7,126,584	\$ 7,132,570	\$ 7,584,306	\$ 451,736
2003 North Sac TE TABS	-	-	9,000	9,000	9,000	-
Block Grant/Housing & Redev	-	-	29,250	29,250	29,250	-
Brnflid Revolving Loan Program	50,000	(100,000)	-	-	-	-
Innovation and Grow th	140,962	254,058	7,323,738	7,323,738	8,568,647	1,244,909
Interdepartmental Service	1,909,053	2,023,052	1,639,182	1,639,182	1,536,200	(102,982)
Measure U	3,960	5,025,143	7,924,029	8,074,029	7,918,511	(155,518)
Total	\$ 9,318,367	\$ 11,894,761	\$ 24,051,783	\$ 24,207,769	\$ 25,645,914	\$ 1,438,145

Division Budget Summary

City Manager Budget Summary	FY2020/21	FY2021/22	FY2022/23	FY2022/23	FY2023/24	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Office of the City Manager Division	\$ 3,941,637	\$ 4,353,173	\$ 3,886,438	\$ 3,892,424	\$ 4,063,413	\$ 170,989
Office of Cannabis Management Division	1,091,119	1,113,817	3,604,070	3,604,070	3,611,971	7,901
Office of Climate Action Initiatives Division	-	321,252	330,840	330,840	356,532	25,692
Office of Community Response Division	338,653	-	-	-	13,996	13,996
Office of Diversity and Equity Division	-	254,654	-	-	-	-
Office of Innovation & Economic Dev Division	2,387,627	4,623,094	14,282,306	14,432,306	15,620,057	1,187,751
Office of Emergency Management Division	551,372	428,342	602,639	602,639	605,225	2,586
Office of Violence Prevention Division	258,584	-	-	-	-	-
Office of Homeless Services Divsion	289,580	-	-	-	-	-
Office of Media & Communications Division	459,794	547,500	514,411	514,411	667,693	153,282
Office of Youth Development Division	-	252,929	831,079	831,079	707,027	(124,052)
Total	\$ 9,318,367	\$ 11,894,761	\$ 24,051,783	\$ 24,207,769	\$ 25,645,914	\$ 1,438,145

Staffing Levels

City Manager Budget Summary	FY2020/21	FY2021/22	FY2022/23	FY2022/23	FY2023/24	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Office of the City Manager Division	19.00	12.00	12.00	13.00	13.00	-
Office of Cannabis Management Division	7.00	9.00	9.00	9.00	9.00	-
Office of Climate Action Initiatives Division	-	2.00	2.00	2.00	2.00	-
Office of Community Response Division	13.00	-	-	-	-	-
Office of Diversity and Equity Division	-	3.00	-	-	-	-
Office of Innovation and Economic Dev Division	31.00	34.00	34.00	34.00	36.00	2.00
Office of Emergency Management Division	3.00	3.00	3.00	3.00	3.00	-
Office of Violence Prevention Division	2.00	-	-	-	-	-
Office of Homeless Services Divsion	8.00	-	-	-	-	-
Office of Media & Communications Division	4.00	4.00	4.00	4.00	5.00	1.00
Office of Youth Development Division	-	6.00	6.00	5.00	5.00	-
Total	87.00	73.00	70.00	70.00	73.00	3.00

MEASURE U

The following chart summarizes the Office’s Measure U programs.

Funding Category	Program Name	FTE	FY2023/24 Proposed
Affordable Housing			
Operations	Housing	2.00	356,589
Climate Action			
Operations	Office of Climate Action Initiatives	2.00	356,532
Inclusive Economic Development			
MYOP	Thousand Strong	-	750,000
Operations	Community Engagement	8.00	1,421,846
	Community Investment	8.00	1,382,849
	Economic Development	10.00	1,673,100
	Economic Development Administration	4.00	970,568
Youth			
MYOP	Economic Development and Youth Priorities	-	300,000
Operations	Office of Youth Development	5.00	707,027
Grand Total		39.00	\$ 7,918,511

PERFORMANCE MEASURES

Key Measure	FY20	FY21	FY22	FY23	FY24
	Actuals	Actuals	Actuals	Estimate	Target
Number of businesses in the city*	21,511	21,279	21,136	22,384	n/a

The Office of Innovation and Economic Development 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**

Key Measure	FY20	FY21	FY22	FY23	FY24
	Actuals	Actuals	Actuals	Estimate	Target
Number of jobs in the city	276,858	272,403	286,896	285,037	n/a

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**

Key Measure	FY20	FY21	FY22	FY23	FY24
	Actuals	Actuals	Actuals	Estimate	Target
Employment rate	86.8%	91.1%	95%	95.4%	n/a

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

Key Measure	FY20	FY21	FY22	FY23	FY24
	Actuals	Actuals	Actuals	Estimate	Target
Total investments made in Sacramento, by building permit valuation	\$1.35 billion	\$1.34 billion	\$1.46 billion	\$1.35 billion	n/a

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.

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**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.*

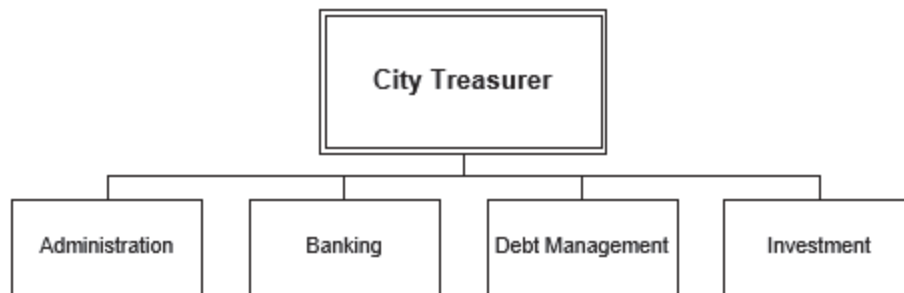
***ERSI is an international supplier of geographic information software system, geodatabase management, and business analytics data. ERSI extracts its business data from Dunn & Bradstreet.*

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SECTION - 12 **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

- Negotiated and renewed Master Depository Banking, Merchant, and Custodial Services Agreements.
- Assisted business units in adding additional payment methods (i.e., mobile payments, eCheck, Marina new pumps, etc.), adding to increased sales and a better customer experience, all while maintaining Payment Card Industry (PCI) Compliance; Coordinated and co-led the team to another Clean Report of Compliance (RoC), using established Payment Card Industry Data Security Standard (PCI DSS) Policy and Procedures. The RoC was again 100% completed remotely.
- Provided debt financing services for the city as well as for various Community Facilities Districts (CFDs), which provided funding for facility development, land purchases, improvements, and the acquisition of equipment. Ensured compliance with post-issuance regulatory and disclosure matters and covenants of debt obligations to ensure investment-grade ratings and/or outlooks are maintained or eligible to be upgraded. Staff in the Debt Management Division continue to be efficient and effective – completing all debt management responsibilities, working through financings, and completing special projects, all despite multiple vacancies which have existed in the division since 2019.
- Worked with the Department of Utilities to develop a designated reserve policy for all three enterprise utility systems – Water, Wastewater, and Storm Drainage. The designated reserve policy established the minimum and target reserve funding levels for three reserve categories and aligns the informal protocols with industry best practices and the policies implemented by other large CA municipal utilities. The reserve policy was approved by the Budget & Audit Committee and the City Council.

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- Managed the cash flow for the City, Sacramento City Employees' Retirement System (SCERS), Sacramento Housing and Redevelopment Agency (SHRA), Sacramento Public Library Authority (SPLA), and other trust funds between the bank and the investment pools to gain interest earnings and provide liquidity in a prudent manner. Consistently one of the top performing municipalities in the State of California. Staff is now managing in excess of \$1.9 billion.
- SCERS Plan achieved over 95% funding status in a year when equity and fixed income markets had significant negative returns. Staff continues to demonstrate disciplined investment strategies in both positive and negative market environments

DEPARTMENT EFFICIENCIES

- Automated the daily cash flow process that links the city and banking data in real-time, thus improving accuracy and efficiency.
- Streamlined trade processing and implemented new reconciliation methods and procedures to ensure validity and reliability of investment records.
- Utilized a third-party consultant to proactively monitor on an ongoing basis the credit ratings and outlook of outstanding bonds, thereby freeing up City staff to focus on other debt management-related responsibilities.

OBJECTIVES FOR FY2023/24

- Develop and implement citywide banking policies and procedures that will complement existing procedures for Departments; Continue to evaluate and establish a citywide Credit Card Fee Policy.
- Work with City Council and Community Organizations to explore the concept of a Public Bank for the City.
- Continue to maintain investor and rating agency relations of outstanding bonds issued by the City, Sacramento City Financing Authority, Sacramento Public Financing Authority, and the Redevelopment Agency Successor Agency to maintain or improve applicable credit ratings. Continue to comply with all bond covenants and regulatory requirements to maintain the City's tax-exempt status of bonds and loans.
- Continue to work with Departments in performing feasibility analyses or obtaining cost-effective financing to pay for infrastructure or equipment acquisition costs, including the development of long-term finance and master plans. Evaluate refinancing opportunities.
- Work on the formation of the Natomas Enhance Infrastructure Financing District and the issuance of bonds for various community facilities districts – Delta Shores Community Facilities District (Improvement Area 1) and Greenbriar CFD (Improvement Area 2) to acquire infrastructure from the respective developers.

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- Work with the Mayor's office to determine the feasibility of an additional TOT debt issuance given the passing of Measure N.
- Continue to work with the Department of Utilities to complete the development of Long-Range Financial Plan – including the review of the Asset Management Program; Work with the Department of Public Works and other City departments on the Sacramento Valley Station Governance Study.
- Work with the State Controller's Office (SCO) to re-claim dozens of property accounts that belong to various investment accounts. Assets date back to 1999 and SCO has advised that the process may take 6 months
- Conduct an RFP for a new software provider for robust fund accounting and portfolio management services for the Investment Division to replace inefficient legacy software from the year 2000.
- Build a succession and training plan that helps to cultivate staff in preparation for natural attrition.

BUDGET CHANGES AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
City Treasurer	Increase Pool A Revenue Budget to align with historical revenues. One-time revenue increase due to Pool A interest earnings from American Rescue Plan funds, Delta Shores and railyards bond proceeds with unknown withdrawals.	General	(600,000)	-	-
Total Change			\$ (600,000)	\$ -	-

Department Budget Summary

City Treasurer Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
Employee Services	\$ 2,045,493	\$ 2,080,381	\$ 2,552,685	\$ 2,552,685	\$ 2,649,607	\$ 96,922
Other Services and Supplies	325,580	290,904	275,547	275,547	280,547	5,000
City Property	1,816	1,824	10,000	10,000	5,000	(5,000)
Multi-Year Operating Projects	-	-	3,000	3,000	1,000	(2,000)
Labor and Supply Offset	(22,888)	(29,068)	350	350	350	-
Total	\$ 2,350,001	\$ 2,344,041	\$ 2,841,582	\$ 2,841,582	\$ 2,936,504	\$ 94,922

Funding Summary by Fund/Special District	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
General Fund	\$ 1,960,349	\$ 1,661,683	\$ 1,678,363	\$ 1,678,363	\$ 1,707,095	\$ 28,732
Interdepartmental Service	389,652	682,358	1,163,219	1,163,219	1,229,409	66,190
Total	\$ 2,350,001	\$ 2,344,041	\$ 2,841,582	\$ 2,841,582	\$ 2,936,504	\$ 94,922

FY2023/24 Proposed Budget

Division Budget Summary

City Treasurer Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
CityTreasurer Division	\$ 2,350,001	\$ 2,344,041	\$ 2,841,582	\$ 2,841,582	\$ 2,936,504	\$ 94,922
Total	\$ 2,350,001	\$ 2,344,041	\$ 2,841,582	\$ 2,841,582	\$ 2,936,504	\$ 94,922

Staffing Levels

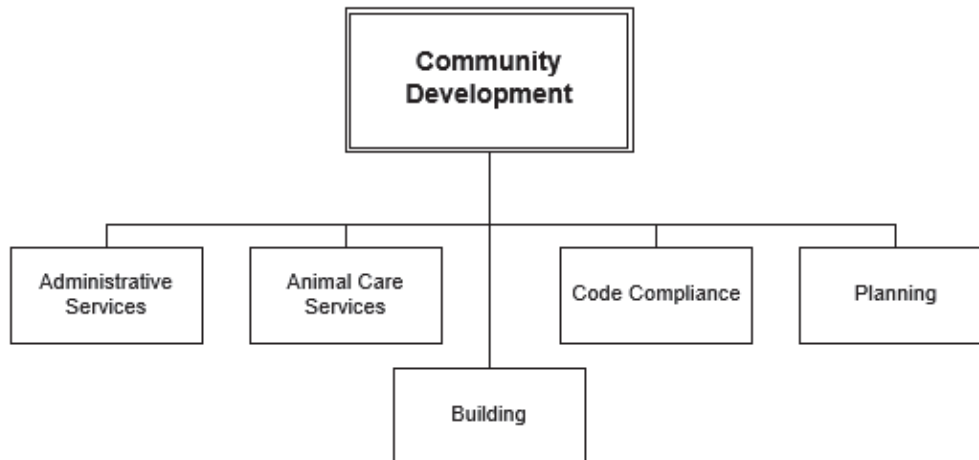
City Treasurer Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
City Treasurer Division	14.00	14.00	14.00	14.00	14.00	-
Total	14.00	14.00	14.00	14.00	14.00	-

13

SECTION - 13 **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 Department consists of the following service areas.

- **Administrative Services:** Provide centralized support for Department budgeting, accounting, personnel services, procurement, boards and commissions, and marketing and communications.
- **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. Provide building application and building permit services and specialized development project management services.
- **Code Compliance:** Promote and maintain a safe and desirable living and working environment through enforcement of City and state codes. Programs and services include neighborhood and business code compliance, graffiti abatement, weed abatement, substandard/

dangerous building inspections, tenant protection, vacant building monitoring and residential rental housing inspections.

- 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

- Current Planning staff is on track to process approximately 650 private development applications by the end of FY2022/23. Notable projects this year have included:
 - Approval of 550 residential lots within the Panhandle area with another 800 in-progress.
 - Approval of Costco in Natomas and approximately 250,000 sq. ft. of industrial development at Northgate and I-80.
 - Continued development in the Railyards, including the Central Shops project.
 - Approval of almost 400,000 square feet of industrial development at the Sacramento Army Depot.
 - Continued development in the River District including approval of the Growers District and five residential blocks at Township 9.
 - First new residential construction in Delta Shores with more to come.
 - Approval of approximately 300 affordable residential units via the City's Ministerial Housing application process.
 - A record 257 accessory dwelling units (ADU) citywide.
- The Building Division provides in-person counter services by appointment only on Tuesday and Wednesday 9am – 3:30pm. Virtual customer services for online submittals and email inquiries are available 12am Monday – 12am Friday. Other notable highlights in the Building Division include:
 - On November 29, 2022, the City Council adopted the New Building Electrification Ordinance and Infeasibility Waiver Guidance Document. Effective January 1, 2023, all new construction of three stories and below are required to be all-electric, which will help reduce future carbon emissions.

FY2023/24 Proposed Budget

- On December 13, 2022, the City Council adopted the Alternate Water Systems Ordinance. The Alternative Water Systems Ordinance outlines new graywater piping requirements which will apply to certain new non-residential buildings over 10,000 square feet beginning July 1, 2023.
- The department developed shelf-ready ADU Plans for studio, one bedroom, and two-bedroom units.
- City Council adopted the 2022 Building Standards Code.
- Since July 1, 2022, Animal Care Services has provided vaccinations, veterinary care, and spay/neuter services to 484 animals owned by 260 owners through the Animal Services Homeless Response Team.
- Code Compliance developed a community outreach and resource team to attend community events and proactively engage the community.
- CDD field personnel received an outstanding performance recognition by Risk Management for having the lowest collision frequency in the City.

DEPARTMENT EFFICIENCIES

- The Planning Division launched a new, online ADU Resource Center <https://adu.cityofsacramento.org/> to provide customers with assistance planning and developing an accessory dwelling unit. Permit ready ADU plans are also available online.
- The Building Division implemented 100% online submittals for residential production permits to provide a more transparent tracking mechanism, enhance accuracy, and streamline processing; plan review was transitioned to all electronic codes in lieu of hard copy.
- Animal Care Services has been decreasing the length of stay for animals in shelter and foster, saving financial resources, and improving the quality of care for the animals.

OBJECTIVES FOR FY2023/24

- Adopt the 2040 General Plan and Climate Action & Adaptation Plan.
- Deploy the Small Project Rapid Review (SPRR) program to replace, enhance, and automate the existing electronic over the counter (EOTC) services.
- Recruit and retain veterinarian and medical support staff to provide high quality veterinary care to shelter animals and to animals served in our community outreach programs.
- Code Compliance to implement an enhanced vacant lot and vacant building monitoring and enforcement program.

FY2023/24 Proposed Budget

- Housing and Dangerous Buildings to implement an owner-occupied low-income emergency housing repair program.

BUDGET AND POSITION CHANGES*

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Administration/Code Compliance	Delete a position (1.0 FTE Account Clerk II) in the Code Compliance division and add a position (1.0 FTE Accounting Technician) to the Administrative Services division as there is an increase in workload that requires higher-level review. No additional cost is associated with the new position.	General	(74,590)	83,616	-
Building	Decrease revenue budget from Customer Service to align with actual revenues and historical trends.	General	356,599	-	-
Animal Care	Delete a position (1.0 FTE Customer Service Representative) and add a position (1.0 FTE Animal Services Adoption Coordinator) to provide additional oversight to the robust volunteer program.	Measure U	(74,854)	105,171	-
Animal Care	Delete a position (1.0 FTE Customer Service Specialist) and add a position (1.0 FTE Administrative Analyst) to support the veterinary, enforcement, and field services teams.	Measure U	(82,507)	131,824	-
Animal Care	Add two positions (2.0 FTE Animal Control Officers) and two vehicles to improve response time for service calls from the community.	Measure U	-	512,828	2.00
Code Compliance	Decrease revenue budget for Housing and Dangerous Building to align with actual revenues and historical trends.	General	490,000	-	-
Code Compliance	Decrease revenue budget due to the loss of the Sacramento Abandoned Vehicle Service Authority funding. The program sunset on April 30, 2022, and Measure C failed to pass during the June 7, 2022, primary elections.	General	405,292	(405,292)	-
Code Compliance	Adjusting Measure U reimbursement from the General Fund for the Sacramento Abandoned Vehicle Service revenue loss reduction.	Measure U	-	405,292	-
Code Compliance	Delete four positions (0.5 Youth Aide) and add a position (0.5 FTE Crew Leader) to lead and supervise the citywide graffiti abatement youth program.	General	(17,776)	18,929	-
Code Compliance	Add a position (1.0 FTE Program Specialist) to oversee the hearings and appeals process and supervise section's staff.	Measure U	-	158,311	1.00
Code Compliance	One-time revenue budget increase for Neighborhood Code Compliance to align with actual revenues to be evaluated in the following fiscal year for sustainability.	General	(715,960)	715,960	-
Code Compliance	Adjusting Measure U reimbursement from the General Fund for the revenue increase in Neighborhood Code Compliance.	Measure U	-	(715,960)	-
Code Compliance	One-time revenue budget increase for Business Compliance to align with actual revenues to be evaluated in the following fiscal year for sustainability.	General	(350,000)	-	-
Planning*	Add a position (1.0 FTE Development Services Technician) to handle increasing volume of work and meet customer service levels. The cost of the position is being offset by increasing reimbursement for existing positions.	Measure U	(98,440)	96,811	1.00
Total Change			\$ (162,236)	\$ 1,107,490	4.00

* Position offset amounts will be finalized in the Approved Budget.

FY2023/24 Proposed Budget

Department Budget Summary

Community Development Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change
						More/(Less) Proposed/Amended
Employee Services	\$ 31,671,148	\$ 33,242,970	\$ 39,201,854	\$ 39,201,854	\$ 40,662,660	\$ 1,460,806
Other Services and Supplies	7,625,422	9,469,149	11,708,989	11,696,416	11,230,945	(465,471)
City Property	113,048	374,110	181,641	181,641	181,641	-
Multi-Year Operating Projects	-	-	3,987,033	3,853,600	4,231,430	377,830
Transfers	165,226	302,075	303,178	303,178	350,212	47,034
Labor and Supply Offset	(3,527,423)	(3,048,189)	(2,669,503)	(2,669,503)	(2,854,591)	(185,088)
Total	\$ 36,047,420	\$ 40,340,115	\$ 52,713,192	\$ 52,567,186	\$ 53,802,297	\$ 1,235,111

Funding Summary by Fund/Special District	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change
						More/(Less) Proposed/Amended
General Fund	\$ 33,417,877	\$ 29,508,143	\$ 34,519,469	\$ 34,519,469	\$ 35,444,866	\$ 925,397
Citywide Low Income Housing	2,453,037	2,790,748	3,100,000	3,100,000	2,390,000	(710,000)
Development Services	-	-	2,266,000	2,266,000	2,266,000	-
Landscaping and Lighting	200,000	137,294	348,000	250,000	255,000	5,000
Measure U	-	7,979,219	12,229,723	12,181,717	13,196,431	1,014,714
Risk Mgmt	(23,494)	(75,289)	-	-	-	-
Special Program Donations	-	-	250,000	250,000	250,000	-
Total	\$ 36,047,420	\$ 40,340,115	\$ 52,713,192	\$ 52,567,186	\$ 53,802,297	\$ 1,235,111

Division Budget Summary

Community Development Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change
						More/(Less) Proposed/Amended
Administration Division	\$ 2,208,283	\$ 2,360,484	\$ 3,273,648	\$ 3,273,648	\$ 3,364,363	\$ 90,715
Animal Care Services Division	5,841,691	6,298,828	7,359,055	7,350,007	8,223,907	873,900
Building Division	12,537,777	14,596,172	18,401,378	18,401,378	18,317,008	(84,370)
Planning Division	6,188,058	6,717,548	11,725,809	11,725,809	11,659,248	(66,561)
Code Compliance Division	9,271,612	10,367,083	11,953,302	11,816,344	12,237,771	421,427
Total	\$ 36,047,420	\$ 40,340,115	\$ 52,713,192	\$ 52,567,186	\$ 53,802,297	\$ 1,235,111

Staffing Levels

Community Development Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change
						More/(Less) Proposed/Amended
Administration Division	15.00	16.00	19.00	18.00	20.00	2.00
Animal Care Services Division	55.00	61.00	61.00	61.00	63.00	2.00
Building Division	82.00	87.00	89.00	90.00	89.00	(1.00)
Planning Division	52.00	52.00	54.00	54.00	55.00	1.00
Code Compliance Division	86.50	92.00	92.00	92.00	92.00	-
Total	290.50	308.00	315.00	315.00	319.00	4.00

MEASURE U

The following chart summarizes the Department’s Measure U programs.

Funding Category	Program Name	FTE	FY2023/24 Proposed
Affordable Housing			
MYOP	Specific Plans	-	1,200,000
Operations	Long Range	13.00	985,731
	Zoning	6.00	655,849
Community Response			
Operations	Animal Care Administration	12.00	914,151
	Animal Care/Shelter	36.00	4,051,144
	Neighborhood Code Compliance	40.00	3,250,686
Misellaneous			
MYOP	Commission Stipends	-	3,500
Public Safety - Community Development			
MYOP	Fleet Acquisitions	-	321,500
Operations	Animal Enforcement/Field Services	15.00	1,813,870
Grand Total		122.00	\$ 13,196,431

PERFORMANCE MEASURES

Animal Care Services Division

Key Measure	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Estimate	FY24 Target
Percent of animals that are adopted, transferred, sent to rescue, or returned to owner (live release rate)	85%	85%	85%	87%	90%

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	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Estimate	FY24 Target
Percent of development inspections performed on the day scheduled	97%	99%	99%	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	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Estimate	FY24 Target
Percentage of residential building permits issued within two days	85%	80%	85%	85%	85%

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

FY2023/24 Proposed Budget

Code Enforcement Division

	FY20	FY21	FY22	FY23	FY24
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Vehicle cases closed w ithin 21 days	70%	86%	52%	64%	75%

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.

Planning Division

	FY20	FY21	FY22	FY23	FY24
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Percent of director-level planning files completed w ithin 90 days	26%	39%	19%	50%	50%

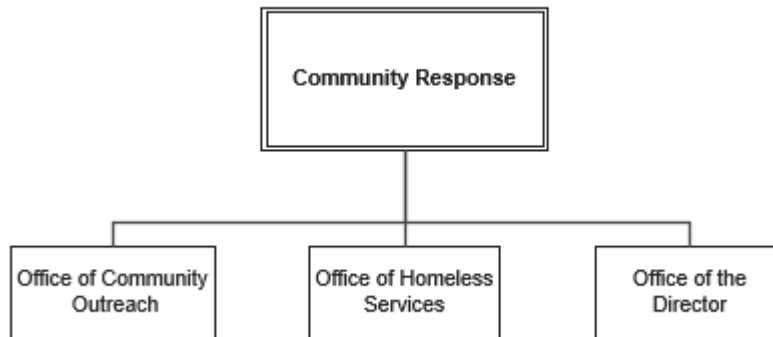
The Planning Division tracks and reports on the time it takes to approve a staff hearing-level review. This review includes a technical analysis of the project to determine compliance with guidelines and standards, is noticed to the public, and is presented in a public hearing to the Zoning Administrator,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

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SECTION - 14 **Community Response**

Community Response

The mission of the Department of Community Response is to serve as an alternative response that connects individuals in crisis with appropriate services and treatment options.



On July 1, 2020, the City Council directed the City Manager to develop an alternative response model for 911 calls that do not require traditional emergency services. This Office was originally created as a Division in the City Manager's Office. The Division became the standalone **Department of Community Response (DCR)** effective July 1, 2021.

DCR deploys social workers and outreach specialists who are trained to resolve certain crises such as behavioral health, homelessness, youth and family disturbances, school response, and substance use issues. The goal of DCR is to divert entry into jails and emergency departments by connecting individuals with appropriate services and treatment options to better resolve such crises.

To facilitate the shift toward this alternative response model, DCR is comprised of the following three offices:

- **Office of Community Outreach:** Responsible for responding to calls for service by deploying teams of social workers and outreach specialists who will use evidence-based practices such as cultural competency, motivational interviewing, and strengths-based approaches that are not typically found within traditional emergency response models.
- **Office of Homeless Services:** Responsible for the City's response to homelessness, which includes coordinating with various Federal, State, local, nonprofit, and faith-based entities to end homelessness and administering millions in contracts to fund emergency shelter, wraparound services, and housing projects.
- **Office of the Director:** Responsible for the strategic planning, fiscal, human resources, and administrative management of the Department.

PROGRAMS/SERVICE HIGHLIGHTS

- The Office of Homeless Services (OHS) opened the Outreach & Engagement Center (OEC) on Auburn boulevard at the City-Owned former SMUD Science Center. The OEC provides engagement services during the daytime, and overnight respite to provide safety and stability for participants while waiting for entry into other community programs such as Emergency Shelter, Transitional, and Permanent Housing. In the first four months of operation, the OEC served 277 people, and of the 193 who left the program, 50% exited to positive destinations through Permanent Housing or temporary shelter. Additionally, the OEC operated as a weather respite center during the extreme winter storms.
- OHS successfully integrated all City-funded Emergency Shelter programs into the Coordinated Access System (CAS). These City-funded programs were the first in the entire County to integrate into CAS which will streamline the process for community members to access appropriate services, reduce time spent on the street, and increase overall positive outcomes for City-funded programs.
- The Office of Community Outreach (OCO) established a management structure through the hiring of a Social Services Manager and two Program Specialists. OCO further increased its ability to respond to calls for service by hiring nine additional Neighborhood Resource Coordinators.
- Since July of 2022, the Office of Community Outreach, in partnership with its contracted outreach provider Hope Cooperative, has responded to more than 19,000 calls for service regarding community members experiencing homelessness. These calls for service include more than 7,500 calls for trash removal which resulted in nearly 30,000 cubic yards of garbage being removed from encampments. Additionally, Neighborhood Resource Coordinators and contracted outreach staff have provided more than 9,000 unique services to community members experiencing homelessness.

DEPARTMENT EFFICIENCIES

- OHS increased the analysis of the demographics of guests served (such as age, race, physical and mental health conditions) and overall program outcomes to improve the efficiency of contract oversight for our Community Based Organizations.
 - OCO has focused on creating data driven responses to calls for service involving unhoused community members. To better identify focus areas and deploy resources more efficiently, OCO partnered with the IT Department and GIS staff to develop heat maps showing the highest concentration of calls for service within the community.
 - Developed 311 Dashboards for field use which break down pending calls for service into localized neighborhoods. This allows staff to efficiently respond to calls in a smaller geographic area, significantly reducing response time.
-

FY2023/24 Proposed Budget

- Partnered with 311 and IT staff to increase the sub-service types available for response in 311. The newly formed sub-service types allow the Department to respond to issues involving general issues with unhoused persons, as well as specific City ordinances for which DCR has been identified as the primary response agency.

OBJECTIVES FOR FY2023/24

- Further collaboration with the County in accordance with the Partnership Agreement to maximize consistency for contracted shelter programs, as well as work to identify sites in which the County can provide services to individuals and families experiencing homelessness.
- Increase the frequency of report outs related to program, client level, and outcome data for contracted programs in an effort to maximize transparency, accountability, and lean into greater return on investment of public funds. Including complying with the requirements of Measure O regarding regular monitoring and daily reporting of shelter bed utilization.
- OCO aims to continue the development of 311 dashboards and heatmaps to provide transparency for officials and community members. The Department will partner with the IT Department and GIS staff to develop a public facing dashboard and heatmap for public consumption, which contains only de-identified data.

Use a data driven approach to improve response time of field staff to 311 calls. OCO’s goal is to have the response to 311 calls outpace the rate of incoming new calls.

- Hire all funded Neighborhood Resource Coordinator positions and move toward increased coverage time. OCO, when fully hired, will work to have staff on-call during weekend hours in order to provide 7 day a week coverage to the community.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Office of the Director	Delete a position (1.0 FTE Media and Communications Specialist) in the Office of the Director and transferred to the City Manager's Office.	Measure U	-	(129,871)	(1.00)
Total Change \$			-	\$ (129,871)	(1.00)

FY2023/24 Proposed Budget

Department Budget Summary

Community Response Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
Employee Services	-	\$ 2,624,706	\$ 4,361,454	\$ 4,361,454	\$ 4,372,877	\$ 11,423
Other Services and Supplies	-	325,166	659,594	659,594	693,409	33,815
City Property	-	88,985	420,000	420,000	390,856	(29,144)
Multi-Year Operating Projects	-	26,120	19,595,807	19,595,807	11,368,213	(8,227,594)
Labor and Supply Offset	-	(87,602)	-	-	-	-
Total	-	\$ 2,977,374	\$ 25,036,855	\$ 25,036,855	\$ 16,825,355	\$ (8,211,500)

Funding Summary by Fund/Special District	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Amended	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
Measure U	-	\$ 2,977,374	\$ 25,036,855	\$ 25,036,855	\$ 16,825,355	\$ (8,211,500)
Total	-	\$ 2,977,374	\$ 25,036,855	\$ 25,036,855	\$ 16,825,355	\$ (8,211,500)

Division Budget Summary

Community Response Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
Office of Director Division	-	\$ 813,820	\$ 1,136,083	\$ 1,136,083	\$ 1,079,412	\$ (56,671)
Office of Community Outreach Division	-	1,391,639	12,636,775	12,636,775	12,676,140	39,365
Office of Homeless Services Division	-	511,267	11,263,997	11,263,997	3,069,803	(8,194,194)
Office of Violence Prevention Division	-	260,647	-	-	-	-
Total	-	\$ 2,977,374	\$ 25,036,855	\$ 25,036,855	\$ 16,825,355	\$ (8,211,500)

Staffing Levels

Community Response Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
Office of Director Division	-	8.00	8.00	8.00	7.00	(1.00)
Office of Community Outreach Division	-	24.00	24.00	24.00	24.00	-
Office of Homeless Services Division	-	6.00	6.00	6.00	6.00	-
Office of Violence Prevention Division	-	2.00	-	-	-	-
Total	-	40.00	38.00	38.00	37.00	(1.00)

MEASURE U

The following chart summarizes the Department's Measure U programs.

Funding Category	Program Name	FTE	FY2023/24 Proposed
Community Response			
MYOP	Community Outreach	-	9,222,213
Operations	Office of Community Outreach	24.00	3,453,927
	Office of Director	7.00	1,079,412
Homelessness			
MYOP	Homeless Housing Initiative	-	2,146,000
Operations	Office of Homeless Services	6.00	923,803
Grand Total		37.00	\$ 16,825,355

PERFORMANCE MEASURES

Community Response

Key Measure	FY22 Actuals	FY22 Actuals	FY22 Actuals	FY23 Estimate	FY24 Target
311 Calls Closed by Service Type					
Trash (Cubic Yds Removed) [1]	n/a	n/a	8,805 (46,605 cubic yds)	12,600 (49,000 cubic yds)	12,600 (49,000 cubic yds)
Homeless Encampment 500ft from School [2]	n/a	n/a	n/a	180	180
Homeless Encampment Blocking Sidewalk [3]	n/a	n/a	n/a	1,650	1,700
Homeless Encampment Concern [4]	n/a	n/a	12,275	13,850	14,000
Unhoused Self-Referral [5]	n/a	n/a	373	1,950	2,000

[1] 311 Calls regarding a request to pick-up trash / debris in a public space.

[2] 311 Calls regarding a homeless encampment within 500 feet from a school; this service type was not in use in FY22.

[3] 311 Calls regarding a homeless encampment blocking a sidewalk; this service type was not in use in FY22.

[4] All other 311 Calls related to homelessness not specifically broken out in this report.

[5] Unhoused Self-Referral refers to 311 Calls from community members seeking services for themselves.

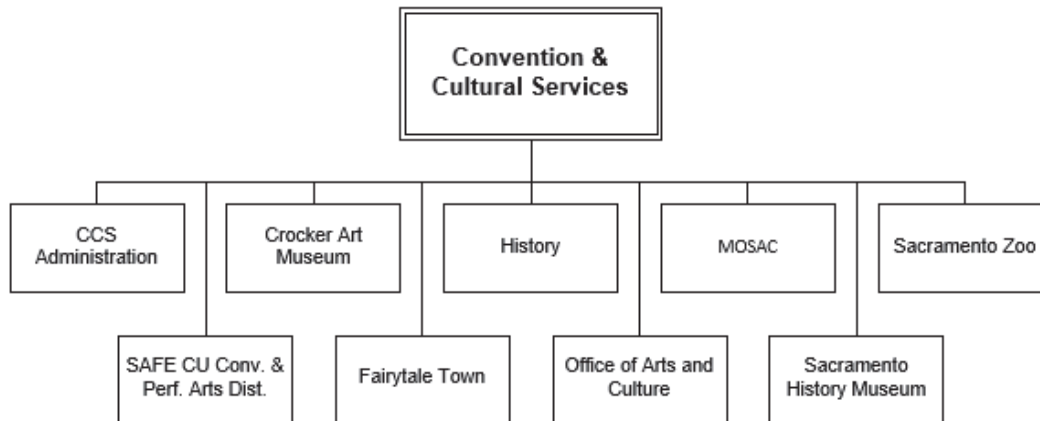
Source: 311

15

SECTION - 15 **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 both 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 financial transactions, and assists divisions with human resources functions.
- **SAFE Credit Union Convention and Performing Arts District:** Consists of the SAFE Credit Union Convention Center, SAFE Credit Union Performing Arts Center, and Memorial Auditorium. This district 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:** The Crocker Art Museum brings people together and connects them in unexpected ways with art, ideas, each other, and the world around them. The Museum features the world's foremost display of California art and is renowned for its holdings of master drawings. Other major collection areas include international ceramics, European paintings, and Asian, African, and Oceanic art. The Museum serves as the primary regional

resource for the study and appreciation of fine art and offers a diverse spectrum of exhibitions, events, and programs to augment its collections, including films, concerts, studio classes, lectures, children's activities, and more.

- **Fairytale Town:** At Fairytale Town, children and families enjoy a magical, safe place to imagine, play, and learn. This nonprofit storybook park and education center promotes the imagination, creativity, and education of children. More than 250,000 visitors laugh and learn in a typical year at the main park while at-risk youth benefit from hands-on exploration at the Sacramento Adventure Playground located in South Sacramento.
- **History:** The Center for Sacramento History (CSH) is the official repository and research center for City and County historical collections. The Center collects, organizes, and preserves the region's vast cultural heritage, and makes it available to the public, academics, students, genealogists, filmmakers, and more. The division also serves as the administrator for the Old Sacramento Riverfront Historic District, which is the City's largest tourist attraction. The Center's collections are displayed in exhibitions created by Center staff at the Sacramento History Museum and City Hall.
- **Office of Arts and Culture:** The City of Sacramento's Office of Arts & Culture is the City's chief point of interface with the creative community. Together with other city and civic partners, the Office of Arts & Culture is working toward development of a vibrant and just creative economy in Sacramento. Creative Edge: Sacramento's Arts, Culture & Creative Economy Plan is its guiding policy framework. The Office of Arts & Culture is responsible for creative economy grantmaking and educational programming as well as the City's Art in Public Places program and Sacramento Film & Media. The Office of Arts & Culture serves as a source of information on the state and impact of the creative economy.
- **SMUD Museum of Science and Curiosity:** The new SMUD Museum of Science and Curiosity (MOSAC) is a premier institution for informal science education in Sacramento and the

Northern California Region. The Museum piques curiosity and sparks imagination with hands-on interactive exhibits and programming that explore the wonders of science, technology, engineering, art, and math. The new state-of-the-art exhibits address global and local issues and topics relating to energy, water, health, nature, space, and design engineering. The digital dome theater will screen a variety of spectacular film and star shows. The rotating gallery will feature special exhibitions that will continually bring new experiences and ideas to the Sacramento region.

- Sacramento History Museum:

The Sacramento History Museum is dedicated to Sacramento's rich and diverse history. The Museum explores the stories of the area's first inhabitants, from the native peoples who originally lived here to the thousands of immigrants who came from around the world to seek their fortune in California's gold fields, and ultimately creating an "indomitable city". With engaging educational programs serving thousands of students each year, public programming and tours of The Old Sacramento Riverfront District, the Museum brings Gold Rush history to life for visitors of all ages.

- Sacramento Zoo:

The Sacramento Zoo is one of the region's top attractions, with an annual attendance of more than 500,000. The Zoo's collection consists of more than 400 animals, diverse botanical life, and several specialized gardens.

PROGRAMS/SERVICE HIGHLIGHTS

- The SAFE Credit Union Convention Center, SAFE Credit Union Performing Arts Center, and Memorial Auditorium collectively hosted 241 events, served 540,000 attendees, and contributed nearly \$116 million in economic impact to the Sacramento region from January 1, 2022 to December 31, 2022.
- Additional fencing and guard rails were installed around the SAFE Credit Union Convention and Performing Arts District to enhance the safety and security for our clients, staff, and patrons.
- The Office of Arts and Culture continued to advance the goals of the Creative Edge Plan. With support from the National Endowment for the Arts (\$500,000), OAC was able to fund 45 artists to carry out several projects in the region. OAC also secured

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a \$4.75 million grant from the California Arts Council to develop the Capitol Region Creative Corps project. OAC awarded \$3.75 million in ARPA Creative Economy funding to area nonprofit arts and cultural organizations. OAC's Art in Public Places program completed Community Murals Sacramento, with 10 murals, 39 artists and 1,771 community collaborations. Four new projects were kicked off in conjunction with the CalTrans Clean California program. Sacramento Film + Media better aligned the film permitting process and 82 film permits were issued that resulted in 172 days of filming and \$2.7 million in local spending. OAC also launched the Sacramento Music Census and arts and entertainment regulatory review project.

- The Crocker Art Museum attracted visitors from across the nation and around the world to Sacramento. The Museum served over 147,000 people. Audiences were served through a variety of in-person and virtual programs, community activities, and publications.
- During the first eight months of fiscal year 2023, approximately 260,000 visitors enjoyed a safe day out at the Zoo and were entertained, educated, and connected to wildlife. Two new capybaras, a newborn giraffe, and a temporary dragon exhibit were among the more popular additions with the guests. In addition, the "Behind-The-Scenes Tour" program continues to grow in popularity, and Zoo Summer Camp, which returned in fiscal year 2023, is expected to be in full swing in the summer of 2023.

DEPARTMENT EFFICIENCIES

- The \$350 million C3 Project was completed, which improved guest experience and event flexibility at the SAFE Credit Union Convention Center, improved acoustics, and performance space, expanded restrooms and concessions at the SAFE Credit Union Performing Arts Center, and enhanced the patron experience at the Memorial Auditorium.
- The Engineering team has completed over \$2.4 million in a variety of projects for and around the SAFE Credit Union Convention Center, SAFE Credit Union Performing Arts Center, and Memorial Auditorium.
- Directional signs and display screens were added throughout the SAFE Credit Union Convention Center.
- The Office of Arts and Culture began the work to create more uniform approaches to grant and public art commission processes, such as evaluation rubrics, application advising, and panel processes.
- With a new chef on board, the Zoo has streamlined its kitchen operation to improve both the efficiency and quality of the concession operation. In addition, the Zoo has realigned the education and animal care departments to improve efficiency while providing more programming to the public and maintaining excellent care for the animals.

OBJECTIVES FOR FY2023/24

- Provide clean, well-maintained facilities to ensure the public’s comfort and enjoyment during their visits following current federal, state, and local guidelines including COVID-19 protocols, and maintaining Global Biorisk Advisory Council certification at the SAFE Credit Union Convention Center, SAFE Credit Union Performing Arts Center, and Memorial Auditorium.
- Complete the move of collections from the current off-site auxiliary storage facility at McClellan Park to a new, more secure, climate-controlled location that will be shared with the Crocker Art Museum. The move is planned to be completed by the end of 2023. The new space will give both the Crocker and the Center storage space that is desperately needed for their collections.
- The Office of Arts and Culture will continue the roll-out of American Rescue Plan act support for the Creative Economy, including projects focused on individuals, arts journalism, creative businesses and youth workforce development. OAC will carry out the Capitol Region Creative Corps program, making grants for 25 projects and hiring five artists in residence at the City. OAC will also continue work on major Art in Public Places projects at the Convention Center and along the Del Rio Trail to name a few. OAC will publish and distribute the Sacramento Music Census and complete the Arts and Entertainment Regulatory Review project.
- The Zoo will continue to inspire appreciation and respect for wildlife and nature through education, recreation, and conservation. The department will achieve this by maximizing educational and entertainment value to the roughly 500,000 visitors that currently participate in the Zoo’s programming while also continuing to explore strategic opportunities to reach even more people within the Sacramento region and beyond in the future.

BUDGET AND POSITION CHANGES*

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Administration*	Delete a position (1.0 FTE Administrative Assistant) in the Administration Division and add a position (1.0 FTE Assistant Director) to oversee department operations and facilitate department priorities.	Community Center	(178,600)	215,347	-
History	Increase the services and supplies budget in the History Division to continue contracting with Downtown Sacramento Partnership for management services, maintenance services, overnight security, and events/activation for the Old Sacramento Historic District.	Community Center	-	96,400	-
Office of Arts and Culture	Increase funding for the Creative Edge Multi-Year Operating Project (MYOP) (I02181100) to support the expansion of the Cultural Arts Awards grant program.	Community Center	-	500,000	-
Office of Arts and Culture	Increase funding for the Creative Edge MYOP (I02181100) to support grants, an internship program, and marketing activities related to film and media production in the City.	Innovation and Growth	-	150,000	-

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BUDGET AND POSITION CHANGES* (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Office of Arts and Culture	Increase funding for the Creative Edge MYOP (102181100) to support the expansion of the Cultural Arts Awards grant program.	Innovation and Growth	-	200,000	-
Office of Arts and Culture	Increase funding for the Creative Edge MYOP (102181100) to support creative placemaking activities at the neighborhood level.	Innovation and Growth	-	650,000	-
SAFE Credit Union Convention and Performing Arts District*	Delete various positions (12.0 FTE) and added various positions (8.0 FTE) to ensure event staffing needs are met at the SAFE Credit Union Performing Arts District.	Community Center	(805,462)	765,642	(4.00)
Total Change			\$ (984,062)	\$ 2,577,389	(4.00)

* Position offset amounts will be finalized in the Approved Budget.

Department Budget Summary

Convention and Cultural Services Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
Employee Services	\$ 6,775,239	\$ 8,861,654	\$ 12,307,603	\$ 12,307,603	\$ 12,365,035	\$ 57,432
Other Services and Supplies	5,305,583	8,565,482	8,606,898	8,357,764	10,323,579	1,965,815
City Property	152,159	25,523	83,000	83,000	63,000	(20,000)
Multi-Year Operating Projects	-	-	114,000	114,000	1,614,000	1,500,000
Transfers	(144,082)	(157,728)	-	-	-	-
Labor and Supply Offset	1,187,306	1,426,226	1,377,766	1,377,766	1,476,323	98,557
Operating Transfers	726,369	2,593,005	1,765,100	1,765,100	2,017,300	252,200
Total	\$ 14,002,575	\$ 21,314,164	\$ 24,254,367	\$ 24,005,233	\$ 27,859,237	\$ 3,854,004

Funding Summary by Fund/Special District	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
General Fund	\$ 5,096,002	\$ 8,155,625	\$ 1,199,891	\$ 1,005,891	\$ 727,827	\$ (278,064)
Community Center	8,045,968	8,827,520	18,014,713	18,014,713	20,871,974	2,857,261
Fairytale Town	76,018	103,383	50,000	50,000	50,000	-
H Street Theater	151,658	9,856	45,000	45,000	45,000	-
Innovation and Growth	-	-	-	-	1,000,000	1,000,000
Measure U	-	3,951,867	4,636,087	4,636,087	4,833,441	197,354
Museum of History, Science, & Tech	307,473	-	-	-	-	-
Old Sac Market	81,520	63,749	104,000	48,866	104,000	55,134
Old Sacto Maint Dist	65,246	67,190	67,220	67,220	66,715	(505)
Winchester G & Mary Alice Felt	104,198	33,704	87,456	87,456	110,280	22,824
Zoo	74,493	101,271	50,000	50,000	50,000	-
Total	\$ 14,002,575	\$ 21,314,164	\$ 24,254,367	\$ 24,005,233	\$ 27,859,237	\$ 3,854,004

Division Budget Summary

Convention and Cultural Services Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
CCS Administration Division	\$ 1,407,927	\$ 2,112,507	\$ 1,819,222	\$ 1,819,222	\$ 1,789,565	\$ (29,657)
SAFE CU Conv. & Perf. Arts Dist. Division	6,498,060	12,899,148	15,743,019	15,743,019	18,033,537	2,290,518
Crocker Art Museum Division	1,876,579	2,210,358	2,445,331	2,445,331	2,367,272	(78,059)
Fairytale Town Division	89,036	124,301	62,245	62,245	62,245	-
History Division	2,670,571	2,238,544	2,520,345	2,465,211	2,647,090	181,879
Sacramento Office of Arts and Culture Division	538,295	681,938	838,999	845,999	2,333,212	1,487,213
Pow erhouse Science Center Division	238,413	238,337	238,337	145,337	145,337	-
Sacramento History Museum Division	250,702	260,933	251,528	143,528	143,528	-
Sacramento Zoo Division	432,993	548,096	335,341	335,341	337,451	2,110
Total	\$ 14,002,575	\$ 21,314,164	\$ 24,254,367	\$ 24,005,233	\$ 27,859,237	\$ 3,854,004

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Staffing Levels

Convention and Cultural Services Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
CCS Administration Division	8.00	8.00	8.00	8.00	8.00	-
SAFE CU Conv. & Perf. Arts Dist. Division	89.30	89.30	90.05	90.05	86.05	(4.00)
Crocker Art Museum Division	6.00	6.00	5.00	5.00	5.00	-
History Division	8.20	8.20	8.95	8.95	8.95	-
Sacramento Office of Arts and Culture Division	9.00	9.00	9.00	9.00	9.00	-
Sacramento Zoo Division	3.00	3.00	2.00	2.00	2.00	-
Total	123.50	123.50	123.00	123.00	119.00	(4.00)

MEASURE U

The following chart summarizes the Department's Measure U programs:

Funding Category	Program Name	FTE	FY2023/24 Proposed
Arts/Creative Edge			
MYOP	Cultural Arts Awards	-	114,000
Operations	Art in Public Places	3.00	-
	Arts Education and Outreach	2.00	212,492
	Creative Economy and Grants	1.00	67,915
	Crocker Art Museum	5.00	2,155,369
	History	8.95	1,365,712
	Office of Arts and Culture - Admin	2.00	268,475
	Sacramento Film and Media	1.00	163,330
Community Investment			
Operations	Sacramento History Museum	-	127,267
Youth			
Operations	Fairytale Town	-	12,245
	Powerhouse Science Center	-	129,077
	Sacramento Zoo	2.00	217,559
Grand Total		24.95	\$ 4,833,441

PERFORMANCE MEASURES

Convention Center Complex Division

Key Measure	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Estimate	FY24 Target
Total events and performances	81	0	174	405	410
Number of tickets sold	113,347	0	119,624	208,559	232,810

The SAFE Credit Union Convention and Performing Arts District 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 SAFE Credit Union Convention and Performing Arts District, which includes the SAFE Credit Union Performing Arts Center and Memorial Auditorium, continues to grow. Beginning in June 2018, the Memorial Auditorium closed for renovations and reopened for events in June 2019. In July-August 2019, the SAFE Credit Union Convention Center and SAFE Credit Union

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Performing Arts Center closed for renovations and reopened for events in calendar year 2021. Additionally, in FY20, FY21 and FY22 there have been events/performances canceled due to the on-going COVID-19 pandemic.

Key Measure	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Estimate	FY24 Target
Total revenue of in-house vendors	1,465,650	0	8,218,022	11,000,000	12,500,000

The SAFE Credit Union Convention Center has followed a national trend in awarding exclusive contracts for many services provided at the facility. Currently, the City has contracts with Centerplate for food and beverage; Encore for audio-visual; Smart City Networks for telecommunications; Ticketmaster for ticketing; and Boingo for wireless communications. 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 SAFE Credit Union Convention Center business primarily with conventions, conferences, tradeshows, 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. Beginning in June 2018, the Memorial Auditorium closed for renovations and reopened for events in June 2019. In July-August 2019, the SAFE Credit Union Convention Center and SAFE Credit Union Performing Arts Center closed for renovations and reopened for events in calendar year 2021. Additionally, in FY20, FY21 and FY22 there have been events/performances canceled due to the on-going COVID-19 pandemic.

Crocker Art Museum Division

Key Measure	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Estimate	FY24 Target
Attendance	177,617	25,000	147,256	168,000	200,000
Membership	11,585	8,500	12,380	12,800	12,800

The attendance figures are a direct reflection of the exhibition and programmatic schedule. The decrease in attendance and membership figures are a direct reflection of the museum being closed to the public because of COVID-19.

Center for Sacramento History Division

Key Measure	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Estimate	FY24 Target
Number of researchers assisted	87,302	40,000	147,962	150,000	160,000

The Center for Sacramento History (CSH) holds original, historical public records from the City and County. These records are an essential resource for accurate information about the Sacramento region's past and play a key role in reflecting the development of our city and our legal system. We provide access to these records in-person and virtually to the public and researchers of all types, including students, genealogists, and historians. They use these records for their own personal research, for academic study, for environmental and preservation purposes, to publish books and papers, and to produce films and television series. Over the last 10 years, we have dramatically increased access to our collections by placing collection guides and digitized material on the Online Archive of California and Archive.org, both national databases that have opened us to an ever-growing audience. By providing prompt and accurate research and response, CSH has facilitated the use of Sacramento history collections in both mainstream and independent films shown on HBO, CNN, NBC, Netflix, and local news agencies, serving to raise the profile of our city nationally and internationally. Through the pandemic, CSH responded to research requests virtually, but as of April 2022 is again open for in-person research. Thanks to the increase in CSH materials and collection guides available online, our public usage continues to increase.

In 2020, the City Manager's office created the Office of Diversity and Equity. The current priorities of this office are building the diversity, equity, and inclusion capacity of City staff and infrastructure and achieving workforce equity through a racial equity lens. As part of the City's efforts, the City Manager's Office asked CSH to create a series of short training videos for staff that provide a historical context for racism in our community and show how systemic racism has always been a part of our region. Following the death of George Floyd in the summer of 2020, our concepts of our national, state, and local history have been challenged. Today, we must engage in a conversation and exploration of the past to help us navigate a more equitable future. Our videos bring to light the stories of those who have traditionally been left out of the historical narrative. We work with scholars and community members to create these short films, and we have an academic advisory committee that helps us determine themes, reviews our scripts, assists us in finding community voices to include in the videos, and, when possible, serves as experts in the films.

Our films are available to City staff to view, and we make them accessible online for the public through our YouTube channel. They are also used at local historic sites and museums. Currently, we are working to create public screenings that will have discussions afterward. We are also developing a curriculum so the films can be used in schools to engage students in critical thinking about our region's history, and we hope to use the videos and the research done for them in exhibitions and publications.

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	FY20	FY21	FY22	FY23	FY24
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Number of items listed in collection's databases	130,426	134,000	130,377	133,000	135,000

The Center for Sacramento History's inventory consists of the following types of catalogued items: artifacts; photographs; government, business, and organizational records; personal and family manuscripts; audio, film, and video; and digital objects. These all tell the story of the Sacramento region. Each year we increase the amount of collection material available online. Following the reopening of the Center as the pandemic eases, we are able to utilize the work of students and volunteers again to digitize at a more consistent rate. Now, thanks to a grant from the County, we are able to digitize our extensive television film collection in house with new digitization equipment and students to complete the work.

Office of Arts and Culture Division Public Art Program

	FY20	FY21	FY22	FY23	FY24
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Number of exhibitions produced	10	10	4	4	4
Number of artworks conserved, maintained, or repaired	15	15	10	10	10
Number of public art projects completed (installed)	10	10	21	10	15
Number of permanent public art projects in progress	30	30	21	30	15
Special events, workshops, lectures (New for FY20)	3	3	15	10	5

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 significantly vary 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, 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

	FY20	FY21	FY22	FY23	FY24
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Number of arts education school assemblies organized	80	75	14	97	130
Number of participants reached through above events	18,500	18,000	4,250	24,250	30,000
Number of professional development events for artists and classroom teachers	10	12	4	10	10
Number of artists and classroom teachers served in professional development	224	314	83	110	120
Number of students served in six- or 10-week residencies	811	750	1,200	8,900	9,000

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. 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.

Cultural Arts Awards (CAA) Program

	FY20	FY21	FY22	FY23	FY24
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Number of Cultural Arts Award (CAA) grantees	57	0	69	67	67
CAA grant allocation	\$500,000	0	\$950,000	\$950,000	\$950,000
Number of Cultural Equity Grant grantees	13	0	3	0	0
Cultural Equity Grant allocation	\$115,000	0	\$240,000	0	0

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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 and FY2020/21.

The Artists in the Community grant funds arts education projects led by regional artists in partnership with community non-arts organizations to reach underserved populations of all ages. Funding for this program has, in the past, been awarded partially through a state grant. FY2015/16 was the last year that grants under this program will be awarded.

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.

Film and Media

Key Measure	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Estimate	FY24 Target
Number of Permits Issued	60	70	82	90	100
Number of Film Days	161	175	176	200	250
Total Amount of Production Company Spending in Sacramento	1,450,000	1,750,000	2,735,645	2,500,000	2,750,000
Number of Local Hires	342	400	729	600	650
Number of Hotel Nights	351	400	637	600	650

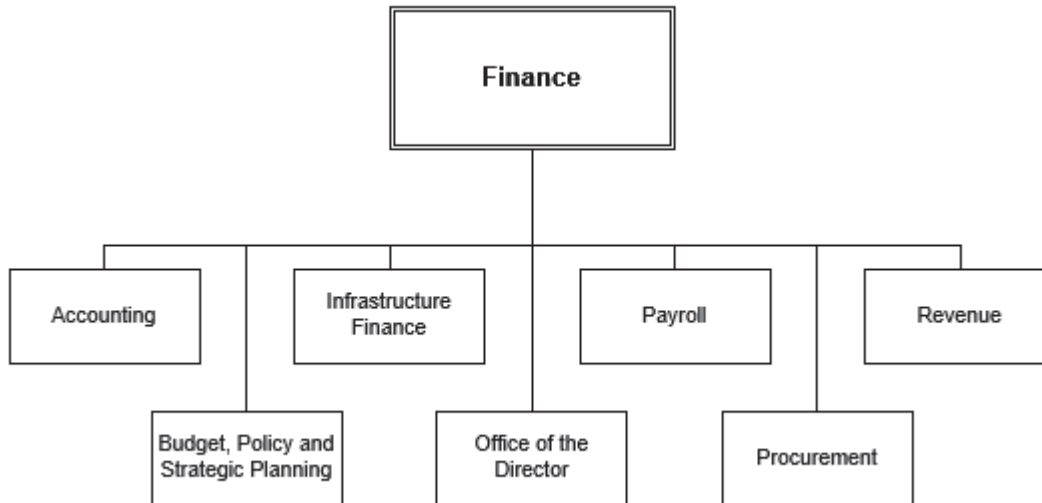
Sacramento Film + Media became part of the City of Sacramento's Office of Arts & Culture in 2019. It carries out film permitting, promotes the City as a filmmaking destination, and serves as a general resource for, and a driver of, film and media industry development in the City of Sacramento. Sacramento Film + Media measures its progress through the number of film permits, hotel nights and extended stays, local hires and film production spend in the City. Sacramento Film + Media had a good year in 2020 despite closure due to the pandemic for part of the 2020 year because the region was permitting when others were not.

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SECTION - 16 **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 Department currently provides accounting, billing, budgeting, collection, infrastructure finance, parking citation, payroll, procurement, and revenue collection services. 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, midyear budget report, and quarterly financial reports. Supports the Council, charter offices, and operating departments with budgeting, financial support, forecasting, analysis on special projects, and labor negotiations.
- **Infrastructure 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.
- **Office of the Director:** Responsible for enhancing and maintaining the fiscal stability of the City.

- **Payroll:** Responsible for issuing bi-weekly paychecks for active employees, monthly paychecks for Sacramento City Employees' Retirement System retirees and for maintaining and monitoring internal controls to ensure transactions comply with current labor agreements, payroll policies, and State and Federal laws and regulations.
- **Procurement Services:** Responsible for the development, implementation, and compliance with citywide policies for the acquisition of goods and services through competitive bidding, as well as contract and purchase order administration. Procurement oversees the citywide travel program.
- **Revenue:** Responsible for the administration, coordination, and collection of monies associated with various citywide debts and invoices, citations, fees, parking permits, special business permits, business taxes, hotel taxes and fees, utility taxes, real property taxes, as well as other various city revenue programs.

PROGRAMS/SERVICE HIGHLIGHTS

- Successfully pivoted to an all-virtual work environment maintaining full functionality and customer service levels, fast turnaround times for purchase order dispatching, and prompt payments to employees and vendors.
- Established the Panhandle Impact Fee Program to fund infrastructure and facilities necessary to support development of 1,662 residential units.
- Executed a contract for the replacement of the City's BOT system that will provide better reporting including the ability to collect information to support our Race and Gender Equity Action Plan.
- Worked with hosting platforms, including Airbnb and Expedia, to improve compliance with the City's short-term rental ordinance.
- Developed and implemented an electronic sole/single source justification form eliminating paper justifications and establishing an automated workflow.

DEPARTMENT EFFICIENCIES

- Installed an online appointment scheduling application for cashiering appointments and cannabis business tax payments.

FY2023/24 Proposed Budget

- 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.
- Streamlined internal procurement processes and procedures using best practices to eliminate redundancies, increase staff effectiveness, and improve transparency.
- Worked with the City Treasurer to establish, implement, and streamline a wire transfer process for City Department requests.

OBJECTIVES FOR FY2023/24

- Complete installation of the new citywide point-of-sale (POS) cashiering system that will accept payments for most services, programs, fees, and charges. City Departments that collect revenue using in-person or online payments utilize a variety of software applications that impact cashiering operations. This system will streamline the process and ensure transactions are recorded properly in the citywide financial system.
- Establish financing structures to facilitate development of Innovation Park (former Sleeptrain Arena site), the Sacramento Valley Station Master Plan area, the Railyards, and the Panhandle.
- Implement new accounting and financial reporting standards including Governmental Accounting Standards Board (GASB) Statements No. 84 (Fiduciary Activities), 87 (Leases), and 90 (Major Equity Interests).
- 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.

BUDGET AND POSITION CHANGES*

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Accounting*	Delete three vacant positions (3.0 FTE Principal Accountants) and add three new positions (3.0 FTE Supervising Financial Analyst) to address the pay inequities between the level of responsibilities for the positions and salary. Positions will be offset by the deletion of the positions and increasing the special assessment revenues based on three year actuals.	General	(533,640)	520,074	-
Infrastructure Finance*	Add a position (1.0 FTE Senior Development Project Manager) to manage five new Enhanced Infrastructure Finance Districts (EIFDs). Current staffing levels are unable to support the increased workload in forming and managing these EIFDs. The position costs for FY2023/24 will be offset by the Innovation & Growth Fund (IGF). Starting FY2024/25 position will be offset by the revenues generated from the EIFDs.	General/ Innovation and Growth	(180,035)	175,542	1.00

FY2023/24 Proposed Budget

BUDGET AND POSITION CHANGES* (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Procurement*	Add a position (1.0 FTE Administrative Analyst) to support contract administrative duties and provide oversight and analysis of current programs that have grown in scope. Position will be offset by budgeting rebate revenues generated through contracted vendors.	General	(127,965)	131,599	1.00
Revenue*	Delete a position (1.0 FTE Senior Staff Assistant) and add a new position (1.0 FTE Administrative Analyst) to align the needs of the department with the appropriate classification and allow the Program Manager to shift their focus to managerial duties. Position will be offset by the deletion of the position and a reduction in services and supplies.	General	(128,008)	131,599	-
Total Change			\$ (969,648)	\$ 958,814	2.00

* Position offset amounts will be finalized in the Approved Budget.

Department Budget Summary

Finance Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
Employee Services	\$ 10,534,781	\$ 11,531,915	\$ 11,957,009	\$ 11,957,009	\$ 12,523,994	\$ 566,985
Other Services and Supplies	1,315,662	1,246,829	2,091,940	2,091,940	2,420,484	328,544
City Property	65,883	13,548	44,400	44,400	44,400	-
Multi-Year Operating Projects	-	-	1,050,000	1,050,000	750,000	(300,000)
Transfers	64,003	64,003	64,003	64,003	64,003	-
Labor and Supply Offset	(980,277)	(1,052,045)	(1,202,102)	(1,202,102)	(1,211,257)	(9,155)
Contingency	-	-	-	-	(180,035)	(180,035)
Total	\$ 11,000,052	\$ 11,804,250	\$ 14,005,250	\$ 14,005,250	\$ 14,411,590	\$ 406,340

Funding Summary by Fund/Special District	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
General Fund	\$ 7,098,355	\$ 7,667,981	\$ 8,824,681	\$ 8,824,681	\$ 9,237,432	\$ 412,751
12th Street Maint Benefit Area	4,556	2,966	2,937	2,937	1,693	(1,244)
16th St PBID	6,210	2,719	2,690	2,690	2,669	(21)
65th Street Area Impact Fee	4,515	-	-	-	-	-
Central Midtown Restaurant BID	33,448	49,304	64,484	64,484	220,233	155,749
City/Cnty Office-Water Planning	39,000	39,000	39,000	39,000	39,000	-
Curtis Park CFD 2013-03	3,270	3,133	3,241	3,241	2,039	(1,202)
Del Paso Nuevo Landscaping CFD	2,866	3,064	3,086	3,086	2,041	(1,045)
Del Paso Prop & Business Imprv	2,937	2,863	2,828	2,828	2,781	(47)
Downtown Impact Fee	-	-	25,000	25,000	100,000	75,000
Downtown Management District	6,100	3,494	3,450	3,450	3,380	(70)
Franklin Blvd PBID	-	60,298	-	-	-	-
Franklin Boulevard PBID	2,255	2,769	2,738	2,738	2,709	(29)
Greater Broadway PBID	2,427	2,893	2,857	2,857	2,839	(18)
Greenbriar Impact Fee	11,936	13,252	-	-	-	-
Handle BID No 2011-04	236,628	240,210	220,000	220,000	230,870	10,870
Interdepartmental Service	2,693,464	2,726,033	2,840,770	2,840,770	2,818,449	(22,321)
Laguna Creek Maint Dist	13,933	8,112	8,028	8,028	5,862	(2,166)
Landscaping and Lighting	330,239	344,324	349,832	349,832	503,429	153,597
Mack Road PBID	2,737	2,787	2,755	2,755	2,715	(40)
Midtown Sacramento PBID	5,694	3,685	3,640	3,640	3,534	(106)

FY2023/24 Proposed Budget

Department Budget Summary (continued)

Funding Summary by Fund/Special District	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change
						More/(Less) Proposed/Amended
N Nat Lndscp 99-02	28,504	29,234	29,556	29,556	20,765	(8,791)
N Natomas Lands CFD 3	52,850	54,811	55,672	55,672	68,545	12,873
N Natomas Transp Mgmt Assoc	44,106	45,384	46,381	46,381	47,050	669
Natomas Crossing CFD 2013-01	-	476	866	866	23,576	22,710
Neighborhood Lighting Dist	18,333	10,985	10,869	10,869	3,370	(7,499)
Neighborhood Park Maint CFD	43,788	45,973	46,996	46,996	52,048	5,052
Neighborhood Water Quality Dist	13,091	10,532	10,373	10,373	4,270	(6,103)
NNFP Drainage Fee	-	-	750,000	750,000	325,000	(425,000)
NNFP Public Facilities Fee	-	-	200,000	200,000	200,000	-
NNFP Public Land Acquisition Fee	-	-	50,000	50,000	50,000	-
Northside Subdiv Maint Dist	5,243	5,318	5,288	5,288	1,651	(3,637)
NW Land Park CFD 2013-02	7,493	9,796	10,027	10,027	5,711	(4,316)
Oak Park PBID	2,461	2,811	2,778	2,778	2,741	(37)
Old Sacto Maint Dist	4,814	2,870	2,840	2,840	3,345	505
Parkebridge CFD 2014-07	4,801	5,358	9,125	9,125	7,238	(1,887)
Power Inn Area Prop & Business	3,814	3,372	3,321	3,321	3,194	(127)
Power Inn Rd Md 2003-01	4,675	3,586	3,565	3,565	1,169	(2,396)
Railyards Impact Fee	-	-	-	-	50,000	50,000
Railyards Maint CFD No 2014-04	6,214	8,012	8,205	8,205	6,539	(1,666)
River District Impact Fee	-	-	25,000	25,000	25,000	-
Sac Services CFD 2018-05	-	8,664	9,866	9,866	7,415	(2,451)
Sac Tourism Marketing District	72,357	130,723	72,908	72,908	72,908	-
SacMaintCFD2014-04 Annex Areas	9,493	13,419	19,300	19,300	9,607	(9,693)
SacMaintCFD2014-04 Area 01	10,361	10,367	16,820	16,820	5,613	(11,207)
So Natomas Comm Improv	1,520	8,742	-	-	-	-
So Natomas Facility Benefit	23,456	16,353	-	-	-	-
Special District Info/Rpt Sys	3,437	4,296	-	-	-	-
Stockton Blvd BIA	2,804	9,330	-	-	-	-
Stockton Blvd PBID	2,589	6,293	2,779	2,779	2,771	(8)
Subdiv Lndscpng Maint Dist	28,872	29,605	28,622	28,622	13,827	(14,795)
Sutter Business Imprvmt Area	64,341	116,079	150,000	150,000	200,000	50,000
The River District PBID	2,727	2,984	2,947	2,947	2,879	(68)
Township 9 CFD No. 2012-06	6,358	9,893	10,143	10,143	2,382	(7,761)
Village Garden N.-Mtce Dist #1	16,076	7,803	6,663	6,663	1,791	(4,872)
Willow creek Assmnt Md	9,308	6,638	6,590	6,590	4,080	(2,510)
Willow creek Lndscpng CFD	5,595	5,657	5,733	5,733	5,430	(303)
Total	\$ 11,000,052	\$ 11,804,250	\$ 14,005,250	\$ 14,005,250	\$ 14,411,590	\$ 406,340

Division Budget Summary

Finance Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change
						More/(Less) Proposed/Amended
Accounting Division	\$ 2,579,708	\$ 2,872,114	\$ 3,169,938	\$ 3,169,938	\$ 3,183,331	\$ 13,393
Budget Office Division	1,173,510	1,503,826	1,693,588	1,693,588	1,736,700	43,112
Office of the Director Division	833,652	781,589	709,097	709,097	666,870	(42,227)
Revenue Division	3,125,117	3,197,761	3,815,032	3,815,032	4,188,003	372,971
Payroll Division	1,130,160	1,206,596	1,243,018	1,243,018	1,268,106	25,088
Procurement Division	846,112	986,552	1,056,389	1,056,389	1,215,908	159,519
Infrastructure Finance Division	1,311,794	1,255,811	2,318,188	2,318,188	2,152,672	(165,516)
Total	\$ 11,000,052	\$ 11,804,250	\$ 14,005,250	\$ 14,005,250	\$ 14,411,590	\$ 406,340

FY2023/24 Proposed Budget

Staffing Levels

Finance Budget Summary	FY2020/21	FY2021/22	FY2022/23	FY2022/23	FY2023/24	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Accounting Division	20.00	20.00	20.00	20.00	20.00	-
Budget Office Division	7.00	8.00	8.00	8.00	8.00	-
Office of the Director Division	3.00	3.00	3.00	3.00	3.00	-
Revenue Division	40.00	40.00	40.90	40.90	40.90	-
Payroll Division	8.00	8.00	9.00	9.00	9.00	-
Procurement Division	7.00	7.00	7.00	7.00	8.00	1.00
Infrastructure Finance Division	6.00	6.00	6.00	6.00	7.00	1.00
Total	91.00	92.00	93.90	93.90	95.90	2.00

PERFORMANCE MEASURES

Accounting Division

Key Measure	FY20	FY21	FY22	FY23	FY24
	Actuals	Actuals	Actuals	Estimate	Target
Percent of vendors paid within 30 days	78%	83%	82%	80%	80%
Number of days for Accounting to review and approve a vendor invoice and process a payment	4	4	4	4	4
"Prompt Payment" discounts taken	\$100,000	\$114,597	\$82,365	\$100,000	\$80,000
"Prompt Payment" discounts lost	\$10,000	\$20,044	\$39,788	\$10,000	\$30,000
Percent of discounts taken	91%	89%	69%	90%	73%

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	FY20	FY21	FY22	FY23	FY24
	Actuals	Actuals	Actuals	Estimate	Target
Obtain unmodified audit opinion on Annual Comprehensive	Yes	Yes	Yes	Yes	Yes
Obtain Government Finance Officers Association Certificate of Achievement for Annual Comprehensive Financial Report	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 California Society of Municipal Finance Officers Operating & Capital Budgeting Awards	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	FY20	FY21	FY22	FY23	FY24
	Actuals	Actuals	Actuals	Estimate	Target
Number of days for Procurement Services to review a requisition and issue a purchase order	3	3	3	3	3

Issuing centralized purchase orders ensures compliance with the City's procurement policies and procedures. Timely review and issuance of purchase orders is critical in fulfilling the program and service delivery needs of Departments.

FY2023/24 Proposed Budget

Revenue Division

Key Measure	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Estimate	FY24 Target
Percent of delinquent receivables collected	50%	50%	50%	50%	50%

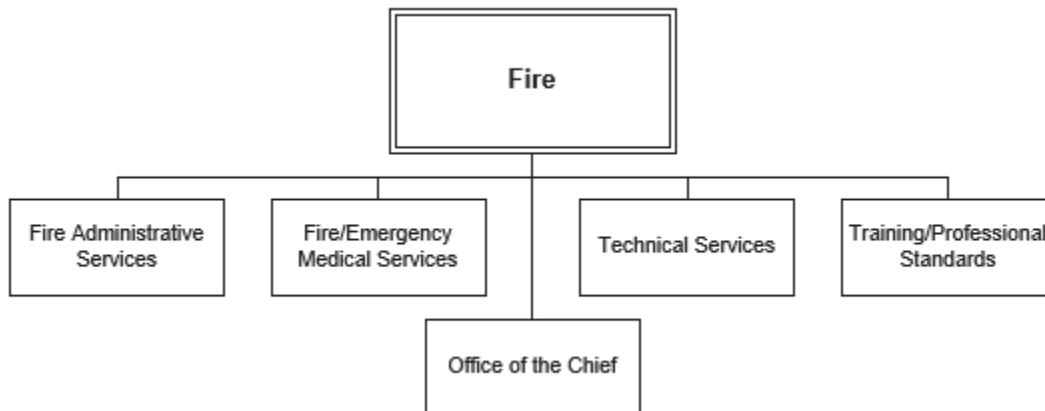
Collection of revenues associated with the provision of specific programs and services reflects prudent financial management and is necessary to achieve the resources included in the City's annual budget. Invoices unpaid for 30 days or longer are considered delinquent. Collection efforts on delinquent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

17

SECTION - 17 **Fire**

Fire

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



The **Fire Department** started serving the residents of Sacramento in 1850 as a volunteer organization. In 1872, the Department 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 animal. The Department provides emergency services, fire code enforcement, public education, and fire investigations.

- **Fire Administrative Services:** Responsible for departmental support of budget, revenues, accounts payable, procurement, contracts, council reports and grants. Provides personnel services including hiring, payroll, workers' compensation, and testing.
- **Fire/Emergency Medical Services (EMS):** Responds to fires, technical (e.g., Urban Search & Rescue, water, and heavy rigging), rescues, hazardous materials incidents, wildland fires, and other emergencies. Provides emergency medical services including advanced life support and transportation.
- **Office of the Chief** Responsible for developing and providing direction for the Department.
- **Technical Services:** Provides essential support functions to all divisions, which includes acquisition and repairs of necessary equipment, information technology; coordination of all facility maintenance, repairs, and construction; and fleet maintenance, repairs, and acquisition. Enforces codes and ordinances related to fire and life safety issues, completes plan reviews and conducts inspections of construction projects, coordinates annual life

safety inspections of commercial buildings, and investigates fires.

- Training/Professional Standards:

Responsible for essential fire recruit training including in-service, continuing education, and outreach/recruitment. Provides oversight and investigative services related to personnel and civilian complaints and disciplinary actions.

PROGRAMS/SERVICE HIGHLIGHTS

- Successful recruitment and hiring of the department's 23rd Fire Chief, Chris Costamagna, two new Deputy Chiefs, and three Fire Assistant Chiefs.
- Developed EMS Trainee Job Specification, Tuition Assistance Agreement, Job Announcement, and all processes and manuals to run the program effectively. Job posted and closed at 150 applicants within 14 hours for 20 positions.
- The Sacramento Fire Department (SFD) ran 109,342 incidents, a 3.5% increase in call volume. The Sacramento Fire Department EMS Division totaled 72,338 incidents in 2022.
- Investigated 528 Fires where 47% of the fires investigated were (Arson) incendiary, leading to a 35% arrest rate.
- Successfully hosted a two-day Girl's Camp with 46 campers, a 46% increase from the previous year. The total percentage of youth of color is 57%. Thirty-six campers resided in the City and County of Sacramento.
- The recent opening of station 14 demonstrates our ongoing commitment to upgrading and replacing our aging infrastructure.
- The training division provided 138,537 hours of training through the Los Rios Community College Educational partnership and 74,278 hours of apprentice level training through the California Joint Apprenticeship Committee (CALJAC) partnership—a total of 212,815 training hours is a record high for the training division.

DEPARTMENT EFFICIENCIES

- Continued to support the City of Sacramento's COVID prevention plan.
- Continue to collaborate with the fleet division to ensure the management of the fire equipment replacement cycle. While addressing supply chain and vehicle parts issues.
- Achieved State Fire Training (SFT) and California Specialized Training Institute (CSTI) Site certification for Hazardous Materials Technical Specialist series to allow course delivery for SFD personnel qualification to assist with Type1 Hazardous Materials Unit staffing.

FY2023/24 Proposed Budget

- The new Construction Inspection Unit will continue to utilize emerging technology offered by the city to streamline scheduling and expand flexibility in conducting inspections. This has allowed for increased availability to accommodate time-sensitive inspection requests and increased accessibility to the development community.
- Continued to work with our EMS partners in the surrounding area to develop a plan to distribute EMS calls according to the urgency and severity of the call.
- Continued evaluations of the EMS Division to determine cost-effective measures to provide good community service.

OBJECTIVES FOR FY2023/24

- The department will continue to work towards establishing a greater connection with our community-based organizations (CBOs), neighborhood leaders, and organizations as we fortify the department.
- The Fire Logistics Division is investigating a new asset management software to streamline equipment management and provide easier re-supply.
- Collaborate with City Departments and the community on developing and implementing a Telehealth Program, which will provide precise service to the community.
- Plan and execute promotional assessment processes for the rank of Battalion Chief and Captain at the direction of the Executive Team.

BUDGET AND POSITION CHANGES*

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Emergency Medical Response	Delete vacant dual role firefighter paramedic/Emergency Medical Technician (EMT) positions (18.0 FTE Firefighter) and convert into single role positions (15.0 FTE Fire EMT and 15.0 FTE Fire Paramedic) and add 10 positions (5.0 FTE Fire EMT and 5.0 FTE Fire Paramedic) to implement the Single Role Program. Add positions (3.0 FTE Assistant Chief, 1.0 FTE Fire Captain Admin, 3.0 Fire Captain) to manage the day-to-day operations of the Single Role Program. Positions will be offset by the deletion of the positions, new Advanced Life Support revenues and the Intergovernmental Transfer commitment of General Fund Balance.	General	(2,745,201)	2,745,201	29.00
Fire Investigation	Add a position (1.0 FTE Fire Investigator II) to determine fire origin and cause and the detection and apprehension of parties responsible for committing arson, fire-related crimes, and insurance fraud.	General	-	305,788	1.00

FY2023/24 Proposed Budget

BUDGET AND POSITION CHANGES* (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Fire Prevention	Increase funding for the addition of two fleet vehicles for Fire Prevention Officers. Costs will be offset by the projected increase in the fire prevention revenues.	General	(82,000)	82,000	-
Fire Suppression	Add a position (1.0 FTE Fire Captain Admin) in response to Assembly Bill 542 by early intervention/prevention, thus creating a healthier workforce.	General	-	318,678	1.00
Various	Increase revenues in the Fire Prevention, Operations, Special Operations and Emergency Medical Services divisions to better align with actual revenues received in prior years.	General	(4,186,112)	-	-
Total Change:			\$ (7,013,313)	\$ 3,451,667	31.00

Department Budget Summary

Fire Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
Employee Services	\$153,145,653	\$157,986,266	\$153,249,453	\$153,249,453	\$171,238,640	\$ 17,989,187
Other Services and Supplies	16,741,409	20,236,451	18,947,019	18,936,749	18,975,503	38,754
City Property	210,217	474,858	955,488	955,488	522,038	(433,450)
Multi-Year Operating Projects	-	70,943	885,000	-	1,664,500	1,664,500
Transfers	20,765	22,984	-	-	-	-
Labor and Supply Offset	(26,640,614)	(48,167,385)	(701,797)	(701,797)	(698,277)	3,520
Total	\$143,477,430	\$130,624,118	\$173,335,163	\$172,439,893	\$191,702,404	\$ 19,262,511

Funding Summary by Fund/Special District	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
General Fund	\$142,977,430	\$122,209,256	\$162,949,260	\$162,053,990	\$181,080,966	\$ 19,026,976
Measure U	-	7,914,862	9,885,903	9,885,903	10,121,438	235,535
Risk Mgmt	500,000	500,000	500,000	500,000	500,000	-
Total	\$143,477,430	\$130,624,118	\$173,335,163	\$172,439,893	\$191,702,404	\$ 19,262,511

Division Budget Summary

Fire Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
Office of the Fire Chief Division	\$ 649,929	\$ 797,846	\$ 816,728	\$ 816,728	\$ 870,283	\$ 53,555
Fire Ops/EMS Division	117,725,794	101,549,261	137,728,622	137,718,352	153,360,721	15,642,369
Training/Professional Standards Division	2,535,010	5,183,153	8,648,087	8,538,087	9,171,757	633,670
Tech Services Division	21,088,546	21,719,024	24,217,533	23,442,533	26,351,911	2,909,378
Fire Administrative Services Division	1,478,150	1,374,834	1,924,193	1,924,193	1,947,732	23,539
Total	\$ 143,477,430	\$130,624,118	\$173,335,163	\$172,439,893	\$191,702,404	\$ 19,262,511

Staffing Levels

Fire Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
Office of the Fire Chief Division	3.00	3.00	3.00	3.00	3.00	-
Fire Ops/EMS Division	616.00	614.00	615.00	615.00	644.00	29.00
Training/Professional Standards Division	28.50	35.50	45.50	45.50	45.50	-
Tech Services Division	51.00	51.00	52.00	52.00	54.00	2.00
Fire Administrative Services Division	14.00	14.00	14.00	14.00	14.00	-
Total	712.50	717.50	729.50	729.50	760.50	31.00

MEASURE U

The following chart summarizes the Department’s Measure U programs.

Funding Category	Program Name	FTE	FY2023/24 Proposed
Public Safety - Fire Operations	Diversity/Outreach/Recruitment	18.00	3,752,481
	Fire Suppression	-	6,368,957
Grand Total		18.00	\$ 10,121,438

PERFORMANCE MEASURES

Emergency Operations Division

Key Measure	FY20	FY21	FY22	FY23	FY24
	Actuals	Actuals	Actuals	Estimate	Target
Average Response Time	5 minutes 42 seconds	5 minutes 30 seconds	5 minutes 30 seconds	5 minutes 30 seconds	5 minutes 30 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.

Key Measure	FY20	FY21	FY22	FY23	FY24
	Actuals	Actuals	Actuals	Estimate	Target
Unit Hour Utilization (UHU)	0.40	0.45	0.50	0.45	0.45

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 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

Key Measure	FY20	FY21	FY22	FY23	FY24
	Actuals	Actuals	Actuals	Estimate	Target
Percent of fire plan reviews completed on time	94%	95%	96.61%	95%	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).

Key Measure	FY20	FY21	FY22	FY23	FY24
	Actuals	Actuals	Actuals	Estimate	Target
Development Services Fire Inspections conducted	9,967	9,800	9,550	9,500	9,500

Fire Prevention conducts annual permit inspection as mandated by local and state code. These inspections are estimated to increase over the next year due to the number of new buildings constructed that will require annual fire permits. Due to a shift of personnel to work on development services inspections, the number of Annual Fire Permit Inspections conducted dropped.

18

SECTION - 18 **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, new employee benefit orientations, coordination of the Defined Contribution Plans Committee, and budgeting for the department.
- **HR Administration:** Provide support for exempt hires, contracting support, board, commission, and legislative support, and special projects.
- **Labor Relations:** Provide employee contract negotiations, implementation of labor agreements, discipline, grievance administration, citywide leave policies, equal employment opportunity, Americans with Disabilities Act (ADA) coordination for employees, applicants, and program participants, and development of citywide policies and procedures.
- **Employment, Classification & Development:** Provide employment services, recruiting, testing, classification and compensation studies, and citywide training and organizational development.

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- Risk Management/
Workers' Compensation: Provide environmental health and safety, insurance, workers' compensation, and liability claims management.
- Diversity & Equity Provide ongoing training in racial equity practice, applying depart equity assessments, and monitor performance measures in operationalizing department goals in workforce equity.

PROGRAMS/SERVICE HIGHLIGHTS

- Offered a variety of ongoing and new trainings to City employees via CityYOU, including, but not limited to, Lean White and Yellow Belt Training, "Women in Leadership with BOLD Speaker Series," Analytical Academy, and the City of Sacramento's internal Leadership Development Program, called "The Leadership Challenge."
- Continued to manage the citywide classification and compensation study to update job descriptions and evaluate compensation.
- Continued to refine and implement changes to the civil service examination process and protocols to remove barriers and to speed up the hiring process.
- Completed audit of employee and retiree enrollment in City dental plans.
- Conducted a foundational role of government and racial equity training for employees from each department's equity teams.
- Audited commercial driver training records to ensure all commercial drivers have a valid and current driver proficiency verification and Department of Transportation (DOT) drug and alcohol training record on file. Led efforts to update records for any employees identified as missing one and saved all information into the Learning Management System under the appropriate activity created and implemented Smith System driver training.
- The Office of Diversity and Equity began the implementation of the Race and Gender Equity Action Plan (RGEAP) 2020-2025. The RGEAP will utilize assessment measures based on the Global Diversity and Inclusion Benchmark Model, Results Based Accountability framework and Government Alliance on Race & Equity (GARE) theory of change to build a systemic approach to produce positive outcomes that inform our equity efforts along the workforce continuum.
- Workers' Compensation managed a total claim increase of 30% from the prior fiscal period due in large part to the surge in work-related COVID-19 claims which accounted for 35% of new losses.
- Transitioned to a new Employee Assistance Program provider for enhanced services to employees.

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- Labor Relations negotiated and implemented an updated “Remote Work” policy, replacing a 25-year-old outdated “Telework” policy.

DEPARTMENT EFFICIENCIES

- Further streamlined the personnel transaction approval process by implementing additional Personnel Action Request submission options and ePARs for pay-rate changes and terminations.
- Implemented new “On Demand” training feature, providing more flexibility for departments to request and set up trainings tailored to the development needs of specific workgroups.
- Contracted with a medical provider to conduct onsite physical exams to efficiently clear candidates through the pre-employment screening process during seasonal mass hiring periods.
- Labor Relations staff completed the digital scanning of 40+ years of historical labor relations paper documents.

OBJECTIVES FOR FY2023/24

- Continue to refine recruitment, selection, and hiring processes to remove barriers and increase efficiency.
- Continue to advance the City’s Race & Gender Equity Action Plan (RGEAP) in partnership with the City Manager’s Office.
- Engage with stakeholders on the next phase of the citywide classification and compensation study and continue to manage the study to meet established project goals.
- Identify a solution for electronic reporting that captures incident (accident/injury) information quickly and disseminates it to key stakeholders for timely review and follow through to reduce future events.
- Develop a citywide training matrix that identifies health and safety training requirements by classification.
- Complete audit of employee and retiree enrollments in City vision plans.
- Negotiate 11 successor labor agreements with the City’s recognized employee organizations and update the City’s Skelly officer program.

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BUDGET CHANGES AND POSITION CHANGES*

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Labor Relations*	Delete a position (1.0 FTE Labor Relations Analyst) and add a position (1.0 FTE Labor Relations Officer) to assist with administrative operations of the City including the implementation of citywide policies through negotiations with Recognized Employee Organizations. The cost will be offset with Services and Supply savings.	General	(168,994)	178,464	-
Labor Relations*	Delete two positions (2.0 FTE Investigator) and add two positions (2.0 FTE Labor Relations Administrative and Equal Employment Opportunity Investigator) to align the job classification to duties and skills required to perform the assigned work. Departments are charged back for the cost of investigations.	General	(331,416)	341,790	-
Risk Management	Remove reimbursements from the Water Fund, Wastewater Fund and Storm Drainage Fund for 1.0 FTE Environmental Health and Safety Specialist. Risk Management would like to retain this FTE if additional work arises to support the Utility Funds. If the FTE is filled, departments will be charged back for work performed.	Risk, Water, Wastewater, Storm Drainage	(168,471)	168,471	-
Total Change			\$ (668,881)	\$ 688,725	-

* Position offset amounts will be finalized in the Approved Budget.

Department Budget Summary

Human Resources Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
Employee Services	\$ 10,146,890	\$ 10,827,246	\$ 12,406,712	\$ 12,406,712	\$ 12,647,112	\$ 240,400
Other Services and Supplies	36,973,006	43,999,886	44,866,723	44,834,723	52,114,348	7,279,625
City Property	61,186	36,321	43,200	43,200	43,200	-
Multi-Year Operating Projects	-	-	213,250	103,250	235,810	132,560
Transfers	(63,945)	(68,807)	-	-	-	-
Labor and Supply Offset	4,348,990	5,833,167	3,197,132	3,197,132	1,443,365	(1,753,767)
Total	\$ 51,466,126	\$ 60,627,813	\$ 60,727,017	\$ 60,585,017	\$ 66,483,835	\$ 5,898,818

Funding Summary by Fund/Special District	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
General Fund	\$ 3,474,946	\$ 4,090,961	\$ 4,730,981	\$ 4,698,981	\$ 5,145,579	\$ 446,598
Fleet Management	59,614	59,614	59,614	59,614	14,433	(45,181)
Interdepartmental Service	1,648,618	1,673,537	1,725,737	1,725,737	1,664,044	(61,693)
Marina	-	-	-	-	4,811	4,811
Measure U	-	-	473,906	473,906	456,897	(17,009)
Parking	-	-	-	-	4,811	4,811
Recycling and Solid Waste	117,545	117,545	150,087	150,087	152,226	2,139
Risk Mgmt	32,815,663	40,623,117	37,605,559	37,495,559	42,480,291	4,984,732
Storm Drainage	45,189	45,189	30,326	30,326	-	(30,326)
Wastewater	18,585	18,585	33,693	33,693	-	(33,693)
Water	57,700	57,700	104,452	104,452	-	(104,452)
Worker's Compensation	13,228,265	13,941,565	15,812,662	15,812,662	16,560,743	748,081
Total	\$ 51,466,126	\$ 60,627,813	\$ 60,727,017	\$ 60,585,017	\$ 66,483,835	\$ 5,898,818

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Division Budget Summary

Human Resources Budget Summary	FY2020/21	FY2021/22	FY2022/23	FY2022/23	FY2023/24	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
HR Administration Division	\$ 1,515,347	\$ 1,645,888	\$ 2,006,636	\$ 2,006,636	\$ 2,139,606	\$ 132,970
Benefit Services Division	1,016,853	1,165,041	1,202,329	1,202,329	1,205,362	3,033
Employment, Classification & Dev Division	1,700,365	1,758,658	2,024,944	2,024,944	2,050,499	25,555
Risk Management Administration Division	43,228,268	51,382,963	50,130,348	50,020,348	55,573,441	5,553,093
Workers' Compensation Division	2,591,627	2,958,229	3,143,378	3,143,378	3,183,751	40,373
Labor Relations Division	1,413,666	1,717,034	1,745,476	1,713,476	1,874,279	160,803
Office of Diversity and Equity Division	-	-	473,906	473,906	456,897	(17,009)
Total	\$ 51,466,126	\$ 60,627,813	\$ 60,727,017	\$ 60,585,017	\$ 66,483,835	\$ 5,898,818

Staffing Levels

Human Resources Budget Summary	FY2020/21	FY2021/22	FY2022/23	FY2022/23	FY2023/24	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
HR Administration Division	10.00	9.00	9.00	9.00	9.00	-
Benefit Services Division	9.00	9.00	9.00	9.00	9.00	-
Employment, Classification and Dev Division	15.00	15.00	15.00	15.00	15.00	-
Risk Management Administration Division	17.00	17.00	17.00	17.00	17.00	-
Workers' Compensation Division	19.00	19.00	19.00	19.00	19.00	-
Labor Relations Division	10.00	10.00	11.00	11.00	11.00	-
Office of Diversity and Equity Division	-	-	3.00	3.00	3.00	-
Total	80.00	79.00	83.00	83.00	83.00	-

MEASURE U

The following chart summarizes the Office's Measure U programs.

Funding Category	Program Name	FTE	FY2023/24 Proposed
Inclusive Economic Development			
Operations	Office of Diversity and Equity	3.00	456,897
Grand Total		3.00	\$ 456,897

PERFORMANCE MEASURES

HR Administration Division

Key Measure	FY20	FY21	FY22	FY23	FY24
	Actuals	Actuals	Actuals	Estimate	Target
Percentage of EEO and ADA complaints resolved without resulting in cause and/or monetary settlements	61%	71%	57%	68%	70%

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 it will continue to provide in-person training to comply with state law as well as to provide training to new employees on at least a quarterly basis.

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Labor Relations Division

Key Measure	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Estimate	FY24 Target
Percentage of grievances that come to the Department and are resolved internally	95%	90%	66%	33%	80%

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 understanding (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 to achieve a 100 percent resolution rate.

Risk Management Administration Division

Key Measure	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Estimate	FY24 Target
Maintain number of City-owned vehicle related claims filed against the City to under 145.	107	135	145	145	145

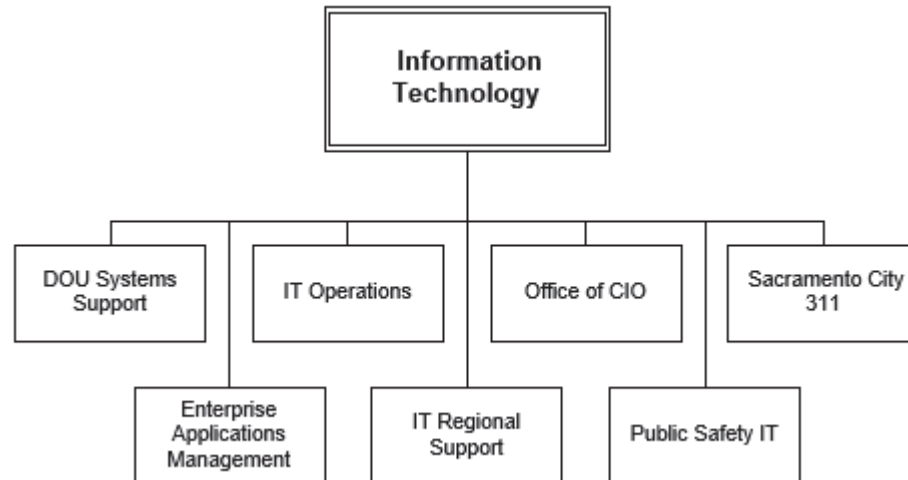
One of the most significant risks of injury to Sacramento citizens and employees is vehicle accidents. With the support of City leadership and effective driver training through the Sacramento Regional Driver Training Facility, the number of City-owned vehicle liability claims have been reduced even as 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.

19

SECTION - 19 **Information Technology**

Information Technology

The Department of Information Technology (IT) is committed to ensuring IT investments and strategic business technologies are innovative, reliable, equitable and 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 Departments and the public 24 hours a day, seven days a week. The City's IT systems, infrastructure, information, and functions range from relatively simple to extremely complex.

The IT Department is divided into seven areas:

- Department of Utilities IT Systems Support: Responsible for providing a full range of IT services to support the Department of Utilities.
- Enterprise Applications Management: Responsible for the development and management of citywide software systems, data, and applications.
- IT Operations: Responsible for IT infrastructure services such as security, networks, telecommunications, servers, storage, and backup to support City business functions.
- IT Regional Support: Responsible for end-user device management, IT Service Desk operations, and end-user technical training.
- Office of the Chief Information Officer (CIO): Responsible for strategic planning, fiscal, human capital resources, and administrative management of the Department.
- Public Safety Information Technology: Responsible for applications development, network infrastructure, and help desk and

desktop support for the Sacramento Fire and Police Departments.

- Sacramento City 311: Responsible for assisting the public and internal departments with all non-public safety service requests, and questions regarding City services and policies.

PROGRAMS/SERVICE HIGHLIGHTS

- The IT Department provides 311 resources for our community to request city services. 311 is the primary point of contact with residents and acts as the front door for many. The City's 311 has grown substantially since it started back in 2008. In 2022, 311 answered over 304K phone calls of which 32K were handled by our virtual agent without any human interaction. 311 also processed a total 490K requests which originated through phone, web, app, and email. Among the many challenges that the City faced, the 311 team was able to accomplish this important work while working remotely.
- Expanded the Sacramento Digital Equity Response program to further address the Communities insufficient or lack of digital access which was exacerbated by the COVID-19 pandemic. This program provides digital services, devices, training, and the knowledge necessary for Sacramento residents to connect to essential community, education, medical, and government services by leveraging City and private funding sources.
- In the wake of the COVID-19 pandemic, many City employees had to rapidly transform their daily work from an onsite city facility to a remote work environment. IT supports thousands of remote workers by providing technology tools that allow for seamless and secure remote connectivity to business systems, information, and online public meetings.

DEPARTMENT EFFICIENCIES

- Implemented a Natural Language Interactive Voice Recognition (IVR) system for 311. Voice recognition allows callers to speak and receive services without having to wait to speak to a 311 agent. Hundreds of calls are addressed each day quickly and efficiently by the system. The IVR system frees up 311 agents to handle more complex requests that cannot be handled by the automated system.
- Automated hundreds of business processes throughout City departments. This included the implementation of digital signature processes and workflows along with the automation of hundreds of online web forms. These efforts enabled the City to efficiently provide vital City services throughout the pandemic with low or no touch services.
- Automated and streamlined internal administrative processes such as the Personnel Action Request process used for staff hire and re-hire actions, pay changes, separations, promotions, and transfers. These new online based

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processes resulted in increased productivity, more accurate information, and improved transparency.

- The Department is committed to continuous improvement to reduce energy consumption and support the City's green initiatives. Among many other initiatives, IT has reduced the number of physical servers by more than 95%, resulting in significant energy savings.
- Implemented advanced multi-factor authentication technology across the organization into all public-facing and cloud applications. This solution created a single sign-on dashboard view of published applications and one universal directory for all City and Public Safety users.

OBJECTIVES FOR FY2023/24

- Implement a Grants Management Information System that will administer the end-to-end lifecycle of all City grants (awarded and received), improve business efficiencies, and more effectively manage grants citywide. The system will streamline the grant request and tracking process and will generate analytics based on grant related data.
- Modernize the Information Technology job classifications and organizational structure under the Citywide Classification Study to reflect the critical work the department performs.
- Enhance and expand the recently implemented Customer Relationship Management (CRM) system and AI-based IVR system to reduce the 311 call wait time. Additional departments will transition to the CRM system to automate business processes, set service levels and standard turnaround times, increase communication on case status and resolutions with citizens. These initiatives will significantly improve the customer service level and transparency while reducing the operating cost for the department.
- Implement a cloud-based code enforcement case management system to streamline the business process and improve the customer experience. The system aims to modernize the business processes by automating and integrating with other enterprise applications. In addition, the system will improve analytics and reporting to help management make data driven business decisions.
- Implement a modern Unified Endpoint Management (UEM) solution. UEM is the key to addressing mobile and traditional end-user devices, maintaining continuity of end-user computing operations, and delivering seamless IT administration in the current era of expanded remote work.

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BUDGET AND POSITION CHANGES*

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Department of Utilities (DOU) Systems Support	Delete a position (1.0 FTE Department Systems Specialist II) and add one new position (1.0 FTE Information Technology Supervisor) in the DOU Systems Support Division to maintain Information Technology (IT) service levels necessary for Citywide operations.	General	(120,411)	191,091	-
Enterprise Applications Management	Add a position (1.0 FTE - Principal Applications Developer) for the expansion and the support of centralized Constituent Relationship Management (CRM), Grants Management System, and other digital services.	General	-	188,864	1.00
Enterprise Applications Management	Increase funding for ongoing support and capital enhancements for the Constituent Relationship Management (CRM) System. Of the \$1.2M, \$1M is for capital enhancements and \$200K is for ongoing operating support.	Various**	-	1,200,000	-
Enterprise Applications Management*	Delete a position (1.0 FTE Senior Applications Developer) and add two new positions (2.0 FTE Information Technology Trainees) to the Enterprise Applications Division to create journey level career paths for prospective IT candidates.	General	(190,836)	194,586	1.00
IT Operations	Increase funding for the IPRO Tech eDiscovery and Case Management Tool.	General	-	188,970	-
IT Regional Support	Add a position (1.0 FTE Administrative Analyst) to oversee and manage the Software Asset Management Program.	General	-	131,599	1.00
IT Regional Support*	Delete a position (1.0 FTE Senior Information Technology Support Specialist) and add two new positions (2.0 FTE Information Technology Trainees) to the Regional Support Division to create additional capacity to handle IT requests and support incidents.	General	(190,845)	194,586	1.00
Public Safety IT	Add a position (1.0 FTE - Principal Applications Developer) to support the Fire Department.	General	-	188,864	1.00
Total Change			\$ (502,092)	\$ 2,478,560	5.00

* Position offset amounts will be finalized in the Approved Budget.

** Various Funds include General Fund, Gas Tax 2016, Recycling and Solid Waste, Storm Drainage, Wastewater and Water.

Department Budget Summary

Information Technology Budget Summary	FY2020/21	FY2021/22	FY2022/23	FY2022/23	FY2023/24	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Employee Services	\$ 25,680,221	\$ 26,615,158	\$ 28,686,603	\$ 28,686,603	\$ 32,009,724	\$ 3,323,121
Other Services and Supplies	(136,533)	1,235,156	1,531,435	1,531,435	1,582,450	51,015
City Property	(392,642)	(516,933)	369,195	369,195	369,195	-
Multi-Year Operating Projects	-	-	460,000	460,000	460,000	-
Transfers	(869,511)	(866,994)	(767,836)	(767,836)	(814,870)	(47,034)
Labor and Supply Offset	(1,064,786)	(664,917)	(825,470)	(825,470)	(856,786)	(31,316)
Total	\$ 23,216,749	\$ 25,801,469	\$ 29,453,927	\$ 29,453,927	\$ 32,749,713	\$ 3,295,786

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Department Budget Summary (continued)

Funding Summary by Fund/Special District	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change
						More/(Less) Proposed/Amended
General Fund	\$ 12,662,725	\$ 14,147,930	\$ 17,457,782	\$ 17,457,782	\$ 20,915,234	\$ 3,457,452
4th R Program	16,000	16,000	16,000	16,000	16,000	-
Gas Tax 2016	107,191	131,471	128,272	128,272	151,414	23,142
Interdepartmental Service	8,778,131	9,368,683	9,240,302	9,240,302	9,049,522	(190,780)
Measure U	-	489,277	718,773	718,773	709,218	(9,555)
Parking	10,955	14,000	13,282	13,282	17,224	3,942
Recycling and Solid Waste	1,268,502	1,184,222	1,396,259	1,396,259	1,370,529	(25,730)
START	5,000	5,000	5,000	5,000	5,000	-
Storm Drainage	46,009	53,798	92,162	92,162	47,756	(44,406)
Wastewater	61,149	65,995	66,452	66,452	76,878	10,426
Water	135,726	167,311	156,102	156,102	210,937	54,835
Worker's Compensation	125,361	157,782	163,541	163,541	180,001	16,460
Total	\$ 23,216,749	\$ 25,801,469	\$ 29,453,927	\$ 29,453,927	\$ 32,749,713	\$ 3,295,786

Division Budget Summary

Information Technology Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change
						More/(Less) Proposed/Amended
Citywide GIS Support Division	-	-	\$ 1,855,430	\$ 1,855,430	\$ 2,143,367	\$ 287,937
DOU Systems Support Division	3,703,414	3,831,630	4,151,393	4,151,393	4,662,024	510,631
Enterprise Applications Management Division	5,226,691	5,292,393	4,035,941	4,035,941	4,698,392	662,451
IT Regional Support Division	2,465,031	2,652,450	2,749,291	2,749,291	3,004,591	255,300
Office of CIO Division	357,536	1,486,121	3,326,434	3,326,434	3,081,894	(244,540)
Public Safety IT Division	4,058,203	4,302,089	4,549,716	4,549,716	5,223,703	673,987
Sacramento City 311 Division	3,017,570	3,476,170	3,783,302	3,783,302	4,002,441	219,139
IT Operations Division	4,388,304	4,760,617	5,002,420	5,002,420	5,833,301	830,881
Total	\$ 23,216,749	\$ 25,801,469	\$ 29,453,927	\$ 29,453,927	\$ 32,749,713	\$ 3,295,786

Staffing Levels

Information Technology Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change
						More/(Less) Proposed/Amended
Citywide GIS Support Division	-	-	13.00	13.00	13.00	-
DOU Systems Support Division	27.00	27.00	27.00	27.00	27.00	-
Enterprise Applications Management Division	45.00	45.00	33.00	33.00	35.00	2.00
IT Regional Support Division	20.00	20.00	20.00	20.00	22.00	2.00
Office of CIO Division	6.00	7.00	7.00	7.00	7.00	-
Public Safety IT Division	29.00	30.00	30.00	31.00	32.00	1.00
Sacramento City 311 Division	41.50	41.50	41.50	41.50	41.50	-
IT Operations Division	30.00	30.00	30.00	30.00	30.00	-
Total	198.50	200.50	201.50	202.50	207.50	5.00

MEASURE U

The following chart summarizes the Department’s Measure U programs.

Funding Category	Program Name	FTE	FY2023/24 Proposed
Community Resoonse			
Operations	Sacramento City 311	-	315,771
Miscellaneous			
MYOP	Digital Equity	-	200,000
Operations	IT Regional Support	-	35,000
	PD Systems Support	-	38,447
Youth			
Operations	Office of CIO	-	120,000
Grand Total		-	\$ 709,218

PERFORMANCE MEASURES

IT 311 Division

	FY20	FY21	FY22	FY23	FY24
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Percent of 311 calls that are answered	80%	84%	73%	80%	80%

The percentage 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

	FY20	FY21	FY22	FY23	FY24
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Respondents rating the quality of IT service as good or excellent	80%	98.3%	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.

IT Operations Division

	FY20	FY21	FY22	FY23	FY24
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Network services available					
Public Safety systems	99%	99%	99%	99%	99%
All other systems	99%	99%	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.

	FY20	FY21	FY22	FY23	FY24
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Enterprise database system available	99.9%	99.9%	99.9%	99.9%	99.9%

The IT Operations 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.

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Enterprise Applications Management Division

Key Measure	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Estimate	FY24 Target
Data published on OpenData	85	110	120	143	150

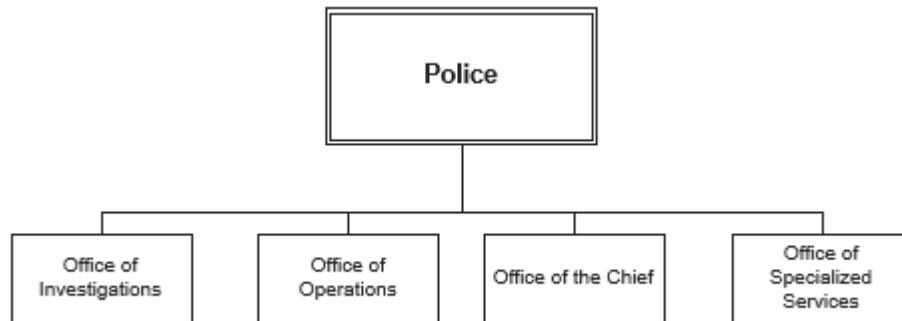
The objective of the Open Data Initiative is to promote increased transparency, accountability, and efficiencies by making public data available in a reliable standardized electronic form. The site contains options for citizens to request new datasets, easily embed data in websites, and share information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

20

SECTION - 20 **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 of service and professionalism through the principles of community policing and endeavors to build public trust with all members of the community. 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 (769 sworn positions and 365.16 professional staff positions). All PD employees value the diversity of the public 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 the development of information leading to the arrest of criminal offenders. This office encompasses the following divisions: Forensics; Evidence and Property; Records; Human Resources; and Research, Development and Training.
- **Office of Operations:** Responsible for providing frontline police services, including the Patrol division (located among three neighborhood substations) and the Communications division (911 Center).
- **Office of the Chief:** Responsible for developing and communicating the Department's vision. This office oversees the Public Information Office, Government Affairs, Internal Affairs, Professional Standards, Finance, Fleet Management, Public Safety Information Technology, and Special Projects units.
- **Office of Specialized Services:** Responsible for Outreach and Engagement, Support Services, Contract Services, Emergency Services, Office of Violence Prevention, and the Metro division which includes specialty teams

such as the K9, Special Weapons and Tactics (SWAT), and Air Operations units.

PROGRAMS/SERVICE HIGHLIGHTS

- In October 2022, the Sacramento Police Department was one of six cities across the country who were awarded the National Public Safety Partnership (PSP) grant through the U.S. Department of Justice Bureau of Justice Assistance (BJA). The National Public Safety Partnership was established by the U.S. Department of Justice (DOJ) to provide an innovative framework to enhance federal support of state, local, and tribal law enforcement and prosecution authorities in enhancing public safety. PSP supports law enforcement and community partners in deploying data-driven, evidence-based strategies tailored to local needs. This grant, valued at \$700,000, will provide expedited, coordinated training and technical assistance (TTA) and an array of resources from DOJ to enhance local public safety strategies. This grant has already enhanced SPD's already strong partnerships with our local and Federal law enforcement partners.
- Continued to focus training efforts through the Advanced Officer Training (AOT) Team. The primary role of the AOT Team is to seek, develop, refine, and deliver the highest caliber of law enforcement related training utilizing a variety of modalities to engage the learners, improve officers' skills, abilities, perspectives, and wellness, thus improving outcomes in the field. Training is designed to be seamless and integrated throughout each employee's career. The AOT team develops training that is consistent with department policy, contemporary law, current industry best practices, and in compliance with California Peace Officer Standards and Training (POST). This training includes crisis intervention, less-lethal tools and tactics, implicit bias, critical decision making, peer intervention, and de-escalation. The Emergency Vehicle Operation Course (EVOC) instructors developed and administered augmented driver's training focused on the highest employee collision factors in our continued efforts to reduce the collision rate. A list of all course curriculum can be found on the Department's website under the transparency tab.
- Continued to build community trust through transparency and community partnerships. The Department has bolstered transparency efforts by encouraging inclusion, keeping residents better informed about major incidents, and fostering collaboration between the Department and community-based organizations. PD partnered with organizations such as Neighborhood Wellness, Brother to Brother and other nonprofits, faith-based leaders, and education administrators to co-produce safer, more positive, and longer-lasting outcomes. PD has endeavored to keep the community more informed through a variety of sources including traditional news outlets, social media, web-based media, and face-to-face interactions at regular and special meetings with community members.

- Continued to invest in the health of Department employees based on an enhanced Employee Services Unit (ESU) focused on building employee and organizational resiliency through physical, emotional, and financial wellbeing. The Department used wellness grant funds to create and implement a POST certified course for employees that provided knowledge, training, and tools to develop anxiety reduction techniques, healthy work-life balance, mindfulness, physical fitness, financial fitness, and creating supportive employee systems. The Department has been awarded state funding for the addition of a Law Enforcement Wellness consultant to develop an annual assessment and evaluation of all sworn and professional staff. The Department believes that investment in employee wellness will assist officers and professional staff in making better work-related decisions resulting in better outcomes for our community.
- Continuous recruiting efforts with a focus on diversity recruitment through print, digital, streaming, and social media platforms. These efforts range from traditional recruiting events to new digital content creation and delivery utilizing new technologies such as immersive 3D virtual reality experiences. Recruiting efforts have become more focused through programs such as the 30x30 Initiative, the California State University Sacramento's Law Enforcement Candidate Scholars programs, and the Hiring Pipeline Program.
- Continue violence prevention efforts with the transfer of the City's Office of Violence Prevention to the Police Department. This office has been responsible for the City's response to gang and gun violence which includes administering a gang prevention and intervention grant program and overseeing the implementation of other evidence-based violence prevention activities. OVP continued the Evidence-Based Community Violence Intervention (EB-CVI) and Evidence-Based Violence Interruption, Disruption, and Suppression (EB-VIDS) grant programs in FY2022/23. OVP will continue to operate the programs in FY2023/24.

DEPARTMENT EFFICIENCIES

- The Department has worked collaboratively with the City and contractors to create promotional and hiring exams that are both gender and race neutral in alignment with the City's Workforce Equity Goals. Additionally, the hiring process has been converted to "blind applications" to ensure that biases are minimized or eliminated in the hiring and promotional processes. The Department continues to examine the recruiting and hiring process to ensure it is fair, equitable, and accessible to all members of our community.
- Continued to build upon the existing Administrative Services Division which among other units, includes the Professional Standards Unit, the Inspections and Standards Team, the Force Investigation Team, and the Video Redaction Team. The responsibilities of these units include the monitoring of changing law to assure policy compliance and best practices, conducting department audits, and administrative investigations to ensure superior service and the redaction of video to assure timely release in compliance with State law and City policy.

- The Department continues to expand and integrate the use of emerging technologies such as Police Observation Devices (PODs), Unmanned Aerial Systems (UAS), the Real Time Crime Center (RTCC), and the deployment of smart phones to operations staff to enhance connectivity to essential law enforcement databases. The Department's 141 PODs are strategically located throughout the city and in 2022, they enabled officers to respond to and investigate nearly 1,000 POD generated calls-for-service. In addition, officers use POD data to conduct follow-up on criminal investigations. The Department expanded the UAS program which assists with area searches, rooftop checks, yard searches, searches for missing persons, and scene assessment. The program enhances both community and officer safety while increasing employee efficiency. This program is an additional layer of de-escalation utilized by officers. The RTCC allows for the centralization of data from various sources, all of which can be displayed on a video wall system. Information from the RTCC is used to provide real-time information during critical incidents and large-scale events.
- Continued to work diligently to redact and release video, audio, and other records related to incidents which fall under the release requirements mandated by State laws (e.g., Senate Bill (SB) 1421 (2017/2018) and Senate Bill 16 (2021/2022)). The Department has also published a comprehensive index of incidents meeting the criteria for public disclosure which is now posted to the Department's transparency website. This index will be continually updated, and additional materials will be added as they become available to provide accountability and transparency to the public.

OBJECTIVES FOR FY2023/24

- **Expand community engagement and transparency**
 - Maintain, enhance, and expand the Department transparency webpage;
 - Proactive release of videos that are of public interest in addition to officer-involved shooting videos;
 - Partner with academic institutions to gather community input through continued surveys and studies, specifically an updated survey following the 2019 effort will be conducted by the California Endowment, California Wellness, California State University Sacramento (CSUS), and the University of San Diego;
 - The addition of professional staff to expedite SB 1421, SB 16, and other Public Records Act requests;
 - Refocus professional staff to comply with reporting requirements to the POST Certification Commission as required by SB 2 (2021/2022);
 - Intentional and increased focus on attracting, hiring, and retaining a more diverse workforce through a variety of virtual and in-person efforts;

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- Continue to foster collaborative partnerships with City departments and external organizations focused on youth engagement; and
- Continue to participate in the *30x30 Initiative* to address the under-representation of women in line-level and leadership law enforcement positions.
- **Reduce violent crime**
 - Continue to collaborate with the Office of Violence Prevention to work together on integrated strategies;
 - Expand upon existing relationships and violent crime strategies with local, State, and Federal law enforcement partners with a focus on violent crimes through the strategies of the PSP grant;
 - Work closely with Sacramento-area non-profit organizations focused on prevention, intervention and disruption of the cycle of violence;
 - Partner with California State University Sacramento's Institute of Social Research (ISR), in surveying community residents to solicit feedback regarding rising violent crime, including gun violence;
 - Partner with the University of San Diego which is leading a community survey to assess community concerns and seek input on community policing strategies. This particular survey also will also specifically seek input from the youth in the community;
 - Use of internal analytical tools in order to guide investigative efforts towards the specific areas experiencing increases in violent crime;
 - The addition of a Police Social Services Administrator focused on services navigation and community healing following incidents of violent crime;
 - Continue to work closely with WEAVE, Inc. to reduce the incidents of domestic violence in the community and work closely with victims of sex assault and family violence; and
 - Complete technology upgrades to the RTCC to include an expanded video wall and improved software.
- **Enhance service and professionalism**
 - Advanced Officer Training continues to create and deliver cutting edge training, to ensure officers can deliver the highest level of service;
 - The introduction of focused customer service training that includes best practices and instructed, in part, by the Chief of Police;
 - Expand the Department mentorship program for employees at all levels;

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- Further develop the Inspections and Standards Team's capacity to conduct methodical audits to assess policy compliance, professionalism, and the constitutionality of arrests and the associated reports;
- Continue the thorough review of use of force incidents through the Use of Force Review Board process in which senior executive management reviews and evaluates all uses of force to assure policy compliance;
- Continue the Use of Force Review Committee's ongoing evaluation of significant uses of force to seek training solutions that increase community and officer safety and improve outcomes; and
- Establish a mobile police substation program which increases community engagement and access to police services.

BUDGET AND POSITION CHANGES*

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Alarm Billing Unit*	Add a position (1.0 FTE Administrative Analyst) to support the increased false alarm workload and verify companies are complying with ordinance changes. The FTE cost will be offset by additional revenue generated from the Alarms Unit.	General	(130,000)	131,599	1.00
Communications Unit	Add three positions (2.0 FTE Dispatcher III, 1.0 FTE Supervising Dispatcher) to support the City Auditor's staffing recommendation and ensure the City has adequate recourses to meet the emergency needs of the growing population.	General	-	422,718	3.00
Community Advancement Unit	Delete one position (1.0 FTE Administrative Assistant) and add one position (1.0 FTE Administrative Technician) in the Office of Specialized Services' Community Advancement Unit. This aligns the job classification to the job duties being performed.	General	(106,788)	106,401	-
Crime Analysis Unit	Add a position (1.0 FTE Administrative Analyst) to support the increased crime analysis and analytical needs of the Office of Investigations' Crime Analysis Unit (CAU) for the community.	General	-	131,599	1.00
Crime Analysis Unit	Delete six positions (2.8 FTE Security Officer) and add a position (1.0 FTE Program Specialist) in the CAU. The proposed change adds a necessary supervisor in the CAU.	General	(167,422)	160,236	(1.80)
Department-wide	Increase funding to replace ballistic protection equipment every five years. \$600,000 is needed for the front/back replacement cycle.	General	-	120,000	-
Professional Standards Unit	Add a position (1.0 FTE Administrative Analyst) to ensure compliance with AB 481, requiring law enforcement to create, maintain, track and report on the use of equipment.	General	-	131,599	1.00
Violence Prevention Unit	Add a position (1.0 FTE Administrative Technician) for administrative support and reporting functions.	Measure U	-	105,171	1.00
Violence Prevention Unit	Continue funding for community-based organizations' efforts to combat violence in Sacramento communities. The program was established with one-time ARPA funds (new Multi-Year Operating Project - I11003200).	Measure U	-	1,000,000	-
Total Change:			\$ (404,210)	\$ 2,309,323	5.20

* Position offset amounts will be finalized in the Approved Budget.

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Department Budget Summary

Police Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change
						More/(Less) Proposed/Amended
Employee Services	\$192,923,510	\$202,416,418	\$208,831,036	\$208,831,036	\$210,988,090	\$ 2,157,054
Other Services and Supplies	10,490,057	13,141,712	12,981,327	12,981,327	13,067,595	86,268
City Property	612,814	382,820	513,119	513,119	513,119	-
Multi-Year Operating Projects	-	-	9,065,188	4,102,188	10,288,568	6,186,380
City Debt Service	-	13,475	-	-	-	-
Transfers	(253,615)	(227,150)	-	-	-	-
Labor and Supply Offset	(45,908,719)	(69,408,714)	(6,739,427)	(6,739,427)	(6,692,531)	46,896
Total	\$157,864,048	\$146,318,562	\$224,651,243	\$219,688,243	\$228,164,841	\$ 8,476,598

Funding Summary by Fund/Special District	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change
						More/(Less) Proposed/Amended
General Fund	\$157,361,959	\$142,224,982	\$215,358,739	\$210,395,739	\$217,693,420	\$ 7,297,681
Measure U	-	3,585,697	8,728,821	8,728,821	9,907,479	1,178,658
Risk Mgmt	502,089	507,884	563,683	563,683	563,942	259
Total	\$157,864,048	\$146,318,562	\$224,651,243	\$219,688,243	\$228,164,841	\$ 8,476,598

Division Budget Summary

Police Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change
						More/(Less) Proposed/Amended
Office of the Chief Division	\$ 16,104,307	\$ 14,883,623	\$ 12,352,409	\$ 20,503,724	\$ 28,814,234	\$ 8,310,510
Office of Investigations Division	39,686,545	35,072,735	61,244,227	48,379,286	57,352,019	8,972,733
Office of Specialized Services Division	24,435,293	23,798,993	29,145,496	27,474,005	28,590,896	1,116,891
Office of Operations Division	77,637,903	72,563,211	121,909,111	123,331,228	113,407,692	(9,923,536)
Total	\$157,864,048	\$146,318,562	\$ 224,651,243	\$219,688,243	\$228,164,841	\$ 8,476,598

Staffing Levels

Police Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change
						More/(Less) Proposed/Amended
Office of the Chief Division	58.80	71.80	72.80	72.80	84.00	11.20
Office of Investigations Division	255.50	312.50	311.50	311.50	355.50	44.00
Office of Specialized Services Division	119.66	118.66	123.66	123.66	124.66	1.00
Office of Operations Division	664.00	624.00	621.00	621.00	570.00	(51.00)
Total	1,097.96	1,126.96	1,128.96	1,128.96	1,134.16	5.20

MEASURE U

The following chart summarizes the Department's Measure U programs.

Funding Category	Program Name	FTE	FY2023/24 Proposed
Public Safety - Police			
Operations	Hiring Pipeline - MU	63.50	5,802,308
Youth			
MYOP	Gang Prevention and Intervention		1,398,567
	Family and Youth Investments		1,300,000
	OVP Disruption, Response, Intervention & Prevention		1,000,000
Operations	Violence Prevention	3.00	406,604
Grand Total		66.50	\$ 9,907,479

PERFORMANCE MEASURES

Department-wide

Key Measure	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Estimate	FY24 Target
Part 1 Crimes Reported per 1,000 Residents	39.96	37.88	43.76	46.97	42.14

Part 1 Crimes Reported per 1,000 Residents		
Ranking*	City	
1	San Diego	20.61
2	San Jose	27.41
3	Los Angeles	28.70
4	Long Beach	32.53
5	Riverside	33.31
6	Sacramento	34.28
7	Fresno	37.42
8	Bakersfield	45.38
9	San Francisco	49.38
10	Oakland	64.57

*Table 8: Offenses Known to Law Enforcement_California_By_City_2020, source: <https://cde.ucr.cjis.gov/LATEST/webapp/#>, FBI Uniform Crime Report, January – December 2020.

Key Measure	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Estimate	FY24 Target
Part 1 Crimes Reported per Sworn FTE Position	28.28	26.22	29.98	32.85	29.33

Workload Measure Ranking*	City	Part 1 Crimes Reported per Sworn FTE**	Sworn FTE per 1,000 Residents**
1	Los Angeles	11.71	2.45
2	San Diego	15.93	1.29
3	Long Beach	18.67	1.74
4	San Francisco	19.81	2.49
5	Fresno	25.56	1.46
6	Sacramento	25.94	1.32
7	San Jose	26.47	1.04
8	Riverside	30.75	1.08
9	Oakland	38.53	1.68
10	Bakersfield	43.61	1.04

*Table 8: Offenses Known to Law Enforcement_California_By_City_2020, source: <https://cde.ucr.cjis.gov/LATEST/webapp/#>, FBI Uniform Crime Report.

** Participating Agency Staffing Report, source: https://post.ca.gov/Portals/0/post_docs/hiring/le-employment-stats.pdf, January 2021.

The measure of crime is an indicator of safety in a community. Safe neighborhoods and safe public spaces create a sense of wellbeing for residents and visitors. Crime rate comparisons to California’s other large cities provide a baseline to measure progress in managing crime. The universal benchmark of crime is referred to as Part 1 crime. Part 1 crimes are reported to the US 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.

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The above Part 1 crime statistics were retrieved from the Federal Bureau of Investigation's (FBI) Crime Data Explorer and contain data received from law enforcement agencies across the country. The data reflected in this tables is from 12,974 of 18,952 reporting agencies from January to December 2020. Sworn FTE data was retrieved from the California Commission on Peace Officer Standards and Training's (POST) Participating Agency Report, January 2021.

On January 1, 2021, the FBI retired the Summary Reporting System (SRS) and implemented the National Incident-Based Reporting System (NIBRS). In 2021, only 15 of 740 California law enforcement agencies reported NIBRS data to the FBI, and in 2022, 25 agencies made submissions – only three of the top 10 cities reported in 2022. Therefore, there is insufficient 2022 data for comparison.

Key Measure	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Estimate	FY24 Target
Percentage sworn SPD employees who are women or minorities	42%	42%	43%	45%	46%
Percentage of new hires into sworn or Hiring Pipeline Program vacancies that are women or minorities	72%	68%	76%	72%	73%

The Department recognizes that a workforce that mirrors the community it serves is important. It is committed to an intentional and increased focus on attracting, hiring, and retaining a more diverse workforce through a variety of virtual and in-person efforts. The first measure reflects the percentage diversity among all Police employees. The second measure reflects the percentage of new hires into sworn and Hiring Pipeline vacancies. The Department will continue its efforts to increase the number of women and minority new hires into sworn and Hiring Pipeline vacancies.

Field Services Division

Key Measure	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Estimate	FY24 Target
Key Measure in minutes					
Median response time for priority 2 and 3 calls (mm:ss)	10:55	11:36	12:09	12:16	11:44

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 Police Department 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 Department's Crime Analysis Unit. The projections for the remainder of the current fiscal year and the next fiscal year are based on current trends. Comparable jurisdictional data is not available as each agency uses different criteria and policies governing the definition of priority calls for service.

Key Measure	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Estimate	FY24 Target
Percentage of 911 calls answered within 15 seconds	97%	97%	91%	88%	95%

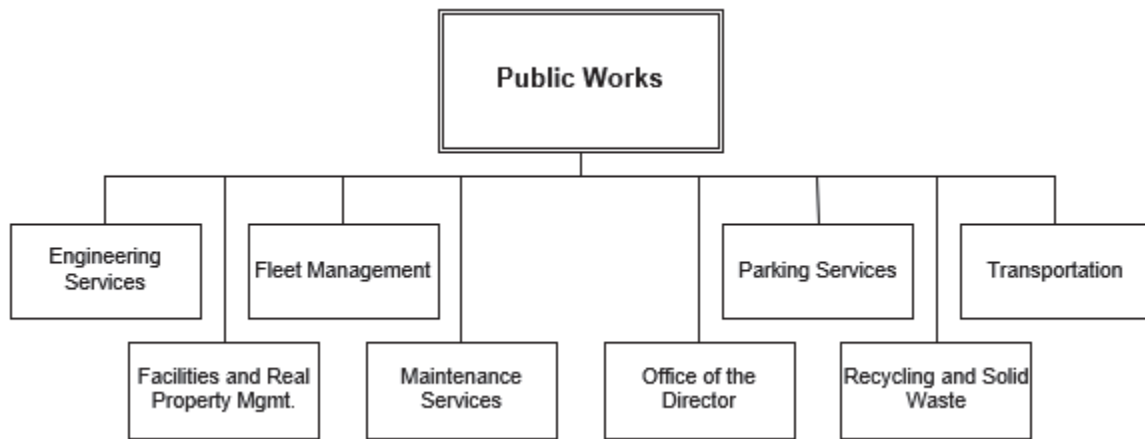
The faster a call to 911 is answered, the faster units can be dispatched and made available at the scene of an emergency. The State of California standard is answering 95% of all 911 calls within 15 seconds. Call answer times are tracked by the Department's Communications Center. The projection for the remainder of the current fiscal year is based on prior month averages. The projection for next fiscal year is based on the minimum state standard. Actual results vary depending on staffing and call volume.

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SECTION - 21 Public Works

Public Works

We keep the City of Sacramento operating and moving forward.



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, private development encroachment permits for work in public right-of-way, and map review and approval.
- **Facilities and Real Property Management:** Responsible for facility maintenance, design management and construction, real estate, Americans with Disabilities Act (ADA) barrier removal, multi-use building management, 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 efforts, employee enrichment, and department-wide support.
- **Parking Services:** Responsible for curb management, parking enforcement, parking meters, retail lease space, parking garages, parking lots, and operation of the Sacramento Marina.

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- Recycling and Solid Waste: Responsible for recycling and refuse collection, yard waste collection, household hazardous waste collection, household junk pickup, streetsweeping, 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

- The Transportation Division conducted extensive community engagement and completed the Transportation Priorities Plan, the first effort to comprehensively prioritize over 700 planned transportation investments based on community values.
- The Parking Division established the permanent Al Fresco Outdoor Dining Program to allow qualifying local restaurants to create safe and durable outdoor patios within the City's right-of-way.
- The Recycling and Solid Waste Division successfully launched an organics recycling program in July 2022. The Division delivered over 15,000 food waste only containers to residents who were previously yard waste exempt and began weekly collection for all residential customers starting July 1, 2022.
- The City was awarded \$7.9 million in State "Building Forward, Library Infrastructure" Grants for four libraries, including Belle Cooleage, Central, Del Paso, and Martin Luther King Jr. Libraries. These grants along with \$3.9 million of City matching funds will allow the City to address deferred maintenance items at these libraries.
- The Engineering Services Division submitted nearly \$200 million in competitive grant requests for transportation project funding from federal, state, and local funding programs.
- The City was awarded nearly \$16 million in the inaugural State Clean California Grant Program.
- The Parking Division, Sacramento Marina operation installed 4 new fuel pumps that are Europay, Mastercard, Visa (EMV) chip ready and compliant, offering the first ever pay-at-the-pump service for Marina customers.
- The Maintenance Services Division assisted with weed abatement on a 102-acre lot purchased by the City.
- The Transportation Division completed two transportation plans to improve corridor safety at Freeport Boulevard and Northgate Boulevard, collaborating with community partners to identify feasible corridor concepts that have broad support.

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- The Transportation Division significantly increased funding for the 2022/23 Speed Lump program and installed treatments on over 30 neighborhood street segments citywide.
- The Transportation Division completed the Traffic Impact Guidelines Update.
- The Fleet Division updated all City vehicles with GPS to newer more advanced tracking devices.
- The first City Electric Refuse Truck was purchased by the Fleet Management Division, projected to be delivered and in service before the end of 2023.
- The Engineering Services Division delivered 11 capital improvement projects in construction worth over \$27 million.
- The Engineering Services Division supported construction of 61 private development projects totaling over \$80 million in public improvements.
- The Engineering Services Division provided construction oversight for more than 3,500 encroachment permits and offsite improvement plans, and 2,000 transportation permits for large trucks.
- The Facilities Division completed the \$1.8 million cold shell remodel of the decommissioned Fire Communications building located in Winn Park.
- The Facilities Division completed three projects at Capitol Garage: the Parking Service Operation Center Tenant Improvement, the Stairwell Improvement Project and the Fire Riser Replacement Project.
- The Facilities Division completed the \$1.6 million in fire repairs that damaged the George Sim Community Center.
- The Facilities Division completed the 35th Avenue Building's Heating, Ventilation, and Air Conditioning (HVAC) replacement project.

DEPARTMENT EFFICIENCIES

- The Parking Services expanded the on-street reservation program to include a reservation fee for non-metered spaces to help manage on-street turnover and keep parking spaces open for public use.
- The Maintenance Services Division launched a program to retrofit 5% of all streetscapes infrastructure with drought-tolerant landscaping every year to reduce maintenance needs and increase water conservation.
- New GPS devices in City vehicles provide greater data gathering capabilities, including energy consumption of electric vehicles.
- The Facilities Division continues to design and will ultimately install multiple fleet Electric Vehicle (EV) chargers throughout the city to serve its green fleet, which

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will allow City employees to charge City Fleet electric vehicles at or near assigned work locations, eliminating the need to travel elsewhere to charge.

- The Engineering Services Division continued the practice of using on-call consultants for inspection to handle peak workloads without permanent increases in staffing.
- Supported ongoing implementation of the AI Fresco permit module by allowing electronic permit application submittals including yearly renewals and payments.
- The Engineering Services Division used available funding to continue retrofitting streetlights with Light Emitting Diode (LED) to save on energy, equipment, and maintenance costs, as well as reduce negative environmental impacts.
- The Engineering Services Division implemented training with utility companies to improve coordination, communication and understanding of design expectations for relocations and roadway construction.

OBJECTIVES FOR FY2023/24

- Implement a boat lift policy to allow for lifts to be installed at the Marina to encourage long-term customer retention.
- Establish an online demand-based commuter parking special at City owned garages to support employees who have a hybrid schedule.
- Continue to convert decorative turf in medians to reduce water consumption to comply with the 2006 Assembly Bill (AB) 1881, which established landscape water conservation standards.
- Continue working with Sacramento communities on creating an Active Transportation Plan to replace the Bicycle Master Plan and Pedestrian Master Plan.
- Complete an update to modernize the City's Street Design Standards.
- Complete the update to the City's Transportation Systems Management Program (TSMP) to require new development to support transportation options other than single passenger vehicles.
- Implement AB 43 speed reduction measures to reduce speed limits in specified locations to address safety concerns.
- Complete an update on the Fleet Transportation Policy to effectively manage the use of City vehicles.
- Begin design, permitting, and construction on four libraries funded through State "Building Forward, Library Infrastructure" Grants.

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- Complete the Sacramento Regional Organics procurement and find a long-term home for organics recycling in conjunction with the County of Sacramento and the City of Folsom.
- Join the regional partnership which includes County of Sacramento, and cities of Citrus Heights, Elk Grove, Folsom, Galt, and Rancho Cordova to meet Senate Bill 1383 edible food recovery regulatory requirements.
- Update the Construction Inspection Manual for the documentation and process standardization of inspections of the City's public infrastructure.
- Work with other departments to create an updated Geographic Information System (GIS) map for all City Capital Improvement (CIP) projects to increase internal and external coordination and to update the public on project status and contact information.
- Create a policy to address decorative streetlighting in the City working with official entities such as Property Business Improvement Districts (PBID)s and other business, neighborhood, and community associations.
- Complete the Urban Forest Plan in connection with the City's General Plan and Climate Action and Adaptation Plan.
- Complete the Electric Vehicle Blueprint, installing public chargers at key libraries and community centers.

BUDGET AND POSITION CHANGES*

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Engineering Services*	Delete a position (1.0 FTE Office Specialist) and add a position (1.0 FTE Senior Accounting Technician) to improve the organization structure and help facilitate Private Development projects and employee supervision. The cost is being offset with projects.	General	(92,441)	90,853	-
Engineering Services*	Delete a position (1.0 FTE Electrical Construction Inspector III) in the Public Works department. Position was transferred to the Department of Utilities.	General	(105,065)	105,008	(1.00)
Engineering Services*	Delete a position (1.0 FTE Supervising Construction Inspector) in the Public Works department. Position was transferred to the Department of Utilities to assist with Capital Improvement Program (CIP) projects.	General	(162,981)	162,904	(1.00)
Fleet	Delete three positions (3.0 FTE Equipment Service Worker) and add two positions (2.0 FTE Equipment Mechanic I) to provide additional support in vehicle maintenance and repairs for internal customers. The cost of the add/deletes provide a net savings.	Fleet Management	(184,569)	194,590	(1.00)
Fleet*	Delete a position (1.0 FTE Senior Equipment Service Worker) and add a position (1.0 FTE Operations General Supervisor) to oversee fleet shop operations and increase productivity. The cost is being offset with revenues.	Fleet Management	(164,640)	161,031	-

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BUDGET AND POSITION CHANGES* (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Maintenance Services*	Add a position (1.0 FTE Arborist) to Urban Forestry to manage all tree related contracts and services. This position will work with the Department of Utilities and the offsets will come from the following funds: Water (Fund 6005), Wastewater (Fund 6006) and from Storm Drainage (Fund 6011).	General	(169,425)	167,530	1.00
Parking Services*	Delete a position (1.0 FTE Parking Enforcement Officer) and add a new position (1.0 FTE Parking Enforcement Supervisor) to provide oversight of enforcement activities in the division. The cost is being offset with revenues.	General	(92,759)	91,155	-
Parking Services	Add a position (1.0 FTE Administrative Analyst) to manage the newly created Al Fresco Dining Program and collaborate with local businesses to maintain an effective program in the downtown and midtown area. The cost will be offset with revenues.	General	(145,000)	131,599	1.00
Parking Services	Increase funding in the Parking divisions operating and revenue budgets to support the increase in on-street reservation operating expenses and to better align with projected revenues.	General	(1,662,000)	712,526	-
Parking Services*	Move a position (1.0 FTE Operations General Supervisor) from the Parking fund to the General fund. Budgeting the labor cost for this position within the General Fund will better align with the on street primary duties of the position and the Parking Services division. The cost will be offset with reduced services and supplies.	General/Parking	(174,618)	175,239	-
Parking Services	Increase funding in the Sacramento Marina Division operating and revenue budgets to support the increase in Marina operating expenses and to better align with projected revenues.	Marina	(216,500)	88,773	-
Parking Services*	Update a vacant (0.5 FTE Senior Parking Lot Attendant) position from 0.5 FTE to 1.0 FTE to provide additional support in managing the City parking garages, surface lots, and other locations throughout the City. The cost is being offset with revenues.	Parking	(79,250)	80,147	0.50
Parking Services	Delete a position (1.0 FTE Senior Building Maintenance Service Worker) and add a position (1.0 FTE Custodian I) to better align with operational needs in the Parking Service Division. The cost of the add/delete provides a net savings.	Parking	(84,380)	70,043	-
Parking Services	Increase funding in the Parking Division operating and revenue budgets to support the increase in off street parking and increase in operating cost.	Parking	(1,860,000)	1,087,500	-
Recycling and Solid Waste*	Move a position (1.0 FTE Administrative Analyst) from Landfill Operations to Commercial Waste Compliance. Realigning the FTE will better support the division in regulating and enforcing commercial waste haulers within the city since Sacramento Waste Authority assistance terminated. The cost will be offset with services and supplies.	General/ Recycling and Solid Waste	(132,166)	126,974	-
Total Change			\$ (5,325,794)	\$ 3,445,872	(0.50)

* Position offset amounts will be finalized in the Approved Budget.

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Department Budget Summary

Public Works Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change
						More/(Less) Proposed/Amended
Employee Services	\$ 73,528,035	\$ 75,278,542	\$ 87,331,821	\$ 87,331,821	\$ 89,020,249	\$ 1,688,428
Other Services and Supplies	77,448,754	86,163,534	95,789,562	95,780,907	99,011,439	3,230,532
City Property	14,290,289	8,118,718	33,775,447	37,346,231	28,806,486	(8,539,745)
Multi-Year Operating Projects	-	-	22,025,966	3,927,600	14,970,450	11,042,850
Transfers	546,549	(116,207)	400,655	400,655	400,655	-
Labor and Supply Offset	(19,995,861)	(19,717,612)	(21,720,747)	(21,720,806)	(22,258,845)	(538,039)
Operating Transfers	11,096,037	10,661,178	10,750,900	10,750,900	11,839,500	1,088,600
Total	\$156,913,803	\$160,388,152	\$228,353,604	\$213,817,308	\$221,789,934	\$ 7,972,626

Funding Summary by Fund/Special District	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change
						More/(Less) Proposed/Amended
General Fund	\$ 21,977,909	\$ 23,757,866	\$ 21,924,944	\$ 21,894,230	\$ 23,635,918	\$ 1,741,688
12th Street Maint Benefit Area	8,400	8,400	9,200	9,200	11,500	2,300
Cal EPA	3,060	128	-	-	-	-
Citation I-5 Maintenance	34,098	46,619	40,000	40,000	40,000	-
Del Paso Nuevo Landscaping CFD	9,000	19,500	19,500	19,500	24,700	5,200
Fleet Management	45,510,805	42,363,429	66,421,060	69,896,844	61,841,017	(8,055,827)
Gas Tax 2016	5,638,161	7,501,764	8,925,850	6,154,816	7,145,308	990,492
Greenbriar Traffic Congestion	4,768	-	-	-	-	-
Interdepartmental Service	2,401,352	2,331,646	2,388,982	2,388,982	1,664,763	(724,219)
Laguna Creek Maint Dist	46,500	51,579	51,580	51,580	51,580	-
Land Park	32,666	5,257	32,850	32,850	32,850	-
Landscaping and Lighting	12,651,909	12,753,330	14,475,000	13,710,000	14,931,950	1,221,950
Marina	999,563	1,124,985	1,014,897	1,014,897	1,060,836	45,939
Measure U	-	(20,550)	1,270,000	1,270,000	1,270,000	-
N Nat Lndscp 99-02	570,191	588,937	589,380	589,380	655,380	66,000
N Natomas Lands CFD 3	580,000	686,440	615,000	615,000	615,000	-
Neighborhood Lighting Dist	25,009	25,009	25,009	25,009	25,009	-
Neighborhood Water Quality Dist	33,470	34,473	50,980	50,980	50,980	-
New Measure A Maintenance	13,016,447	10,494,214	16,676,087	16,676,087	19,231,429	2,555,342
NMA Safety, Streets, Ped, Bic	-	-	6,600	6,600	5,500	(1,100)
Northside Subdiv Maint Dist	2,830	2,799	6,500	6,500	6,500	-
Parkebridge CFD 2014-07	30,005	64,001	64,000	64,000	73,000	9,000
Parking	(169,763)	(92,642)	6,042,287	6,042,287	7,308,694	1,266,407
Power Inn Rd Md 2003-01	10,977	9,919	9,920	9,920	10,024	104
Railyards Maint CFD No 2014-04	81,033	110,705	157,750	157,750	157,750	-
Recycling and Solid Waste	52,014,129	57,205,537	86,067,816	71,622,484	80,242,197	8,619,713
SacMaintCFD2014-04 Annex Areas	29,620	35,165	93,713	93,713	133,713	40,000
SacMaintCFD2014-04 Area 01	63,371	83,266	98,750	98,750	98,750	-
State Route 160	1,000	-	-	-	-	-
State Route 275	2,000	-	-	-	-	-
Storm Drainage	336,050	360,499	406,000	406,000	462,475	56,475
Street Tree Fee	(401)	-	-	-	-	-
Subdiv Lndscpng Maint Dist	306,645	330,975	334,410	334,410	348,237	13,827
Tow nship 9 CFD No. 2012-06	-	-	2,000	2,000	2,000	-
Traffic Safety	412,145	253,000	350,000	350,000	350,000	-
Transportation Development Impact Fee	58,634	81,407	-	-	-	-
Village Garden N.-Mtce Dist #1	16,894	20,711	25,539	25,539	31,924	6,385
Wastewater	-	-	-	-	56,475	56,475
Water	-	-	-	-	56,475	56,475
Willow creek Assmnt Md	28,325	24,785	38,000	38,000	38,000	-
Willow creek Lndscpng CFD	147,001	124,999	120,000	120,000	120,000	-
Total	\$156,913,803	\$160,388,152	\$228,353,604	\$213,817,308	\$221,789,934	\$ 7,972,626

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Division Budget Summary

Public Works Budget Summary	FY2020/21	FY2021/22	FY2022/23	FY2022/23	FY2023/24	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Engineering Services Division	\$ (1,061,058)	\$ (466,105)	\$ (72,022)	\$ (237,022)	\$ (192,022)	\$ 45,000
Office of the Director	2,219,984	2,182,914	2,593,778	2,593,599	2,359,676	(233,923)
Parking Services Division	19,042,432	18,839,588	21,470,502	21,455,200	24,079,053	2,623,853
Maintenance Services Division	21,534,363	22,406,420	28,244,831	25,199,831	29,153,539	3,953,708
Transportation Division	10,235,008	10,719,362	12,554,449	12,228,415	13,352,248	1,123,833
Fleet Management Division	45,510,805	42,363,429	66,421,060	69,896,844	61,841,017	(8,055,827)
Facilities & Real Property Mgmt Division	5,879,692	5,468,863	6,670,369	6,654,957	6,552,311	(102,646)
Recycling & Solid Waste Division	53,552,576	58,873,680	90,470,637	76,025,484	84,644,112	8,618,628
Total	\$156,913,803	\$160,388,152	\$ 228,353,604	\$213,817,308	\$221,789,934	\$ 7,972,626

Staffing Levels

Public Works Budget Summary	FY2020/21	FY2021/22	FY2022/23	FY2022/23	FY2023/24	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Engineering Services Division	80.00	80.00	80.00	80.00	79.00	(1.00)
Office of the Director	12.00	12.00	13.00	13.00	13.00	-
Parking Services Division	131.05	130.85	130.85	130.85	132.35	1.50
Maintenance Services Division	123.00	123.00	123.00	123.00	124.00	1.00
Transportation Division	71.00	72.00	72.00	72.00	72.00	-
Fleet Management Division	83.00	83.00	83.00	83.00	82.00	(1.00)
Facilities & Real Property Mgmt Division	71.00	72.00	73.00	73.00	72.00	(1.00)
Recycling & Solid Waste Division	176.30	178.30	191.30	191.30	191.30	-
Total	747.35	751.15	766.15	766.15	765.65	(0.50)

MEASURE U

The following chart summarizes the Department's Measure U programs.

Funding Category	Program Name	FTE	FY2023/24 Proposed
Climate Action			
MYOP	Sustainability Program	-	300,000
Community Investments			
CIP	City Facility Reinvestment Program	-	2,100,000
	Facility ADA Compliance Program	-	500,000
Community Response			
MYOP	Illegal Dumping	-	970,000
Grand Total		-	\$ 3,870,000

PERFORMANCE MEASURES

Facilities & Real Property Management Division

Key Measure	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Estimate	FY24 Target
Percent of all facility work order requests completed within a 30-day performance standard	60%	50%	53%	63%	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.

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Fleet Management Division

	FY20	FY21	FY22	FY23	FY24
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Percent of City vehicles available at 6:00 AM	93%	93%	92%	92%	95%

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.

	FY20	FY21	FY22	FY23	FY24
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Percent of alternative fuel vehicles purchased	45%	46%	59%	61%	75%

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. Starting in FY2019/20 target includes renewable diesel purchases, not previously included.

Maintenance Services Division

	FY20	FY21	FY22	FY23	FY24
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Percentage of roads with a Pavement Condition Index above 70 (good rating)	27%	25%	24%	24%	24%

The Maintenance Services Division is responsible for the City's street infrastructure system which includes over 3,118 lane miles of paved roadway. The Maintenance Services Division's goal is to work towards a Pavement Condition Index of 70 (good) from its current rating of 59 (fair). Beginning in FY17 the City updated the method of calculating pavement condition from the Pavement Quality Index to the industry standard Pavement Condition Index.

	FY20	FY21	FY22	FY23	FY24
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Percentage of 311 service requests for potholes responded to within 48 hours	93%	91%	92%	93%	95%

The Maintenance Services Division is responsible for the street infrastructure system which includes the maintenance of 3,118 lane miles of paved roadway. Patching potholes is an essential service and on average, the Maintenance Services Division patches 1,281 potholes per month. Our customer commitment is to respond to 311 complaints for potholes within 48 hours of receiving the request.

	FY20	FY21	FY22	FY23	FY24
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Percentage of tree inventory pruned per annual cycle	83%	65%	75%	60%	75%

The City's Urban Forestry Program maintains, sustains, and enhances Sacramento's tree canopy through a variety of programs. Urban Forestry staff's (internal and contractors) need to prune 890 trees monthly on average to stay consistent with our goal of maintaining a less than seven-year pruning cycle for all of our 75,000 plus public trees. However, beginning in FY20 a lack of staffing has created a backlog for trees pruned.

Parking Services Division

	FY20	FY21	FY22	FY23	FY24
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Revenue generated per parking meter	\$1,620*	\$806*	\$1,317	\$1,584	\$1,743

The Parking Division is responsible for the collection and maintenance of over 6,400 paid on-street parking spaces within the Central City. In the last two years the division has worked with downtown and midtown merchants to repurpose metered spaces to accommodate customer pickup and delivery as well as implementing AI Fresco dining options. Throughout the City, there are over 3.5 million parking meter customer transactions per year.

*Beginning in the last quarter of FY2019/20 results were affected by significant decline in revenue due to lack of on-street parking meter utilization due to COVID-19.

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	FY20	FY21	FY22	FY23	FY24
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Marina slips occupancy rate	82%	87%	87%	88%	89%

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 percent occupancy rate; however, during the Great Recession the occupancy rate dipped as low as 44 percent. With the improved economy, new management, and new amenities in place, the Marina had a 23 percent increase in occupancy rates from FY2016 to FY2022.

Recycling & Solid Waste Division

	FY20	FY21	FY22	FY23	FY24
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Percent of City collected waste diverted from landfill	45%	43%	42%	45%	43%

California state law requires that at least 50 percent 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 47 percent diversion for Calendar Year 2021, the latest data available. 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 percent of the Division's annual outreach expenditures are spent on increasing diversion.

	FY20	FY21	FY22	FY23	FY24
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Number of complaints of missed pickups (per 1,000 refuse accounts)	12	15	11	12	12

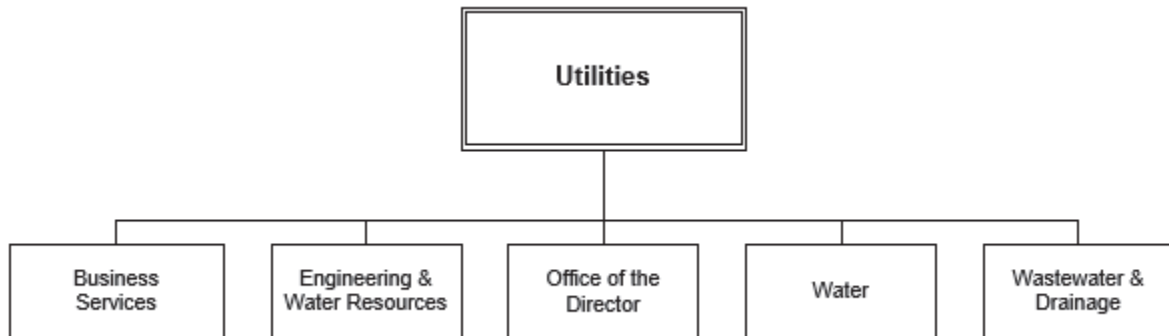
City Integrated Waste Equipment Operators service almost 18 million garbage, recycling, and yard waste containers. Complaints of missed collections represent the highest volume of solid waste related calls to City 311; however, the actual number of verifiable service misses represents only a fraction 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.

22

SECTION - 22 **Utilities**

Utilities

The mission of the Department of Utilities is to provide dependable, high-quality water, wastewater, and storm drainage 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 operation, 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 by enhancing and maintaining the financial stability of our Water, Wastewater, and Drainage Funds through accounting, budgeting, logistics, and long-range financial planning; provides utility customers with customer service and billing services.
- **Engineering and Water Resources:** Provides engineering support for capital projects, development review and plant and field support units; in collaboration with the Water, Wastewater, and Drainage Divisions, ensures compliance with state and federal regulations.
- **Office of the Director:** Provides department leadership and direction including fostering a healthy work environment, focusing on

innovation, resiliency, and excellent customer service, engaging in local, state, and national legislation and policy, furthering public education, and stakeholder outreach; planning for current and future generations by protecting, preserving and enhancing water resources, the environment, and the community.

- **Water:** Operates and maintains water production and distribution facilities to provide drinking water of the highest quality to City residents and customers; performs water quality monitoring and regulatory reporting to ensure compliance with all state and federal drinking water regulations; engages in research and development to optimize and improve processes and procedures.
- **Wastewater & Drainage:** Operates and maintains facilities for wastewater and storm drainage pumping, levee systems, and the combined stormwater-wastewater system, along with a large network of stormwater and wastewater pumping facilities.

PROGRAMS/SERVICE HIGHLIGHTS

- DOUs' Development Impact Fee Nexus Study was successfully completed in February 2023. This study identifies adequate fees for new development projects to support the water, storm drainage, and sewer infrastructure needed for future growth within the City.
- Voters approved the Water Pollution and Flood Prevention Measure in April 2022. The new fee is estimated to generate \$19.5 million in revenue annually and will fund vital improvements in the City's aging stormwater infrastructure to help prevent flooding and protect water quality. In June 2022, a lawsuit was filed against the City that challenges the constitutionality of the measure. The Department of Utilities is currently collecting the new fee but is not spending the proceeds until there are developments in the litigation.
- The Department of Utilities delivered the triennial Public Health Goal Report for drinking water.

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- The City Auditor's office is conducting an audit to assess the controls over DOU's Supervisory Controls and Data Acquisition (SCADA) system, including the controls in place designed to deter and detect fraud. This audit will assess security risks associated with SCADA and make recommendations for improvement.
- DOU generated \$4.5M from a Groundwater Substitution Transfer in FY2022/23 and reinvested that revenue into groundwater infrastructure and water efficiency programs in disadvantaged communities. By using a portion of the City's previously stored groundwater supplies, that equivalent amount of surface water remained in the river for ecosystem benefits prior to delivery to the downstream buyers. The department has already started replenishing the aquifer during the winter of FY2022/23. More information is available on the City's website.

<https://www.cityofsacramento.org/Utilities/Water/Current-Projects/Groundwater-Substitution-Transfer>

- Responded efficiently and effectively to multiple bomb cyclone and atmospheric river storm events, working to minimize flooding, property damage, and water quality impacts while ensuring the reliability of essential services, for the health and safety of the public. These events have helped to inform of us of areas where we will need to invest for climate change adaptation.
- Successfully implemented revision control measures to improve security of operational technology applications.
- Water Division Operations & Maintenance incorporated the Water Information Management System (WIMS) into the operational toolbox for the water production and water quality teams. WIMS is a flexible data management tool which streamlines and optimizes water operations with user-defined alerts and modeling tools to help resolve, predict, and prevent process disruptions. WIMS also provides tools needed for calculations, reporting, and analysis, incorporating data from SCADA, Laboratory Information Management System (LIMS), and daily process monitoring for real time-analysis of water quality and water production data.

DEPARTMENT EFFICIENCIES

- DOU worked with the Budget and Audit Committee at the direction of the City Council to develop program limits for the Sacramento Utility Rate Assistance (SURA) Program to ensure a sustainable program. City Council adopted a 40% flat percentage discount for current non-legacy participants on March 7, 2023. Staff will also include a 10,000-participant level maximum in FY2023/24 budget development. These program limits will provide a long-term sustainable program for the City of Sacramento residents, reduce administrative oversight, and improve budgeting practices to avoid fluctuations in the annual budget.
- DOU partnered with the City Treasurer's office to formalize two existing reserve fund practices, operating and rate stabilization, and created a capital reserve. City Council adopted the policy on December 6, 2022. The policy will demonstrate DOU's sound financial acumen to bond investors, rating agencies, and other stakeholders and

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provide a firm foundation for financial creditworthiness and sustainability. In addition, the reserves will provide valuable resources to minimize disruption in the event of temporary revenue shortfalls or unpredicted one-time expenditures from emergencies.

- The completion of the Combined Wastewater Treatment Plant (CWTP) Lighting Retrofit project in 2023 has replaced the existing lighting at the DOU campus at 35th Avenue with Light Emitting Diode (LED) fixtures which reduce energy consumption by 40-60 percent, require less maintenance, and enhance the lighting levels. Cost savings for this project will be realized within an estimated 4.5 years of project completion and future potential energy savings are significant.

OBJECTIVES FOR FY 2023/24

- Facilitate, coordinate, and collaborate with operating departments and the City Treasurer's Office to deliver a department-wide Long Range Financial Plan.
- Finalize the Billing Disbursement Agreement in accordance with the Master Service Agreement with Sacramento County Regional Sanitation District.
- Implementation of adjusted development impact fees to a level that supports the General Plan's forecasted development/growth within the city.
- Deliver the FY2023/24 CIP water, wastewater, and drainage infrastructure programs on schedule and within budget.

BUDGET AND POSITION CHANGES*

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Engineering & Water Resources*	Add three positions (2.0 FTE Associate Engineers and 1.0 FTE Senior Engineer) to plan, design, and deliver projects for an expanded Capital Improvement Program (CIP) that will be offset through the new Storm Drainage Property Related Fee Capital Improvement Program (CIP).	Storm Drainage	(473,522)	475,576	3.00
Engineering & Water Resources*	Add one position (1.0 FTE Administrative Analyst) for the Asset Management Program to provide critical infrastructure system support. The position is being partially offset by reducing the Department's operating budget and existing utility rate payer revenues.	Water	(54,648)	129,562	1.00
Engineering & Water Resources*	Add two positions (1.0 FTE Construction Inspector II and 1.0 FTE Supervising Construction Inspector) to support the Utilities' CIP. These positions were deleted from Public Works and will continue to be offset by the CIP.	Storm Drainage	(276,091)	271,234	2.00
Engineering & Water Resources*	Delete two positions (1.0 FTE Senior Engineer and 1.0 FTE Senior Engineering Technician) and add two new positions (2.0 FTE Associate Civil Engineer) to assist with the \$30M Annual Pay-Go CIP. The cost of the two new positions are being offset by the CIP.	Water	(549,366)	565,896	-

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BUDGET AND POSITION CHANGES* (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Engineering & Water Resources	Delete five positions (0.72 FTE Student Trainee and 1.0 FTE Senior Office Specialist) to re-align positions within Utilities.	Storm Drainage/ Wastewater/ Water	-	(97,081)	(1.72)
Office of the Director*	Delete a position (1.0 FTE Storekeeper) and add two positions (1.0 FTE Administrative Analyst and 1.0 FTE Administrative Technician) to support Security & Emergency Preparedness and Safety Programs. The cost of the positions are being partially offset by reducing department's operating budget and the HR-Risk Management interfund transfer has been deleted.	Water	(150,683)	234,402	1.00
Office of the Director*	Add one position (1.0 FTE Public Information Coordinator) to support water conservation outreach. The cost of the position is being offset by reducing professional services expense budget.	Water	(97,557)	94,518	1.00
Wastewater and Drainage Operations and Maintenance	Add one position (1.0 FTE Program Specialist) to support regulatory requirements in the Wastewater Storm Drainage Division.	Wastewater	-	160,226	1.00
Water Operations and Maintenance	Add one position (1.0 FTE Machinist Helper) to keep up with the maintenance of facilities and avoid critical failures.	Water	-	89,362	1.00
Water Operations and Maintenance	Add one position (1.0 FTE Program Specialist) to manage planning, coordination, and administration of Water Quality Laboratory and Research & Development section programs.	Water	-	157,793	1.00
Total Change			\$ (1,601,867)	\$ 2,081,488	9.28

* Position offset amounts will be finalized in the Approved Budget.

Department Budget Summary

Utilities Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
Employee Services	\$ 65,090,150	\$ 67,850,839	\$ 76,559,964	\$ 76,559,664	\$ 79,810,446	\$ 3,250,782
Other Services and Supplies	32,673,341	35,122,545	41,156,318	42,176,945	44,405,476	2,228,531
City Property	4,153,704	1,610,393	2,100,903	2,240,903	2,237,523	(3,380)
Multi-Year Operating Projects	-	-	10,639,992	7,018,992	10,171,120	3,152,128
Transfers	(1,090,080)	(764,570)	-	-	-	-
Labor and Supply Offset	5,820,817	7,326,065	8,781,799	8,781,799	7,042,587	(1,739,212)
Operating Transfers	24,294,267	24,150,096	26,015,488	26,015,488	26,143,155	127,667
Total	\$130,942,199	\$135,295,368	\$165,254,464	\$162,793,791	\$169,810,307	\$ 7,016,516

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Department Budget Summary (continued)

Funding Summary by Fund/Special District	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change
						More/(Less) Proposed/Amended
General Fund	\$ 70,219	\$ 77,272	\$ 79,410	\$ 79,410	\$ 79,410	\$ -
Community Center	4,983	4,983	4,983	4,983	4,983	-
Fleet Management	196,105	16,007	200,000	200,000	-	(200,000)
Golf	5,333	4,045	8,550	8,550	8,550	-
Landscaping and Lighting	53,661	86,678	70,000	70,000	98,000	28,000
N Natomas Lands CFD 3	150,624	180,582	300,000	300,000	300,000	-
Neighborhood Water Quality Dist	-	-	3,000	3,000	3,000	-
Northside Subdiv Maint Dist	-	-	8,000	8,000	8,000	-
Parkebridge CFD 2014-07	-	-	10,000	10,000	10,000	-
Parking	2,600	11,555	1,359	1,359	1,359	-
Recycling and Solid Waste	2,988,418	3,126,181	2,925,539	2,925,539	3,121,424	195,885
SacMaintCFD2014-04 Annex Areas	-	-	36,500	36,500	36,500	-
SacMaintCFD2014-04 Area 01	-	-	298,120	298,120	298,120	-
Storm Drainage	28,475,932	32,008,827	37,639,597	37,004,924	37,964,667	959,743
Storm Drainage Property Fee	-	-	4,897,094	4,897,094	5,412,050	514,956
Tow nship 9 CFD No. 2012-06	-	-	9,000	9,000	9,000	-
Wastewater	26,519,567	28,127,263	33,851,892	32,346,892	35,255,448	2,908,556
Water	72,467,084	71,640,100	84,890,646	84,569,646	87,179,022	2,609,376
Willow creek Assmnt Md	7,672	11,876	20,774	20,774	20,774	-
Total	\$130,942,199	\$135,295,368	\$165,254,464	\$162,793,791	\$169,810,307	\$ 7,016,516

Division Budget Summary

Utilities Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change
						More/(Less) Proposed/Amended
Business Services Division	\$ 7,562,469	\$ 8,660,520	\$ 11,528,639	\$ 9,854,996	\$ 9,958,538	\$ 103,542
Engineering & Water Resources Division	6,701,429	8,639,482	18,457,468	13,182,498	12,171,929	(1,010,569)
Office of the Director	48,002,589	47,545,686	61,065,641	60,216,349	64,224,168	4,007,819
Wastewater & Drainage Ops & Maint. Division	36,776,618	37,551,054	35,745,128	41,216,360	44,375,620	3,159,260
Water Operations & Maintenance Division	31,899,093	32,898,625	38,457,588	38,323,588	39,080,052	756,464
Total	\$130,942,199	\$135,295,368	\$165,254,464	\$162,793,791	\$169,810,307	\$ 7,016,516

Staffing Levels

Utilities Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change
						More/(Less) Proposed/Amended
Business Services Division	59.00	67.00	67.00	67.00	68.00	1.00
Engineering & Water Resources Division	84.54	85.54	91.72	91.72	96.00	4.28
Office of the Director	13.18	14.18	14.18	14.18	17.18	3.00
Wastewater & Drainage Operations & Maintenance Division	228.18	228.18	223.00	223.00	223.00	-
Water Operations & Maintenance Division	185.00	177.00	177.00	177.00	178.00	1.00
Total	569.90	571.90	572.90	572.90	582.18	9.28

PERFORMANCE MEASURES

Business Services Division

Key Measure	FY20	FY21	FY22	FY23	FY24
	Actuals	Actuals	Actuals	Estimate	Target
City Manager Goal = 3:00 minutes or less	8:06	5:34	8:23	3:00 Goal	3:00 Goal

The Departments Average Speed to Answer (ASA), is the number of seconds a customer waits in the queue prior to being answered by a Customer Service Representative. The ASA is one of the key performance indicators (KPI), to measure the Departments organizational performance and effectiveness in responding to customer questions and or concerns about their utility billing accounts.

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The 3:00 minutes ASA is a lower tier (25th percentile) industry standard for combined utilities as documented in the 2017 American Water Works Association (AWWA) Utility Benchmarking Performance Management for Water and Wastewater Report.

Engineering & Water Resources Division

Key Measure	FY20	FY21	FY22	FY23	FY24
	Actuals	Actuals	Actuals	Estimate	Target
% water conservation achieved (year-over-year)	31%	26%	33%	25%	25%

The percentage of water conservation achieved citywide is not only a required performance measure to comply with the City Council Resolution for water conservation, but also a key performance indicator to measure effectiveness of the Department's water conservation outreach and enforcement efforts. This percentage reduction is compared to our 20% by 2020 gallons per capita per day target as mandated by SBX7-7.

Operations & Maintenance Division

Key Measure	FY20	FY21	FY22	FY23	FY24
	Actuals	Actuals	Actuals	Estimate	Target
# of sanitary (wastewater) overflows	2.90 per 100 miles	2.50 per 100 miles	3.00 per 100 miles	2.70 per 100 miles	2.50 per 100 miles

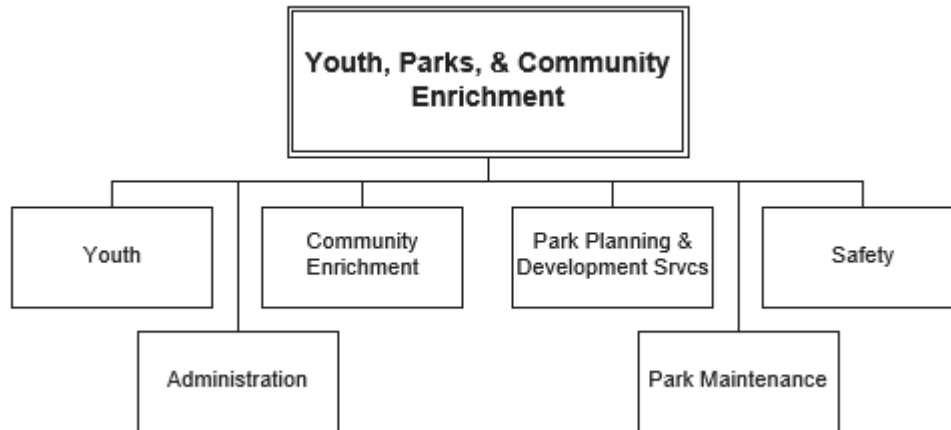
The number of sanitary sewer overflows (SSOs) is measured to ensure regulatory compliance and to gauge the effectiveness of operational activities and capital improvements that have been implemented to achieve this compliance. The primary permit with respect to the separated system is the waste discharge requirements permit issued by the State Water Resources Control Board. The goal of this permit is to minimize SSOs from the separated system.

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SECTION - 23 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 (YPCE) Department** provides residents and visitors with beautiful parks and enriching programs to create a thriving community with healthy, strong, and cohesive neighborhoods. Program development and service delivery for the Department is 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:** Responsible for creating, delivering, and fostering citywide programs, trainings, projects, and services that navigate critical pathways for youth development including youth participation opportunities, community involvement, relationship building, and skill building. Programs serve young people between the ages of 5-24 in the following areas: Expanded Learning, Youth Workforce Development, and Civic Engagement.
- **Administration** Responsible for department-wide support of fiscal management, human resources, procurement, grant writing and management, lease management, and administrative operations that include managing Gifts to Share (a nonprofit that supports City events, projects and programs), the Parks and Recreation Commission and the Ann Land & Bertha Henschel Commission.
- **Community Enrichment:** Responsible for a wide range of programs, services and facilities that support safe space,

community livability, and a high quality of life for all of Sacramento. Provides recreation, leisure enrichment and community resources for all ages, including youth, teens, active adult, and senior programs.

- **Park Maintenance:** Responsible for daily maintenance of 234 parks, parkways, bike trails, and open space areas spanning over 4,360 acres. Responsibilities include maintenance of turf, landscape, structures, and park amenities citywide. This Division also maintains and operates the Old City Cemetery, which is a State historic landmark that offers monthly tours and events.
- **Park Planning & Development Services:** Responsible for park planning, parkland acquisition, park master planning, policy implementation, asset management and the design and development of new and renovations of existing neighborhood, community, and regional parks
- **Safety:** Responsible for preserving, protecting, and enforcing park regulations of 234 parks with 4,360 acres of parks, parkways, open space, community centers, aquatic facilities, and bike trails.

PROGRAMS/SERVICE HIGHLIGHTS

- YPCE continued to offer professional development opportunities, focusing on youth development, in priority areas such as: safely engaging young people, mental wellness supports and tools, and general technical training needed for new programming models.
- YPCE offered a variety of Youth Workforce Development programs serving 874 young people ages 10 – 24, an increase of 13% with the return of Jr. Rec Aide (an interactive work readiness training program for ages 15-17), and Young Leaders of Tomorrow (a self-advocacy and leadership program for ages 10-13). These programs empower young people with opportunities to improve communication, problem solve, work as a team, and provides them with fundamental skills needed when seeking employment. Programs are offered city wide, year-round.
- Expanded Learning Opportunity Program (ELOP) funding from Robla School District (RSD) allowed for the expansion of the existing ASES/START elementary afterschool program. Not only will the number of students served be increased, but new grade levels such as Transitional Kindergarten and Kindergarten students will be able to benefit from the service. ELOP funding will allow new enrichment

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opportunities, further coordination of the academic part of the program and added 12 part-time positions.

- The Aquatics section opened all 12 neighborhood pools, four wading pools, and a brand-new regional aquatics center and community center for the summer of 2022 and safely operated them with zero critical incidents. Participation in aquatics programming increased with 96,752 rec swim visits (73% increase), 2,601 sets of swim lessons (24% increase), 7,134 water aerobics visits (31.5% increase), 385 swim team registrations (10% increase), and 4,873 lap swim visits (3% increase). Over \$30,000 was awarded in Swim Safe Scholarships that included free swim lessons, swim team scholarships, lifeguard scholarships and lifeguard certification reimbursements.
- Older Adult Services provided respite for 80 family caregivers through the Triple-R Adult Day Program with 4,680 units of service. Additionally, Triple-R staff provided resource and referral services to 496 people. In November 2022, YPCE received a \$350,00 grant from the State of California for the CalCOMPASS project, a 13-month pilot program to meet the needs of diverse older adults and families in a community setting through the provision of dementia care services. Triple-R was selected as one of seven model licensed Adult Day Programs and Adult Day Health Care Centers, to address the health and wellbeing of older adults and their caregivers, prevent or delay institutionalization and advance health equity.
- The Community Center team provided programming opportunities and access to safe space for over 6,500 youth and teens through in-person afterschool and summer camps, Hot Spots Remix (an updated Hot Spot teen special event series) and Recreation Explorer Camp (R.E.C.) serving youth ages 3-5 in a play-based preschool program, which was a 62% increase in participation. Drive-thru and in-person special events were hosted citywide and welcomed over 10,000 families, which was a 25% increase in participation. Centers have also increased program offerings for older adults across the city and opened an additional Meals on Wheels location with over 12,000 senior visits and 14,000 fitness room visits.
- The Reservations office issued over 500 youth and adult sports field permits and over 1,300 picnic reservation permits. Community Centers also waived over \$197,000 in community center rentals through the Council Approved Fee Resolution.
- Park Planning and Development invested over 4 million in completed projects across the city. Projects completed include Matsui Park – Access Project, Freeport irrigation, Temple Park, Cabrillo Irrigation, Airfield Park Phase II, Land Park Farm and Garden, Neilson Park improvements and Shore Park Picnic Area.

DEPARTMENT EFFICIENCIES

- Continue to engage with the Department's Park planning consultant in the development of the Parks Plan 2040 that addresses the City's commitment to

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Equity and Health within the park and recreation system. The projected completion date for the Parks Plan 2040 is 2023, following the adoption of the City's General Plan Update.

- Community Centers mobilized staffing and resources to continue serving the community, providing critical community resources, programs, services and expanding front counter and operating hours to include Saturdays, exceeding pre-pandemic service levels. In addition to offering a variety of recreation programming, centers continue to provide emergency response support through activation of clean air, warming and cooling centers.
- YPCE addressed deferred maintenance issues at several pools including the completion and initiation of resurfacing projects to support safe reopening and operations. Staff successfully opened a new regional aquatics' facility and community center, providing programming, rentals, and special events to residents citywide and beyond
- YPCE partnered with Geographic Information System (GIS) team to map park amenities and land uses. GIS applications provide Department, City staff and the public with a method to easily access and share geographic information. The database allows coordination across all divisions using the same data to support asset management and administrative functions.
- To address disparities in service levels in Sacramento's Park system in an equitable manner, YPCE developed a Geographic Information System mapping tool to analyze park amenity data through an equity lens. This mapping tool helps staff better understand the overall distribution of amenities in relation to under-resourced communities in Sacramento. The equity lens incorporates the following metrics: Community Ranking based on CalEnviroScreen 4.0, Child Density Ranking, and Quality of Service using park maintenance data. YPCE also takes into account other factors including lit and unlit sports fields, the quality of the sports field maintenance, and availability of restrooms and parking. Equity scores will help determine if a particular field has a high potential to serve an under-resourced community and ensure investments in field maintenance are made equitably.

OBJECTIVES FOR FY2023/24

- Complete YPCE's Parks Plan 2040, including developing a Needs, Recommendations, and Cost Analysis, and Final Parks Plan for approval by Council, followed by the development of YPCE's Strategic Plan for 2024-2028.
 - Utilize the Geographic Information System mapping tool and equity scores obtained to help prioritize field improvements such as field lighting, maintenance, and field reservation allocations to under resourced communities in Sacramento. This would also be incorporated into the YPCE's Park Project Programming Guide.
 - Evaluate and update sports field use guidelines and policies related to allocation process and on-going maintenance. This will include an updated sports field and
-

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amenities inventory and re-evaluating the field allocation process through an equity lens.

- Continue to address deferred maintenance projects citywide and recruit, hire and train staff to support all YPCE programs and operations.
- Develop and expand YPCE Volunteer Program for residents of all ages to support volunteer efforts in parks and programs, including the McKinley Rose Garden that the department resumed operations of in December 2022.
- Implementation of specialized and inclusive recreation programming for youth and teens with disabilities department-wide and including partnerships with Alta Regional Center, school districts, Sacramento State.

BUDGET AND POSITION CHANGES*

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Community Enrichment	Delete various positions (2.45 FTE total) and add three positions (1.0 FTE Aquatic Recreation Coordinator, 1.0 FTE Program Coordinator and 1.0 FTE Jr. Plant Operator) to realign staffing to address programming needs. Positions will be offset by the deletion of position and the increases in revenues made in the Division.	Measure U	(105,218)	264,130	0.55
Community Enrichment	Delete various positions (2.81 FTE total) and add various positions (5.41 FTE total) as the department has taken over the management of the Clunie Community Center, Shepard Garden, former Tiny Tots building and the Mckinley Rose Garden. Additional staffing is needed to manage, program and operate these facilities. Positions will be offset by the deletion of positions and the increases in revenues made in the Division.	Measure U	(150,873)	361,072	2.60
Community Enrichment	Delete three positions (0.47 FTE Recreation Aide, 0.47 FTE Utility Worker and 1.0 FTE Recreation Superintendent) and add a position (1.0 FTE Recreation Manager) to provide additional leadership support as operations have expanded at multiple facilities and spaces. Positions will be offset by the deletion of the positions.	Measure U	(196,812)	188,230	(0.94)
Community Enrichment*	Delete four positions (0.10 FTE Recreation Aide, two 0.15 FTE Recreation Aides and 0.40 FTE Senior Recreation Aide) and add two positions (0.30 FTE Recreation Aide and 0.47 FTE Building Monitor) to realign staffing to meet the updated programming needs of the Division. Positions will be offset by the deletion of the positions.	Measure U	(30,693)	33,364	(0.03)
Community Enrichment	Revenue adjustments to Aquatics, Community Recreation Services, Community Centers, Camp Sacramento, Older Adult Services and Permitting and Event's budget after evaluation of the department's history to better align with budget actuals.	Measure U	(1,790,000)	-	-

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BUDGET AND POSITION CHANGES* (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Park Maintenance and Planning	Increase funding in the operating and capital budget to address the ongoing maintenance and capital costs for landscaping associated with the construction of the new 64-acre Del Rio Trail. Of the \$228K, \$128K is operating and \$100K in capital.	Measure U	-	228,000	-
Park Maintenance and Planning	Delete a position (1.0 FTE Landscape Technician II) and add three positions (1.0 FTE Administrative Technician, 1.0 FTE Junior Landscape Assistant and 1.0 FTE Supervising Landscape Architect) to address increased workload that are currently at an unsustainable level and expand programming. Positions will be offset by the deletion of the position and adjusting overhead charges to Capital Improvement Program (CIP) projects.	Measure U	(395,785)	393,941	2.00
Park Maintenance and Planning	Reallocation of the FY2023/24 fleet replacement budget assumptions for vehicle unit 9972, which is no longer needed, to fund the purchase of other fleet vehicles/equipment.	Measure U	(158,647)	158,647	-
Youth	Revenue adjustments to Youth Enrichment's budget after evaluation of the department's history to better align with budget actuals.	Measure U	198,193	-	-
Youth	Revenue and expenditure adjustments to 4th R's budget to reflect current operations post pandemic.	4th R	(2,250,000)	2,250,000	-
Total Change			\$ (4,879,835)	\$ 3,877,384	4.18

* Position offset amounts will be finalized in the Approved Budget.

Department Budget Summary

Youth, Parks, and Community Enrichment Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
Employee Services	\$ 32,344,365	\$ 36,974,487	\$ 40,255,934	\$ 40,325,162	\$ 42,734,837	\$ 2,409,675
Other Services and Supplies	12,065,967	18,324,379	18,232,023	18,118,545	20,689,746	2,571,201
City Property	216,258	1,145,133	301,802	276,570	276,490	(80)
Multi-Year Operating Projects	1,200	-	1,081,132	308,949	2,140,285	1,831,336
City Debt Service	4,391	900,318	-	-	-	-
Transfers	138,634	171,075	-	-	-	-
Labor and Supply Offset	(12,109,918)	(2,336,595)	(2,064,139)	(2,064,139)	(2,254,732)	(190,593)
Operating Transfers	(21,542)	(21,602)	-	-	-	-
Total	\$ 32,639,355	\$ 55,157,195	\$ 57,806,752	\$ 56,965,087	\$ 63,586,626	\$ 6,621,539

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Department Budget Summary (continued)

Funding Summary by Fund/Special District	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change
						More/(Less) Proposed/Amended
General Fund	\$ 24,113,082	\$ 1,455,943	\$ 1,557,590	\$ 1,587,590	\$ 3,138,544	\$ 1,550,954
4th R Program	521,670	5,852,218	3,082,118	3,082,118	5,365,214	2,283,096
Externally Funded Programs	-	-	19,000	19,000	-	(19,000)
Golf	(11,206)	(80,229)	(106,878)	(106,878)	(115,942)	(9,064)
Laguna Creek Maint Dist	63,197	162,946	175,000	175,000	126,000	(49,000)
Land Park	134,015	139,000	139,000	89,000	89,000	-
Landscaping and Lighting	4,000,000	4,100,000	4,200,000	4,200,000	4,300,000	100,000
Measure U	-	37,553,290	43,230,356	42,408,691	45,648,624	3,239,933
N Natomas Lands CFD 3	1,487,667	1,578,785	1,745,000	1,745,000	1,815,000	70,000
Neighborhood Park Maint CFD	1,682,000	1,782,000	1,882,000	1,882,000	1,982,000	100,000
Neighborhood Water Quality Dist	16,564	28,651	30,000	30,000	30,000	-
NW Land Park CFD 2013-02	24,578	85,663	164,800	164,800	164,800	-
Park Development	183,769	1,637,548	441,860	441,860	441,860	-
Parkebridge CFD 2014-07	-	-	57,000	57,000	57,000	-
Parking	53	-	-	-	-	-
Quimby Act	10,307	5,273	10,000	10,000	10,000	-
Railyards Maint CFD No 2014-04	-	-	7,500	7,500	7,500	-
Sac Services CFD 2018-05	-	13,418	40,000	40,000	150,000	110,000
SacMaintCFD2014-04 Annex Areas	-	-	1,200	1,200	1,200	-
START	413,533	842,690	1,129,206	1,129,206	373,826	(755,380)
Township 9 CFD No. 2012-06	126	-	2,000	2,000	2,000	-
Total	\$ 32,639,355	\$ 55,157,195	\$ 57,806,752	\$ 56,965,087	\$ 63,586,626	\$ 6,621,539

Division Budget Summary

Youth, Parks, and Community Enrichment Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change
						More/(Less) Proposed/Amended
Administration & Safety Division	\$ 2,272,431	\$ 3,412,114	\$ 3,389,339	\$ 3,319,339	\$ 3,352,005	\$ 32,666
Community Enrichment Division	9,709,698	17,842,650	23,243,758	23,243,758	24,755,262	1,511,504
Park Maintenance & Planning Division	14,654,251	23,086,146	22,364,828	21,593,163	24,700,642	3,107,479
Youth Division	6,002,976	10,816,285	8,808,827	8,808,827	10,778,717	1,969,890
Total	\$ 32,639,355	\$ 55,157,195	\$ 57,806,752	\$ 56,965,087	\$ 63,586,626	\$ 6,621,539

Staffing Levels

Youth, Parks, and Community Enrichment Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change
						More/(Less) Proposed/Amended
Administration & Safety Division	22.00	22.00	22.00	22.00	21.00	(1.00)
Community Enrichment Division	315.89	313.92	309.53	309.53	321.10	11.57
Park Maintenance & Planning Division	149.80	148.80	150.80	150.80	152.80	2.00
Youth Division	236.85	235.50	234.20	254.90	246.51	(8.39)
Total	724.54	720.22	716.53	737.23	741.41	4.18

MEASURE U

The following chart summarizes the Department’s Measure U programs.

Funding Category	Program Name	FTE	FY2023/24 Proposed
Community Investment			
MYOP	Fleet Acquisitions	-	1,803,345
Operations	Fiscal and Management Services	8.00	1,331,704
	Golf Admin	-	250,000
	Historic City Cemetery	3.00	411,210
	Older Adult Services	29.03	2,057,665
	Park Operations Administration	135.80	14,221,611
	Permitting and Events	7.74	848,203
	Technology Service	-	57,638
	Public Safety - YPCE		
Operations	Park Safety Services	13.00	1,640,229
Miscellaneous			
MYOP	Commisson Stipends	-	25,450
Youth			
MYOP	Youth Sports Field Permit Program	-	200,000
Operations	Access Leisure	10.03	645,010
	Aquatics	87.85	5,208,982
	Camp Sacramento	16.62	566,198
	Community Centers	144.70	9,220,316
	Community Recreation Services	14.13	791,018
	Recreation Administration	11.00	1,942,468
	Youth Employment	65.23	3,251,919
	Youth Enrichment	-	(20,247)
	Youth Expanded Learning	31.94	1,165,905
Grand Total		578.07	\$ 45,618,624

PERFORMANCE MEASURES

Park Maintenance and Planning Division

	FY20	FY21	FY22	FY23	FY24
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Park maintenance cost per acre	\$5,286	\$5,736	\$6,446	\$6,736	\$6,117

Currently, the Park Maintenance Division maintains more than 3,654 acres of parkways, developed turf, landscape, recreation structures, and park amenities citywide. Services provided by this division include mowing, weeding, litter removal, playground inspections, irrigation repair, and restroom cleaning.

	FY20	FY21	FY22	FY23	FY24
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Number of developed park acres maintained per FTE	25.82	19.70	24.31	24.49	26.91

The department has established minimum service levels to ensure safe and clean parks and facilities. To accomplish this, each fulltime equivalent Park Maintenance staff is generally assigned a service area. On average, a full-time 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.

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Key Measure	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Estimate	FY24 Target
Number of volunteer hours managed per developed park	9.8	8.43	10.88	7.94	9.00

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 volunteer participants supervision, tools, garbage removal services, and horticultural expertise.

Park Safety Division

Key Measure	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Estimate	FY24 Target
Number of safety calls responded to per Park Ranger	501	240	284	400	500

The Park Safety Rangers provide 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, the Park Rangers frequently address issues related to and coordinate outreach for people experiencing homelessness, address issues of criminal activity, and provide emergency assistance within city park areas. A full-time ranger can handle 450 calls per year. As we add more staff, it will help distribute the workload.

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SECTION - 24 **Citywide and Community Support**

Citywide and Community Support

Citywide Support

This section includes City costs, programs and revenues that are not directly associated with an individual department. Below are the major expenditures budgeted in Citywide and Community Support (Citywide).

Employee Benefits and Insurance

- Employee Benefits (\$5.9 million - \$5.4 million in the General Fund and \$0.5 million in the Measure U [MU] Fund):
 - Employee leave payouts authorized by labor contracts;
 - Vacation/sick leave termination payoffs; and
 - Unrepresented and represented employee labor adjustments.

Budget authority is transferred from this program to departments to reimburse actual costs incurred. Reimbursements are done on a proportional basis if the actual costs incurred by departments exceed the available resources in Citywide.

- General Liability & Auto Liability (GL&AL) (\$36.9 million - \$34.6 million in the General Fund and \$2.3 million in the MU 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 uses the recommended 80% confidence level when budgeting for claim costs and expenses. The General Fund contribution for GL&AL is budgeted in Citywide, while contributions from the other funds (\$7.5 million) are budgeted in the managing department's section (e.g., Solid Waste Fund contributions are in Public Works).

Retired/Transfer Employee Benefits

The costs associated with retired and transferred employee retirement and healthcare benefits are included in the Citywide budget.

- Other Post-Employment Benefits (OPEB) (\$11.0 million - \$8.4 million in the General Fund) – The cost of retiree/beneficiary health (1,759 participants), dental (2,724 participants), vision (1,671 participants), and out-of-area (338 participants) insurance benefits as of June 30, 2021.
- OPEB Trust (\$0) – The City funds OPEB benefits on a pay-go basis. In 2014 the City established a California Employers' Retiree Benefit Trust (CERBT) Fund to address the increasing OPEB liability (\$279 million as of June 30, 2022). The balance in the CERBT was approximately \$88.8 million as of April 13, 2023. The annual contribution for the OPEB Trust was eliminated in FY2021/22. Future

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funding to the Trust will continue to be transferred from year-end budgeted pension savings.

- Sacramento City Employees' Retirement System (SCERS) (\$1.4 million) – In FY2022/23, the SCERS fund was fully funded and the City stopped making contributions. However, based on the Foster & Foster SCERS Actuarial Valuation Report dated June 30, 2022, the valuation of the fund will require additional contributions for the next four years. There were 828 participants (2 active) as of June 30, 2022.
- California Public Employees' Retirement System (CalPERS) (\$152.3 million - \$123.5 million in the General Fund and \$9.7 million in the MU Fund) – Although CalPERS costs are not budgeted in Citywide, this represents the City's total contribution as well as the amounts negotiated for the employee paid portion of the employer cost (\$4.1 million). Costs are budgeted in the managing department's budgets.

Citywide Maintenance Contracts and Utilities

- Information Technology Maintenance and Support Contracts (\$3.6 million - \$3.3 million in the General Fund and \$0.3 million in the MU Fund) – Funds major contracts and support for the City's human resources, financial and budgeting systems. The non-General Fund and non-MU Fund costs associated with these services are recovered through the cost allocation plan.
- Multi-tenant City-owned Buildings (\$4.6 million in the General Fund) – Covers anticipated expenses associated with janitorial, security, utilities, and pest management services at various multi-tenant City-owned buildings (e.g., City Hall complex). The costs for non-General Fund operations are recovered through the City's cost allocation plan.

Sacramento County Charges and Assessments

Citywide includes \$4.7 million in the General Fund for 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. For FY2022/23 and FY2023/24, the cost for collecting property tax revenues doubled (from \$1.7 million to \$3.3 million) due to the replacement of their property tax system. According to State law (SB 2557), counties can charge cities and special districts to recover costs.

Multi-Year Operating Projects (MYOPs)

Citywide includes \$20.5 million (\$9.3 million in the General Fund, \$7.3 million in the MU Fund, and \$3.9 million in the American Rescue Plan Act [ARPA] Reinvestment Fund) in MYOPs. Of the \$9.3 million in the General Fund, \$8.8 million is the City's obligation to the Children's Fund as required by Measure L. The other projects support citywide operating

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activities such as the utility rate assistance program, litigation, Fare Free Transit for Youth, the Powerhouse Science Center, library maintenance, and various ARPA projects. All projects are detailed on Schedule 9. Additional funding for departmental MYOPs is included in the various department operating budgets. Funding for these programs is moved into specific projects after the budget is approved.

Administrative Contingency

The General Fund Administrative Contingency may be used throughout the year, in accordance with Sections 4, 5, and 6 of the Budget Resolution, to adjust budgets for unforeseen expenses. The Administrative Contingency is \$2 million.

Office of Arts and Culture (OAC)

The Budget includes \$2.4 million for the OAC (\$0.5 million in Citywide and \$1.9 million in the Convention and Cultural Services Department). The City's OAC budget includes funding for professional services, grant programming and education, a 1.0 FTE Program Specialist to further the City's efforts with the Film Industry, and the Cultural Arts (I17000700) and Creative Edge (I02181100) MYOPs included in Schedule 9.

Redevelopment Agency Successor Agency (RASA)

In response to AB 26 (2011) 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 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 RASA. The City budgeted \$192,898 in revenue for staff support provided by the City Attorney's Office, Finance, and other departments.

Miscellaneous

- Elections (\$300,000) – Funds the cost of regular and special elections, as well as increased costs associated with special ballot measures and petition verification.
- Litigation (\$60,000) – Covers the administrative costs associated with litigation, used annually as necessary. This funding is in addition to the Citywide Litigation MYOP (\$500,000) included in Schedule 9 which provides annual funding for external support for the City's litigation efforts.
- Service Fees (\$469,016) – Covers the costs associated with banking, instructional, and various legal service fees. It also includes the City's portion of the CalPERS payment for obligations associated with the Human Rights/Fair Housing PERS commission.
- Accident Replacement Vehicles (\$250,000) – Funds costs associated with fleet accident repairs and replacements.
- Membership, Licenses and Dues (\$450,000)

Citywide Revenues

An in-depth review of FY2023/24 citywide revenues and the five-year forecast are included in Section 5 – The Forecast.

- **Major Tax Revenues** – All discretionary tax revenues including property, sales, and Utility Users Tax are budgeted in Citywide. Additional detailed information and a breakdown of budgeted revenue is available in Schedule 6. The expenditure budget (\$600,000) represents consultant contracts for providing sales tax and Utility Users Tax revenue estimates.
- **TOT** – The City's TOT rate is currently 12%. The General Fund receives 2% of the 12% tax rate (\$6.8 million in FY2023/24); the balance goes to the Community Center Fund. A portion of these revenues are used to support the Sacramento Office of Arts and Culture (OAC) and Visit Sacramento. 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 or partners.

City/County Office of Metropolitan Water Planning (CCOMWP)

CCOMWP (6.0 FTE) – The Water Fund provides reimbursements 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.

Sacramento Local Agency Formation Commission (LAFCo)

Until FY2021/22, the City provided administrative and financial support to LAFCo (1.0 FTE), which was fully reimbursable. Once the employee retired, the City was no longer obligated to provide such support to LAFCo. The 1.0 FTE was deleted, and all expenses and reimbursements have been removed from the Budget.

Property and Business Improvement Districts (PBIDs)

Citywide includes \$15.9 million for PBIDs, which 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 assessments for 18 different PBIDs throughout the City.

Visit Sacramento

Citywide includes \$2.86 million for Visit Sacramento, which includes \$1.72 million from the 10% TOT that is deposited in the Community Center Fund (amount and increases are voter approved) and \$1.13 million from the MU Fund. Of the \$1.13 million, an additional \$500,000 is for a Visit Sacramento to continue to support tourism recovery through event support and production.

Downtown Sacramento Partnership (DSP)

Citywide includes \$375,000 for DSP to fund programs and activities along the Old Sacramento waterfront and downtown area.

Greater Sacramento Area Economic Council (GSEC)

Citywide includes an annual contribution of \$207,215 to support work conducted at GSEC. Contribution cost based on the per capita rate of \$0.40 and the estimated population of Sacramento (518,037).

Sacramento Public Library Authority (SPLA)

The City has 12 libraries located within the City boundaries which are operated by the SPLA under a joint powers authority. Citywide includes \$23.9 million, which includes \$14.3 million from the MU Fund and \$9.6 million from Library Services Parcel Tax.

The library's mission is to provide the residents of Sacramento the services they expect while focusing on community needs for reading, learning needs of our youngest residents, creating welcoming spaces and providing experiences that include Science, Technology, Engineering, and Mathematics (STEM) and Science, Technology, Engineering, the Arts, and Mathematics (STEAM) learning opportunities for the entire community as well as increasing equity for our most vulnerable populations.

In 2014 and 2016, voters in the City of Sacramento declared their support for the Sacramento Public Library by passing two parcel taxes, Measure B and Measure X, for Library services which provide \$9.3 million for the operation of the City libraries and to maintain and add services, staff and technology.

Without the parcel taxes, the Library would be in further danger of having to close facilities and reduce services, thus impacting vulnerable youth, job seekers and those who rely on high-speed internet access and computing resources for access to basic life services. 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. The City's MOE is \$7.6 million and is provided from G/MU contributions.

Despite these victories at the ballot box, the Library continues to face financial challenges. Because of changes in the election cycle and the need to combine the two parcel taxes, the City and the Library must return to the voters in 2024 to ensure continued funding. A failure at the ballot box would impact those communities with the highest needs, especially those for whom the library bridges the digital divide by providing the only access point for high-speed internet, access to computers and services such as live homework help, afterschool programming and early learning.

The Library has used various strategies to maintain high levels of services for all City residents, but still has fiscal challenges. This includes assessing and repurposing staffing levels; utilizing on-call and temporary staff; reallocating hours in all locations; leveraging value-added services to provide enhanced customer experiences; renegotiating service agreements and changing operations to satisfy the demands of the diverse communities served by the Library.

In an effort to address these fiscal challenges, the MU Fund increased the library operations budget to \$14.3 million in FY2022/23. The City will add another \$0.5 million in FY2024/25.

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While these increases will help address some of the financial challenges with operating the City's libraries, they do not address the ongoing structural deficits as well as operational needs. A far more serious issue is the history of unaddressed deferred maintenance for the buildings owned by the City. As of FY2022/23, capital needs amounted to at least \$9.4 million for the City's libraries. This amount does not include approximately \$10 million that is required to renovate and update the Martin Luther King Jr. (MLK) Library and approximately \$10.8 million required to update and repair a newly purchased building for the relocation of the North Sacramento – Hagginwood library (NSHL). To date, the Council has allocated a total of \$7.5 million to the North Sacramento Library Relocation project (C15000850) to purchase and renovate the newly acquired building, however additional funds are required. The NSHL funds are not included in the total above. The City has been successful in receiving grant funding for capital needs. In March 2022 the City applied for approximately \$15.6 million in grant funding from the California State Library Building Forward Program Grant for five capital projects. The City was awarded \$7.9 million for four projects (requiring a local match of \$3.9 million). The renovation of MLK Library was included in the grant award. The NSHL did not receive a grant in the first round but it has been resubmitted for a second round of grant funding.

City staff will continue to work with Library staff to identify opportunities to address the structural gap between revenues and expenditure needs.

General Information

The following information below is not included in the Citywide Budget but is detailed to provide additional information on portions of the City's FY2023/24 Proposed Budget.

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 15.9% of General Fund revenues or \$117 million in FY2021/22) in the reserve.

On June 12, 2019, the EUR Policy was amended to include MU resources in determining the annual set aside amount necessary to maintain a minimum G/MU Fund reserve level of 10%. Further, the policy includes a goal of achieving and maintaining the value of two months of regular ongoing G/MU expenditures in the reserve.

The EUR balance is estimated to be \$74.3 million on July 1, 2023, which is approximately 10% of budgeted FY2022/23 G/MU revenues. The Budget includes a proposed transfer of \$3.9 million to the reserve at year-end, provided these resources are not needed during the year. This contribution will bring the balance of the EUR to approximately \$78.2 million or approximately 10% of budgeted revenues; achieving the minimum reserve level.

Other Sources and Uses

Other sources and uses in the governmental, enterprise, internal and other governmental funds total \$9.2 million.

Beginning Fund Balances

Beginning fund balances of the governmental, enterprise, internal, and other governmental funds total \$342 million which represent available resources from the FY2021/22 Annual Comprehensive Financial Report (ACFR) and anticipated activity in FY2022/23. Beginning balance by fund is included in the Budget Schedules section (Schedules 2A-2C).

Ending Fund Balances

Projected ending fund balances of the governmental, enterprise, internal, and other governmental funds total \$318 million. Ending balance by fund is included in the budget schedules section (Schedules 2A-2C). The available balance of enterprise, internal service funds, and other governmental funds (excluding the Innovation and Growth Fund) may only be used for the specific purpose of the individual fund.

MEASURE U

The following chart summarizes the Measure U programs in Citywide and Community Support.

Funding Category	Program Name	FTE	FY2023/24 Proposed
Arts/Creative Edge			
Operations	Arts Stabilization	-	351,558
Community Investment			
MYOP	Utility Rate Assistance Program	-	5,300,000
Inclusive Economic Development			
Operations	Community Programs	-	1,512,198
Library			
MYOP	SPLA Maintenance Program	-	400,000
Operations	Library JPA	-	14,271,661
Miscellaneous			
Operations	Citywide IT Maintenance and Support	-	289,684
	Employee Development	-	116,395
	Gen Insurance/Termination	-	2,635,411
	Retired/Transfer Employee Benefits	-	1,071,100
Youth			
MYOP	Fare Free Transit for Youth	-	1,000,000
	Powerhouse Science Center	-	600,000
Grand Total		-	\$ 27,548,007

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BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Citywide Support	Increase funding for Visit Sacramento to continue to support tourism recovery through event support and production.	Measure U	-	500,000	-
Citywide Support	Increase the annual Sacramento Utility Rate Assistance Program budget due to program changes approved by Council in FY2022/23.	Measure U	-	527,280	-
Citywide Support	Create the Children's Fund Multi-Year Operating Project (180000100) as approved by voters with Measure L.	General	-	8,786,500	-
Total Change \$			-	\$ 9,813,780	-

Department Budget Summary

Citywide and Community Support Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
Employee Services	\$ 21,704,355	\$ 23,966,109	\$ 29,037,862	\$ 29,037,862	\$ 19,414,095	\$ (9,623,767)
Other Services and Supplies	73,627,016	83,184,569	89,294,445	89,301,045	95,944,560	6,643,515
City Property	443,607	497,998	303,000	252,539	305,000	52,461
Multi-Year Operating Projects	-	-	11,532,857	11,532,857	20,482,544	8,949,687
Transfers	260,890	220,098	-	-	-	-
Labor and Supply Offset	62,917	(31,200)	(63,436)	(63,436)	54,634	118,070
Contingency	-	-	2,000,000	2,146,705	2,000,000	(146,705)
Operating Transfers	(339,308)	(10,872,097)	(496,588)	(496,588)	(530,755)	(34,167)
Total	\$ 95,759,477	\$ 96,965,477	\$131,608,140	\$131,710,984	\$137,670,078	\$ 5,959,094

Funding Summary by Fund/Special District	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
General Fund	\$ 43,754,661	\$148,521,107	\$ 68,476,660	\$ 68,615,004	\$ 74,053,886	\$ 5,438,882
16th St PBID	154,525	172,862	184,303	184,303	191,675	7,372
4th R Program	43,755	66,507	27,258	27,258	25,164	(2,094)
ARPA Reinvestment	-	(112,313,331)	4,252,937	4,252,937	3,889,444	(363,493)
Community Center	1,724,452	1,907,952	1,742,116	1,742,116	1,821,652	79,536
Cty/Cnty Office-Water Planning	1,063,297	870,431	597,101	597,101	646,629	49,528
Del Paso PBID	41,663	29,389	40,700	40,700	42,735	2,035
Del Paso Prop & Business Imprv Development Services	480,287	469,590	506,866	506,866	522,071	15,205
Development Services	422,686	312,947	-	-	-	-
Downtown Management District	3,432,317	3,770,001	3,804,656	3,804,656	3,994,888	190,232
Downtown Plaza PBID	59,616	55,737	66,000	66,000	69,300	3,300
Fleet Management	309,951	310,156	156,808	156,808	130,866	(25,942)
Franklin Blvd PBID	53,337	48,432	82,500	82,500	86,625	4,125
Franklin Boulevard PBID	152,805	184,691	204,361	204,361	214,579	10,218
Greater Broadway PBID	318,715	328,292	448,244	448,244	470,656	22,412
Habitat Management Element	255,465	760,572	767,548	732,048	526,273	(205,775)
Innovation and Growth	19,502,259	10,767,046	-	-	-	-
Interdepartmental Service	1,974,601	1,915,012	2,072,984	2,072,984	2,150,168	77,184
Library Services Parcel Tax	8,445,880	8,776,752	9,270,798	9,270,798	9,642,426	371,628
Mack Road PBID	661,453	692,446	706,233	706,233	727,419	21,186
Measure U	510,676	14,454,676	27,426,731	27,426,731	27,548,007	121,276
Midtown Sacramento PBID	1,813,171	1,719,712	1,785,232	1,785,232	1,838,788	53,556

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Department Budget Summary (continued)

Funding Summary by Fund/Special District	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change
						More/(Less) Proposed/Amended
N Natomas Transp Mgmt Assoc	1,519,620	1,600,000	1,740,000	1,740,000	1,890,000	150,000
Oak Park PBID	320,457	320,309	330,970	330,970	340,899	9,929
Old Sacramento PBID	155,312	100,612	190,300	190,300	132,300	(58,000)
Parking	168,809	181,206	89,556	89,556	82,165	(7,391)
Power Inn Area Prop & Business	549,552	534,502	565,888	565,888	588,523	22,635
Private Development	101,412	83,276	-	-	-	-
Recycling and Solid Waste	968,295	998,334	442,022	442,022	387,091	(54,931)
Risk Mgmt	34,053	38,538	25,299	25,299	23,072	(2,227)
Sac Tourism Marketing District	3,545,501	6,405,440	3,568,492	3,568,492	3,568,492	-
Sacramento TID	-	(442,000)	-	-	-	-
Sheraton MOPA Project	149,112	107,136	-	-	-	-
START	6,100	5,487	5,821	5,821	4,623	(1,198)
Stockton Blvd BIA	55,742	56,271	64,680	64,680	67,914	3,234
Stockton Blvd PBID	362,287	399,915	419,353	419,353	431,933	12,580
Storm Drainage	537,605	590,613	232,099	232,099	227,905	(4,194)
The River District PBID	600,704	614,568	662,148	662,148	695,255	33,107
Wastewater	374,549	412,320	158,391	158,391	155,295	(3,096)
Water	1,098,820	1,086,388	461,923	461,923	450,428	(11,495)
Worker's Compensation	35,977	51,581	31,162	31,162	30,932	(230)
Total	\$ 95,759,477	\$ 96,965,477	\$131,608,140	\$131,710,984	\$137,670,078	\$ 5,959,094

Division Budget Summary

Citywide and Community Support Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change
						More/(Less) Proposed/Amended
Citywide Support Division	\$ 32,385,278	\$ 26,600,140	\$ 68,967,824	\$ 68,917,363	\$ 73,198,749	\$ 4,281,386
Community Support Division	35,756,519	37,836,981	43,441,316	43,447,916	44,732,029	1,284,113
County Property Taxes & Charges	2,845,441	2,726,443	4,550,000	4,550,000	4,700,000	150,000
Major Tax Revenues Division	4,042,979	6,830,776	600,000	600,000	600,000	-
Reserves/Fund Contingency Division	-	-	2,000,000	2,146,705	2,000,000	(146,705)
Retired/Transfer Emp Benefit 1530	20,729,260	22,971,137	12,049,000	12,049,000	12,439,300	390,300
Total	\$ 95,759,477	\$ 96,965,477	\$131,608,140	\$131,710,984	\$137,670,078	\$ 5,959,094

Staffing Levels

Citywide and Community Support Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change
						More/(Less) Proposed/Amended
Community Support Division	7.00	7.00	7.00	7.00	6.00	(1.00)
Total	7.00	7.00	7.00	7.00	6.00	(1.00)

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SECTION - 25 Debt Financing

Debt Financing

The **Debt Financing Program** finances the cost of capital improvements through revenue bonds, assessment revenue bonds, lease 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, but are not limited to:

- Making full and timely debt payments
- Maintaining investment grade credit ratings
- Ensuring compliance with bond covenants
- 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 continuing disclosure reporting requirements of the Municipal Securities Rulemaking Board, the IRS, the California State Controller's Office, and the California Debt and Investment Advisory Commission
- Providing ongoing information to rating agencies, municipal bond insurers, and bond investors
- Reviewing, assessing, and responding to inquiries (as appropriate) from bond investors, while ensuring no selective disclosure occurs
- Assisting with the management of City funds associated with debt
- Levy of special assessments and special taxes
- Managing the delinquency and foreclosure process

The City Treasurer is responsible for issuing debt on behalf of Departments, the Sacramento Public Financing Authority*, assessment districts, community facilities districts and other qualified entities. Additionally, the City Treasurer's Office provides support to the City's Finance Department and Office of Innovation and Economic Development on the maintenance of redevelopment-related debt. Typical debt structures include revenue bonds, lease revenue bonds, land-secured (Mello-Roos) financings, short-term notes, and small-equipment leases (direct placement loans). Debt may be issued with fixed or variable interest rate structures.

*Prior to dissolution of redevelopment activities in January 2012, the City Treasurer issued debt on behalf of the Sacramento City Financing Authority (SCFA). Debt previously issued on behalf of the SCFA that remains outstanding is managed by the City Treasurer's Office.

Debt Limit

The City has approximately \$866 million in General Fund lease obligations (inclusive of required principal and interest payments) as of June 30, 2023. 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, 2022, the City had no General Fund Obligation Bonds outstanding and had a total debt limit of approximately \$9.23 billion associated with general obligation debt.

Summary of the City and Related Sacramento City Financing Authority and Sacramento Public Financing Outstanding Debt (does not include land-secured debt) are listed below.

The following summarizes what is included in the Debt Service Division Budgets:

- **2006 Capital Improvement Revenue Bonds (CIRBs), Series B, and E** - included (1) General Fund backed lease revenue bonds for Tier 1 Community Reinvestment Capital Improvement Program (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, Sacramento Housing and Redevelopment Agency [SHRA] projects and other CIPs*), and the 2003 CIRB (*911 call center and other CIPs*).
- **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. These bonds were partially refinanced by the Wastewater Revenue Refunding, Series 2020 Bonds in July 2020.
- **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. These bonds were partially refinanced by the Water Revenue Refunding, Series 2020 Bonds in May 2020.
- **2015 Golden 1 Center (G1C) Lease Revenue Bonds** - Financed the acquisition, construction, installation, and equipping of the Golden 1 Center in Downtown Commons.
- **2015 Refunding Revenue Bonds** - Refunded (1) 2002 CIRB Series A which financed City Hall and SHRA 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 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.
- **2018 Transient Occupancy Tax Revenue Bonds** – Financed the renovation of the Convention Center, the Community Center Theater, and the Memorial Auditorium.
- **2019 Sacramento Tourism Infrastructure District Assessment Revenue Bonds** – Financed the construction of the second ballroom at the Convention Center.
- **2019 Wastewater Revenue Bonds** – Financed the rehabilitation of various wastewater sumps, rehabilitation of infrastructure in the combined sewer system and the separated system, as well as in-line and underground storage structures.
- **2020 Wastewater Revenue Refunding Bonds** – Refinanced a portion of the 2013 Wastewater Revenue Bonds. Cashflow savings allowed the City’s Wastewater System to pay for additional capital improvements without the need to raise utility rates in the near-term.
- **2020 Water Revenue Refunding Bonds** – Refinanced a portion of the 2013 Water Revenue Bonds. Cashflow savings allowed the City’s Water System to pay for additional capital improvements without the need to raise utility rates in the near-term.
- **CA Department of Boating and Waterways Loans** - Financed the expansion of the north and south basins of the City's Marina.
- **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, Marina, and California Infrastructure and Economic Development Bank loans, and (2) 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.

FY2023/24 Proposed Budget

- **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	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
Other Services and Supplies	\$ 203,971	\$ 30,720	-	-	-	-
City Debt Service	115,930,916	101,288,705	104,838,401	104,838,401	105,714,271	875,870
Labor and Supply Offset	29,043	-	-	-	-	-
Total	\$116,163,930	\$101,319,425	\$104,838,401	\$104,838,401	\$105,714,271	\$ 875,870

Funding Summary by Fund/Special District	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
General Fund	\$ 19,977,110	\$ 16,656,211	\$ 17,095,471	\$ 17,095,471	\$ 16,951,355	\$ (144,116)
2006 CIRBs (Refunding), Series E	102,345	103,565	251,471	251,471	231,365	(20,106)
2006 CIRBs, Series B (CRCIP)	1,591,681	1,506,466	1,517,600	1,517,600	1,201,447	(316,153)
2015 Golden 1 Center Revenue Bonds	1,151,223	1,857,431	8,389,067	8,389,067	8,589,067	200,000
2015 Refunding Revenue Bond	525	262	-	-	-	-
2016 Lease Financing-H Street	671,315	672,683	673,696	673,696	669,283	(4,413)
2018 TOT Revenue Bonds, Tax Exempt	1,190,689	(1,189,895)	542	542	(84,798)	(85,340)
2018 TOT Revenue Bonds, Taxable	390,468	(390,679)	(26)	(26)	84,875	84,901
2019 STID Revenue Bonds	(151)	94	-	-	-	-
Community Center	25,379,176	20,801,160	19,221,602	19,221,602	19,218,932	(2,670)
Creamery CFD 2015-02	177,509	-	-	-	-	-
Debt Service-93 Series A	1,223,435	-	-	-	-	-
Debt Service-93 Series B	3,301,351	-	-	-	-	-
Drinking Water SRF Loan	1,350,422	(5,445,851)	-	-	-	-
Fleet Management	46,109	45,638	45,756	45,756	46,073	317
Golf	1,154,150	441,716	435,357	435,357	435,253	(104)
Innovation and Growth	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	-
Marina	920,894	1,120,894	1,151,564	1,151,564	1,182,235	30,671
NNFP Public Facilities Fee	635,669	581,388	585,734	585,734	587,443	1,709
NNFP Public Land Acquisition Fee	1,387,532	3,972,523	-	-	-	-
NNFP Reg Park Land Acquisition	422,121	837,162	843,422	843,422	845,882	2,460
Parking	11,763,339	10,976,852	10,279,756	10,279,756	10,076,506	(203,250)
Railyards Impact Fee	1,368,775	-	-	-	-	-
Recycling and Solid Waste	1,687,892	1,677,384	1,677,593	1,677,593	1,676,723	(870)
Sacramento TID	2,740,151	2,743,686	2,741,000	2,741,000	2,740,250	(750)
Storm Drainage	3,174,043	235,152	235,021	235,021	235,205	184
Wastewater	3,805,455	3,917,860	3,908,181	3,908,181	3,498,836	(409,345)
Wastewater Rev Ref Bonds Ser 2020	404,522	6	-	-	-	-
Wastewater Revenue Bonds	580,167	1	-	-	412,563	412,563
Wastewater Revenue Bonds 2019	93	2	-	-	-	-
Water	28,451,230	39,016,901	34,685,594	34,685,594	36,015,776	1,330,182
Water Rev Ref Bonds Ser 2020	11,777	38	-	-	-	-
Water Revenue Bonds	2,471	8	-	-	-	-
Water Revenue Bonds Ser. 2017	443	3	-	-	-	-
Willow creek Fee District	-	80,762	-	-	-	-
Total	\$116,163,930	\$101,319,425	\$104,838,401	\$104,838,401	\$105,714,271	\$ 875,870

FY2023/24 Proposed Budget

Division Budget Summary

Debt Service Budget Summary	FY2020/21 Actuals	FY2021/22 Actuals	FY2022/23 Approved	FY2022/23 Amended	FY2023/24 Proposed	Change More/(Less) Proposed/Amended
2018 TOT Revenue Bonds	\$ 18,974,207	\$ 18,970,586	\$ 18,972,118	\$ 18,972,118	\$ 18,969,009	\$ (3,109)
2017 Water Revenue Bonds	3,380,346	3,380,718	3,376,663	3,376,663	3,377,413	750
2020 Water Revenue Refinance Bonds	6,982,548	6,978,290	6,980,680	6,980,680	6,978,376	(2,304)
2015 G1C Lease Revenue Bonds Division	13,851,223	12,457,431	18,289,067	18,289,067	18,289,067	-
2015 Refunding Revenue Bonds	21,084,346	19,649,508	9,928,812	9,928,812	9,922,437	(6,375)
2019 STID Revenue Bonds Division	2,743,583	2,743,781	2,741,000	2,741,000	2,740,250	(750)
2013 Water Revenue Bonds	5,719,483	5,719,606	5,720,375	5,720,375	5,718,875	(1,500)
2013 Wastewater Revenue Bonds	823,733	823,856	824,375	824,375	825,125	750
2019 Wastewater Revenue Bonds	1,301,346	2,120,006	2,114,000	2,114,000	2,113,875	(125)
2020 Wastewater Revenue Refinance Bonds	1,887,390	928,370	924,051	924,051	926,326	2,275
2006 CIRBs Series B, D, E Division	12,981,105	14,696,667	24,529,506	24,529,506	24,059,420	(470,086)
Miscellaneous Division-Debt Service	23,507,636	12,850,608	10,437,754	10,437,754	11,794,098	1,356,344
State Revolving Fund Loan Division	2,926,983	-	-	-	-	-
Total	\$116,163,930	\$101,319,425	\$104,838,401	\$104,838,401	\$105,714,271	\$ 875,870

26

SECTION - 26 **Staffing**

Citywide Staffing Summary

Department	FY2022/23 Amended	FY2023/24 Proposed
Mayor/Council	40.00	40.00
City Auditor	10.00	10.00
City Attorney	62.00	62.00
City Clerk	24.00	24.00
City Manager	70.00	73.00
City Treasurer	14.00	14.00
Community Development	315.00	319.00
Community Response	38.00	37.00
Convention and Cultural Services	123.00	119.00
Finance	93.90	95.90
Fire	729.50	760.50
Human Resources	83.00	83.00
Information Technology	202.50	207.50
Police	1,128.96	1,134.16
Public Works	766.15	765.65
Utilities	572.90	582.18
Youth, Parks, and Community Enrichment	737.23	741.41
Citywide and Community Support	7.00	6.00
Total	5,017.14	5,074.30

FY2023/24 Proposed Budget

Mayor/Council	FY2022/23	FY2023/24	Change
	Amended	Proposed	
Chief of Staff to the Mayor	1.00	1.00	-
City Council	4.00	4.00	-
Council Representative	4.00	4.00	-
Director of Public Safety Accountability	1.00	1.00	-
Executive Assistant (MC)	13.00	13.00	-
Mayor	1.00	1.00	-
OPS Accountability Inspector General	1.00	1.00	-
OPS Accountability Specialist	2.00	2.00	-
Senior Advisor to the Mayor	3.00	3.00	-
Senior Council Representative	8.00	8.00	-
Special Assistant to the Mayor	1.00	1.00	-
Staff Aide MCS	1.00	1.00	-
Total	40.00	40.00	-

FY2023/24 Proposed Budget

City Attorney	FY2022/23	FY2023/24	Change
	Amended	Proposed	
Assistant City Attorney	2.00	2.00	-
Chief Assistant City Attorney	1.00	1.00	-
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 (Ex)	9.00	9.00	-
Legal Staff Assistant (Ex)	2.00	2.00	-
Paralegal (Ex)	6.00	6.00	-
Paralegal Technical Support	1.00	1.00	-
Senior Deputy City Attorney	27.00	27.00	-
Senior Legal Staff Asst (Ex)	1.00	1.00	-
Special Assistant to City Attorney	1.00	1.00	-
Supervising Deputy City Attorney	4.00	4.00	-
Supervising Legal Secretary	2.00	2.00	-
Total	62.00	62.00	-

FY2023/24 Proposed Budget

City Auditor	FY2022/23	FY2023/24	Change
	Amended	Proposed	
Assistant City Auditor	1.00	1.00	-
City Auditor	1.00	1.00	-
Fiscal Policy Analyst	3.00	3.00	-
Principal Fiscal Policy Anlyst	1.00	1.00	-
Senior Fiscal Policy Analyst	4.00	4.00	-
Total	10.00	10.00	-

FY2023/24 Proposed Budget

City Clerk	FY2022/23	FY2023/24	Change
	Amended	Proposed	
Administrative Analyst	6.00	6.00	-
Assistant City Clerk	1.00	1.00	-
City Clerk	1.00	1.00	-
Council/Clerk Operations Manager	1.00	1.00	-
Deputy City Clerk	9.00	8.00	(1.00)
Program Specialist	3.00	3.00	-
Senior Deputy City Clerk	2.00	3.00	1.00
Staff Assistant-Mayor Council	1.00	1.00	-
Total	24.00	24.00	-

FY2023/24 Proposed Budget

City Manager	FY2022/23	FY2023/24	Change
	Amended	Proposed	
Accountant Auditor	1.00	1.00	-
Administrative Analyst	16.00	18.00	2.00
Administrative Officer	2.00	2.00	-
Administrative Technician	6.00	6.00	-
Assistant City Manager	4.00	4.00	-
Assistant Director	1.00	1.00	-
Assistant to the City Manager	1.00	1.00	-
Cannabis Manager	1.00	1.00	-
City Housing Manager	1.00	1.00	-
City Manager	1.00	1.00	-
Community Engagement Manager	1.00	1.00	-
Development Project Manager	10.00	10.00	-
Director of Emergency Management	1.00	1.00	-
Director of Governmental Affairs	1.00	1.00	-
Economic Development Manager	2.00	3.00	1.00
Executive Assistant (CMO)	2.00	2.00	-
Graphic Designer	1.00	1.00	-
Media and Communications Officer	1.00	1.00	-
Media and Communications Specialist	2.00	3.00	1.00
Neighborhood Services Area Manager	1.00	1.00	-
Principal Planner	1.00	1.00	-
Program Manager	2.00	1.00	(1.00)
Program Specialist	3.00	4.00	1.00
Senior Development Project Manager	4.00	4.00	-
Senior Staff Assistant	1.00	-	(1.00)
Special Projects Manager	3.00	3.00	-
Total	70.00	73.00	3.00

FY2023/24 Proposed Budget

City Treasurer	FY2022/23	FY2023/24	Change
	Amended	Proposed	
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	-
Debt Analyst	1.00	1.00	-
Investment Officer	1.00	1.00	-
Investment Operations Analyst	1.00	1.00	-
Senior Debt Analyst	1.00	1.00	-
Senior Investment Officer	1.00	1.00	-
Treasury Analyst	3.00	3.00	-
Treasury Assistant	1.00	1.00	-
Treasury Manager	1.00	1.00	-
Total	14.00	14.00	-

FY2023/24 Proposed Budget

Community Development	FY2022/23	FY2023/24	Change
	Amended	Proposed	
Account Clerk II	3.00	2.00	(1.00)
Accountant Auditor	1.00	1.00	-
Accounting Technician	4.00	5.00	1.00
Administrative Analyst	8.00	9.00	1.00
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Administrative Technician	5.00	5.00	-
Animal Care Services Manager	1.00	1.00	-
Animal Care Technician	16.00	16.00	-
Animal Control Officer I	3.00	5.00	2.00
Animal Control Officer II	7.00	7.00	-
Animal Services Coordinator	5.00	6.00	1.00
Assistant Architect	1.00	1.00	-
Assistant Code Enforcement Officer	6.00	6.00	-
Assistant Director	1.00	1.00	-
Assistant Planner	2.00	2.00	-
Associate Civil Engineer	3.00	3.00	-
Associate Planner	19.00	19.00	-
Building Inspector I	20.00	20.00	-
Building Inspector II	13.00	13.00	-
Building Inspector III	18.00	18.00	-
Building Inspector IV	13.00	13.00	-
Chief Animal Control Officer	1.00	1.00	-
Chief Building Official	1.00	1.00	-
Code Enforcement Manager	1.00	1.00	-
Code Enforcement Officer	25.00	25.00	-
Code and Housing Enforcement Chief	1.00	1.00	-
Crew Leader (Landscape&Learning)	-	0.50	0.50
Customer Service Representative	19.00	18.00	(1.00)
Customer Service Specialist	9.00	8.00	(1.00)
Customer Service Supervisor	3.00	3.00	-
Deputy Chief Building Official	1.00	1.00	-
Development Project Manager	5.00	5.00	-
Development Services Technician I	5.00	6.00	1.00
Development Services Technician II	4.00	4.00	-
Development Services Technician III	4.00	4.00	-
Director of Community Development	1.00	1.00	-
Junior Planner	7.00	7.00	-
Painter	1.00	1.00	-
Permit Services Manager	1.00	1.00	-
Permit Services Supervisor	1.00	1.00	-
Planning Director	1.00	1.00	-
Plans Examiner III	1.00	1.00	-
Principal Building Inspector	3.00	3.00	-
Principal Planner	6.00	6.00	-

FY2023/24 Proposed Budget

Community Development (continued)	FY2022/23	FY2023/24	Change
	Amended	Proposed	
Program Manager	2.00	2.00	-
Program Specialist	6.00	7.00	1.00
Public Information Coordinator	1.00	1.00	-
Registered Veterinary Technician	7.00	7.00	-
Senior Accountant Auditor	1.00	1.00	-
Senior Accounting Technician	1.00	1.00	-
Senior Animal Care Technician	2.00	2.00	-
Senior Animal Control Officer	2.00	2.00	-
Senior Architect	2.00	2.00	-
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	10.00	10.00	-
Supervising Building Inspector	8.00	8.00	-
Supervising Code Enforcement Officer	2.00	2.00	-
Supervising Engineer	1.00	1.00	-
Supervising Financial Analyst	1.00	1.00	-
Support Services Manager	1.00	1.00	-
Urban Design Manager	1.00	1.00	-
Veterinarian	3.00	3.00	-
Youth Aide	1.00	0.50	(0.50)
Zoning Investigator	2.00	2.00	-
Total	315.00	319.00	4.00

FY2023/24 Proposed Budget

Community Response	FY2022/23	FY2023/24	Change
	Amended	Proposed	
Administrative Analyst	6.00	6.00	-
Administrative Assistant	1.00	1.00	-
Administrative Technician	1.00	1.00	-
Director of Community Response	1.00	1.00	-
Media & Communications Specialist	1.00	-	(1.00)
Neighborhood Resources Coordinator I	12.00	12.00	-
Neighborhood Resources Coordinator II	7.00	7.00	-
Program Coordinator	1.00	1.00	-
Program Manager	2.00	2.00	-
Program Specialist	3.00	3.00	-
Senior Accountant Auditor	1.00	1.00	-
Staff Aide OFF	1.00	1.00	-
Support Services Manager	1.00	1.00	-
Total	38.00	37.00	(1.00)

FY2023/24 Proposed Budget

Convention and Cultural Services	FY2022/23	FY2023/24	Change
	Amended	Proposed	
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	2.75	2.75	-
Archivist	3.00	3.00	-
Art Museum Registrar	1.00	1.00	-
Arts Administrator	1.00	1.00	-
Arts Program Assistant	2.00	2.00	-
Arts Program Coordinator	2.00	2.00	-
Arts Program Specialist	1.00	1.00	-
Assistant Box Office Supervisor	2.00	2.00	-
Assistant Director	-	1.00	1.00
Associate Curator of Art	1.00	1.00	-
Booking Coordinator	2.00	1.00	(1.00)
Building Maintenance Worker	-	1.00	1.00
City Historian	1.00	1.00	-
Community Center Attendant I	13.00	10.00	(3.00)
Community Center Attendant II	3.00	6.00	3.00
Convention Center General Manager	1.00	1.00	-
Cultural and Creative Economy 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 Cultural Services	1.00	1.00	-
Events Associate	14.50	14.50	-
Events Coordinator	5.00	5.00	-
Events Duty Person	2.30	2.30	-
Events Services Manager	3.00	3.00	-
Events Services Supervisor	12.00	12.00	-
Facilities and Real Property Superintendent	1.00	1.00	-
Lead Events Associate	2.00	-	(2.00)
Marina Aide	1.20	1.20	-
Mechanical Maintenance Supervisor	1.00	1.00	-
Museum Security Supervisor	1.00	1.00	-
Office Specialist	4.00	1.00	(3.00)
Program Manager	1.00	1.00	-
Program Specialist	1.00	1.00	-
Registrar	1.00	1.00	-
Senior Stationary Engineer	-	2.00	2.00
Stagehand I	2.00	2.00	-
Stagehand II	1.00	2.00	1.00
Stationary Engineer	5.00	6.00	1.00
Supervising Community Center Attendant	5.00	4.00	(1.00)
Ticket Seller (Exempt)	6.25	6.25	-
Zoo Attendant I	2.00	2.00	-
Total	123.00	119.00	(6.00)

FY2023/24 Proposed Budget

Finance	FY2022/23	FY2023/24	Change
	Amended	Proposed	
Account Clerk II	4.00	4.00	-
Accountant Auditor	1.00	1.00	-
Accounting Technician	3.00	3.00	-
Administrative Analyst	4.00	6.00	2.00
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Administrative Technician	4.00	4.00	-
Budget Manager	1.00	1.00	-
Claims Collector	6.00	6.00	-
Contract and Compliance Specialist	2.00	2.00	-
Customer Service Representative	15.90	15.90	-
Customer Service Specialist	4.00	4.00	-
Customer Service Supervisor	2.00	2.00	-
Development Project Manager	2.00	2.00	-
Director of Finance	1.00	1.00	-
Enforcement and Collections Supervisor	1.00	1.00	-
Finance Manager	3.00	3.00	-
Financial Services Supervisor	1.00	1.00	-
Payroll Technician	4.00	4.00	-
Principal Accountant	3.00	-	(3.00)
Principal Budget Analyst	3.00	3.00	-
Procurement Services Manager	1.00	1.00	-
Program Manager	3.00	3.00	-
Program Specialist	3.00	3.00	-
Senior Accountant Auditor	9.00	9.00	-
Senior Accounting Technician	2.00	2.00	-
Senior Budget Analyst	3.00	3.00	-
Senior Claims Collector	1.00	1.00	-
Senior Development Project Manager	3.00	4.00	1.00
Senior Staff Assistant	1.00	-	(1.00)
Special Districts Manager	1.00	1.00	-
Supervising Financial Analyst	-	3.00	3.00
Total	93.90	95.90	2.00

FY2023/24 Proposed Budget

Fire	FY2022/23	FY2023/24	Change
	Amended	Proposed	
Account Clerk II	3.00	3.00	-
Administrative Analyst	9.00	9.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Administrative Technician	11.00	11.00	-
Cache Logistics Coordinator	2.00	2.00	-
Contract and Compliance Specialist	1.00	1.00	-
Customer Service Representative	3.00	3.00	-
Deputy Fire Chief	3.00	3.00	-
Emergency Medical Service Trainee	10.00	10.00	-
EMS Coordinator	2.00	2.00	-
Fire Assistant Chief	6.00	9.00	3.00
Fire Battalion Chief	12.00	12.00	-
Fire Battalion Chief (Admin)	3.00	3.00	-
Fire Captain	109.00	112.00	3.00
Fire Captain (Admin)	10.00	12.00	2.00
Fire Chief	1.00	1.00	-
Fire Engineer	105.00	105.00	-
Fire Engineer (Admin)	4.00	4.00	-
Fire Investigator I	5.00	5.00	-
Fire Investigator II	1.00	2.00	1.00
Fire Marshal	1.00	1.00	-
Fire Prevention Officer I	2.00	2.00	-
Fire Prevention Officer II	14.00	14.00	-
Fire Recruit	11.50	11.50	-
Fire Service Worker	3.00	3.00	-
Firefighter	367.00	349.00	(18.00)
Firefighter (Admin)	3.00	3.00	-
Investigator	1.00	1.00	-
Media and Communications Specialist	1.00	1.00	-
Office Specialist	6.00	6.00	-
Pick Up Driver	2.00	2.00	-
Program Specialist	1.00	1.00	-
Program Supervisor	1.00	1.00	-
Public Safety Administrative Manager	1.00	1.00	-
Sacramento Fire EMT	-	20.00	20.00
Sacramento Fire Paramedic	-	20.00	20.00
Senior Accountant Auditor	1.00	1.00	-
Senior Fire Prevention Officer	4.00	4.00	-
Senior Staff Assistant	1.00	1.00	-
Stores Administrator	1.00	1.00	-
Stores Clerk I	1.00	1.00	-
Stores Clerk II	3.00	3.00	-
Supervising Fire Service Worker	1.00	1.00	-
Support Services Manager	1.00	1.00	-
Total	729.50	760.50	31.00

FY2023/24 Proposed Budget

Human Resources	FY2022/23	FY2023/24	Change
	Amended	Proposed	
Accountant Auditor	1.00	1.00	-
Administrative Analyst	10.00	10.00	-
Administrative Assistant	1.00	1.00	-
Administrative Technician	1.00	1.00	-
Director of Human Resources	1.00	1.00	-
Diversity and Equity Manager	1.00	1.00	-
Environmental Health and Safety Manager	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 (Rep20)	3.00	3.00	-
Investigator	2.00	-	(2.00)
Labor Relations Adm/EEO Investigator	-	2.00	2.00
Labor Relations Analyst	2.00	1.00	(1.00)
Labor Relations Officer	4.00	5.00	1.00
Personnel Analyst	6.00	6.00	-
Personnel Technician	15.00	15.00	-
Program Manager	1.00	1.00	-
Program Specialist	2.00	2.00	-
Risk Manager	1.00	1.00	-
Senior Personnel Analyst	3.00	3.00	-
Senior Staff Assistant	4.00	4.00	-
Staff Assistant	2.00	2.00	-
Workers Compensation Claims Assistant I	3.00	3.00	-
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	83.00	83.00	-

FY2023/24 Proposed Budget

Information Technology	FY2022/23	FY2023/24	Change
	Amended	Proposed	
311 Customer Service Agent	32.50	32.50	-
311 Customer Service Specialist	3.00	3.00	-
311 Customer Service Supervisor	3.00	3.00	-
311 Manager	1.00	1.00	-
Administrative Analyst	3.00	4.00	1.00
Administrative Technician	1.00	1.00	-
Applications Developer	8.00	8.00	-
Assistant Director	1.00	1.00	-
Chief Information Officer	1.00	1.00	-
Department Systems Specialist I	1.00	1.00	-
Department Systems Specialist II	4.00	3.00	(1.00)
Geographic Information Systems Specialist I	3.00	3.00	-
Geographic Information Systems Specialist II	8.00	8.00	-
Geographic Information Systems Specialist III	4.00	4.00	-
Information Technology Manager	5.00	5.00	-
Information Technology Supervisor	11.00	12.00	1.00
Information Technology Support Specialist I	7.00	7.00	-
Information Technology Support Specialist II	13.00	13.00	-
Information Technology Trainee	9.00	13.00	4.00
Media Production Specialist I	1.00	1.00	-
Media Production Specialist II	1.00	1.00	-
Principal Applications Developer	10.00	12.00	2.00
Principal Systems Engineer	7.00	7.00	-
Program Manager	3.00	3.00	-
Program Specialist	10.00	10.00	-
Senior Applications Developer	17.00	16.00	(1.00)
Senior Department System Specialist	6.00	6.00	-
Senior Information Technology Support Specialist	3.00	2.00	(1.00)
Senior Systems Engineer	10.00	10.00	-
Senior Telecommunications Technician	1.00	1.00	-
Systems Engineer	11.00	11.00	-
Telecommunications Engineer III	3.00	3.00	-
Telecommunications Technician I	1.00	1.00	-
Total	202.50	207.50	5.00

FY2023/24 Proposed Budget

Police	FY2022/23	FY2023/24	Change
	Amended	Proposed	
Account Clerk I	1.00	1.00	-
Account Clerk II	1.00	1.00	-
Accountant Auditor	1.00	1.00	-
Accounting Technician	2.00	2.00	-
Administrative Analyst	27.00	30.00	3.00
Administrative Assistant	1.00	-	(1.00)
Administrative Officer	5.00	5.00	-
Administrative Technician	11.00	13.00	2.00
Community Service Officer I	7.00	7.00	-
Community Service Officer II	46.00	46.00	-
Community Service Representative I	3.00	3.00	-
Custodian II	5.00	5.00	-
Deputy Police Chief	3.00	3.00	-
Dispatcher I	9.00	9.00	-
Dispatcher II	71.00	71.00	-
Dispatcher III	10.00	12.00	2.00
Evidence & Property Technician	9.00	9.00	-
Fingerprint Clerk	3.00	3.00	-
Forensic Investigator I	10.00	10.00	-
Forensic Investigator II	11.00	11.00	-
Media and Communications Specialist	1.00	1.00	-
Media Production Specialist I	1.00	1.00	-
Media Production Specialist II	2.00	2.00	-
Personnel Transactions Coordinator	1.00	1.00	-
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	24.00	24.00	-
Police Officer	636.00	636.00	-
Police Records Specialist I	20.00	20.00	-
Police Records Specialist II	36.00	36.00	-
Police Records Specialist III	3.00	3.00	-
Police Records Supervisor	9.00	9.00	-
Police Sergeant	94.00	94.00	-
Police Social Services Administrator	1.00	1.00	-
Program Manager	1.00	1.00	-
Program Specialist	-	1.00	1.00
Public Safety Admin. Manager	1.00	1.00	-
Public Safety Communications Manager	1.00	1.00	-
Reserve Police Officer I	0.50	0.50	-
Reserve Police Officer II	0.16	0.16	-
Security Officer	2.80	-	(2.80)
Senior Evidence/Property Tech	4.00	4.00	-
Senior Personnel Transaction Coordinator	1.00	1.00	-
Senior Police Records Supervisor	3.00	3.00	-

FY2023/24 Proposed Budget

Police (continued)	FY2022/23 Amended	FY2023/24 Proposed	Change
Senior Staff Assistant	1.00	1.00	-
Special Projects Manager	1.00	1.00	-
Student Trainee (Most Majors)	10.50	10.50	-
Supervising Dispatcher	2.00	3.00	1.00
Supervising Forensic Investigator	4.00	4.00	-
Supervising Property Assistant	1.00	1.00	-
Total	1,128.96	1,134.16	5.20

FY2023/24 Proposed Budget

Public Works	FY2022/23	FY2023/24	Change
	Amended	Proposed	
Account Clerk II	3.00	3.00	-
Accountant Auditor	2.00	2.00	-
Accounting Technician	6.00	6.00	-
Administrative Analyst	25.00	26.00	1.00
Administrative Assistant	1.00	1.00	-
Administrative Officer	2.00	2.00	-
Administrative Technician	9.00	9.00	-
Arborist/Urban Forester	6.00	7.00	1.00
Architectural Technician III	2.00	2.00	-
Assistant Architect	1.00	1.00	-
Assistant Civil Engineer	17.00	17.00	-
Assistant Director	1.00	1.00	-
Assistant Electrical Engineer	1.00	1.00	-
Associate Architect	2.00	2.00	-
Associate Civil Engineer	8.00	8.00	-
Associate Electrical Engineer	1.00	1.00	-
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	2.00	2.00	-
Carpenter	3.00	3.00	-
Code Enforcement Officer	5.00	5.00	-
Concrete Construction Leadworker	2.00	2.00	-
Construction Inspector I	1.00	1.00	-
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	4.00	1.00
Custodian II	1.00	1.00	-
Customer Service Representative	2.00	2.00	-
Customer Service Specialist	3.00	3.00	-
Development Project Manager	3.00	3.00	-
Development Services Technician I	1.00	1.00	-
Development Services Technician II	1.00	1.00	-
Director of Public Works	1.00	1.00	-
Electrical Construction Inspector II	2.00	2.00	-
Electrical Construction Inspector III	1.00	-	(1.00)
Electrician	3.00	3.00	-
Electrician Supervisor	1.00	1.00	-
Electronic Maintenance Tech I	1.00	1.00	-
Engineering Manager	2.00	2.00	-
Engineering Technician I	2.00	2.00	-
Engineering Technician III	7.00	7.00	-
Equipment Maintenance Supervisor	4.00	4.00	-
Equipment Mechanic I	6.00	8.00	2.00

FY2023/24 Proposed Budget

Public Works (continued)	FY2022/23	FY2023/24	Change
	Amended	Proposed	
Equipment Mechanic II	25.00	25.00	-
Equipment Mechanic III	7.00	7.00	-
Equipment Serviceworker	25.00	22.00	(3.00)
Facilities and Real Property Superintendent	2.00	2.00	-
Facilities Manager	1.00	1.00	-
Fleet Management Technician	3.00	3.00	-
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	132.30	132.30	-
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	-
Licensed Land Surveyor	1.00	1.00	-
Locksmith	1.00	1.00	-
Mail Processor I (Legacy)	1.00	1.00	-
Mail Processor II (Legacy)	1.00	1.00	-
Maintenance Worker	17.00	17.00	-
Marina Aide	1.60	1.60	-
Marina Manager	1.00	1.00	-
Marina and Boating Facilities Attendant	3.00	3.00	-
Media and Communications Specialist	1.00	1.00	-
Office Specialist	1.00	-	(1.00)
Operations General Supervisor	10.00	11.00	1.00
Painter	3.00	3.00	-
Parking Enforcement Officer	49.00	48.00	(1.00)
Parking Enforcement Supervisor	3.00	4.00	1.00
Parking Facilities Maintenance Supervisor	1.00	1.00	-
Parking Lot Attendant	19.75	19.75	-
Parking Lot Supervisor	5.00	5.00	-
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	-
Plumber	4.00	4.00	-
Plumbing Supervisor	1.00	1.00	-
Principal Planner	2.00	2.00	-
Program Manager	5.00	5.00	-
Program Specialist	13.00	13.00	-
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	4.00	1.00
Senior Architect	2.00	2.00	-
Senior Building Maintenance Worker	1.00	-	(1.00)
Senior Code Enforcement Officer	1.00	1.00	-

FY2023/24 Proposed Budget

Public Works (continued)	FY2022/23	FY2023/24	Change
	Amended	Proposed	
Senior Electronic Maintenance Technician	1.00	1.00	-
Senior Engineer	15.00	15.00	-
Senior Engineering Technician	2.00	2.00	-
Senior Equipment Service Worker	1.00	-	(1.00)
Senior HVAC Systems Mechanic	2.00	2.00	-
Senior Integrated Waste Equipment Operator	9.00	9.00	-
Senior Landfill Engineering Technician	1.00	1.00	-
Senior Maintenance Worker	1.00	1.00	-
Senior Office Specialist	5.00	5.00	-
Senior Parking Lot Attendant	4.50	5.00	0.50
Senior Planner	1.00	1.00	-
Senior Tree Maintenance Worker	4.00	4.00	-
Senior Tree Pruner	4.00	4.00	-
Staff Assistant	2.00	2.00	-
Street Construction Equipment Operator	7.00	7.00	-
Street Construction Laborer	37.00	37.00	-
Street Construction Laborer Trainee	6.00	6.00	-
Street Maintenance Supervisor	7.00	7.00	-
Streets Manager	1.00	1.00	-
Structural Maintenance Supervisor	2.00	2.00	-
Supervising Architect	2.00	2.00	-
Supervising Construction Inspector	4.00	3.00	(1.00)
Supervising Engineer	6.00	6.00	-
Supervising Financial Analyst	3.00	3.00	-
Supervising Surveyor	1.00	1.00	-
Support Services Manager	3.00	3.00	-
Survey Party Chief	2.00	2.00	-
Survey Technician II	3.00	3.00	-
Telecommunications Engineer I	1.00	1.00	-
Telecommunications Engineer II	1.00	1.00	-
Telecommunications Technician I	1.00	1.00	-
Traffic Control and Lighting Supervisor	3.00	3.00	-
Traffic Control and Lighting Technician I	2.00	2.00	-
Traffic Control and Lighting Technician II	7.00	7.00	-
Traffic Control and Lighting Technician Trainee	5.00	5.00	-
Traffic Investigator II	3.00	3.00	-
Traffic Investigator III	3.00	3.00	-
Traffic Supervisor	3.00	3.00	-
Traffic Worker I	8.00	8.00	-
Traffic Worker II	6.00	6.00	-
Traffic Worker III	2.00	2.00	-
Tree Maintenance Supervisor	1.00	1.00	-
Tree Maintenance Worker	6.00	6.00	-
Tree Pruner I	1.00	1.00	-
Tree Pruner II	7.00	7.00	-
Tree Pruner Supervisor	2.00	2.00	-
Tree Pruner Trainee	2.00	2.00	-
Vehicle Service Attendant	2.00	2.00	-
Total	766.15	765.65	(0.50)

FY2023/24 Proposed Budget

Utilities	FY2022/23	FY2023/24	Change
	Amended	Proposed	
Accountant Auditor	1.00	1.00	-
Accounting Technician	5.00	5.00	-
Administrative Analyst	27.00	29.00	2.00
Administrative Assistant	1.00	1.00	-
Administrative Technician	10.00	11.00	1.00
Assistant Civil Engineer	7.00	7.00	-
Assistant Electrical Engineer	1.00	1.00	-
Assistant Water Cross Connection Control Specialist	4.00	4.00	-
Associate Civil Engineer	10.00	14.00	4.00
Blacksmith Welder	1.00	1.00	-
Business Services Manager	1.00	1.00	-
Claims Collector	1.00	1.00	-
Construction Inspector II	-	1.00	1.00
Construction Inspector III	1.00	1.00	-
Customer Service Representative	27.00	27.00	-
Customer Service Specialist	7.00	7.00	-
Customer Service Supervisor	4.00	4.00	-
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	10.00	10.00	-
Electrician Supervisor	2.00	2.00	-
Engineering Manager	1.00	1.00	-
Engineering Technician II	2.00	2.00	-
Engineering Technician III	1.00	1.00	-
Generator Technician	5.00	5.00	-
Instrument Technician II	9.00	9.00	-
Instrument Technician Trainee	2.00	2.00	-
Instrumentation Supervisor	1.00	1.00	-
IT Supervisor	2.00	2.00	-
Junior Engineer	3.00	3.00	-
Junior Plant Operator	13.00	13.00	-
Machinist	16.00	16.00	-
Machinist Helper	15.00	16.00	1.00
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	-
Office Specialist	2.00	2.00	-
Personnel Transactions Coordinator	2.00	2.00	-
Plant Operator	34.00	34.00	-
Process Control Systems Specialist	7.00	7.00	-
Program Manager	6.00	6.00	-
Program Specialist	14.00	16.00	2.00
Public Information Coordinator	-	1.00	1.00
Senior Accountant Auditor	1.00	1.00	-

FY2023/24 Proposed Budget

Utilities (continued)	FY2022/23	FY2023/24	Change
	Amended	Proposed	
Senior Electrician	3.00	3.00	-
Senior Engineer	18.00	18.00	-
Senior Engineering Technician	2.00	1.00	(1.00)
Senior Generator Technician	2.00	2.00	-
Senior Maintenance Worker	3.00	3.00	-
Senior Office Specialist	1.00	-	(1.00)
Senior Personnel Transaction Coordinator	1.00	1.00	-
Senior Plant Operator	17.00	17.00	-
Senior Staff Assistant	4.00	4.00	-
Senior Store Keeper	1.00	1.00	-
Storekeeper	5.00	4.00	(1.00)
Stores Administrator	1.00	1.00	-
Student Trainee	0.90	0.18	(0.72)
Supervising Construction Inspector	-	1.00	1.00
Supervising Engineer	7.00	7.00	-
Supervising Financial Analyst	1.00	1.00	-
Supervising Generator Technician	1.00	1.00	-
Supervising Plant Operator	8.00	8.00	-
Supervising Water Quality Chemist	1.00	1.00	-
Support Services Manager	1.00	1.00	-
Utilities Locator	9.00	9.00	-
Utilities Operations and Maintenance Leadworker	73.00	73.00	-
Utilities Operations and Maintenance Manager	2.00	2.00	-
Utilities Operations and Maintenance Serviceworker	78.00	78.00	-
Utilities Operations and Maintenance Serviceworker Apprentice	15.00	15.00	-
Utilities Operations and Maintenance Superintendent	8.00	8.00	-
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	4.00	4.00	-
Water Cross Connection Control Specialist	1.00	1.00	-
Water Quality Chemist	5.00	5.00	-
Water Quality Lab Technician	4.00	4.00	-
Total	572.90	582.18	9.28

FY2023/24 Proposed Budget

Youth, Parks, & Community Enrichment	FY2022/23 Amended	FY2023/24 Proposed	Change
Accounting Technician	4.00	4.00	-
Administrative Analyst	8.00	8.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	4.00	4.00	-
Administrative Technician	2.00	3.00	1.00
Aquatic Specialist	2.70	1.80	(0.90)
Aquatics Recreation Coordinator	3.00	4.00	1.00
Aquatics Recreation Supervisor	2.00	2.00	-
Assistant Camp Caretaker	0.35	0.35	-
Assistant Camp Chef	1.03	1.03	-
Assistant Camp Sacramento Supervisor	1.00	1.00	-
Assistant Director	1.00	1.00	-
Assistant Pool Manager	10.80	10.80	-
Associate Landscape Architect	3.00	3.00	-
Associate Planner	1.00	1.00	-
Building Monitor	13.35	14.76	1.41
Camp Aide	6.08	6.08	-
Camp Caretaker	0.50	0.50	-
Camp Chef	1.50	1.50	-
Camp Host	0.70	0.70	-
Camp Program Director	1.99	1.99	-
Camp Recreation Leader	2.47	2.47	-
Camp Sacramento Supervisor	1.00	1.00	-
Cashier (Aquatics)	6.40	6.40	-
Community Center Attendant I	2.00	2.00	-
Contract and Compliance Specialist	1.00	1.00	-
Crew Leader (Landscape and Learning)	7.16	7.16	-
Custodial Supervisor	1.00	1.00	-
Custodian II	14.40	15.80	1.40
Customer Service Assistant	10.30	10.30	-
Customer Service Representative	9.00	10.00	1.00
Customer Service Specialist	1.00	1.00	-
Customer Service Supervisor	1.00	1.00	-
Director of Youth, Parks & Community Enrichment	1.00	1.00	-
General Repair Worker	1.00	1.00	-
Graduate Student Trainee	0.80	0.80	-
Graphic Designer	1.00	1.00	-
Graphics Assistant	1.80	1.80	-
Irrigation Technician	5.00	5.00	-
Junior Landscape Assistant	1.00	2.00	1.00
Junior Plant Operator	2.00	3.00	1.00
Landscape Technician I	1.00	-	(1.00)
Lifeguard	21.00	21.00	-
Nurse (Adaptive Recreation)	0.10	0.10	-
Park Equipment Operator	1.00	1.00	-
Park Maintenance Manager	1.00	1.00	-
Park Maintenance Superintendent	2.00	2.00	-
Park Maintenance Worker	36.00	36.00	-
Park Maintenance Worker I	23.00	23.00	-
Park Maintenance Worker II	43.00	43.00	-
Park Maintenance Worker III	5.00	5.00	-
Park Plan Design and Development Manager	1.00	1.00	-

FY2023/24 Proposed Budget

Youth, Parks, & Community Enrichment (continued)	FY2021/22	FY2022/23	Change
	Amended	Proposed	
Park Safety Ranger	9.00	9.00	-
Park Safety Ranger Assistant	2.00	2.00	-
Park Safety Ranger Supervisor	2.00	2.00	-
Parks Supervisor	8.00	8.00	-
Plant Operator	1.00	1.00	-
Pool Manager	6.05	6.05	-
Program Coordinator	47.95	49.95	2.00
Program Coordinator (Adaptive Recreation)	3.00	3.00	-
Program Coordinator (Older Adults)	6.40	6.40	-
Program Developer	19.00	19.00	-
Program Developer (Older Adults)	2.00	2.00	-
Program Leader	12.05	11.25	(0.80)
Program Specialist	3.00	3.00	-
Program Supervisor	16.00	16.00	-
Program Supervisor (Older Adults)	2.00	2.00	-
Public Service Aide	1.91	1.91	-
Recreation Aide	173.57	173.00	(0.57)
Recreation Aide (Older Adults)	7.05	7.05	-
Recreation General Supervisor	5.00	5.00	-
Recreation Leader (Adaptive Recreation)	5.93	5.93	-
Recreation Manager	2.00	3.00	1.00
Recreation Superintendent	5.00	4.00	(1.00)
Senior Accountant Auditor	1.00	1.00	-
Senior Accounting Technician	4.00	4.00	-
Senior Landscape Architect	1.00	1.00	-
Senior Lifeguard	24.65	23.60	(1.05)
Senior Planner	1.00	1.00	-
Senior Recreation Aide	31.03	31.10	0.07
Senior Recreation Aide (Older Adults)	5.64	5.64	-
Staff Assistant	1.00	1.00	-
Student Trainee (Most Majors)	2.40	2.40	-
Supervising Landscape Architect	-	1.00	1.00
Support Services Manager	1.00	1.00	-
Utility Worker	19.82	17.44	(2.38)
Youth Aide	31.35	31.35	-
Total	737.23	741.41	4.18

FY2023/24 Proposed Budget

Citywide and Community Support	FY2022/23	FY2023/24	
	Amended	Proposed	Change
City-County Office of Metropolitan Water Planning (CCOMWP)			
Administrative Analyst	2.00	2.00	-
Executive Director CCOMWP	1.00	1.00	-
Program Manager	1.00	1.00	-
Senior Engineer	1.00	1.00	-
Senior Staff Assistant	1.00	1.00	-
Subtotal CCOMWP	6.00	6.00	-
Local Agency Formation Commission (LAFCo)			
New Growth Manager	1.00	-	(1.00)
Subtotal LAFCo	1.00	-	(1.00)
<hr/>			
Citywide and Community Support Total	7.00	6.00	(1.00)

27

SECTION - 27 **Multi-Year Projects**

DESCRIPTION

This section contains information on operating grants and projects. New operating grants and projects are approved by Council and are managed in accordance with Sections 10 through 12 of the Budget Resolution. New appropriations included in the FY2023/24 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 2023:

Project Description	Project #	Total Budget	Available Budget
General Fund			
2016 AFG Source Capture Grant	G12902300	72,307	16,364
2020 AFG Program	G12902500	39,136	-
2020 SHSGP	G12903300	10,270	10,270
CalVIP - GPITF	G02000700	124,700	-
CalVIP Cohort 3 Grant 2020-23	G02000710	127,158	(1,457)
CARES Act Program-Great Plates Emergency Food	G02610300	108,900	108,900
FY2015/16 Adaptive Sports	G19100400	20,922	-
FY2015/16 Gang Violence Supp	G11015000	18,601	-
FY2015/16 OHV Grant	G11015100	6,459	-
FY2016/17 OHV Program	G11015118	16,711	-
FY2017/18 State OHMR Grant	G11015119	14,613	-
FY2018/19 - ASES - SCUSD	G19041290	20,885	-
FY2019/20 - ASES - SCUSD	G19041310	22,639	-
FY2019/20 S.A.V.E. Program	G11012419	15,404	-
FY2020/21 SAVE Grant	G11012420	17,413	4,360
FY2020/21-SCUSD ASES	G19041320	22,639	-
HHAP Homeless Grant Program	G02000950	880,000	-
Homeless Motel Voucher Program	G02001700	115,672	-
River Crossing Art Project	G17605000	62,500	49,273
Youth RIV Grant FY19-23	G02001300	24,570	6,000
General Fund Total		1,741,498	193,711
Measure U Fund			
2016 AFG Source Capture Grant	G12902500	390,000	3,801
CARES Act Program-Sac Childcare Learn-CLASS	G02610100	733,275	60,699
CalVIP Cohort 3 Grant 2020-23	G02000710	77,419	77,419
FY2021/22-SCUSD ASES	G19041330	25,945	1
Measure U Fund Total		1,226,639	141,920
Enterprise Funds			
RW Efficiency Acceleration GP	G14110200	265,543	-
Enterprise Fund Total		265,543	-
Other Funds			
#SYW_BSCC Prop. 64-2	G02001800	999,555	25,790
2009 Urban Search & Rescue	G12500900	1,002,343	-
2010 Urban Search & Rescue	G12501000	1,075,681	-
2016 AFG Source Capture Grant	G12902500	723,071	-
2017 CHP (2017-ULWX-0028)	G11017000	1,875,000	-
2017 Urban Search & Rescue	G12501700	1,254,520	(436)

FY2023/24 Proposed Budget

Project Description	Project #	Total Budget	Available Budget
Other Funds (continued)			
2018 OTS BIKE/PED (PS18013)	G11016300	75,000	3,886
2018 SHSGP Grant	G12902800	83,780	0
2018 Urban Search & Rescue	G12501800	1,277,823	35,069
2019 OTS STEP (PT19103)	G11016219	403,304	40,483
2019 SHSGP	G12902900	146,074	2
2019 UASI	G11016919	2,687,750	13
2020 AFG COVID-19 Supplemental	G12903000	467,408	318,270
2020 AFG Program	G12903200	391,364	-
2020 OTS STEP (PT20148)	G11016220	375,000	157,359
2020 SHSGP	G12903300	19,575	-
2020 UASI	G11016920	2,894,500	413,020
2020 Urban Search and Rescue	G12502000	1,222,631	(4,934)
2021 CHP Grant	G11017021	1,875,000	1,718,959
2021 SHSGP - Hazmat	G12903400	230,550	4,419
2021 UASI	G11016921	3,097,000	2,380,218
2021 Urban Search and Rescue	G12502100	1,332,878	69,237
2022 Urban Search and Rescue	G12502200	1,332,150	1,138,285
59th Presidential Inauguration	G12704700	19,800	7,020
ADU Outreach	G21001300	625,000	36,237
African Amer Cultural Heritage	G21000500	50,000	-
Annual Funds for CA-TF7, US&R	G12501900	1,236,104	18,249
AR Floodplain & Side-Channel	G14140400	7,901,124	3,134,610
AR Juvenile Salmonid & Habitat	G14140700	1,305,400	321,542
ASPCA Grants	G21002300	8,000	356
Broadband Strategic Plan	G07000100	210,300	-
Brownfields Revolving Loan	G02180100	750,000	737,335
CARES Act Program-Great Plates Emergency Food	G02610300	19,777,029	1,186,239
CARES Act Program-Homeless Response Program	G02001700	14,520,142	1,703,936
CARES Act Program-Public Safety	G02610500	2,399,636	-
CARES Act program-Sac Childcare Learn-CLASS	G02610100	2,899,747	-
CARES Act Program-US DOJ CESF	G02610400	795,286	518,405
CA Healthy Rivers Prop 68	G14140800	5,000,000	2,204,973
CAC State and Local Partnershi	G17606000	227,250	132,329
CalGRIP Safe Comm 4/10-3/12	G11007100	382,639	2,196
California Creative Corps Program	G17610000	4,750,000	4,669,943
California Local Equity Grant	G02420100	1,197,120	12
CalCompass Grant	G19090910	350,000	251,158
CalVIP - GPITF	G02000700	868,700	467,883
CalVIP Cohort 3 Grant 2020-23	G02000710	2,718,004	1,150,976
CERT Support Grant Program	G12903500	15,000	15,000
Champlain Tower Collapse	G12704800	127,631	-
Citizens Option	G11018100	276,143	(3,191)
Citizens Option	G11018400	1,590,093	1,093,894
Citizens Option - Growth	G11018500	641,296	641,296
City/County Fine=Fee Justice	G02002000	50,000	32,129
City HEAP Youth Programs	G02000820	1,049,978	60,815
Citywide Disaster Recovery Plan	G02000800	25,000	-
Current Year 2020 Curbside Supplemental Pay	G15312000	177,095	177,095
Del Oro - Triple R Subsidy	G19090900	6,000	-
District Metered Area Management	G14160100	2,431,534	-
DWR FMAP-FY2022-04	G14220100	769,592	114,692
ERA Program	G02610600	33,136,218	(1)
Federal ARPA Program	G02611000	112,313,331	-
FFY 2018 UASI	G11016918	2,067,500	1

FY2023/24 Proposed Budget

Project Description	Project #	Total Budget	Available Budget
Other Funds (continued)			
Fire FY05 Homeland Security 2541	G12901000	95,169	1
Fire Radio Equipment	G02000810	180,000	6,210
FitLot_AARP_Grant	G19090800	11,030	10,544
FY2015/16 OHV Grant	G11015100	24,351	-
FY2015/16 Adaptive Sports	G19100400	70,967	-
FY2015/16 Gang Violence Supp	G11015000	1,199,584	1,410
FY2016/17 Citizen's Option Growth	G11016700	294,826	344
FY2016/17 City Le Grant (BSCC)	G11015900	168,138	160,633
FY2016/17 OHV Program	G11015118	48,037	4,780
FY2016/17 OTS - Bike/Ped	G11015500	125,425	22,476
FY2017/18 Citizen's Option	G11016800	754,331	(4,573)
FY2017/18 Citizen's Option Growth	G11017400	367,710	187,421
FY2017/18 JAG (2018-DJ-BX-0855)	G11017500	252,397	7,916
FY2017/18 State OHMVR Grant	G11015119	23,746	612
FY2018/19 - ASES - SCUSD	G19041290	139,230	-
FY2018/19 Citizen's Option	G11017300	740,696	3,958
FY2018/19 Citizen's Option Growth	G11018000	426,297	-
FY2018/19 JAG (2019-DJ-BX-0685)	G11017800	246,833	-
FY2019/20 ABC Grant	G11017220	100,000	27,324
FY2019/20 - ASES - SCUSD	G19041310	150,925	-
FY2019/20 Citizen's Option Growth	G11017920	436,881	-
FY2019/20 JAG (2020-DJ-BX-0740)	G11017820	220,111	136,191
FY2019/20 S.A.V.E. Program	G11012419	100,600	15,627
FY2020/21 ABC Grant	G11017221	64,429	(19,235)
FY2020/21 City-County Payment	G15302100	125,152	67,204
FY2020/21 DBW BSEE	G11018300	22,001	2,299
FY2020/21 JAG	G11017821	248,731	53,731
FY2020/21 OTS Step	G11016221	385,000	157,384
FY2020/21 SAVE Grant	G11012420	174,134	(496)
FY2020/21-SCUSD ASES	G19041320	227,502	3,518
FY2021/22 ABC Grant	G11017222	97,500	583
FY2021/22 - EEMI	G02002100	95,000	81,900
FY2021/22 City-County Payment	G15302200	127,305	37,305
FY2021/22 DCC Grant	G02420400	5,786,617	5,124,711
FY2021/22 GO-Biz Equity Grant	G02420500	4,351,348	1,374,188
FY2021/22 OTS STEP (PT22190)	G11016222	400,000	217,617
FY2021/22-SCUSD ASES	G19041330	172,961	2,274
FY2021/22 - WIOA	G19090220	83,640	7,972
FY2022/23 Gang Violence Supp	G11017600	1,238,666	597,227
FY2022/23 OTS Step	G11016223	390,000	352,687
FY2022/23 SCUSD ASES	G19041340	-	(105,676)
FY2022/23 - WIOA	G19090230	89,216	45,841
HHAP Homeless Grant Program	G02000950	14,271,278	1
HHAP II	G02000960	3,246,214	577,572
HHAP III Fund/Meadowview Navigation Center	G02000970	16,683,570	12,135,701
Hurricane Delta	G12704500	9,508	-
Hurricane Fiona Deployment	G12705300	63,000	28,432
Hurricane Florence	G12703700	1,123,200	240,339
Innovation Grant 2019	G21002000	75,000	-
Innovations Grant Program	G11017700	134,186	95,917
JAG 10/08-9/12	G11006518	614,921	-
Kentucky Floods Department	G12705200	84,000	7,530
Kentucky Tomados	G12705100	23,206	1
LARCP Cordova Creek FY20	G14140500	335,000	(183,057)

FY2023/24 Proposed Budget

Project Description	Project #	Total Budget	Available Budget
Other Funds (continued)			
LEAP Program	G21001100	750,000	10,827
Levee Debris Removal	G14230100	740,890	740,890
NEA ARP Grant	G17608000	500,000	18,894
NEA Arts Collective Grant	G17607000	75,000	75,000
NLCI's Youth Excel Initiative	G02001810	150,000	149,499
Northeast Sacramento	G02001200	300,000	6,642
OED ARPA Grant	G17609000	4,200,000	4,200,000
Oregon Fire	G12704300	26,400	14,738
OTS FY18 STEP (PT18072)	G11016200	567,331	182,357
Petco Innovation Showdown	G21001800	250,000	52,507
Petco Love 2022 Grant	G21002400	75,000	43,890
PS Charities Capacity Building	G21002600	50,000	50,000
Puerto Rico Earthquake	G12704200	34,019	1
REAP 2021	G21001010	600,000	(95)
River Crossing Art Project	G17605000	150,000	1,705
Sanitation Grant	G02000900	150,000	-
SB1383 LA Grant OWR1 FY2021/22	G15003200	727,761	-
SHRA IPA (B -18-MC-06-0003)	G02180200	60,000	4,700
Tropical Cyclone Dorian	G12704000	623,200	97,086
Tropical Cyclone Douglas	G12704100	525,400	230,093
Tropical Cyclone Ian	G12705400	174,000	63,441
Tropical Cyclone Ida	G12705000	66,000	36,944
Tropical Cyclone Laura/Marco	G12704400	30,800	162
Tropical Cyclone Zeta	G12704600	15,400	3,289
UASI Homeland Security 07 11/07-6/10	G11005700	3,336,000	-
UCD CA for All Animals	G21002500	58,500	58,500
Used Oil Payment Program-OPP11	G15003010	53,594	-
Used Oil Payment Program-OPP12	G15003020	67,200	53,620
WPC Augmentation Support	G02001500	-	51,220
Youth RIV Grant FY19-23	G02001300	999,780	3,115
Other Funds Total		319,785,492	52,608,139
Total All Funds		323,019,172	52,943,771

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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 2023:

Project Description	Project #	Total Budget	Available Budget
General Fund			
APP Maintenance	I17000500	1,265,033	798,468
Archives East End Project	I17000100	86,350	12,556
Arts and Cultural Plan	I17000900	110,000	100
Arts Ed and Community Outreach	I17001100	177,536	44,822
B Street Theatre	I80180000	3,000,000	-
Business Capacity	I02001900	350,000	-
Business Incentives Program	I02001300	100,000	100,000
C19-Economic Relief	I02003000	87,680	-
CARural Legal Assistance	I02000800	800,000	-
Cemetery Facility Improvement	I17000300	13,359	-
Cesar Chavez Park Maintenance	I19101200	81,141	75,948
Citywide Classification Study	I08000400	3,100,000	2,062,391
Citywide Litigation Project	I80310000	3,875,357	1,573,268
Citywide Strategic Plan Pjt,	I02000400	1,374,494	1,148,424
Climate Action Initiatives	I02002300	2,233,346	1,075,974
Commercial Waste Compliance	I15220000	2,796,856	2,796,856
Commission Stipends	I04000100	63,150	19,050
Community Outreach & Enhanced Services	I02001100	200,000	320
Community Capacity	I02002000	350,000	-
Community Investment Program	I02001200	90,000	-
Community Nonprofit Assistance	I02001000	200,000	-
Community Response	I23000100	3,640,889	1,162,889
CORE	I02420000	3,620,892	439,238
County COVID-19 Testing & Vac	I12000100	10,057	10,057
Creative Edge	I02181100	1,951,857	140,797
Crisis Intervention Training	I11002200	173,002	-
Cultural and Economic Vitality	I17001000	531,906	282,819
Cultural Arts Awards	I17000700	2,800,000	164,515
Curtis Park Village Litigation	I21005400	919,243	95,000
CW Innovation & Efficiency Assesment	I01002000	268,900	-
CWTP - City Manager	I02002200	200,000	-
Digital Equity	I07001100	400,000	-
Disability Advisory Commission	I15230200	19,200	359
Downtown ESC Project	I02000500	38,082	-
Electrical Safety Program	I13000100	730,259	42
F.O.C.A.S. (13086)	I13000400	60,500	-
Fairytale Town Expansion	I17006100	609,000	-
Fare Free Transit for Youth	I02181400	750,000	297,333
FEMA Corrective Action Plan	I21004900	400,000	63,321
Fence Removal/Turf Conv Prg	I14120400	100,000	97,622
Financial Empowerment	I02182000	50,000	-
Fleet - Community Development	I06210000	77,000	16,947
Fleet - Convention and Cultural Services	I06170000	35,951	35,951

FY2023/24 Proposed Budget

Project Description	Project #	Total Budget	Available Budget
General Fund (continued)			
Fleet - Fire	I06120000	1,933,292	1,206,322
Fleet - IT	I06070000	137,692	5,979
Fleet - Police	I06110000	12,827,761	3,468,242
Fleet - Public Works	I06150000	808,465	269,315
Fleet - Office of Community Response	I06020000	258,958	9,912
Fleet - Youth, Parks & Community Enrichment	I06190000	914,582	123,273
FY2022/23 Affordable Housing	I02189050	11,280,551	9,943,880
Gang Prevention & Intervention - GF	I02000600	5,512,858	162,483
General Plan Update	I22000000	726,578	337,446
Habitat Project	I01000600	30,000	-
Historic Place Grant Program	I21004800	232,999	2,149
Homeless & Community Outreach	I23004000	666,217	666,217
Homeless Housing Initiative	I02000200	11,348,628	487,456
Illegal Dumping	I15200200	1,412,500	130,806
Impact Teams	I11002400	3,408,220	666,113
Justice for Neighbors (JFN)	I03000100	2,717,808	1,393,230
Low Income Spay/Neuter Program	I13000600	514,465	31,514
Major League Soccer	I80020500	549,000	780
Marshall Hotel Hyatt Centric	I18000400	3,600,000	-
Mayor's Office LT Positions	I01002500	568,720	567,929
Mental Wellness Program	I11002600	568,850	248,088
NBHD Comm & Economic Plans Program	I02001700	354,754	354,754
Nextgen Mobile Computer Replacement	I11000100	1,291,292	-
North Sacramento Ed. Investment	I02180600	900,000	260,001
Northgate Blvd. PBID	I02186000	68,000	68,000
Oak Park Clinic Building Maint	I19101100	210,854	210,854
Oak Park Community Enhancement	I19708000	200,000	17,145
Oak Park Rev. Fund Loan Prog.	I02423100	1,100,000	-
OCM - Community Outreach	I06420000	47,136,116	32,274,685
Participatory Budgeting Prog.	I80010000	25,000	25,000
PDIT Critical Infrastructure	I11002700	946,562	739,800
Police Observation Devices (PODs)	I11002300	174,786	30,677
RASA Support	I80005010	1,500,000	992,452
Respite Centers Program	I23002000	326,657	326,657
Sac Zoo Relocation Study	I02002100	275,000	35,118
Sacramento Riverfront	I02180200	840,000	300,177
SEED Corporation	I18000200	50,083	0
ShotSpotter	I11002500	767,200	21,833
Stockton Blvd Housing Development	I02189010	5,000,000	-
Summer Night Lights	I02000700	300,000	-
Summer Night Lights	I11002100	600,000	-
Summer Youth and Community Programs	I19141000	221,475	-
Supplemental Waste Programs	I15230000	1,745,501	1,226,516
SVS Operations and Management	I15001000	907,274	63,361
Thousand Strong (ETP Pilot)	I01000300	2,476,000	93,427
Training and Outreach	I08000300	2,107,836	1,068,779
Truth, Reform, & Recon Project	I01140100	320,000	320,000
UCD Community Garden	I19130000	25,000	-
Utility Rate Assistance Program	I14130100	16,529,526	162,772
Webgrant Restructuring Project	I07000900	1,149,558	76,731

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Project Description	Project #	Total Budget	Available Budget
General Fund (continued)			
Whole Person Care	I02000900	47,432	(15,316)
Wong Center Senior Housing	I02189020	2,796,005	-
Youth & Family Investments	I02001800	2,721,000	48,310
Youth Engagement & Summer - D1	I01000110	50,000	169
Youth Engagement & Summer - D2	I01000120	50,000	4
Youth Engagement & Summer - D3	I01000130	50,000	1,292
Youth Engagement & Summer - D4	I01000140	50,000	(13)
Youth Engagement & Summer - D5	I01000150	25,000	1
Youth Engagement & Summer - D6	I01000160	25,000	16,811
Youth Engagement & Summer - D7	I01000170	25,000	25,000
Youth Engagement & Summer - D8	I01000180	50,000	5
Youth Engagement Pilot Program	I01000100	75,000	3,938
Youth Services Program	I19140000	25,000	-
General Fund Total		191,297,093	70,985,141

Project Description	Project #	Total Budget	Available Budget
Measure U Fund			
Animal Care for the Zoo & FTT	I17005100	1,171,000	-
CARural Legal Assistance	I02000800	1,750,000	500,000
Children & Youth Servics Program	I02001830	7,112,046	538,746
City Manager Youth Programs	I80020800	250,000	157,076
Commission Stipends	I04000100	24,810	(3,533)
Community Response	I23000100	15,826,738	8,383,029
Creative Economy	I02181100	2,640,000	670,752
Cultural Arts Awards	I17000700	114,000	114,000
Digital Equity	I07001100	200,000	-
ED Initiatives	I02181000	500,000	200,650
Fare Free Transit for Youth	I02181400	2,750,000	-
Financial Empowerment	I02182000	300,000	-
Fleet - Community Development	I06211000	332,987	49,495
Fleet - Fire	I06121000	347,022	22,975
Fleet - Youth, Parks & Community Enrichment	I06191100	1,494,237	260,673
FY2017/18 - Summer at City Hall	I80190600	183,801	1,684
FY2017/2018 Police	I80110600	24,609,871	26,233
FY2019/2020 Police	I80110800	37,158,244	5,554
FY2021/22 M/C City's Racial Equity	I02004000	300,000	300,000
FY2021/22 M/C Economic Development Priorities	I02180910	10,350,000	7,775,465
FY2022/23 Affordable Housing	I02189050	4,167,500	4,167,500
FY2022/23 Office of Violence Prevention Grant	I11003000	1,411,696	406,678
FY2022/23 OYD Pop Ups	I11003100	1,300,000	56,000
Gang Prevention & Intervention	I02000600	2,598,724	306,481
Homeless Housing Initiative	I02000200	22,796,022	3,935,622
Iceland Restoration	I02181600	1,300,000	1,086,000
Homeless & Community Outreach	I23004000	1,322,850	1,322,850
Illegal Dumping	I15200200	3,142,219	188,219
K to College Savings Program	I02181300	150,000	-
LGBT Center Relocation	I02181500	750,000	-
Mayor's Comm on Climate Change	I01001000	150,000	-
Museum Insurance Reimbursement	I17000100	131,872	131,872
NBHD Comm & Economic Plans Program	I02001700	34,246	34,246
North Area Freedom Schools	I02181200	290,000	-
O&E Ctr Hope Coop Operations	I23002000	3,000,000	1,240,792
OCM- Community Outreach	I06420000	-	(718,101)
Participatory Budgeting Program	I80010000	1,225,000	975,000
PDIT Critical Infrastructure	I11002700	1,559,190	-
Police Observation Devices (PODs)	I11002300	187,000	27,023
PW Sustainability Program	I15220300	273,986	127,789
Riverfront Properties	I02180200	300,000	300,000
Sacramento Municipal Reparations Comm	I01002100	200,000	200,000

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Project Description	Project #	Total Budget	Available Budget
Measure U Fund (continued)			
ShotSpotter	I11002500	616,608	-
Specific Plans	I22000100	3,535,256	2,467,876
SPLA Maintenance	I15220100	800,000	365,653
Step Up Housing Development	I02189040	2,925,000	-
Stockton Blvd Anti-Displacement	I02189030	5,000,000	5,000,000
Stockton Blvd Housing Development	I02189010	5,000,000	-
Summer Youth and Community Program	I19141000	754,353	259,453
Tenant Protection Program	I21000300	189,128	759
Thousand Strong (ETP Pilot)	I01000300	1,911,954	1,284,214
Utility Rate Assistance Program	I14130100	4,772,720	1,510,381
Whole Person Care	I02000900	150	-
Wong Center Senior Housing	I02189020	703,995	-
Youth & Family Inv. Pop Up	I02001800	1,300,000	-
Youth Sports Field-Sponsorship	I19143000	570,000	570,000
Measure U Fund Total		181,784,225	44,249,104
Enterprise Funds			
American River Source Water	I14520400	614,915	257,392
Arc Flash Hazard Analysis	I14020100	1,288,630	338,211
Arts and Cultural Plan	I17000900	111,000	100
Asset Management Program	I14010700	457,599	457,599
City of Festivals Program-CCS	I15001211	1,389,000	254,775
Combined Master Plan Program	I14610300	2,436,580	524,660
Condition Assessment Program	I14010800	3,221,772	2,107,089
Conjunctive Use - Groundwater Wells	I14510100	1,789,350	265,476
CSS Management Plan	I14630200	2,601,056	2,105,700
CSS Regulatory Compliance	I14120600	4,881,891	286,562
CWTP - City Manager	I02002200	89,716	1
Drainage Master Plan Program	I14710100	1,526,834	859,303
Energy Efficiency Program	I14040200	583,650	583,650
ESC CTO Property Transfer Cons	I02000500	47,100	-
Fleet-Department Of Utilities Storm Drain Fund	I06141000	3,447,693	1,692,302
Fleet - Department Of Utilities Water Fund	I06145000	8,520,827	2,526,925
Fleet - DOU Sewer Fund	I06146000	4,077,309	2,402,382
Fleet - Public Works Solid Waste Fund	I06147000	34,468,621	505,343
Flood Control Planning	I14010100	3,868,095	216,763
Flow Monitoring/Hydrology Program	I14610100	855,364	100,000
General Plan Future Updates	I22000000	1,855	1,855
Groundwater Abandon/Protect Program	I14520100	565,392	407,280
Groundwater Master Plan	I14160100	118,226	118,226
Information Technology Program	I14040100	2,035,820	1,816,605
Keep Our Waters Clean Outreach	I14520200	13,535	13,358
Leak Detection Program	I14530100	62,223	7,346
Legacy Landfill Operations	I14120100	550,000	428,699
NPDES Stormwater Program	I14010200	10,454,021	1,216,761
Replacement Protective Relays	I14050200	88,324	88,324
Sacramento River Source Water	I14520300	874,344	258,163
SAFCA Levee Maintenance	I14120300	43,281	7,849
SCADA Planning Program	I14010900	736,486	272,584
Sewer System Management Plan	I14110100	4,029,202	1,211,102
Solid Waste Outreach	I14120200	3,468,834	973,800
SSMP Eng/Regulatory Support	I14620100	440,000	223,192
SVS Operations and Management	I15001000	1,084,000	178,568
Sw Container Replacement	I14120500	15,693,245	284,839
USA Waste of CA	I80310000	90,000	(48,233)
Utilities Rate Advisory Committee	I04000100	8,400	6,000
Wastewater Planning Prog	I14610200	621,620	305,796
Water Conservation	I14120400	12,434,457	1,480,927
Water Master Plan	I14510200	4,344,620	1,702,225
Water Meter Replacement Program	I14010500	6,939,234	438,135
Enterprise Funds Total		140,974,122	26,877,635

FY2023/24 Proposed Budget

Project Description	Project #	Total Budget	Available Budget
Internal Service Funds			
Calvine & Elk Grove Florin	I80310000	4,000,000	4,000,000
Fleet - HR Risk Fund	I06081000	110,000	(54,730)
Fleet - PW Fleet Fund	I06151000	215,000	(321,632)
Internal Service Funds Total		4,325,000	3,623,638
Other Funds			
2021 CHP Grant	I11002900	2,264,059	2,247,520
65th Street Impact Fee Program	I06000600	993,228	49,840
905 S Street	I21006600	318,975	318,771
Active Transportation	I04000100	6,600	600
Alchemist CDC Site Acquisition	I02180610	450,000	-
American River Source Water	I14520400	639,800	214,717
Animal Services for Homeless Respite	I21008500	753,230	580,105
APP Maintenance	I17000500	276,462	139,198
Arden Gateway	I21006100	638,485	393,974
ARPA Grant Liaison Consulting	I02612060	530,490	-
ARPA Small Business Support	I02612000	7,391,711	3,416,612
ARPA Youth Workforce Training	I02612020	13,530,080	11,559,736
Arts and Creative Economy Programming	I17609000	8,000,000	6,499,000
Arts and Cultural Equity Grant	I17000600	500,000	14,988
Arts and Cultural Facilities	I17000200	743,272	33,764
Arts Ed and Community Outreach	I17001100	310,180	72,380
Basin 6 Drainage	I22200600	6,157,674	755,701
Bonded CFD/AD Applications	I22310100	2,480,601	171,626
BRLF Program Income	I02180800	1,692,437	1,427,725
Building Compliance Unit Night Team	I21000400	1,018,353	633,507
CARES Act Program-Economic Relief	I02003000	10,148,449	-
Centene Emp Incentive	I02180100	10,800,000	10,800,000
Central City Fee District	I06132110	125,000	25,000
City Hall Tech Program	I02001500	625,000	354,803
Citywide Strategic Plan Pjt,	I02000400	20,000	-
College Square Reimbursement	I22310200	30,000	13,800
Community Response	I23000100	6,630,434	4,312,475
Convention Center - Complex Review	I21006000	2,283,696	834,105
CORE Capital Loan Program	I02420000	-	(370,892)
Council-Led Strategic Init.	I01002200	550,000	428,040
County COVID-19 Testing & Vaccination	I12000100	398,363	72,354
Creative Economy Pilot Project	I18000300	500,000	14,431
CSHR Team	I21000500	205,683	99,649
Cultural and Economic Vitality	I17001000	36,000	35,000
Cultural Plan Implementation	I17000900	29,880	530
D1-Youth Workforce Program	I19142000	283,966	104,214
Digital Equity	I07001100	250,000	-
Downtown ESC Project	I02000500	6,078,917	-
Downtown Plaza Hotel	I21005200	103,533	103,533
ELOP Program	I19150000	1,380,829	1,306,291
Emergency Shelter Response	I23002000	2,240,290	-
ESC Art Maintenance	I17000400	289,516	212,566
ESC Building Project	I21005100	1,690,153	1,690,153
Fairytale Town Expansion	I17006100	1,800,000	-
F.O.C.A.S. (13086)	I13000400	3,705,706	761,439
Financial Empowerment	I02182000	1,305,000	77,337
Fleet - Community Development L&L Fund	I06212000	193,294	104,500
Fleet - Public Works Gas Tax	I06152100	5,413,640	2,521,031
Fleet - Public Works L&L Fund	I06152000	1,276,010	748,231
Fleet - Public Works Solid Waste Fund	I06147000	260,000	260,000
Flood Control Planning	I14010100	56,202	-
Food Security Initiatives Project	I02612070	1,500,000	5,000
Forgivable Loan Program	I02180400	2,301,000	2,267,833
FY2017/18 - Summer at City Hall	I80190600	11,600	-
FY2022/23 Affordable Housing	I02189050	16,358,713	16,358,713

FY2023/24 Proposed Budget

Project Description	Project #	Total Budget	Available Budget
Other Funds (continued)			
Gang Prevention & Intervention	I02000600	1,575,000	86,384
General Plan Update (new)	I22000000	18,974,122	7,505,132
Gobler-Park Trust Cold Storage	I17009100	32,500	32,500
Grant High School Quadrangle	I02187000	200,000	200,000
Hart Trust Project Fund - FY22-26	I19122000	871,580	782,604
Hart Trust Project Fund FY12-16	I19120000	-	-
Health & Wellness Program	I08000200	3,000	3,000
Historic Place Grant Program	I21004800	238,000	21,834
Homeless & Community Outreach	I23004000	8,095,925	8,095,925
Homeless Housing Initiative	I02000200	21,971,617	404,182
Illegal Dumping	I15200200	1,655,003	655,003
Inclusive Economic Development	I02180900	1,000,000	699,000
JCPA Administrative Control 3131	I22205100	653,869	88,076
Keep our Waters Clean Outreach	I14520200	26,698	19,016
Kids Play Mc Kinley Maintenance 4711	I19000800	12,870	7,151
Leak Detection Program	I14530100	60,000	-
LGBT Center - CNRA Grant	I02181510	1,000,000	1,000,000
Marshall Environmental	I18000400	200,000	-
MBI	I02180700	995,400	686,957
MLS Stadium Fees	I80020500	2,100,000	951,102
MLS-Community Development	I21006200	1,140,240	170,400
N Natomas Admin Control	I22200100	9,532,932	327,391
N Sacramento Code Enforcement Outreach	I21000600	450,000	445,677
Natomas Central CFD 2006-02	I22340000	100,000	55,692
Natomas Crossing Office I	I21005700	523,822	523,822
Natomas Landing CFD2008-01	I22310500	64,500	55,221
Natomas Meadows CFD	I22310000	62,000	42,329
Neighborhood Park Maintenance CFD 4815	I22300000	598,056	77,300
NNAC&CC Feasibility Study Project	I19000900	158,858	-
Non-Bonded Service District Appeals	I22300100	803,986	82,713
North Area Economic Recovery	I02612090	5,000,000	5,000,000
Northgate Economic Recovery	I02612080	3,000,000	420,133
NPDES Stormwater Reimbursement	I14010200	7,668,503	387,272
Oak Park Broadway	I02180300	1,236,098	1
Old Sacramento Improvements	I02612030	3,600,000	2,767,394
Panhandle Annexation 4811	I22209000	124,990	3,466
PBID/BIA Applications	I22310600	45,000	20,815
Project Pony 2112	I11001900	6,600	5,202
Public Records Staffing	I11002800	2,258,754	1,162,283
RAILS Grant Program	I18000100	5,970,709	3,687,714
Railyards Block 48	I21006300	849,461	285,112
Railyards Fee District	I06132100	95,000	45,111
Regional Community Policing In	I11001600	49,871	3,545
River District Fee District	I06132120	75,000	38,033
SacYouth Works	I02001830	720,000	-
Sacramento Canopy Hotel	I21006400	439,890	365,932
Sacramento Commons I	I21005900	728,585	284,633
Sacramento Econ Gardening 3yr	I02184000	2,593,161	557,310
Sacramento Ent. Dev. Academy Ph1	I02183000	1,875,000	1,628,006
Sacramento IEDC	I02612040	3,500,000	-
Sacramento Railyards 2006 FINP	I22208000	740	1
Sacramento River Source Water	I14520300	587,700	177,389
Sacramento Riverfront	I02180200	17,000	4,621
SAFCA Levee Maintenance	I14120300	6,105,402	1,267,903
SMUD Rehab	I21005600	411,150	304,625
Solid Waste Outreach	I14120200	1,766,591	176,437
SPD Training Facility 2157	I11002000	46,700	58
Stockton Blvd Anti-Displacement	I02189030	60,000	60,000
Stockton Blvd Specific Plan	I22000100	1,100,000	7,996
Storm Drainage Planning & Management	I14100000	1,250,000	1,250,000
Telegrapher	I21006500	490,445	489,822
Three Sisters Gdn._Tree Nurs.	I02002300		(1)
TMA Shuttle	I22200700	1,318,200	192,000

FY2023/24 Proposed Budget

Project Description	Project #	Total Budget	Available Budget
Other Funds (continued)			
Traffic Impact Study Guideline	I15161700	100,000	429
Transportation Planning MYOP	I15221700	500,000	411,843
UCD Community Garden	I19130000	25,000	102
Utility Box Artwork Project	I17000800	87,598	26,082
Vaccine Outreach and Education	I02612050	1,000,000	(6,151)
Wastewater Planning Prog	I14610200	29,203	(14,594)
Water Conservation	I14120400	278,498	10,873
Water Master Plan Program	I14510200	90,095	27,166
Whole Person Care	I02000900	11,496,413	3,216,257
Willowcreek Fee District	I22206000	3,759,498	459,500
Youth & Family Investments	I02001800	1,300,000	-
Youth Services Program	I19140000	18,300	-
Youth Stipend Program	I19144000	21,900	21,900
Other Funds Total		272,373,544	119,434,528
Total All Funds		790,753,984	265,170,046

FY2023/24 Proposed Budget

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 2023:

Project Description	Project #	Total Budget	Available Budget
General Fund			
PHSC Reserve Funding	E18000400	160,000	12,523
Powerhouse Science Center	E18000400	3,000,000	-
Railyards Mediation	E02000100	110,500	7,478
Railyards Project Management	E02000100	496,353	263,450
General Fund Total		3,766,853	283,451
Internal Service Funds			
Driver Training Academy (SRDTA)	E08000100	1,739,000	(510,922)
Robla Facility Safety Training	E08000200	1,500	1,500
Internal Service Funds Total		1,740,500	(509,422)
Measure U Funds			
Powerhouse Science Center	E18000400	600,000	600,000
Measure U Fund Total		600,000	600,000
Other Funds			
Academy Activities 7/07-6/11	E11002200	1,003,859	100,599
Board of Supervisors	E17000500	22,000	-
CA TF7 Mobex 2022	E12000200	150,000	150,000
Clean CA Beautification Rt 99	E17001100	100,000	10,000
DMV Anti-Auto Theft	E11005400	746,834	179,437
Federal Forfeiture - DOT	E11006900	12,243	(4,886)
Federal Forfeiture - Justice	E11008300	63,947	57,789
Federal Forfeiture - Treasury	E11008200	280,527	280,527
Federal Forfeiture - DOT	E11003200	1,099,987	2,917
FY2014/15 AB109/RCISP	E11006400	147,080	76,115
FY2016/17 Los Rios Vocational Training	E11006500	581,767	(99)
FY2019/20 DMV Anti-Auto Theft	E11005400	503,831	55
FY2019/20 PODs Arden Fair	E11007122	42,500	42,500
FY2020/21 DMV Anti-Auto Theft	E11005400	435,190	-
FY2021/22 Auto Theft (9250.14 VC)	E11005400	550,000	190,153
FY2021/22 Los Rios	E11006500	638,550	14
FY2021/22 State Forfeiture - Health & Safety	E11008000	329,749	(2,266)
FY2021/22 USDT Forfeiture	E11008200	179,351	1,853
FY2022/23 Los Rios	E11006500	750,000	108,555
FY2022/23 SAVTRU	E11005400		(178,207)
FY2022/23 State Forfeiture - Health & Safety	E11008000	364,696	334,690
Los Rios Vocational Training	E11006500	862,961	862,961
Phoenix Park PODs	E11007125	36,685	7,328
PODs - Arden Fair Association	E11007118	68,000	4,193
PODs - Beazer Homes & The Cove	E11007129	15,699	2,797
PODs - Housing Authority	E11007127	19,850	6,943
PODs - Jackson Lab	E11007120	48,256	19,367
PODs - MO Florin West	E11007121	9,000	115
PODs - Power Inn Alliance	E11007131	27,996	27,996
PODs - RT	E11007128	37,500	11,858

FY2023/24 Proposed Budget

Project Description	Project #	Total Budget	Available Budget
Other Funds (continued)			
PODs - Stockton Blvd Partnership	E11007130	7,340	3,011
PODs - Stockton Blvd Partnership	E11007119	13,820	1,205
PODs - The Cove	E11007124	36,700	8,797
PODs MO Capital Nursery	E11007123	6,000	-
PODs Providence Place	E11007126	16,657	5,968
Police Observation Devices	E11007100	98,712	6,372
Powerhouse Science Center	E18000400	5,850,000	(622,957)
SAR-Smart Growth Program	E01000100	15,000	-
SMUD Gallery - CY2014-16	E17000500	125,000	-
SMUD Gallery 2019-2021	E17000500	75,000	51,000
State Forfeiture - Health & Safety	E11008000	912,903	884,011
State Forfeiture - Health & Safety	E11002800	4,415,816	154
State Forfeiture - Health & Safety	E11006718	1,089,722	145
State Forfeiture Drug & Gang Prevention	E11006818	160,522	22,892
State Forfeiture Drug & Gang Prevention	E11008100	382,120	370,605
Vocational Educational Training - Fire	E12000100	6,514,549	311,163
Other Funds Total		28,847,919	3,335,671
Total All Funds		34,955,272	3,709,700

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SECTION - 28 **Financial Policies**



Budget Control Policy

Scope: CITYWIDE

Administrative Entity

Department of Finance

(916) 808-5845

Finance@cityofsacramento.org

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Purpose

Background

Policy

3.1 Annual Budget Development

3.2 Budget Amendments

Related 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 balanced 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 midyear 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

Administrative Entity

Office of the City Treasurer

(916) 808-5168

JColville@cityofsacramento.org

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Regulatory References

Council Resolution 2022-0329

Effective Date: November 01, 2022

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 government agencies to achieve the most-effective financing solutions for necessary capital projects and capital improvements. Debt issuance is one way of financing these projects and improvements 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 it 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 financial and non-financial disclosure and reporting with respect to debt and associated credit ratings, as well as debt that matured or were refunded/defeased within the past three years.
 - (G) Ensure compliance with federal, state, and local laws and regulations.
 - (H) Promote the City’s best interests and protect the City’s financial stability when deciding whether to approve debt and how to structure the debt.
 - (I) Maintain internal-control procedures to ensure that the proceeds of each debt issuance are directed to the intended use.
 - (J) Maintain a high-level of transparency to debt stakeholders and consistency in debt decision making.
- 1.3 *Scope of Application.* This Policy applies to debt issued or incurred by the City, the Sacramento City Financing Authority, the Sacramento Public Financing Authority, and the Redevelopment Agency Successor Agency; to debt the City issues through community facilities districts (“CFDs”); 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 the Debt Manager within the City Treasurer’s Office (the “**Debt Manager**”), to make an exception to this Policy. While there may be exceptions to this Policy, such exceptions shall not impair existing City programs, services, or staffing levels as noted in section 3.1(A) of this Policy or impair the City’s ability to satisfy existing financial obligations. Certain obligations of the City—such as Other Post-Employment Benefits and debt not involving the issuance of bonds or other long-term obligations—are not subject to this Policy.

2. Governing Authority, Points of Contact, 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 City Charter and the City Code, and the various covenants of the City’s outstanding debt 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 are responsible for maintaining communication to the bond market on the City’s behalf, with a policy and practice of full disclosure. This includes communication with rating agencies, bond insurers, investors, and other debt-related service providers about the City’s financial condition; the financial condition of enterprise funds that secure the repayment of enterprise revenue bonds; and the relevant financial information of CFDs that secure special-tax bonds, as applicable. As necessary, the City Treasurer or the 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 recommendation by the City Manager’s Office and the City Treasurer’s Office, except as follows: bonds to issued through CFDs may be presented to the City Council for authorization by the City Treasurer’s Office without joint assessment and recommendation. 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’s Department of Finance by providing information to facilitate the feasibility analysis and due-diligence process before the issuance or incurrence of debt. In preparing and reviewing bond-issuance documents and other related matters, the following roles 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, method of issuance (public vs. private placement, negotiated vs. competitive sale), and other terms of debt issuance;
- (2) serves as the primary contact between the City and rating agencies, investors, and all other financial market participants;
- (3) manages non-attorney members of the financing team (see section 4.6, "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 the investment of debt proceeds in the acquisition and construction funds, bond-reserve funds, capitalized interest funds, and escrow funds;
- (7) manages compliance with post-issuance requirements, including continuing-disclosure requirements (in accordance with the Supplemental Policy on Disclosure), private-activity analysis and remediation, and arbitrage requirements; and
- (8) conducts periodic reviews of this Policy and brings forward to the City Council any proposed amendments.

(B) The City Manager's Office and appropriate City Departments under the City Manager's purview—

- (1) identifies and prioritizes projects through the City's multi-year capital-improvement program;
- (2) identifies sources of funds for payment of debt service;
- (3) identifies sources of funds for project operations and maintenance;
- (4) participates in document preparation and review such as, but not limited to: the preliminary and final official statements, rating agency presentations, and investor roadshows;
- (5) participates in conference calls or meetings regarding the debt, e.g., due-diligence reviews, rating-agency presentations, and investor relations;

- (6) provides timely information as needed to comply with post-issuance requirements, including tracking expenditures of tax-exempt debt proceeds to comply with arbitrage requirements and annual reporting requirements; and
 - (7) notifies the City Treasurer's Office before the City enters into (a) any agreements that qualify as "debt obligations" under SEC Rule 15c2-12, such as loans from non-City lenders, equipment leases, and grants; and (b) any amendments of such loans, leases, and grants.
- (C) The City Attorney's Office—
- (1) provides independent verification of the City's compliance with all applicable laws and regulations with the assistance of outside legal counsel;
 - (2) selects, retains, and manages outside legal counsel to assist with debt financing (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, it authorizes the issuance or incurrence of City Debt;
 - (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.* Except for debt issued through CFDs, new-money debt will affect the long-term affordability of all outstanding and planned new-money debt of the same credit type; 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, when assessing the financial feasibility of financing a proposed project or acquisition, the City Council

must consider (1) the total of all outstanding debt, including overlapping debt and the planned debt; (2) the City's needs for special projects that benefit City constituents; (3) any feasibility report that has been prepared for the financing in accordance with section 3.3(A) or 3.3(B) below; (4) whether issuing debt to finance the proposed project or acquisition will necessitate reductions in the number and types of programs and services the City provides to constituents or reductions in the number of City employees; and (5) whether issuing such debt may impair the City's ability to satisfy unfunded liabilities or other non-discretionary obligations.

- (B) Additionally, the necessary maintenance and operating costs of debt-financed projects will constrain the City's budgetary flexibility and should be considered alongside debt capacity 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.* The City's ability to issue new-money debt is constrained by federal and state laws and regulations, the City Charter and the City Code, and the covenants of existing 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 additional new-money debt is issued, including the additional financial constraints the City may face. As needed, the City Treasurer's Office may perform debt-capacity analyses, with assistance by one of the City's underwriters and one of the City's municipal advisors, 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 the issuance or incurrence of debt—particularly new-money debt—without an assessment and recommendation of the City Manager's Office and the 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 that will be supported by the general fund, an internal feasibility analysis (formal or informal) of the effect on current and future budgets and the City's overall credit rating of the debt and the costs of operating the capital projects proposed to be financed. This analysis may be performed formally or informally and must also address the reliability of revenues to support debt service of outstanding general-fund obligation and general-fund lease revenue debt, as well as the proposed debt financing. Total annual debt service for all general-fund obligation bonds and general-fund lease-revenue bonds, in each year they are outstanding, must not exceed 6% of annual budgeted general-fund revenues net of revenues that

City departments generate by providing services directly chargeable to City residents and businesses. Examples of such department revenues include the Fire Department's advanced life-support fee, the Police Department's alarm-permitting fee, and the Community Development Department's building permit and general plan fees. See the City Fee Database.

- (B) Special Revenues. In conjunction with the City Treasurer's Office, the City's Department of Finance shall prepare, for each long-term financing that will be supported by special revenues, an internal feasibility analysis (formal or informal) that identifies the effect of both the financing and the operating costs of the financed capital projects on the City's current and future budgets and the City's overall credit rating. This analysis must also address the reliability of revenues that support debt service of outstanding special revenue debt, as well as the proposed debt financing. Projected revenues from the transient-occupancy tax (Sacramento City Code chapter 3.28) must equal or exceed 175% of annual debt service for senior obligations and 115% of annual debt service for subordinate obligations. The debt service coverage ratio of a CFD must equal or exceed 110% of the net special tax revenues (gross special tax revenues less priority administrative expenses) generated in each year the debt is outstanding.
- (C) Enterprise Funds. The City Manager's Office and the City Treasurer's Office shall evaluate the affordability of new-money debt for enterprise funds. Enterprise rate levels must fully cover debt-service requirements and debt-service-coverage ratios as outlined in the applicable debt covenants, as well as the anticipated costs of operating, maintaining, and administering the capital improvements financed by the debt. 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 100% 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 for utilities services.
- (D) Conduit Financing by a Joint-Powers Authority. The City may agree to the issuance of bonds by various joint-powers authorities (e.g., California Enterprise Development Authority, California Municipal Finance Authority, California Statewide Communities Development Authority). When 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 on-going compliance of the bond issue with federal and state laws. City Treasurer's Office staff will rely upon information and documentation provided by the joint-powers authority or the prospective borrower of a project that desires to obtain tax-exempt financing. The City reserves the right to ask follow-up questions and request additional information as part of the review it deems appropriate. When feasible, 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 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 entity or a 501(c)(3) corporation within the City's boundaries. In these instances, neither the City's general fund, nor the City's other funds, 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 reserves the right to conduct a reasonable due diligence process. The City's preferred method is for a joint-powers authority, of which the City is already a member, to be the issuer of conduit debt.

- (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, the City Department of Finance, and the City Treasurer's Office. 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 will be spent in accordance with requirements of the Internal Revenue Service (the "**IRS**"). The City Treasurer's Office will determine whether additional disclosure will be required at the time the financing is entered into and will make the decision based on consultation with the City's disclosure counsel.

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 proposed project, or the proposed project can be completed in phases.
 - (2) Utilizing projected revenues and fund balances to complete the financing of the proposed project may not necessarily materially impact metrics such as days cash on-hand or debt service coverage ratio, leading to a potential non-impairment of the outlook or ratings of any City Debt.
 - (3) Existing debt levels might adversely affect the City's credit ratings or ratings outlook.

- (4) Market conditions are unfavorable or present difficulties in marketing the proposed debt.
 - (5) The proposed project's useful life is less than five years.
 - (6) Debt financing would be the preferred method, but circumstances require delaying the financing.
- (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's financings.
 - (3) The proposed project is mandated by federal or state law, by court or administrative order, or by a settlement related to a lawsuit or administrative action, and current resources are insufficient or unavailable to fund the project fully within the time required.
 - (4) The proposed 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 new-money debt may be used only to finance capital improvements, such as the costs of acquiring or improving land, infrastructure, facilities, or equipment, and only if it is appropriate to spread these costs over more than one budget year. Portions of long-term new-money 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 new-money debt may not be used to fund City operating costs, to fund services or programs or to fund maintenance related 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 issued or incurred by the City:
- (1) Special-Tax Revenue Bonds. Under the Mello-Roos Community Facilities District Act of 1982, codified at Government Code sections 53311 to 53368.3 (the "**Mello-Roos Act**"), the City may use special-tax revenue bonds to finance the construction or acquisition of various public improvements identified in the Rate and Method of Apportionment of Special Tax for each CFD. 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 public or non-public capital 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 6584 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 Act to issue refunding bonds for CFDs as well as for three redevelopment project areas when new- money debt was issued concurrently. Voter approval is not required.
- (3) **Property and Business Improvement District Bonds.** Under the Property and Business Improvement District Law of 1994, codified at Streets and Highways Code sections 36600 through 36671, bonds may be issued to finance capital improvements with repayment of the bonds from assessments levied on the real property or businesses that benefit from the improvements financed.
- (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 with two-thirds voter approval.
- (5) **Enhanced Infrastructure Financing District Bonds.** These bonds may be approved by a public financing authority (“PFA”) established for the purpose of managing the affairs of the EIFD. While the PFA will be comprised of members appointed by the City (City Council members and City Council’s public designees), the PFA oversees a separate legal entity. The requirements of the EIFD and issuing EIFD bonds are identified in Government Code sections 53398.5 to 53398.88.

In the event an EIFD desires the City to issue bonds, the Office of the City Treasurer may be asked to handle pre-issuance and issuance related matters on behalf of an EIFD. The Office of City Treasurer will manage the issuance of such EIFD bonds in accordance with this Policy in a manner conducive to obtain the lowest cost of borrowing possible.

- (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 rent owed under a 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. The City Council must annually appropriate funding for the payment of debt service associated with these types of debt instruments as part of the approval of the City's budget.

- (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 is 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 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 final maturity 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 financing for projects with a need for expedited schedules.

- (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 governmental 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. Federal tax regulations often require that TRANS be repaid in the fiscal year in which they are issued to cover short-term cash-flow shortfalls.
- (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) Grant Anticipation Notes (“**GANs**”). These are short-term interest-bearing notes issued in anticipation of the receipt of grants. The City may issue GANs as a source of interim financing when the City Treasurer determines that doing so is prudent and advantageous to the City and the upcoming receipt of grants is guaranteed. Voter approval is not required.
- (4) 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 and the potential acquisition by the bank of the financed equipment. Voter approval is not required.
- (5) 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 necessary changes in restrictive 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) Only one type of refunding transaction is allowed: a "current refunding," which is 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 reasons to refund an issue that generates net-present-value savings of less than 5% (e.g., the refunding will eliminate unduly restrictive debt covenants) or conversely aim for a higher targeted minimum level of savings.
 - (3) (3) The City may also issue taxable bonds to advance refund tax-exempt bonds with an optional redemption date more than 90 days after the proceeds of the taxable bonds are available. Whether the City moves forward with an advance refunding will depend on several factors, and the City Treasurer's Office will work with one of the City's municipal advisors to evaluate advance-refunding scenarios. In general, the goal will be a net-present-value savings of at least 5%, but this is not a requirement.
 - (4) When, during periods of economic distress, the City Council determines that annual debt service (i.e., principal and interest payments) for an outstanding issue of bonds might exceed available revenues, the City may issue new bonds to refund and restructure the outstanding bonds even though the net-present-value savings are negative. Annual debt service on the refunding bonds would be lower than debt service on the refunded bonds in the first few years of the refunded bonds, but the term of the refunded bonds might extend beyond the term of the refunded bonds, thereby increasing overall total interest costs.

- 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 *Reimbursement of City Expenditures.* If the City intends to reimburse itself from proceeds of tax-exempt debt for City expenditures made before issuance of the debt, then City staff must bring forward to the City Council, as soon as is practicable and in accordance with 26 C.F.R. § 1.150-2, a resolution declaring the City's official intention to reimburse itself.
- 4.4 *Method of Sale.* Except to the extent a competitive process is required by law, the City Treasurer is responsible for determining the appropriate way method to offer City Debt to prospective 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 premarket 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 borrowing. Criteria (C) is especially important to certain credit types such as special-tax revenue bonds, where there is a need to properly describe the background or the "story" of the particular special-tax revenue bonds for each financing so investors can have a better understanding of the risks of the financing and the project. 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.
- 4.5 *Pooled Financing.* The City Treasurer is responsible for determining 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 appropriateness of pooled financing depends on the par amount of bonds to be issued, the complexity of the financing, and the need for greater bond-market penetration (institutional, retail, and high-net-worth individuals).
- 4.6 *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 obtain specialized analytical services that facilitate the issuance of City Debt by minimizing borrowing costs. 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 their choosing unless a competitive or other process is required by law or this Policy.
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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 or is the norm—such as in the case of special tax revenue bonds where debt service increases by about 2% annually. 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 and after consulting with the underwriter of the proposed debt and one of the City’s municipal advisors.

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.^{1*} The City will, however, consider the issuance of non-rated special-tax revenue bonds issued through CFDs, as well as the issuance of other non-rated bonds if circumstances warrant. In the context of non-rated land-secured bonds, the City reserves the right to not move forward with a financing requested by a developer for any reason. At a minimum key information must be provided to the City for review and consideration. The items include but are not limited to: a recorded final map on at least the first phase(s) of development, approved tentative maps on the balance of the district, no-redacted purchase and sale agreements for land sales of taxable property within the district within at least the last three years of the request to form the district, and definitive development plans including unit mix, village size and village phasing. Furthermore, the City reserves the right to not move forward with a financing if the development does not have complete or substantially complete backbone infrastructure and street improvements on at least the first phases of development (all in-ground utilities, streets, curbs, gutters, sidewalks), and is in a state of development ready to pull building permits. The City will not seek a rating for bonds unless the City Treasurer’s Office determines that the bonds are likely to receive an underlying (i.e. unenhanced) rating of BBB or higher.

* 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.

- 5.3 *Credit Enhancement.* The City Treasurer's Office will work with one of the City's municipal advisors and with the underwriter of the proposed City Debt (or senior managing underwriter, if there is an underwriting syndicate) to analyze the costs and benefits of obtaining bond insurance on a maturity-by-maturity basis for the proposed debt.
- 5.4 *Non-Cash Reserve and Reduced Reserve.* The City Treasurer's Office will work with one of the City's municipal advisors and with the underwriter of the proposed City Debt (or senior managing underwriter, if there is an underwriting syndicate) to analyze the costs and benefits of having no reserve, obtaining a surety reserve policy, or incorporating a debt service reserve based on a modified three-prong reserve test (26 C.F.R. § 1.148-2(f)(2))—for example, to 50% of maximum annual debt service or 10% of outstanding principal.
- 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 resets 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 federal and 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 interest of potential investors and the price of the bonds. The City's preferred structure is optional redemption at par 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. In the case of special tax revenue bonds, special circumstances may exist that warrant the City Treasurer's consideration of the developer's request to issue bonds in an amount less than \$10 million (e.g., if the bonds are for an infill or

brownfield development project). The City Treasurer will determine whether to move forward with a debt financing with small par amount.

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 debt 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 debt 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 debt proceeds, the City's arbitrage consultant will typically be requested to prepare an interim arbitrage-rebate report at least once every 12 months until all 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 proceeds deposited into the acquisition and construction of project fund, 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 proceeds have been fully expended or the balance in the project fund has fallen below 5% of the proceeds deposited, into the acquisition and construction of project fund, 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 the 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., participation in the IRS's Voluntary Closing Agreement Program).

- (C) The City Treasurer or the 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 and disclosure counsel.
- (D) When bonds (the refunding bonds) are issued to refund outstanding bonds (the refunded bonds), all remaining proceeds of the refunded bonds—e.g., all amounts remaining in the project fund, reserve fund, and other accounts, plus accrued interest—will be considered for purposes of IRS regulations to be “transferred proceeds” of the refunding bonds and, as such, will be subject to the arbitrage calculations for the refunding bonds. In addition, if the transferred proceeds represent more than 5% of the original deposit in the acquisition and construction or project fund of proceeds from the refunded bonds (see section 6.2(A)(1) above), then interim arbitrage calculations must be performed on an annual basis until the balance of the transferred proceeds is less than 5% of the original deposit at which point the arbitrage calculations will be completed every five years from the issuance date of the refunding bonds.

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 bond 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 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.

Consulting promptly with the City Attorney's Office and bond 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; on June 19, 2018, by Resolution No. 2018-0251; on April 23, 2019, by Resolution No. 2019-0122; and on December 10, 2019, by Resolution No. 2019-0453); on June 30, 2020, by Resolution No. 2020-0189; and on June 1, 2021, by Resolution No. 2021-0314 and on November 1, 2022, by Resolution No. 2022-0329)



Debt Management Policy - Disclosure

Supplemental Policy on Disclosure

Scope: CITYWIDE

Administrative Entity

Office of the City Treasurer

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Table of Contents

Regulatory References

Council Resolution 2022-0329

Effective Date: November 01, 2022

Debt Management Policy - Disclosure

1. Introduction

1.1 This Supplemental Policy on Disclosure (“**Policy**”) governs the City’s discharge fulfillment of its disclosure obligations related to municipal securities issued 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. In the event an Enhanced Infrastructure Financing District (“**EIFD**”) formed by the City issues bonds, the City, specifically the Office of the City Treasurer, may be asked to handle post issuance matters including continuing disclosure for EIFD bonds. While an EIFD is a separate legal entity from the City with a separate governing body from the City Council, if City staff is responsible with the continuing disclosure requirements for EIFD bonds, City staff will do so in accordance with this Policy.

(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 Government Code sections 8855 and 53359.5 require certain disclosures to the California Debt and Investment Advisory Commission and Government Code sections 12463.2, 53891, 53892, 53892.2, and 53892.3 require certain disclosures to the California State Controller’s Office.

(B) Incomplete, inaccurate, or misleading disclosure might have material financial consequences for the City, as well as 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 the 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 the City's bonds in the primary and secondary markets.
- 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 a reasonable investor would consider significant or useful when deciding whether to invest in the City's bonds:

- (A) Initial-disclosure documents, i.e., preliminary, and final official statements.
- (B) Continuing-disclosure documents, i.e., annual financial information and event notices.
- (C) Miscellaneous reports and presentations to the public.

2. Governing Authority, Point of Contact, 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 Charter, the Sacramento City Code, and the City's Debt-Management Policy.

2.2 Point of Contact. Either the City Treasurer or the Debt Manager will 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, based in part by guidance by the City Attorney's Office and the City's disclosure counsel.

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 not just preliminary and final official statements following:

- Annual financial information provided to the Municipal Securities Rulemaking Board (“MSRB”) in accordance with SEC Rule 15c2-12 and any applicable continuing-disclosure agreement or certificate (except that the City Treasurer and the Debt Manager are not responsible for the form and content of the City’s audited financial report, which is prepared by the City’s Accounting Division and reviewed by the City’s external auditor).
- Event notices provided to the MSRB in accordance with SEC Rule 15c2-12 and any applicable continuing-disclosure agreement or certificate.
- Any other information provided to the MSRB for use by investors in making investment decisions.

Such information and notices will typically be provided through the MSRB’s Electronic Municipal Market Access website (known as “EMMA”), which the SEC has designated as the official source for municipal securities data and disclosure documents.

The City reserves the right to utilize certain services provided by a third-party dissemination agent such as the upload of disclosure filings to EMMA, however as stated in section (c) below, the preparation, review, and final approval of all disclosure filings are the responsibility of the City.

- (B) Along with the City Treasurer and their staff, the City Attorney and the 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 specific revenues, such as water or wastewater revenues, 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, as warranted. 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 or the Debt Manager requests for compliance with federal securities laws. The City Manager and the 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 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

Administrative Entity

Department of Finance

(916) 808-5845

Finance@cityofsacramento.org

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Related Regulatory References

May 12, 2015 Resolution 2015-0123

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



Emergency Medical Services (EMS) Revenue Recovery and Fee Waiver Policy

Scope: CITYWIDE

Administrative Entity

EMS Division
Fire Department
(916) 808-5352
SFDEMS@sfd.cityofsacramento.org

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Related Regulatory References

July 27, 1993	Resolution 1993-0434
October 2011	AB 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.

2023 Federal Poverty Levels			
Household Size	Poverty Level (100% Waiver)	2X Poverty Level (50% Reduction)	3X Poverty Level (25% Reduction)
1	14,580	29,160	43,740
2	19,720	39,440	59,160
3	24,860	49,720	74,580
4	30,000	60,000	90,000
5	35,140	70,280	105,420
6	40,280	80,560	120,840
7	45,420	90,840	136,260
8	50,560	101,120	151,680

Note: For families/households with more than 8 persons, add \$5,140 for each additional person.
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.



Fees and Charges Policy



Scope: CITYWIDE

Administrative Entity

Department of Finance

(916) 808-5845

Finance@cityofsacramento.org

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Related Regulatory References

May 8, 2014 Resolution 2014-0111

Effective Date: July 1, 2015

Fees and Charges Policy

1. PURPOSE

The City of Sacramento has the ability to determine the extent to which fees should be used to fund City facilities, infrastructure and services.

There are five main categories of fees that the City currently implements:²

- ✓ **Impact/development fees** are typically one-time charges levied by the City against new development to generate revenue for the construction of infrastructure and capital facilities needed to offset the effects of the new development.
- ✓ **Service fees** are charges imposed on persons or property that are designed to offset the cost of providing a government service. Sometimes these services are elective, such as fees for processing voluntary development permit applications, or providing service/recreation programs, while other service fees are not, such as mandatory service fees for trash or utility services. Such fees are typically reasonably related to the cost of providing the service for which the fee is imposed. Otherwise, the fee may constitute a special tax for which voter approval is required by Propositions 13, 62, and 218.
- ✓ **Regulatory fees** are imposed to offset the cost of a regulatory program, such as business regulatory fees, or to mitigate the past, present, or future adverse impact of a fee payer's operations. While payment of a regulatory fee does not necessarily provide any direct benefit from payment of the fee, there must be a "nexus" between the activity and the adverse consequences addressed by the fee. Common examples of regulatory fees include inspection fees and business license fees designed to reimburse a local agency for the cost of monitoring the business and enforcing compliance with City code.
- ✓ **Rental fees** are charged for the rental of public property and include the rental of real property, parking spaces in a public parking lot, or the rental of community facilities such as a recreation or community room or picnic area. Rental fees are not subject to the general rule that the fee must bear a direct relationship to the reasonable cost of providing the service for which the fee is charged however, rental fees must be fair and reasonable.
- ✓ **Penalties/Fines** are payment required for non-compliance or failure to adhere to specific rules and/or requirements.

² League of California Cities Website: Spring Meeting May 13-15, 1998 Laurence S. Wiener, Esq. City Attorney of Beverly Hills and Westlake Village *THE CITY ATTORNEY'S ROLE IN EVALUATING FEE STUDIES*.

This document sets forth guidelines for:

- Establishing cost recovery goals;
- Determining the categories of cost recovery levels in which to categorize/organize fees;
- Methods for determining which category a fee falls under; and
- Establishment and modification of fees and charges.

2. POLICY

A. Cost Recovery Goals

In setting user fees and cost recovery levels, the following factors will be considered:³

- 1) The amount of a fee should not exceed the overall cost of providing the facility, infrastructure, or service for which the fee is imposed. In calculating that cost, direct and indirect costs may be included. That is:
 - Costs which are directly related to the provision of the service; and
 - Support costs which are more general in nature but provide support for the provision of the service. For example, service fees can include reimbursement for the administrative costs of providing the service. Development fees can include the cost of administering the program to construct public facilities that are necessary to serve new development.
- 2) The method of assessing and collecting fees should be as simple as possible in order to reduce the administrative cost of collection.
- 3) Fees should be sensitive to the “market” for similar services.

In addition, in setting enterprise fund fees and cost recovery levels, the following factors will be considered:

- 4) The City will set fees and rates at levels which fully cover the total direct and indirect costs, including operations, capital outlay and debt service of the enterprise programs.
- 5) The City will review and adjust enterprise fees and rate structures as required to ensure that they remain appropriate and equitable.

B. Categories of Cost Recovery Levels in Which to Categorize/Organize Fees

There are five categories of cost recovery levels in which to classify fees:

³ Government Finance Officers Association Website, Best Practices in Public Budgeting, City of San Luis Obispo: User Fee Cost Recovery Goals, 2005.

- 1) **Enterprise:** Full direct and indirect cost recovery (100% of total costs) for enterprise services such as water, sewer, and solid waste, as well as impact/development fees.
- 2) **High:** Full direct cost recovery (81-100% of total costs).
- 3) **Medium:** Recovery between 41-80% of direct costs.
- 4) **Low:** Recovery between 0-40% of direct costs.
- 5) **Other:** Fees based on market, geography, assessment, project specific, legal limits, or specific Council policy.

The City may choose, for policy reasons, to set fees at less than full recovery. For example, fees based on market, geography, assessment, project specific, statutory/legal limits, or specific Council policy. In some cases, the City will acknowledge that a subsidy is acceptable, or even necessary to ensure program access and viability.

C. Methods for Determining Which Category a Fee Falls Under

Implementation of higher cost recovery levels is appropriate under the following conditions (up to 100% of the cost of the service or program):

- The service is regulatory in nature (e.g., building permits, plan check fees);
- The service is similar to services provided through the private sector;
- Other private or public sector alternatives could or do exist for the delivery of the service;
- Over-use of the service is specifically discouraged (e.g., police responses to disturbances or false alarms might fall into this category); and
- Over-use of the service or facility is a specialized use that could be provided at a lower cost if not for specific nature or service (e.g., lighted fields).

Lower cost recovery levels are appropriate under the following conditions:

- There is no intended relationship between the amount paid and the benefit received. (It is likely that some recreation and human service programs fall into this category as it is expected that these programs will be subsidized by funds);
- Collecting fees is not cost-effective or will significantly affects the accessibility to the service;
- The service is non-recurring, generally delivered on a peak demand or emergency basis, cannot be planned for and is not readily available from a private sector source (e.g., public safety services); and
- Collecting fees would discourage compliance with regulatory requirements and adherence is primarily self-identified, and as such, failure to comply would not be readily detected by the City.

Other:

- Market pricing requires that there be a direct relationship between the amount paid and the level and cost of the service received or a direct relationship to actual prices being charged for the service in the current market.
- Legal specifications and/or limitations to the amount that is charged.
- Adopted Council Policy setting specific fee.

Factors to Consider

The extent to which the total cost of service should be recovered through fees depends upon the following factors:

- ✓ The nature of the facilities, infrastructure or services;
- ✓ The nature and extent of the benefit to the fee payer;
- ✓ The effect of pricing on the demand for services; and
- ✓ The feasibility of collection and recovery.

The chart below reflects these factors and the potential options for higher or lower cost recovery:⁴

	The Nature of the Facilities, Infrastructure or Services	The Nature and Extent of the Benefit to The Fee Payers	Effect of Pricing on the Demand for Services	Feasibility of Collection and Recovery
Higher Cost Recovery	In the case of fees for facilities, infrastructure and proprietary services ⁵ , total cost recovery may be warranted.	When a particular facility or service results in substantial, immediate and direct benefit to fee payers, a higher percentage of the cost of providing the facility or service should be recovered by the fee.	Because the pricing of services can significantly affect demand, full cost recovery for services is more appropriate when the market for the services is strong and will support a high level of cost recovery.	In the case of impact fees, which can be collected at the time of issuance of a building permit, ease of collection is generally not a factor.
Lower Cost Recovery	In the case of governmental services ⁶ , it may be appropriate for a substantial portion of the cost of such services to be borne by the City's taxpayers, rather than the individual users of such services.	When a particular facility or service benefits not only the fee payer but also a substantial segment of the community, lower cost recovery is warranted.	If high levels of cost recovery affect accessibility to or negatively affect the delivery of services to lower income groups, this should be considered based on the overall goals of the program being implemented.	Some fees may prove to be impractical for the City to utilize if they are too costly to administer.

⁴ Government Finance Officers Association Website, Best Practices in Public Budgeting, City of Fort Collins, CO: User Fee Policies, 2005.

⁵ Proprietary services are those which are provided for the benefit and enjoyment of the residents of the City

⁶ Governmental services are those which are provided by the City for the public good such as regulating land use, maintaining streets, and providing police and fire protection.

D. Establishment and Modification of Fees and Charges

Fees will be reviewed and updated on an ongoing basis as part of the annual budget process to ensure that they keep pace with changes in the cost-of-living as well as changes in methods or levels of service delivery. At the beginning of the budget process each department will submit a list of proposed adjustments to their section of the master fee schedule. Each service must be assigned a target cost recovery level as defined above.

Maintaining competitive status and comparability with other cities should be considered when determining new fee levels. Those fees that are proposed for adjustment should be benchmarked against neighboring jurisdiction fee schedules or appropriate service markets. The benchmark analysis should be taken into consideration when making final pricing decisions.

However, the City may choose, for policy reasons, to set fees at less than full recovery. (for example, fees based on market, geography, assessment, project specific, statutory/legal limits or specific Council policy). As stated above, in some cases, the City will acknowledge that a subsidy is acceptable, or even necessary to ensure program access and viability. Where appropriate, fees that have not been increased in some time should have increases phased in over several years to avoid 'sticker shock' increases.

If a particular 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 will use the State of California Department of Industrial Relations Consumer Price Index (CPI) which is the same index used by the County Assessor to adjust the annual property tax roll for inflation.

Biennially, the Finance Department shall determine the percentage change in this index and apply the increase or decrease to the master fee schedule, rounding up to the nearest whole dollar. Certain fees are exempt from an index adjustment, such as fees set by the State of California, percentage-based fees or those that have been identified as inappropriate for indexed fee increases (e.g., feasibility or fees that are based on market for services). Exempt fees are noted in the master fee schedule. Council may consider fee issues outside of the annual budget process on a case-by-case basis.

The City should conduct a comprehensive cost of service analysis every five to seven years to ensure fees and charges are set appropriately. Generally, fees may be adjusted based on supplemental analysis whenever there have been significant changes in the method, level or cost of service delivery. For example, changes in processes and technology change the staff time required to provide services to the public. A cost-of-service study will identify and quantify these changes.

3. Proposition 26

Proposition 26, the “Stop Hidden Taxes Initiative,” was passed by the voters on November 2, 2010, to amend Article XIII C of the State Constitution. According to the ballot measure, the intent of the measure is to ensure the effectiveness of Propositions 13 and 218 by providing a definition of a “tax” for state and local purposes “so that neither the Legislature nor local governments can circumvent these restrictions on increasing taxes by simply defining new or expanded taxes as ‘fees.’” Accordingly, under Proposition 26 a tax has been very broadly defined.

Tax Defined:

“Tax” now means “any levy, charge, or exaction of any kind imposed by a local government, except for the following seven categories of charges:

Exception 1 – Benefit Conferred or Privilege Granted

A charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.

Examples:

- Residential parking permit fees
- Professional licenses
- Business improvement assessments

Exception 2 – Government Service or Product

A charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.

Examples:

- User fees for park and recreation programs
- Weed abatement fees
- Sidewalk curb repairs

Exception 3 – Licenses and Permits

A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof.

Examples:

- Building inspections
- Cardroom license
- Business licenses

Exception 4 – Use of City property

A charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property.

Examples:

- City-owned parking lots
- Swimming pools
- Convention Center rentals
- Golf green fees

Exception 5 – Fines and Penalties

A fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government as a result of a violation of law.

Examples:

- City Code fines and penalties (e.g., 1.28.020)
- Parking fines

Exception 6 – Property Development Charges

A charge imposed as a condition of property development.

Example:

- Development impact fees

Exception 7 – Proposition 218 Fees

Assessments and property related fees imposed in accordance with the provisions of Proposition 218, Article XIII D.

Examples:

- Utility fees for water, sewer, drainage, and solid waste
- Street lighting assessments

Burden of Proof:

The paragraph following the seven enumerated exceptions states:

“The local government bears the burden of proving by a preponderance of the evidence [1] that a levy, charge, or other exaction is not a tax, [2] that the amount is no more than necessary to cover the reasonable costs of the government activity, and [3] that the manner in which those costs are allocated to a payor bears a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity.” The latter two requirements only apply to the first three exceptions.

Thus, with the burden of proof now shifted to the City, that requires each department to take into consideration how it aims to prove that a proposed fee or fee increase is not a tax. The following analytical framework can assist in this regard.

Burden of Proof: A 3-step Analysis

1. The City must make a threshold determination whether one of the exceptions applies.
 - If none apply, it is a tax subject to voter approval.
2. If Exceptions 1, 2, or 3 apply, the City must also show that the fee revenue will not exceed the reasonable costs of providing the related governmental activity (at the aggregate level).
3. Finally, the City must show that the costs are fairly allocated to the individual payors.



General/Measure U (G/MU) Fund Economic Uncertainty Reserve (EUR) Policy

Scope: CITYWIDE

Administrative Entity

Department of Finance

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Related Regulatory References

April 26, 2016 Council Motion 2016-0122

June 11, 2019 Resolution 2019-0248

Effective Date: July 1, 2019

General/Measure U (G/MU) Fund Economic Uncertainty Reserve (EUR) Policy

1. PURPOSE

To establish the targeted level of G/MU 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 G/MU Fund budgeted revenues as the minimum level of funding in the City's EUR and establishes two months of operating expenditures 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 G/MU Fund revenues. The City will seek to achieve and maintain a G/MU Fund EUR equal to two months of regular ongoing G/MU Fund expenditures, including transfers (i.e., 17% of G/MU Fund expenditures).

The EUR shall be reported as a commitment of fund balance in the G/MU 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

The annual budget will include a minimum fund balance of 0.50% of total budgeted expenditures. If these resources are not required during the fiscal year this amount shall be transferred to the EUR. Additionally, unbudgeted one-time G/MU Fund revenues received in a fiscal year, which are not required to balance the budget as part of the midyear review or fiscal year-end close, shall be added to the EUR until the target reserve level is met.

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.

3.3 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

Administrative Entity

Department of Finance

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Related 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

Administrative Entity

Office of the City Treasurer

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Regulatory References

Council Resolution 2020-0236

Effective Date: July 28, 2020

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.

I. Governing Authority; Scope

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.

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.

II. 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. 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:

- (a) Credit Risk. Credit risk is the risk of loss due to the failure of the security issuer or backer.

The City 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.

- An eligible local community institution is defined as being headquartered in counties in and around Sacramento, including but not limited to Placer, El Dorado, Sutter, and Yolo.
- To be recognized as an eligible local community institution the entity must have had a 5 star "Superior" Rating from either Bauer Financial or IDC Financial Publishing for the past 4 consecutive quarters. Eligible institutions must submit their quarterly ratings to the City Treasurer's office and maintain their 5-star rating continuously. If an eligible local community institution drops below the required 5-star rating, they will have 1 quarter to cure the deficiency. If in the following quarter the institution does not re-achieve a 5-star rating with the same independent rating company, the City may withdraw funds allocated to that institution.
- Institutions who receive deposits from the City as part of a local community investment not eligible for FDIC insurance must be secured by collateral of 110% as described in California Government Code Section 53651 and 53652.

- Institutions who receive deposits from the City as part of a local community investment must commit to invest 50% of the deposits in the local community, within the City of Sacramento City limits.
- Institutions must provide a detailed semi-annual report to the City Treasurer's Office that shows evidence that the institution is meeting the 50% local community investment mandate on the City's deposits. If an institution cannot provide evidence that it has met the 50% local community investment criteria, the City may withdraw its deposits from the institution.
- As a matter of prudence, the amount the City Treasurer may invest in eligible local community institutions will be limited to 3.5% of the institution's total assets, as determined by the quarterly independent financial reports. If, during the course of an investment with an eligible local institution, the City exceeds the maximum 3.5% deposit level, the City may withdraw any funds in excess of the limit to cure the deficiency.
- The city may place deposits with eligible local community institutions up to a total of 10% of the total in the City's portfolio. If this amount is exceeded the City may withdraw funds from any institution to reduce the total community investment back below the maximum.

Although an eligible local community institution may meet all of the above stated criteria, it is not a guarantee that the City will maintain deposits. The City Treasurer retains the right to make deposit and withdrawal decisions based on the Primary Objectives of the Investment Policy stated above.

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.

III. **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.

IV. 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.

V. 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 in accordance with Statement on Standards for Attestation Engagements No. 18, or SSAE 18.

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:

1. Prevention of collusion
2. Separation of transaction authority from accounting and recordkeeping
3. Custodial safekeeping
4. Avoidance of physical delivery securities
5. Clear delegation of authority to subordinate staff members
6. Written confirmation of transactions for investments and wire transfers
7. 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.

VI. 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:

1. 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
 - (a) comply with the requirements of Government Code section 53601(j), and
 - (b) 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.
2. The securities lending agreements may allow for the use of cash collateral for the reinvestment in securities that
 - (a) comply with the requirements of Government Code section 53601(j)(3)(D), and
 - (b) are securities whose direct investment is authorized by Government Code section 53601 and these policies,
 - (c) 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.

VII. 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*

1. 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.
2. 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.
3. Risks of market price volatility shall be controlled through maturity diversification.
4. 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 and sales of investment instruments executed on the secondary market for consideration in excess of \$15 million per purchase transaction.

VIII. 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 transactions as required by Government Code section 53607.

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 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.

IX. 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.

X. 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).

XI. 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.



Other Post-Employment Benefits (OPEB)

Scope: CITYWIDE

Administrative Entity

Department of Finance

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Purpose

Background

Policy

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

Administrative Entity

Department of Finance

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Finance@cityofsacramento.org

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 - 3.4 Review of Funding Policy

Related 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

Administrative Entity

Department of Finance

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1. Purpose
2. Background
3. Policy

Related 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

FY2023/24 Proposed Budget

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.



Sacramento City Employees' Retirement System (SCERS) Investment Policy

Scope: CITYWIDE

Administrative Entity

Office of the City Treasurer

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2. Investment Philosophy
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5. Suitable and Authorized Investments
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Regulatory References

Council Resolution 2020-0236

Effective Date: July 28, 2020

Sacramento City Employees' Retirement System (SCERS) Investment Policy

1. INTRODUCTION

This Investment Policy encompasses the investment goals, objectives and policies of the Sacramento City Employees' Retirement System ("SCERS" or "System"). The purpose of the Investment Policy is to assist the Administration, Investment and Fiscal Management Board ("AIFM Board" or "Board") and its Investment Managers¹ to effectively supervise and monitor SCERS' investment program.

Pursuant to Section 383 of the Sacramento City Charter ("Charter"), the AIFM Board is charged with the exclusive responsibility of managing and investing the System's funds. Also, pursuant to Section 383 of the Charter, the Board has adopted, and the Sacramento City Council has approved, this Investment Policy, which governs the investment activity undertaken by the Board.

This Investment Policy addresses the following issues:

- The investment goals of SCERS' investment program; and
- The general investment policies for the management of funds of the System.

The Investment Policy is designed to provide sufficient flexibility to capture investment opportunities as they may occur, while setting forth reasonable parameters to ensure prudence and care in the execution of the investment program.

2. INVESTMENT PHILOSOPHY

The Board believes that its investment policies, in aggregate, are to be the most important determinants of its investment success. Compliance with investment policies should therefore be monitored rigorously. The Board also believes that performance of the total portfolio and individual asset classes, as well as the performance of any retained Investment Manager, should be monitored and compared to appropriate, predetermined performance benchmarks.

The Board believes that prudent management of risk is a central element of the investment function. Toward this end, the Board believes that diversification among asset classes will reduce risk and enhance returns of the overall investment portfolio in the long term.

¹ "Investment Managers" are financial or investment advisers and consultants retained by the Board to assist in the management and investment of the System's funds.

The Board believes that market efficiency and opportunities vary among asset classes and may change over extended periods of time. Therefore, the Board believes that SCERS' portfolio management strategies should adapt over time to reflect the changing nature of capital markets.

AIFM BOARD'S MISSION STATEMENT

The Board's primary mission in managing the System's funds is described as follows:

- To ensure that sufficient funds will be available to provide participants and their beneficiaries with all benefits due as specified in SCERS' retirement plan documents
- To give priority to the financial interests of participants and beneficiaries over all other financial interests;
- To comply with all applicable fiduciary standards; and,
- To reduce the cost of funding benefits for both the City of Sacramento, as the participating employer, and the individual participants of SCERS.

3. INVESTMENT GOALS AND OBJECTIVES

In accordance with Board's Mission Statement, the overarching goal of SCERS' investment program is to generate adequate long-term returns that, when combined with employer and employee contributions, will result in sufficient assets to pay the present and future obligations of SCERS.

The following objectives are intended to assist in achieving this goal:

- SCERS should earn, on a long-term average basis, a total real rate of return in excess of SCERS' actuarial assumed rate of real return
- SCERS' assets will be managed on a total return basis, which takes into account the considerable importance of the preservation of capital. Additionally, SCERS follows the principle that different degrees of investment risk exist and each generally is rewarded with a varying degree of return.
- The Board will operate in an efficient manner that fulfills its fiduciary responsibility and contributes to the overall effectiveness of the System.

It is the purpose of the SCERS' investment program to assure that sufficient financial assets are available to provide SCERS' participants and their beneficiaries with all benefits due as specified in the System's governing provisions set forth in the Charter. Therefore, the participants' and beneficiaries' financial interests shall take precedence over all other financial interests.

To achieve these objectives, SCERS allocates its assets (asset allocation) with a strategic, long-term perspective of the capital markets.

4. GENERAL INVESTMENT POLICIES

FIDUCIARY DUTIES

The Board's investment activity on behalf of SCERS is mandated by the Sacramento City Charter. Section 383 of the Charter establishes the broad requirement that all investments must be permissible by law for investment of trust funds pursuant to Section 16040 of the California Probate Code. Accordingly, the Board, in discharging its duties to the System, acts as a fiduciary governed by requirements imposed on trustees. In the context of the System, the Board is required to model and manage the System's investment program based on principals outlined under the prudent person standard.

Pursuant to the "prudent person" standard, the Board and its Investment Managers 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 System, 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 System. Funds shall be managed not for speculation, 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 or return 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.

The fiduciary duties of the Board shall be carried forward by retained Investment Managers. The policies expressed in this Investment Policy shall be as applicable to and binding upon the Investment Managers as they are to the Board.

AUTHORITY TO INVEST AND DELEGATION THEREOF

Pursuant to Section 383 of the Charter, the AIFM Board is charged with the exclusive responsibility of managing and investing the System's funds. The Board is authorized by Sections 382 and 383 of the Charter to engage the services of one or more financial or investment advisors and consultants to assist it in the management and investment of the System's funds, collectively referenced herein as the "Investment Managers." As such, the Board from time to time may select and retain professionals within the investment and financial field to implement the SCERS investment program. Once retained, such professionals must acknowledge in writing their fiduciary responsibility to the System and agree that SCERS' investment objectives and policies as expressed in this Investment Policy will be followed. It is expected that such professionals will at all times conduct themselves as fiduciaries in the same manner as does the Board.

PERFORMANCE MEASUREMENT

The performance of professionals retained to implement the SCERS investment program shall be reported and measured against, on an absolute basis, the actuarial assumed rate of return, and, on a relative basis, one or more market benchmarks customized as appropriate to the nature, type and extent of the investments held by the System pursuant to these policies. To the extent the Board retains Investment Managers to execute specific objectives (as opposed to broad investment objectives), such benchmarks shall be appropriate to the stated objectives.

The Board shall retain the services of a consultant to determine appropriate performance benchmarks and to report on the investment performance of the System's funds against such benchmarks. Such reports shall be made not less than on a quarterly basis and shall cover varying time periods as directed by the Board, e.g. performance over the current fiscal year, the past 12-months, one or more past calendar or fiscal years, or since inception, as appropriate with the long-range investment goals of the System's funds.

DIVERSIFICATION

The Board shall diversify holdings in 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. In addition, the diversity of the portfolio among various sectors of the marketplace will minimize the impact of potential losses from any one sector. Such sectors may be demarked by market capitalization of issuers (e.g. small, middle and large capitalization corporations), by location (e.g. domestic vs. foreign corporations), by industry, and by public or private issuers of debt.

LIQUIDITY REQUIREMENTS OF THE SYSTEM

SCERS' funds shall be managed and invested in a manner to provide liquidity sufficient to pay the ongoing expenses of the System and the payment of benefits to retirees when due. To the extent feasible, the Board shall raise funds to cover expenses and benefits in an orderly and efficient manner, while minimizing adverse effects on investment strategies implemented by the Board from the untimely forced liquidation of investments.

As part of the SCERS investment program, the liquidity needs of the System shall be addressed in accordance with the following practices:

- (a) Setting aside cash generated from (i) the liquidation of securities to accomplish Board-approved asset allocations or other Board directive; (ii) the liquidation of securities in the normal course of managing the investment portfolios pursuant to this policy; and (iii) the maturity or redemption of securities as may occur from time to time within the investment portfolios; and (iv) the receipt of dividends and interest.
- (b) Structuring the investment portfolio so that securities mature to meet

cash requirements of the System, thereby avoiding disadvantageous sales of fixed income securities prior to maturity.

- (c) Investing liquid funds required to pay current expenses and benefits in the City's Pool A treasury pool to be managed in accordance with investment policies adopted by the City Council.

ASSET ALLOCATION AND RISK MANAGEMENT OF INVESTMENTS

Strategic Asset Allocation

The Board annually shall review and determine the allocation of investments to various broad asset classes. The asset allocation policy shall be structured for not less than a one- year period. The asset allocation policy shall be developed with the assistance of the Investment Manager, and shall address the following considerations:

- Historical and anticipated capital market performance (returns and risks) of various asset classes;
- The expected correlation of returns among various asset classes;
- Inflation, interest rates, and other economic assumptions;
- The difference between the current and the projected asset values of the Plan; and,
- The actuarial rate of return.

The allocation of investments to various asset classes shall be reviewed annually and reflected in duly adopted resolutions of the Board. The objective of the Board's annual review of the overall asset allocation policy for the System's funds is to provide a sound, fiduciary structure to the investment process. The asset allocation target exposures are established after thorough review and analysis of the System's fund's expected rates of return opportunities and the associated risk of attempting to achieve the targeted return. The asset allocation policy identifies the asset classes to be used and designates the percentage allocation to each asset class in the System's investment portfolio. If necessary to fulfill its fiduciary obligations to the System, the Board may revise the asset allocation policy at any time it determines that circumstances justify such revision.

As its primary risk management tool, the Board shall allocate the investment portfolio between broad asset classes, such as between fixed income assets (notes, bonds, other debt instruments, and secured real estate mortgages) and equity assets (such as stocks)("First Tier Allocations"). Within each broad asset class, the Board may also provide allocations between investments within those broad classes of assets ("Second Tier Allocations"). An example of this is the allocation of equity investments amongst shares of foreign corporations, shares of large capitalization corporations and the selection of shares of corporations providing attractive dividend yields.

The Board formulates the overall risk profile of the investment pool by considering the above factors and establishing the First Tier Allocations. However, at any point in time, the actual First Tier Allocations may vary from the Board-approved percentage allocations by plus or minus 5.0% without altering the intended risk profile. In establishing any Second Tier Allocations, the Board, by resolution, may establish variances of allocations to allow the Board and Investment Managers greater flexibility in making advantageous investments that otherwise are consistent with the requirements of this Investment Policy. The discretion to shift funds within the limits of such variances in First and Second Tier Allocations may be exercised in order to take advantage of market dynamics, to preserve capital, to avoid liquidating investments at inopportune times, or for such other reason as to further the prudent investment of the System's funds.

In the selection of specific investments, the Board and its Investment Managers shall adhere to the asset allocations and variances duly established by the Board, while adhering to the overriding prudent person standard.

Rebalancing of Portfolios

The target allocations and variances will guide the decision as to which asset class should receive contributions when available and how the investments are rebalanced from time to time. Rebalancing is an effective tool used to maintain the risk profile of the total fund and to potentially enhance returns. Risk is controlled by calling cash to reduce portfolio values in over-allocated asset categories and providing cash to increase portfolio values to under-allocated asset categories to maintain target asset allocation policy weights. This rebalancing shall be performed periodically, as necessary, but not less than biannually, to redistribute assets to achieve the target allocations within any established variance.

5. SUITABLE AND AUTHORIZED INVESTMENTS

AUTHORIZED INVESTMENTS

Allowable investments of SCERS' funds shall be consistent with the requirements of this Investment Policy and Sacramento City Charter Section 383. Specific allowable investment types are set forth below. As used in this Section V, exchange traded funds ("ETF's") may include (a) leveraged ETF's that result in enhanced price movements over that generated by the underlying assets held by the ETF's, (b) inverse ETF's that incorporates a contrary or short position in the underlying assets, and (c) ETF's that combine both leveraged and inverse strategies.

INVESTMENT TYPES

Domestic Equity

Investments may include equity investments provided the equity is a common or preferred stock of a domestic corporation and sold on a public or registered stock exchange within the United States. At the discretion of the Board and Investment

Managers, investments may be made in mutual funds and exchange traded funds whose assets consist of such domestic equities.

International Equity

Investments may include equity investments provided the equity is a common or preferred stock of a foreign corporation provided (a) the resident country of the corporation has an operative financial exchange or over-the-counter market, a convertible currency, and a political, economic and investment structure which facilitates the availability of securities to foreign investors, and (b) the ownership of such shares are represented by American Depository Receipts (ADR) sold on a public or registered stock exchange within the United States. At the discretion of the Board and Investment Managers, investments in foreign corporations may be made in dollar-denominated mutual funds and exchange traded funds whose assets consist of such foreign equities.

Domestic Fixed Income

SCERS' funds may be invested in debt securities, including convertible bonds, issued by solvent domestic corporations or by local, state or federal governments, political subdivisions, or public agencies, including, without limitation, the City of Sacramento and Sacramento Redevelopment Agency through the City of Sacramento Financing Authority. At the discretion of the Board and Investment Managers, investments in the debt of domestic corporations may be made in individual issues and dollar-denominated mutual funds and/or exchange traded funds whose assets consist of such domestic debt securities.

International Fixed Income

SCERS' funds may be invested in investment grade foreign debt securities issued by a solvent foreign corporation or by foreign sovereignties. At the discretion of the Board and Investment Managers, investments in the debt of foreign corporations may be made in individual issues and dollar-denominated mutual funds and/or exchange traded funds whose assets consist of such foreign debt securities.

Commodities

SCERS' funds may be invested in commodities, including, without limitation, precious metals, agricultural products, oil and natural gas. Such investments may be in the form of dollar-denominated exchange traded funds that track the price changes of targeted commodities.

SECURITIES LENDING

The Board may engage in a securities lending program to provide the System with an opportunity to earn incremental income and offset administrative expenses. The program may be managed by the custodian (see Section VII.B), and/or a qualified third-party securities lending agent. The lending program should remain transparent to the Board and should not impede the SCERS investment program.

The securities lending program consists of two separate functions. The first function is the lending of SCERS' eligible portfolio securities (domestic and international equities and bonds) to approved and qualified borrowers through an agent, subject to the terms and conditions specified in SCERS' securities lending contract. Domestic loans must have a minimum initial collateralization level of 102% and international loans must have an initial collateralization level of at least 105%.

The second function is the reinvestment of cash proceeds generated by the lending of SCERS' portfolio securities. This function is an investment management function, and as a result is governed by the same prudent person rules employed by the Board and its Investment Manager. Accordingly, the investment of cash collateral shall be in securities permitted by the Board as satisfying the prudent person standard. Cash and non-cash collateral may be invested in commingled funds or in separately managed accounts.

OPTION STRATEGIES

Utilization of options is allowed as a prudent way to take advantage of certain market dynamics in order to increase the overall returns of the investment portfolio without incurring undue risk, and/or to protect positions in a declining market. By Board Resolution 09-003, dated October 26, 2009, the Board has authorized the writing and selling of call options on existing security positions and the purchase of put options to protect existing security positions. Pursuant to Resolution 09-003, the following limitations are placed on the use of such authorized options: (1) The fair market value of securities underlying existing and proposed option contracts may not exceed 30 percent of the market value of the investment portfolio measured at the time each new option contract is evaluated, and (2) the time from the inception of an option position to its expiration date shall not exceed 90 days.

REAL ESTATE MORTGAGES

SCERS' funds may be lent to owners of real property provided the Board is satisfied with the credit worthiness of the borrower, the attributes of the real property, the suitability of the loan-to-value ratio, the interest rate on the loan, the reliability of the source of debt service funds, among other factors bearing on the desirability of the loan. No loans shall be made unless it is secured by a first position deed of trust, junior only to taxes and assessments entitled to priority by state statute, and supported by appropriate title insurance.

6. AUTHORIZED FINANCIAL INSTITUTIONS, DEPOSITORIES, BROKER/DEALER SELECTION

Financial institutions and depositories involved in implementing the Board'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 Board in its discretion, with the objective of obtaining the quality of services necessary to serve the best interests of SCERS and its members, with services performed at competitive fees and rates.

Among the factors that the Board 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 Board; (vii) extent of the value added by an entity over the services provided by firms then-providing investment-related services to the Board; and (viii) other attributes as may be determined by the Board from time to time. The Board 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 System shall do so in a good faith manner and in the best interests of the System, and shall disclose to and advise the Board of material facts that bear upon the pricing of a given transaction order given by investment officers.

In lieu of conducting its own competitive process for the selection of supporting financial institutions, the Board may utilize the custodians, banks, brokers, dealers and other financial institutions utilized by the City in the management and investment of its funds. Such institutions must be duly selected and approved by the City Council. Prior to engaging any City-approved institution, the Board must be satisfied with the selection process used by the City.

PERFORMANCE REVIEW

All financial institutions and depositories shall maintain the qualifications and attributes deemed appropriate by the Board, including, but not limited to those enumerated in subsection A above, and shall perform their duties in a satisfactory manner. The Board, in its discretion, shall conduct periodic performance reviews to ensure the institutions and depositories are providing services in the best interests of the System.

7. SAFEKEEPING AND CUSTODY

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.

CUSTODY OF SYSTEM ASSETS

SCERS shall contract to utilize the services of a master custodian that shall transfer assets to and from the System's funds as directed by the Board and/or the Investment Managers. Also, the custodian shall settle purchases and sales of securities, collect income, and disperse funds for approved expenditures or investments. Other services provided by the custodian include, but are not limited to, cash management, portfolio transition services, securities lending services, compliance monitoring services and information/accounting services. 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 in accordance with

INTERNAL CONTROLS

The Investment Managers shall establish and maintain an internal control structure designed to guide the activities of investment officers to ensure that the assets of the System are protected from loss, theft or misuse. 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:

- Prevention of collusion
- Separation of transaction authority from accounting and recordkeeping
- Custodial safekeeping
- Avoidance of physical delivery securities
- Clear delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers
- Development of a wire transfer agreement with the lead bank and third-party custodian

8. REPORTING

INVESTMENT REPORTS

The Investment Manager shall present to the Board monthly investment transaction reports and quarterly performance reports.

MARKING TO MARKET

For purposes of preparation of the investment reports, the market value of the portfolio shall be calculated.

9. POLICY CONSIDERATIONS

ETHICS AND CONFLICTS OF INTEREST

Board members, the Investment Manager, and all other persons materially involved in the selection of investments (collectively, "Involved Persons") shall refrain from personal business activity that could conflict with the proper execution and management of the SCERS investment program, or that could impair their ability to make impartial decisions.

All Involved Persons shall disclose any material interests in financial institutions with which they conduct business or invest in. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. All Involved Persons shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the System.

All Involved Persons 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.

EXEMPTION

Any investment held at the time these policies are duly adopted that does not meet the guidelines of this policy shall be exempted from the requirements of this policy, provided that as soon as practicable the Board and its Investment Manager shall take appropriate steps to address non-compliant investments in the best interest of the System. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

AMENDMENTS

This policy shall be reviewed annually by the Board. The Investment Managers may recommend changes to the Board for its consideration. Any changes adopted by the Board must be approved by the City Council.

CITY COUNCIL CONSIDERATION OF INVESTMENT POLICY

This policy shall be reviewed and approved by the City Council pursuant to Section 383 of the Charter.

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SECTION - 29 Resources

Glossary

Account - The primary accounting field in the budget used to describe the type of 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 2 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 can 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 Auditor, 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.

Community Facilities District (CFD): The Mello-Roos Act (1982) allows any county, city, special district, school district, or joint powers authority to establish a CFD that allows for financing of public improvements (e.g., sewers, streets) and services. To establish a CFD, voters within the district must approve its creation by two-thirds.

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 Auditor, City Clerk; City Treasurer; Convention and Cultural Services; Community Development; Community Response; Finance; Fire; Human Resources; Information Technology; Police; Public Works; Utilities; Youth, Parks, & Community Enrichment; and Citywide and Community Support.

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 the costs of providing services to the 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).

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 - 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 FY2023/24 or FY24.

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 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.

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- **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 Fund – This fund was established to account for revenues collected from the transactions and use tax voted in on November 6, 2018 and took effect on April 1, 2019. Measure U was approved as a general tax and can be used for any general government purpose. This one-cent tax is charged on each dollar of taxable sales of goods purchased from retailers within the City of Sacramento, and on the taxable storage, use, or consumption of goods purchased outside the City and delivered to a location within the City.

Multi-year Operating Projects (MYOPs) – A project/program with funding for internal operations (e.g., community outreach, fleet acquisitions, grants, rebates, and studies) that do not result in capital assets.

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, Proposition 218 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 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.

Project, Child: - A project that falls under the budget appropriation authority of a parent project. Child projects are not required of a parent project.

Project, Parent: - A project that has budget appropriation authority given by Council. Parent project numbers usually end in zero-zero (00).

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.

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- 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

A.B.	Assembly Bill
ABCDs	Automated Bids, Contracts, and Digital Signatures
ACFR	Annual Comprehensive Financial Report
ACH	Automated Clearing House
ADA	Americans with Disabilities Act
ALF	American Leadership Forum
ALM	Asset Liability Management
ALS	Advanced Life Support
ARP	American Rescue Plan 2021
ARRA	American Recovery and Reinvestment Act
ASES	After School Education and Safety
AWMP	Accelerated Water Meter Program
AWWA	American Water Works Association
BID	Business Improvement District
BOE	Board of Education
BOT	Business Operations Tax
BWC	Body Worn Camera
CAA	Cultural Arts Awards
CaIPERS	California Public Employees' Retirement System
CASH	Community Against Sexual Harm
CA-TF7	California Task Force 7
CBOT	Cannabis Business Operations Tax
CCM	Citywide Content Management
CCOMWP	City/County Office of Metropolitan Water Planning
CCPI	CA Consumer Price Index
CCR	Consumer Confidence Report
CCS	Convention and Cultural Services
CDTFA	CA Department of Tax and Fee Administration
CE	Cultural Equity
CEQA	California Environmental Quality Act
CERBT	California Employers' Retiree Benefit Trust
CFD	Community Facilities District
CIO	Chief Information Officer
CIP	Capital Improvement Program or Project
CIRBs	Capital Improvement Revenue Bonds
CIS	Customer Information System
CIT	Crisis Intervention Training
CLASS	Childcare Learning and Student Support
CMO	City Manager's Office
CNG	Compressed Natural Gas
CO2e	Carbon Dioxide equivalent
COLA	Cost of Living Adjustment
COPS	Community Oriented Policing
CORE	Cannabis Opportunity Reinvestment and Equity

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CPI	Consumer Price Index
CRCIP	Community Reinvestment Capital Improvement Program
CRS	Community Rating System
CSH	Center for Sacramento History
CSS	Combined Sewer System
CSUS	California State University Sacramento
DACs	Disadvantaged Area Communities
DDW	Department of Drinking Water
DHS	Department of Homeland Security
DISTRICT	SCU Convention & Performing Arts District
DMAs	District Metered Areas
DOE	Department of Education
DOU	Department of Utilities
DSCR	Development Stabilization Contingency Reserve
DSP	Downtown Sacramento Partnership
DUI	Driving Under the Influence
DWR	Department of Water Resources
eCAPS	Electronic Citywide Accounting and Personnel System
EEO	Equal Employment Office
EGUSD	Elk Grove Unified School District
EIFD	Enhanced Infrastructure Financing District
EIR	Environmental Information Regulation
ELAP	Environmental Laboratory Accreditation Program
EMS	Emergency Medical Services
EOC	Emergency Operations Center
ERP	Enterprise Resources Planning
EUR	Economic Uncertainty Reserve
EVOC	Emergency Vehicle Operations Course
F.O.C.A.S.	Friends of the City's Animal Shelter
FDIC	Federal Deposit Insurance Corporation
FEC	Financial Empowerment Center
FEMA	Federal Emergency Management Agency
FMAP	Flood Maintenance Assistance Program
FTE	Full-time equivalent
FUEL	Family, Unity, Education, and Legal Network
FY	Fiscal Year
G/MU	General and Measure U
G1C	Golden 1 Center
GARE	Government Alliance on Race and Equity
GASB	Governmental Accounting Standards Board
GL&AL	General Liability and Auto Liability
HR	Human Resources
ICMA	International City/County Management Association
IRS	Internal Revenue Service
ISA	International Society of Arboriculture

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IST	Inspection and Standards Team
IT	Information Technology
JPA	Joint Powers Agreement
LAFCo	Sacramento Local Agency Formation Commission
LDI	Liability Driven Investment
LMA	Local Maintaining Agencies
LPRs	License Plate Readers
MG	Million Gallons
MICC	Mobile Incident Command Center
MOE	Maintenance of Effort
MOFIE	Mayor's Office of Innovation and Entrepreneurship
MOSAC	SMUD Museum of Science and Curiosity
MYOP	Multi-year Operating Project
NACHA	National Automated Clearing House Association
NPDES	National Pollutant Discharge Elimination System
OAC	Office of Arts and Culture
OCM	Office of Cannabis Management
OEG	Office of Economic Growth
OEM	Office of Emergency Management
OPEB	Other Post-Employment Benefits
PAR	Personnel Action Request
PARCS	Parking Access and Revenue Control System
PBIDs	Property and Business Improvement Districts
PCI	Payment Card Industry
PCI DSS	Payment Card Industry Data Security Standard
PCR	Patient Care Reports
PD	Police Department
PELLET-B	Police Entry Level Law Enforcement Test
PEPRA	Public Employees' Pension Reform Act
PERS	California Public Employees' Retirement System
PG&E	Pacific Gas and Electric
PODs	Police Observation Devices
POP	Problem Oriented Policing
POS	Point-of-Sale
POST	Police Officers Standard and Training
PPE	Personal Protective Equipment
PPP	Public-Private Partnerships
PRA s	Public Records Act
PRISM	Public Risk Innovation, Solutions, and Management
PTTVC	Prime-Time Teen Virtually Connected
RAILS	Rapid Acceleration, Innovation & Leadership
RASA	Redevelopment Agency Successor Agency
REO	Recognized Employee Organization
RFP	Request for Proposal
RGEAP	Race and Gender Equity Action Plan

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RSW	Recycling and Solid Waste Division
SACOG	Sacramento Area Council of Governments
SAFER	Staffing for Adequate Fire & Emergency Response Grants
SAMS	Software Asset Management System
SASD	Sacramento Area Sewer District
SAVSA	Sacramento Abandoned Vehicle Service Authority
S.B.	Senate Bill
SCADA	Supervising Control and Data Acquisition
SCERS	Sacramento City Employees' Retirement System
SCMS	Security Camera Monitoring System
SCU	SAFE Credit Union
SCUSD	Sacramento City Unified School District
SCVB	Sacramento Convention and Visitors Bureau
SCXEA	Sacramento City Exempt Employees Association
SETA	Sacramento Employment and Training Agency
SHRA	Sacramento Housing and Redevelopment Agency
SMAC	Sacramento Metropolitan Arts Commission
SMHST	Sacramento Museum of History, Science, and Technology
SMUD	Sacramento Municipal Utility District
SPCA	Society for the Prevention of Cruelty to Animals
SPLA	Sacramento Public Library Authority
SRCSD	Sacramento Regional County Sanitation District
SRF	State Revolving Fund
SSO	Sanitary Sewer Overflows
START	Students Today Achieving Results for Tomorrow
STEAM	Science, Technology, Engineering, Art, and Math
SURA	Sacramento Utility Rate Assistance
SUV	Sport Utility Vehicle
SWA	Solid Waste Authority
SWAT	Special Weapons and Tactics
SWRCB	State Water Resources Control Board
TOT	Transient Occupancy Tax
UAL	Unfunded Accrued Liability
UAS	Unmanned Aerial System
UHU	Unit Hour Utilization
URAC	Utility Rate Advisory Commission
US&R	Urban Search & Rescue
UUT	Utility User Tax
VLF	Vehicle License Fee
VoIP	Voice over Internet Protocol
VPN	Virtual Private Network
WC	Workers' Compensation
YDPM	Youth Development Program Manager
YPCE	Youth, Parks, and Community Enrichment

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SECTION - 30 Resolution

RESOLUTION NO 2023-XXXX

Adopted by the Sacramento City Council

June XX, 2023

**Approving the Fiscal Year 2023/24 Operating and
Capital Improvement Program Budgets**

BACKGROUND

- A. Article IX, section 111, of the City Charter requires the City Manager to present a balanced budget to the Mayor and City Council no less than 60 days before the beginning of each fiscal year.
- 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 City Council adopted the following core budget policies and budget guidelines on February 14, 2017 (Resolution No. 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 must 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 City Council informed on the fiscal condition of the City and conduct continuous evaluations for efficiencies and effectiveness.

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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. On June 11, 2019, the City's Economic Uncertainty Reserve (EUR) Policy was amended to include Measure U resources in determining the amount to be set aside in reserves (Resolution No. 2019-0248) as directed by the City Council on February 5, 2019 (Resolution No. 2019-0047).
- D. The FY2022/23 Proposed Budget (which includes the Operating Budget and the Capital Improvement Program [CIP] Budget) are consistent with City Charter requirements and the City Council's adopted Core Budget Policies and Budget Guidelines.
- E. The Mayor and Council conducted budget discussions during May and June 2022 to discuss and consider the City's FY2022/23 Budget.

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

Section 1. Preliminary Matters.

- 1.1. The Budget changes attached as Exhibit A and the Summary of FTE attached as Exhibit B are hereby approved.
- 1.2. The FY2023/24 Operating and CIP Budgets (collectively the Approved Budget), as defined in section 3.2 below, and attached as Exhibit C and D are hereby approved.
- 1.3. The 2023-2028 CIP, which provides a comprehensive five-year plan for the City's capital project expenditures and attached as Exhibit D, is hereby approved.
- 1.4. Sections 2 through 20 below, which define the authority and responsibilities of the City Manager in implementing the Approved Budget, are hereby approved.
- 1.5. The City Manager is authorized to incorporate final decisions of the Council, and to refine and add content, as may be needed to meet Government Finance Officers Association and California Society of Municipal Finance Officers budgeting-award requirements into the Proposed Operating and CIP Budgets to create the FY2023/24 Approved Budget.

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- 1.6. The attached Exhibits A through D are part of this resolution.
- 1.7. The City's Debt service must be limited to 6% of total General and Measure U (G/MU) Fund revenues, excluding Department revenues.
- 1.8. The City Treasurer shall conduct a financial stress test on the combined G/MU Funds before the issuance of any bonds.
- 1.9. Available resources in the Innovation and Growth Fund (Fund 2031) shall be transferred to the General Fund as needed to offset projected deficits shown in the G/MU Fund five-year forecast included in the Approved Budget.
 - (A) Expand the usage of the Innovation and Growth Funds consistent with either ScaleUp Sacramento: An Inclusive Economic Action Agenda (Motion No. 2021-0022) or sections one through five of the Inclusive Economic Development Investment Funding Guidelines (Motion No. 2019-0307).

Section 2. Scope.

This resolution defines the authority and responsibilities of the City Manager in implementing the Approved Budget and supersedes Resolution No. 2022-0198.

Section 3. Definitions.

- 3.1. "Account" is the primary accounting field in the budget used to describe the nature of the financial transaction (overtime, professional services, debt, etc.).
- 3.2. "Approved Budget" means the Approved Operating Budget (Operating Budget) and the Approved Capital Budget (CIP Budget), which are attached as Exhibits C and D and reflects the FY2022/23 Proposed Operating and CIP Budgets, as amended by the Council to incorporate the approved Budget Changes attached as Exhibit A, and a summary of position changes as displayed in Exhibit B.
- 3.3. "City Manager" means the City Manager or, if so designated, the Director of Finance.
- 3.4. "Department" means Mayor and City Council; City Manager; City Attorney; City Auditor; City Clerk; City Treasurer; Community Development; Community Response; Convention and Cultural Services; Finance; Fire; Human Resources; Information Technology; Police; Public Works; Utilities; Youth, Parks, and Community Enrichment; and Citywide and Community Support.
- 3.5. "Full Time Equivalent" and "FTE" mean 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 4. Approved Budget Appropriations, FTEs, and Adjustments.

- 4.1. The City Manager is authorized to make any expenditure and resource adjustments to the Operating Budget based on final Council action to adopt the Operating Budget.

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- 4.2. The City Manager is authorized to establish the appropriations and FTE as shown in Schedules 1A, 1B, 1C, 1D, and 1E and the fund summaries, including transfers, as shown in Schedules 2A, 2B, and 2C, as displayed in Exhibit C.
- 4.3. 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 C.
- 4.4. The City Manager is authorized to revise any appropriation made in the Approved or Amended Budget where the revision is of a technical nature and is consistent with the Council's intent.
- 4.5. The City Manager may authorize the use of the Old Sacramento Public Market Fund (Fund 2601) for the development, repair, and maintenance of the north and south public markets.
- 4.6. 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, 2022, the balance of the Risk Fund loan to the Community Center Fund totaled approximately \$5.0 million.
- 4.7. Following budget adoption, the City Manager is authorized to do the following:
 - (A) Transfer appropriations from the operating budget and establish or adjust revenue and expenditure budgets for externally funded programs (EFPs), multi-year operating projects (MYOPs), and operating grants as shown in Schedule 9 displayed in Exhibit C.
 - (B) 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 in Citywide Support, 311 Call Center (reimbursements based on call data), cost plan, and risk-management changes, from available fund balance or reserves for the respective funds.
 - (C) Adjust budgets to reflect all required debt service and related payments, including adjustments to rate stabilization reserves, pursuant to City debt agreements.
 - (D) Revise and establish indirect cost rates to be applied to hourly salary rates in order to achieve full cost recovery of services; and adjust the Operating Budget to reflect the indirect cost rate plan for FY2023/24.

Section 5. Economic Uncertainty Reserve Policies and Transfers from Contingency and Reserve Funds.

- 5.1. The Council-adopted EUR Policy as amended on February 5, 2019 (Resolution No. 2019-0248) establishes a minimum reserve level equal to 10% of annual G/MU Fund revenues and a target reserve level equal to two months of regular ongoing General Fund expenditures, including transfers (17% of G/MU 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 G/MU Fund.

- 5.2. The G/MU Fund EUR is maintained to bridge the gap between projected revenue and expenditures during periods of significant revenue declines, expenditure growth, or both. Consistent with Governmental Accounting Standards Board Statement No. 54 (Fund Balance Reporting and Governmental Fund Type Definitions), the Council-adopted parameters for using the EUR are as follows:
 - (A) 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.
 - (B) Any release from the EUR requires the Council's approval.
 - (C) These parameters may only be changed by resolution of the Council.
- 5.3. The City Manager is authorized to make appropriation changes (increases or decreases) less than \$250,000 by fund from available fund balance. Appropriation changes, whether increases or decreases, including \$250,000 or more require Council approval, except for payments to employees for vacation and sick leave payouts. Payments to employees for vacation and sick leave payout may be approved by the City Manager.
- 5.4. The City Manager is authorized to make appropriation changes (increases or decreases) less than \$250,000 to any Department or project from Administrative Contingency established in the General Fund. Appropriation changes (increases and decreases) more than and including \$250,000 to the Department or project require Council approval.
- 5.5. Transfers must not be made from an available fund balance or Administrative Contingency if the transfer will result in a negative balance.
- 5.6. The City Manager is authorized to release the General Fund (Fund 1001) and Measure U (2401) commitments of fund balance (up to \$30.5 million) for future budget development as needed to submit a balanced budget.
- 5.7. Use of committed fund balance reserves, except as authorized in section 5.6, requires the Council's approval by resolution.

Section 6. Appropriation Increases and Decreases.

- 6.1. All appropriation changes (increases or decreases) \$250,000 or more to the Approved Budget require Council approval by resolution.
- 6.2. The City Manager is authorized, upon completion of the audited financial statements for FY2022/23, to adjust FY2023/24 fund contingencies by the amount of net changes in available fund balance. The available fund balance in the G/MU Fund must be included and explained in the report to the Council accompanying the Annual Comprehensive Financial Report (ACFR).

- 6.3. Residual balances from unexpended debt proceeds will revert to the appropriate fund and used for the lawful 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 7. Appropriation Transfers.

- 7.1. Operating appropriation transfers within the same Department and the same fund, including the Department's established fleet MYOP, require the City Manager's approval.
- 7.2. Appropriation transfers between two or more Departments, less than \$250,000, must be approved by the City Manager. Such transfers more than and including \$250,000 requires Council approval by resolution.

Section 8. Staffing Changes.

- 8.1. Any increase or decrease in FTE by department or by fund as authorized in the Operating Budget, by subsequent approval of the Council, or by the City Manager in accordance with this resolution, is subject to approval by the Council except for renewals or expansion of fully offset grants or EFPs as specified in section 8.2.
- 8.2. The City Manager is authorized to adjust staffing levels for renewals, expansions, or reductions to fully offset Council-approved operating grants or EFPs. Grant/EFP positions must be terminated upon completion or cancellation of the grant/EFP unless specifically continued by a Council resolution that includes a source of replacement funding. Any existing positions approved on the assumption that the City would receive a grant or other reimbursements must have continued funding verified before filling the position.
- 8.3. 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.
- 8.4. The City Manager is authorized to modify any authorized FTE classification as necessary to reflect current incumbent status based on the established flexibly staffed classifications included in Council-approved labor contracts.
- 8.5. All new job classifications or classification changes (as identified in Exhibit C, Schedule 8) are subject to classification review and approval by the Director of Human Resources.
- 8.6. The City Manager is authorized to adjust staffing levels in the Police and Fire Training Academies based on projected vacancies.
- 8.7. The Director of Human Resources is authorized to establish non-budgeted positions (NBPs) for the following:

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- (A) Mayor and Council Offices, to be funded from their existing operations budgets.
- (B) Departments as needed to reflect current staffing needs. Departments must have sufficient labor savings to cover the cost of NBPs, and none of the NBPs may be used for more than one year. Departments will seek budget authority to convert NBPs to authorized FTE positions or the NBPs will be eliminated during the budget process.

Section 9. Revenue Budget.

- 9.1. The FY2022/24 revenue budget is summarized in Exhibit C, Schedule 6.
- 9.2. Any increase or decrease greater than (and including) \$250,000 by fund in estimated revenue by Department to the Approved Budget requires the Council's approval.
- 9.3. The City Manager is authorized to implement biennial Consumer Price Index 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 surplus land, unless otherwise specified, will 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, will be added to the G/MU Fund EUR.

Section 10. Capital Improvements.

- 10.1. Capital projects and/or appropriations will be used for the following:
 - (A) Repairs, maintenance, improvements, or acquisitions with a total cost of at least \$20,000 and a useful life that exceeds one fiscal year; and
 - (B) Community/Neighborhood projects as approved in separate resolutions by the Council.
- 10.2. Council approval is required for the establishment or cancellation (without completion) of a CIP, except as provided below:
 - (A) The City Manager is authorized to approve and establish one or more capital projects for internal City operations related to improvements and minor construction of existing City-owned or occupied buildings if the total cost to deliver each project is less than \$250,000. Projects will be managed in the City Facility Improvement (C15100000) project.
 - (B) Capital projects may be subdivided into separate sub-projects as needed to administer, manage, and deliver the original scope of the project, without further Council action.

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- (C) Projects established for agreements the City Manager executes in accordance with Sacramento City Code chapter 18.18. The City Manager is authorized to make all necessary budgetary adjustments when the City accepts improvements constructed under these agreements.
- 10.3. Capital appropriations must be used solely for the originally approved project or projects except as provided in this section.
- 10.4. Completed and inactive projects will be closed annually, except for projects that have existing litigation or payment disputes. An inactive project is 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 the City Manager are each authorized to process the necessary documentation to close inactive projects.
- 10.5. Each fiscal year, all multi-year CIP projects in existence on June 30 will be continued except as provided otherwise in section 10.4. The FY2022/23 CIP Budget is summarized on Schedules 2 and 4 as displayed in Exhibit C and on Schedule 4 as displayed in Exhibit D.
- 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 Council action through programming within the CIP or through a separate appropriation to the project authorized by resolution of the 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) will be treated as follows:
 - (A) If the CIP balance exceeds budget by less than \$250,000, the CIP must first be corrected within each fund, and then any remaining negative balance must be corrected by a transfer from the CIP manager's Operating Budget (all transfers less than \$250,000 must be made as provided for in section 6.1).
 - (B) If expenditures exceed the budget by more than and including \$250,000, a corrective plan of action must be submitted to the Council for approval by resolution.
- 10.8. Community/Neighborhood projects and appropriations established with one-time funding sources under Resolution No. 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:
 - (A) Savings of up to and including \$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 Council District at the request of the Council District Office and with the approval of the City Manager.

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- (B) Savings above \$50,000 may be reprogrammed upon approval by resolution of the Council.
- 10.9. Except as provided in section 10.8, the City Manager is authorized to transfer appropriations less than \$250,000 as follows:
- (A) General, Measure U, and Capital Bond Funds:
 - (1) From a project that has not been completed, if a revised project estimate confirms that upon completion there will be project savings.
 - (B) All other funds from Project A to Project B if:
 - (1) Project A is complete and has savings; or
 - (2) Project A has not been completed and a revised project estimate confirms that there will be project savings upon completion.
- 10.10. Upon completion and closure of a capital project, the City Manager is authorized to transfer any remaining project balance as follows:
- (A) 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.
 - (B) As provided for in section 10.9.
- 10.11. Except for projects covered by section 10.10, the City Manager is authorized to increase or decrease project budget appropriations by less than \$250,000 for each project. Appropriation changes more than and including \$250,000 in total for any project must be approved by resolution of the Council. The City Manager's administrative authority to adjust budgets for capital projects will be reset after budgetary actions are authorized by the Council. If the appropriation is from available fund balance, it is subject to the provisions in section 5.
- 10.12. Measure A Sales Tax (Fund 2001) revenue and expenditure budgets can be loaded into the City's financial system before approval by the Sacramento Transportation Authority Board (STA Board). Work on CIP projects in this fund is done before receiving funding. Project funding and appropriations must be as follows:
- (A) The City Manager is authorized to enter the revenue and expenditure budgets as reflected in the Approved Budget (revenues) and CIP Budget (expenditures).
 - (B) The City Manager is authorized to enter revenue and expenditure budgets before STA Board approval.

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- (C) STA Board approval is required for all Measure A reallocations. When the Council acts on recommended Measure A reallocations before STA Board action, Council approval will 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 before receiving funding, and project funding and authorization for these projects must be as follows:
- (A) Fund 2023 revenue and expenditure 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 before receiving funding, and project funding and authorization for these projects must be as follows:
- (A) Funds 2700, 3702, 3703, 3704, 6205, 6206, 6207, and 6211. Revenue and expenditure budgets will not be loaded into the City's financial system until agreements (Program Supplements/E-76s, Individual Project Agreements, Cooperative Agreements, etc.) have been executed by the City and the funding authority.
- (B) Funds 3703 and 3704. The City is eligible to receive federal or state funding, or both, for certain transportation projects through the California Department of Transportation (Caltrans). Master Agreements, Program Supplemental Agreements, Fund Exchange Agreements, and Fund Transfer Agreements must be executed by Caltrans before such funds can be claimed. The City Manager is authorized to execute on the City's behalf all Master Agreements, Program Supplemental Agreements, Fund Exchange Agreements, and Fund Transfer Agreements, and any amendments thereto.
- The City Manager is authorized to transfer matching funds as specified in the approved CIP from the state and federal Grant Match (T15007200) CIP, and to enter the revenue and expenditure budgets as reflected in the grant agreement, only if the amount differs by less than \$250,000 from what was reflected in the Approved CIP Budget that authorized the project funding. Project agreements that differ by more than and including \$250,000 from the anticipated budget require the Council's approval by resolution.
- 10.15. The 2023-2028 CIP Budget (Schedule 4, Exhibits C and D) 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 that are directly supported by fees and rebates based on the

actual fees and rebates collected, less any operating costs associated with delivering the service.

- 10.16. The City Manager is authorized to adjust revenue and expenditure budgets to reflect actual revenues received and expenditures incurred in compliance with the original grant award and any amendments. If the grant is not renewed or is changed by more than and including \$250,000, the managing department must return to the Council for corrective action.

Section 11. Operating Grants.

- 11.1. Council approval is required for the establishment or cancellation (without completion) of an operating grant except as follows:
- (A) Where the operating grant is less than \$250,000 and does not require any of the following:
 - (1) any increase or decrease, by department or by fund, in FTE as authorized in the Approved Budget or by any subsequent approval by the Council or the City Manager in accordance with this resolution;
 - (2) matching funds from City resources; or
 - (3) any ongoing service or funding by the City.
 - (B) The City Manager is authorized to establish operating grants and authorize spending and allocation of resources more than and including \$250,000 in advance of formal agreements in response to governmental requests for public-safety assistance related to homelessness, disasters and national-security risks. The department responding to these events shall report to the Council within 60 days after receiving formal program documents from the requesting governmental agency or agencies to obtain approval to enter into agreements and accept reimbursements.
 - (C) Operating grants may be subdivided into separate sub-projects as needed to administer, manage, and deliver the original scope of the project, without further Council action.
- 11.2. The City Manager is authorized to adjust FTE and associated service and supplies budget, in accordance with section 8.2, for renewals or expansions of fully offset grants previously approved by the Council.
- 11.3. If a grantor requires Council action as a condition of funding the grant, the establishment of the grant requires Council approval regardless of the grant amount.
- 11.4. Each fiscal year, all multi-year operating grant budgets in existence on June 30 will be continued in the next fiscal year.

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- 11.5. The City Manager is authorized to adjust revenue and expenditure budgets for renewals, up to the amount previously approved by the Council, and augmentations less than \$250,000 of fully offset grants.
- 11.6. The City Manager is authorized to establish revenue and expenditure budgets for federal or state grant-funded youth programs and parks-and-recreation programs based on the prior year award before receipt of signed agreements. Project funding and appropriations must be adjusted based on the final grant agreement. If the grant is not renewed or is changed by more than and including \$250,000, the managing department must return to the 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) will be treated as follows:
 - (A) If the Grant balance exceeds budget by less than \$250,000, the Grant must first be corrected within each fund, and then any remaining negative balance must be corrected by a transfer from the Grant manager's Operating Budget (all transfers of less than \$250,000 must be made as provided for in section 6.1).
 - (B) If the project balance exceeds budget by more than and including \$250,000, a corrective plan of action must be submitted to the 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.
- 11.10. Award and Distribution of City Grants.
 - (A) Council approval is required: (1) to award grants to an individual, non-profit, business, or community-based organization that applies for a City grant more than and including \$250,000; and (2) to execute contracts with the grantees for the services to be provided.
 - (B) Consistent with Council direction, the City Manager is authorized: (1) to award grants to an individual, non-profit, business, or community-based organization that applies for a City grant in amounts less than \$250,000; and (2) to execute contracts with the grantees for the services to be provided.
 - (C) The award and distribution of grants must comply with any Citywide Grant Distribution Policy.

- (D) Before grant funds are distributed, the City and the grantee must execute a City contract that outlines the public benefit, timelines, and reporting requirements.
- (E) For grant contracts of any amount, the City Manager is authorized to execute amendments consistent with the authority granted to the City Manager in section 3.56.290 of the City Code and related policies.
- (F) The annual budget must list all grants awarded the previous calendar year.

Section 12. Externally Funded Programs (EFP).

- 12.1. Council approval is required for the establishment or cancellation (without completion) of an EFP, except as follows:
 - (A) Where the EFP is less than \$250,000 and does not require any of the following:
 - (1) any increase or decrease, by department or by fund, in FTE as authorized in the Approved Budget or by any subsequent approval by the Council or by the City Manager in accordance with this resolution;
 - (2) matching funds from City resources; or
 - (3) any ongoing service or funding by the City.
 - (B) EFPs may be subdivided into separate sub-projects as needed to administer, manage, and deliver the original scope of the project, without further Council action.
- 12.2. Each fiscal year, all multi-year EFP budgets in existence on June 30 will 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 Council, and augmentations less than \$250,000.
- 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) will be treated as follows:
 - (A) If the EFP balance exceeds budget by less than \$250,000, the EFP must first be corrected within each fund, and then any remaining negative balance must be corrected by a transfer from the EFP manager's Operating Budget (all transfers of less than \$250,000 must be made as provided for in section 6.1).
 - (B) If the project balance exceeds budget by more than and including \$250,000, a corrective plan of action shall be submitted to the Council for approval by resolution.

- 12.5. EFPs with existing contracts approved by the Council, funding ongoing operations and studies, can be adjusted annually (revenues and expenditures) based on the actual revenues received.

Section 13. Multi-Year Operating Projects (MYOP).

- 13.1. A MYOP is used for the following:
- (A) Economic Development Assistance and Development Programs (e.g., inclusionary housing).
 - (B) Planning, audit, and other consultant studies that will take more than one fiscal year to complete.
 - (C) Department fleet (vehicle or equipment) acquisition charges from the Fleet Management internal service fund.
 - (D) Other projects and activities that are multi-year in nature and are not capital improvement projects.
- 13.2. Council approval is required for the establishment or cancellation (without completion) of a MYOP, except as provided in section 13.7.
- 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 Council action.
- 13.4. Each fiscal year unobligated appropriations in existence on June 30 for existing MYOPs will be continued in the next fiscal year except as noted in sections 13.10, 13.11, and 18.11.
- 13.5. MYOPs must be used solely for the originally approved program or study. Completed or inactive MYOPs will be closed annually. An inactive project is 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 the City Manager each have the authority to process the necessary documentation to close inactive projects.
- 13.6. The Police and Fire Departments are authorized to use Measure U MYOPs savings from vacancies for background investigations, recruit academies, and overtime associated with restored programs and operations.
- 13.7. The City Manager is authorized to establish and adjust budgets for private development activities (Funds 2016 and 2018) managed in MYOPs that are fully offset by development fees.
- 13.8. 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) will be treated as follows:
- (A) If the MYOP balance exceeds budget by less than \$250,000, the MYOP must first be corrected within each fund, and then any remaining negative

balance must be corrected by a transfer from the MYOP manager's Operating Budget (all transfers of less than \$250,000 must be made as provided for in section 6.1).

- (B) If the MYOP balance exceeds budget by more than and including \$250,000, a corrective plan of action must be submitted to the Council for approval by resolution.
- 13.9. The City Manager is authorized to increase or decrease MYOP budget appropriations by less than \$250,000 for each project. Transfers that exceed and including \$250,000 in total for any MYOP require Council approval by resolution.
- 13.10. 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 (e.g., Fleet, Measure U, Utility Rate Assistance).
- 13.11. The Utility Box Artwork (I17000800) MYOP 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 elected official initiating the request.
- 13.12. MYOPs with existing contracts approved by the Council funding ongoing operations and studies, can be adjusted annually (revenues and expenditures) based on the actual revenues received.

Section 14. In-Lieu Property Taxes and In-Lieu Franchise Fee.

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 C. The Council finds that the in-lieu property tax as detailed in Schedule 3 represents the property-tax revenue that 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 that the City would receive from private entities as a rental or a toll for the use of city streets and rights-of-way.

Section 15. Appropriation Limits.

The appropriation limit and the appropriations subject to the limit are hereby amended in accordance with article XIII B of the California Constitution for FY2023/24, as detailed in Schedule 5 as displayed in Exhibit C.

Section 16. Midyear Report.

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

Section 17. Adjustments for Revenue Offset Programs and Services.

- 17.1. The City Manager is authorized to 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.
- 17.2. The City Manager is authorized to make the following adjustments to Department Operating Budgets or fund balance:
- (A) Adjust Fire Department revenue and expenditure budgets based on actual revenues received for Department strike-team services provided throughout California.
 - (B) 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.
 - (C) Adjust the revenue budget for the Sacramento Police Department's Secondary Employment Program to reflect actual revenues received and adjust the expenditure budget by a like amount for providing reimbursable services as outlined in the City's Secondary Employment Agreement.
 - (D) Adjust the revenue and expenditure budgets for facility maintenance and repair services provided to outside agencies and entities (15004521-338020) and for private property concrete maintenance and sidewalk repairs (15001641-343010) to reflect actual revenues received for these services.
 - (E) 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 or early replacement) approved by the Council during the fiscal year and upon completion of audited financial statements to allow the continued purchasing of prior-year-funded replacement vehicles.
 - (F) Transfer excess parking meter revenue from the General Fund (Fund 1001) to cover eligible costs that are incurred in the Parking Fund (Fund 6004) if the full costs of the current fiscal year operations for parking meters has been recovered and the department has positive net year-end results.
 - (G) The Rental Housing Inspection Program Fees are established to recover the costs of the program. If the full cost of the current-year operations for that program have been recovered, then excess revenues for the program will be committed to fund a reserve equal to one year's revenue budget for the program.

If these operations do not achieve the budgeted revenues or if program costs exceed the program budget, then resources must be transferred

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from the commitment of fund balance for the Rental Housing Inspection Program to cover the shortfall.

- (H) Adjust the revenue budget for the Community Development Department's Housing Trust and Housing Impact administrative fees to reflect actual revenues received and increase the expenditure budget by a like amount in the General Plan Update (I22000000) MYOP.
 - (I) Increase the revenue and expenditure budgets in the Garcia Bend Park (L19703600) CIP based on the actual revenues received from increased boat launch ramp fees at Garcia Bend Park, provided that the Department has positive net revenues after all Parking Services Division costs related to the Garcia Bend launch ramp are paid.
 - (J) Adjust the Police Department revenue and expenditure budgets based on actual revenues received for mutual aid provided to other jurisdictions.
 - (K) Establish Department of Utilities revenue and expenditure budgets for any projects that result from an existing operations and maintenance agreements for facilities maintained by the City, but owned or co-owned with an outside agency for less than \$250,000 in the Water Grant Reimbursement Fund (Fund 6205), the Wastewater Grant Reimbursement Fund (Fund 6206), and the Storm Drainage Grant Fund (Fund 6211) for an agency's share and to adjust revenue and expense budget based on actuals for project closure.
- 17.3. The City Manager is authorized to make the following adjustments between Department operating budgets and CIPs or MYOPs:
- (A) Adjust the revenue budget for the City Attorney's Office and the expenditure budget in the Justice for Neighbors (JFN) (I03000100) MYOP based on the actual fees, penalties, and other revenues collected from third parties for Public Nuisance, Social Nuisance, and JFN actions brought by the City Attorney.
 - (B) Adjust the Community Development Department operating budget for spay/neuter and unaltered pet-licensing revenue accounts (Account 341380 [Program Code 13006] and 351020) and increase the Animal Care Low Income Spay/Neuter Program (I13000600) MYOP expenditure budget in the General Fund (Fund 1001) to reflect 50% of the penalty fees and 50% of unaltered pet-licensing fees collected in accordance with Sacramento City Code section 9.44.215.D.
 - (C) Adjust the revenue budget for the Convention and Cultural Services Department franchise fee to reflect actual revenues received and increase the expenditure budget by a like amount in the Old Sacramento Service Courts & Support Facilities (M17700000) CIP.
 - (D) Adjust the Convention and Cultural Services revenue budget for Memorial Auditorium Facility Fee revenues and the Memorial Auditorium

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- Improvements (M17101000) CIP expenditure budget based on actual fees collected, less any operating costs associated with delivering this service.
- (E) Adjust the Convention and Cultural Services revenue budget for SAFE Credit Union Performing Arts Center Facility Fee revenues and the Performing Arts Center Improvements (M17101800) CIP expenditure budget based on the actual fees collected, less any operating costs associated with delivering this service.
 - (F) Adjust the Public Works Department revenue budget to reflect actual revenues received and the Sacramento Valley Station Operations and Management (I15001000) MYOP expenditure budget by a like amount.
 - (G) Increase the Public Works Department revenue and expenditure budgets for launch-ramp activities to reflect actual revenues received and transfer any resulting year-end savings for these activities to the Harbor Dredging (M17500000) CIP if the Department has positive net year-end results.
 - (H) Adjust the Public Works Department revenue budget and the expenditure budget in the Shared-Rideable Implementation (K15195100) CIP based on the actual revenues received from the Shared-Rideable permit fees, except for the portion of the fee assessed to offset parking-meter-revenue loss.
 - (I) Adjust the Public Works Department revenue budget (15001021) and the expenditure budget in the Tree Planting and Replacement (R15188500) CIP based on actual revenues received in the Tree Planting and Replacement Fund (Fund 2035).
 - (J) Adjust the Youth, Parks, and Community Enrichment Department revenue budget for recreation-program fees and increase the expenditure budget in the Recreation Facility Improvement (L19800200) CIP if the full cost of the current fiscal-year operations for this CIP have been recovered and the Department has positive net year-end results.
 - (K) Adjust appropriations made in the Approved Budget for fleet replacements from amounts budgeted for updated fleet-replacement costs less than \$250,000 by department and by fund and transfer expenditure budgets from department operating budgets to the Fleet Acquisitions (I06000999) MYOP if the department is projecting expenditure savings in excess of the transfer.
 - (L) Increase the transfer from the Community Center Fund (Fund 6010) to the G/MU Fund (Fund 1001/2401) to offset the annual budget provided for in Schedule 9 for the Powerhouse Science Center (E18000400) EFP as authorized by Council through December 2048, if Transient Occupancy Tax revenues exceed budget by an amount up to \$600,000 at year-end and if the Community Center Fund has positive year-end available fund balance.

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- (M) Increase the Youth, Parks, and Community Enrichment Department revenue budget for the all-weather sport field facility fees received and increase the expenditure budget in the Granite All Weather Field (L19806000) CIP, provided that the Department has positive net year-end G/MU Fund (Fund 1001/2401) results.
 - (N) Adjust the Transportation CIP budget to meet the City's SB 1 Maintenance of Effort (MOE) requirements.
 - (O) Adjust Community Development Department's revenue budget for the Housing Trust and Housing Impact administrative fees to reflect actual revenues received and increase the expenditure budget by a like amount in the General Plan Update (I22000000) MYOP.
- 17.4. The City Manager is authorized to make the following adjustments to CIPs and MYOPs:
- (A) 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 & Rio City Café Repairs and Maintenance (B18119000) CIPs based on actual rent proceeds available after payment of all fees to the State of California and funding of annual required maintenance costs.
 - (B) Adjust revenue and expenditure budgets in the Energy Reinvestment Program (C13001900) CIP to reflect actual energy rebates and incentives received.
- 17.5. The City Manager is authorized to implement the following fiscal transactions as needed to properly manage and account for the City's cannabis revenues and expenditures:
- (A) Adjust the Citywide revenue budgets for all Business Operations Taxes relative to Cannabis activities based on actual revenues received and increase the expenditure budget in the Cannabis Policy and Enforcement (I06420000) MYOP as necessary to cover costs.
 - (B) Adjust the revenue budget for the City Manager's Office of Cannabis Management operations (02001101) to reflect actual revenues received and increase or decrease the expenditure budget in the operating budget by a like amount. At year-end excess resources must be transferred to I06420000 to offset the cost of enforcement. If there are inadequate revenues available, resources must be transferred from I06420000 to cover the actual operating costs incurred in 02001101.
 - (C) Establish or increase the revenue budget(s) for fines and administrative penalties collected in accordance with Sacramento City Code section 8.132, relating to the cultivation of cannabis, in the department were collected and increase the expenditure budget in I06420000 to support enforcement activities based on actual revenues received.

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- (D) Adjust the revenue budget for Housing and Dangerous Building fines, fees, and penalties collected by the Community Development Department and the expenditure budget in I06420000 at year-end based on actual revenues received.
 - (E) Transfer expenditure budgets between I06420000 and the Cannabis Opportunity, Reinvestment and Equity (CORE) (I02420000) MYOP to support CORE program operations.
- 17.6. The City Manager is authorized to implement the following fiscal transactions as needed to properly manage and account for the City's efforts toward reducing homelessness:
- (A) Adjust revenue and expenditure budgets in the Whole Person Care (I02000900) MYOP related to intergovernmental transfers received to support program activities through the performance period up to the amount of the annual program-year budget approved by the California Department of Health Care Services.

At year-end, the revenue and expenditure budgets in I02000900 will be adjusted to match actuals.
 - (B) Adjust the revenue and expenditure budgets to reflect actual contributions received from external partners in the Homeless Housing Initiatives (I02000200) MYOP to support homeless-services programs.
 - (C) Each fiscal year, unobligated G/MU Fund (Fund 1001/2401) appropriations in existence in the Office of Homeless Services (23001031) on June 30 must be transferred to the Homeless Housing Initiatives (I02000200) MYOP if the Department has positive net year-end results.
 - (D) Adjust interdepartmental transfers related to the Whole Person Care (I02000900) MYOP as needed for the duration of that program.
 - (E) Each fiscal year, unobligated G/MU Fund (Fund 1001/2401) appropriations in existence in the Office of Community Outreach (23001021) on June 30 must be transferred to the Community Response (I23000100) MYOP if the Department has positive net year-end results.
 - (F) Each fiscal year, unobligated G/MU Fund (Fund 1001/2401) appropriations in existence in the Office of Violence Prevention (11001491) on June 30 must be transferred to the Gang Prevention and Intervention (I11003000) MYOP if the Department has positive net year-end results.
- 17.7. The City Manager is authorized to implement any necessary financial transactions for the administration of revolving loan fund programs authorized by the Council.

- 17.8. The City Manager is authorized to use Emergency Medical Services Revenue Recovery funds (Intergovernmental Transfer - Ground Emergency Medical Transport and Public Provider – Ground Emergency Medical Transport) to cover overages from the Single Role program and related equipment and vehicles as necessary.

Section 18. Year-End Process and Carryover Authority.

- 18.1. Each fiscal year, all purchase-order commitments outstanding on June 30, and associated appropriations, are hereby continued.
- 18.2. If there is not a budgetary surplus in the G/MU Fund (Fund 1001/2401) at year-end, the City Manager shall suspend the G/MU Fund transfers and carryovers authorized in this section.
- 18.3. Each fiscal year, unobligated appropriations in existence on June 30 for the Council operations budget will be carried over to the next fiscal year.
- 18.4. Each fiscal year, unobligated General Fund appropriations in existence in the Arts Stabilization budget (80001065) on June 30 must be transferred to the Cultural and Economic Vitality (I17001000) MYOP if the department has positive net year-end General Fund results.
- 18.5. Each fiscal year, revenues in excess of budget in Building Inspection, Building Plan Check, Customer Service/Permit Counter, and Planning Operations areas of the Community Development Department must be transferred to the Development Stabilization Contingency Reserve (DSCR), consistent with the adopted DSCR policy, if the Department has positive net year-end results.

If these operations do not achieve the budgeted revenues or if program costs exceed the program budget, then resources must be transferred from the DSCR to these areas of the Community Development Department to cover the shortfall.
- 18.6. Each fiscal year, unobligated General Fund appropriations in existence in the Human Resources Department on June 30 must be transferred to the Training and Outreach (I08000300) MYOP if the Department has positive net year-end General Fund results.
- 18.7. Each fiscal year, unobligated net appropriations in existence on June 30 in the Information Technology (IT) Department operations General Fund budget and the citywide IT budget in Citywide and Community Support must be transferred to the IT Critical Infrastructure (A07000700) CIP to create a funding mechanism for future citywide technology initiatives, which the City Manager will review annually.
- 18.8. Each fiscal year, unobligated appropriations in the City's California Public Employees' Retirement System budget account(s) (413170/413172) that are not required to balance the budget must be transferred to the City's other post-employment benefit trust.

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- 18.9. Each fiscal year, if the START Fund (Fund 2501) has a deficit, unobligated G/MU Fund (Fund 1001/2401) appropriations in existence in the Youth, Parks, and Community Enrichment Department on June 30 must be transferred to Fund 2501 to cover any deficit associated with the general- and auto-liability insurance premiums if the Department has positive net year-end General Fund results.
- 18.10. Each fiscal year, the Fleet Acquisitions (I06000999) MYOP will be reviewed, and excess funds will be returned to the fund of origin.
- 18.11. Each fiscal year, unobligated appropriations in the fiscal year operating Measure U MYOPs at the close of the fiscal year must be returned to Measure U available fund balance (Fund 2401).
- 18.12. Each fiscal year, unobligated net appropriations in existence on June 30 in the Public Works Department (15005861) must be transferred to the Commercial Waste Compliance (I15220000) MYOP.
- 18.13. Each fiscal year, any unspent Measure U Fund (Fund 2401) appropriations in the Youth, Parks, and Community Enrichment Department on June 30 must be transferred to the Measure U Park Improvements (L19706000), Citywide Pool Assess/Repair (L19706500), or Recreation Facility Improvements (L19800200) CIPs until the backlog of deferred maintenance, for existing projects within the programs, are completed.
- 18.14. The City Manager is authorized to make all necessary budgetary adjustments to account for the interfund Loan from the Risk Fund (Fund 6502) to the General Fund (Fund 1001) related to the agreement with the City and the Natomas Basin Conservancy Loan.
- 18.15. Each fiscal year, adjust transfers from the Water Fund (Fund 6005) available fund balance to the Drinking Water State Revolving Fund (Fund 6312) to pay for interest expense and negative interest earnings incurred since the inception of the loan.
- 18.16. Each fiscal year, transfer up to \$500,000 of available operating grant resources to the Public Safety Capital Improvement Program (F11101000) for specialty vehicle and equipment purchases.
- 18.17. Each fiscal year, any unspent Measure U Fund (Fund 2401) appropriations in the Diversity, Outreach and Recruitment (DOR) program on June 30 must be transferred to the Fire – Diversity, Outreach and Recruitment Program (I12000200) MYOP as long as any Fire Department year-end deficits can be covered with available year-end G/MU Fund (Fund 1001/2401) budgetary surplus.

Section 19. Year-End Reporting.

- 19.1. 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 will revert to the

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available fund balances of the respective funds. Any budgetary surplus in the G/MU Fund (Fund 1001/2401), determined as part of the fiscal year-end close process, will be reported in the ACFR as Assigned for Next Year's Budget, Unassigned, or as specifically directed below or in a subsequent resolution.

- 19.2. All unrealized investment gains determined as part of the fiscal year-end close process will be reported in the ACFR as Assigned for Unrealized Investment Gains, as those gains are not available for appropriation.

Section 20. Miscellaneous Controls and Considerations.

- 20.1. Expenditures by fund at the department level must not exceed the Operating Budget as amended by any subsequent approval by the Council or the City Manager in accordance with this resolution.
- 20.2. Subject to the City Manager's approval, projected fund deficiencies in any department must be corrected as follows in accordance with the sections of this resolution governing transfers and appropriations by reducing expenditures in the department (e.g., restricting purchase orders, freezing vacant positions) or by an appropriation transfer from Administrative Contingency or available fund balance, or both, subject to the provisions of section 5.
- 20.3. The City Manager is authorized to 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.
- 20.4. In all staff reports that come before the Council, net budgetary impacts on all funds, including indirect impacts, must be stated clearly and concisely so that the Council has a full understanding of the financial consideration and impacts of its decisions.
- 20.5. The City Manager shall begin using an equity lens in the review of all budgetary recommendations to Council including the annual budget, midyear budget and staff reports as soon as practical after development of a shared definition of equity in coordination with the community, development of associated outcomes and measures and Council's creation and adoption of an Equity Resolution.

Resolution Exhibits:

- Exhibit A – Budget Changes
- Exhibit B – Staffing Summary
- Exhibit C – FY2023/24 Approved Operating Budget
- Exhibit D – 2023-2028 Approved Capital Budget

FY2023/24 BUDGET CHANGES

(will be added after Budget Adoption)

**CITYWIDE STAFFING
BY DEPARTMENT**

Department	FY2022/23 Amended	FY2023/24 Reorganization	FY2023/24 Add/Deletes	FY2023/24 Augmentation	FY2023/24 Proposed
Mayor/Council	40.00	-	-	-	40.00
City Auditor	10.00	-	-	-	10.00
City Attorney	62.00	-	-	-	62.00
City Clerk	24.00	-	-	-	24.00
City Manager	70.00	-	-	3.00	73.00
City Treasurer	14.00	-	-	-	14.00
Community Development	315.00	-	-	4.00	319.00
Community Response	38.00	-	(1.00)	-	37.00
Convention and Cultural Services	123.00	-	(4.00)	-	119.00
Finance	93.90	-	-	2.00	95.90
Fire	729.50	-	29.00	2.00	760.50
Human Resources	83.00	-	-	-	83.00
Information Technology	202.50	-	2.00	3.00	207.50
Police	1,128.96	-	(1.80)	7.00	1,134.16
Public Works	766.15	(1.00)	(1.50)	2.00	766.65
Utilities	572.90	1.00	2.28	6.00	581.18
Youth, Parks, and Community Enrichment	737.23	-	2.18	2.00	741.41
Citywide and Community Support	7.00	-	(1.00)	-	6.00
Total	5,017.14	-	26.16	31.00	5,074.30

**FY2023/24 SUMMARY OF FULL-TIME EQUIVALENT (FTE)
BY FUND AND DEPARTMENT**

	FY2022/23 Amended	FY2023/24 Re-organization	FY2023/24 Add/Deletes	FY2023/24 Augmentation	FY2023/24 Proposed
General Fund					
Mayor/Council	35.00	-	-	-	35.00
City Auditor	10.00	-	-	-	10.00
City Attorney	62.00	-	-	-	62.00
City Clerk	24.00	-	-	-	24.00
City Manager	28.00	-	-	1.00	29.00
City Treasurer	14.00	-	-	-	14.00
Community Development	196.00	-	-	1.00	197.00
Convention and Cultural Services	5.00	(5.00)	-	-	-
Finance	93.90	-	-	2.00	95.90
Fire	711.50	-	29.00	2.00	742.50
Human Resources	44.00	-	-	-	44.00
Information Technology	202.50	-	2.00	3.00	207.50
Police	1,063.46	-	(1.80)	6.00	1,067.66
Public Works	431.00	(1.00)	(1.00)	2.00	431.00
Youth, Parks, and Community Enrichment	12.00	-	-	2.00	14.00
Citywide and Community Support	1.00	-	(1.00)	-	-
Subtotal General Funds	2,933.36	(6.00)	27.20	19.00	2,973.56
Measure U					
Mayor/Council	5.00	-	-	-	5.00
City Manager	40.00	-	-	-	40.00
Community Development	119.00	-	-	3.00	122.00
Community Response	38.00	-	(1.00)	-	37.00
Convention and Cultural Services	19.95	5.00	-	-	24.95
Fire	18.00	-	-	-	18.00
Human Resources	3.00	-	-	-	3.00
Police	65.50	-	-	1.00	66.50
Youth, Parks, and Community Enrichment	575.89	-	2.18	-	578.07
Subtotal General Funds	884.34	5.00	1.18	4.00	894.52
Enterprise Funds					
Community Center					
Convention & Cultural Services	98.05	-	(4.00)	-	94.05
Parking					
Public Works	61.25	-	0.50	-	61.75
Solid Waste					
Public Works	184.30	-	-	-	184.30
Storm Drainage					
Utilities	125.36	1.00	(0.36)	4.00	130.00
Wastewater					
Utilities	94.18	-	0.82	-	95.00
Water					
Utilities	353.36	-	1.82	2.00	357.18
Subtotal Enterprise Funds	916.50	1.00	(1.22)	6.00	922.28
Internal Service Funds					
Fleet Management					
Public Works	83.00	-	(1.00)	-	82.00
Risk Management					
Human Resources	17.00	-	-	-	17.00
Workers' Compensation					
Human Resources	19.00	-	-	-	19.00
Subtotal Internal Service Funds	119.00	-	(1.00)	-	118.00

**FY2023/24 SUMMARY OF FULL-TIME EQUIVALENT (FTE)
BY FUND AND DEPARTMENT (continued)**

	FY2022/23 Amended	FY2023/24 Re-organization	FY2023/24 Add/Deletes	FY2023/24 Augmentation	FY2023/24 Proposed
<u>Other Governmental Funds</u>					
4th R Program					
Youth, Parks, and Community Enrichment	133.10	-	-	-	133.10
Innovation and Growth					
City Manager	2.00	-	-	2.00	4.00
Marina					
Public Works	6.60	-	-	-	6.60
START					
Youth, Parks, and Community Enrichment	16.24	-	-	-	16.24
City/County Office-Water Planning					
Citywide and Community Support	6.00	-	-	-	6.00
Subtotal Other Governmental Funds	163.94	-	-	2.00	165.94
TOTAL	5,017.14	-	26.16	31.00	5,074.30

FY2023/24 APPROVED OPERATING BUDGET

(will be added after Budget Adoption)

APPROVED 2023-2028 CAPITAL IMPROVEMENT PROGRAM

(will be added after Budget Adoption)

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 City of Sacramento population is estimated at 518,037.

DARRELL STEINBERG

Mayor

LISA KAPLAN

Councilmember, District 1

SEAN LOLOEE

Councilmember, District 2

KARINA TALAMANTES

Councilmember, District 3

KATIE VALENZUELA

Councilmember, District 4

CAITY MAPLE

Councilmember, District 5

ERIC GUERRA

Vice Mayor, District 6

RICK JENNINGS, II

Councilmember, District 7

MAI VANG

Mayor Pro Tempore, District 8

