

City of Sacramento

PROPOSED BUDGET | FISCAL YEAR 2024/25



City of
SACRAMENTO
Finance Department

PROPOSED CITY OF SACRAMENTO FISCAL YEAR 2024/25 BUDGET

DARRELL STEINBERG
Mayor

LISA KAPLAN
Councilmember, District 1

SHOUN THAO
Councilmember, District 2

KARINA TALAMANTES
Mayor Pro Tempore, District 3

KATIE VALENZUELA
Councilmember, District 4



CAITY MAPLE
Vice Mayor, District 5

ERIC GUERRA
Councilmember, District 6

RICK JENNINGS, II
Councilmember, District 7

MAI VANG
Councilmember, District 8

HOWARD CHAN
City Manager

MICHAEL JASSO
Assistant City Manager

MARIO LARA
Assistant City Manager

LEYNE MILSTEIN
Assistant City Manager

RYAN MOORE
Assistant City Manager

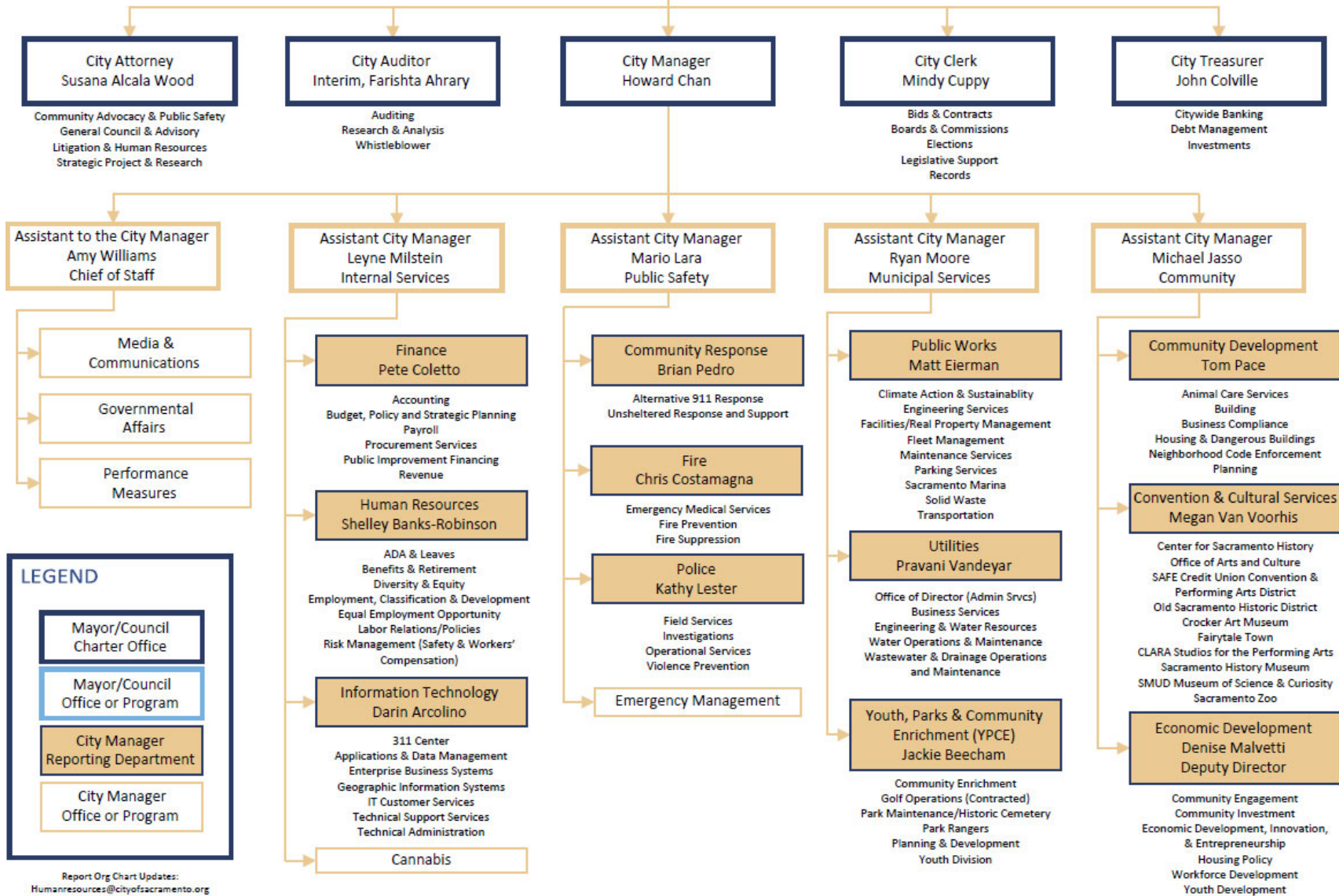
**Prepared by
DEPARTMENT OF FINANCE
BUDGET, POLICY and STRATEGIC PLANNING DIVISION**

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**CITY HALL
915 I STREET, 5TH FLOOR
SACRAMENTO, CA 95814**

Organization Chart – updated 02/10/2024



LEGEND

- Mayor/Council Charter Office
- Mayor/Council Office or Program
- City Manager Reporting Department
- City Manager Office or Program

Report Org Chart Updates:
Humanresources@cityofsacramento.org

Table of Contents

SECTION – 1

Budget Message.....	9
Operating Budget Excellence Award.....	15

SECTION – 2

City at a Glance	17
Sacramento at a Glance.....	19
History of the City of Sacramento.....	19
Demographics.....	20
Community Profile.....	21
Capital Asset Statistics.....	22

SECTION – 3

Budget Overview.....	23
Proposed Budget Overview.....	25
Budget Modifications.....	28
2024-2029 CIP.....	31
Budget Hearings.....	32
On the Horizon – Future Fiscal Challenges.....	33
General Fund Revenues: Options and Opportunities.....	36
Conclusion.....	37

SECTION – 4

Budget Modifications.....	38
---------------------------	----

SECTION – 5

Understanding the Budget.....	78
Budget Information.....	80
The Budget Presentation.....	80
The Budget Process.....	80
Council Priorities.....	81
Financial Management Policies.....	82
Performance Measurement.....	83
Financial Information.....	85
How to Read This Document.....	89

SECTION – 6

The Forecast..... 94
Proposed Financial Forecast..... 96
 Financial Forecast..... 96
 General and Measure U Funds Overview..... 96
 General/Measure U Fund Revenues..... 99
 General and Measure U Fund Expenditures..... 111
 Measure U Programming and Forecast..... 114
 Enterprise Funds..... 118

SECTION – 7

Budget Schedules..... 136

SECTION – 8

Mayor and City Council..... 179

SECTION – 9

City Attorney..... 185

SECTION – 10

City Auditor..... 193

SECTION – 11

City Clerk..... 199

SECTION – 12

City Manager..... 205

SECTION – 13

City Treasurer..... 216

SECTION – 14

Community Development..... 222

SECTION – 15

Community Response..... 231

SECTION – 16

Convention and Cultural Services..... 239

SECTION – 17

Finance..... 252

SECTION – 18

Fire..... 263

SECTION – 19

Human Resources..... 270

SECTION – 20

Information Technology..... 278

SECTION – 21

Police..... 288

SECTION – 22

Public Works..... 302

SECTION – 23

Utilities..... 317

SECTION – 24

Youth, Parks, & Community Enrichment..... 327

SECTION – 25

Citywide and Community Support..... 343

SECTION – 26

Debt Financing..... 355

SECTION – 27

Staffing..... 363

SECTION – 28

Multi-Year Projects..... 392

SECTION – 29

Financial Polices..... 407

 Budget Control Policy..... 409

 Debt Management Policy..... 411

 Debt Management Policy - Disclosure..... 433

 DSCR and Development Services Fund Management Policy..... 439

 EMS Revenue Recovery and Fee Waiver Policy..... 443

 Fees and Charges Policy..... 449

 General/Measure U (G/MU) Fund EUR Policy..... 459

 Interfund Loans..... 463

FY2024/25 Proposed Budget

Investment Policy.....	467
Other Post-Employment Benefits (OPEB).....	479
Pension Funding.....	483
Risk Management Funding and Reserve Policy.....	487
SCERS Investment Policy.....	491
SECTION – 30	
Resources.....	503
SECTION – 31	
Resolution.....	515

1

SECTION - 1 Budget Message

Howard Chan
City Manager

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

April 30, 2024

Honorable Mayor and City Council
Sacramento, California

Dear Mayor and Members of the City Council:

As we approach Fiscal Year (FY) 2024/25, the City is facing significant financial challenges, including a structural imbalance between City operating costs and available resources. Unfunded pension liabilities and substantial unfunded capital needs are also contributing to the City’s ongoing economic uncertainty. The Proposed FY2024/25 Budget begins to address these structural issues while maintaining core City services and advancing Council priorities.

The Proposed Budget recommends a balanced \$1.6 billion spending plan for City programs and services and supports a workforce of over 5,000 employees. It closes a \$66 million funding gap without the elimination of any filled positions and reflects the input provided by Council, City department heads and the public.

\$s in millions	FY2023/24 Approved	FY2024/25 Proposed	Change
All Funds	\$1,469.3	\$1,567.1	\$97.8
G/MU	\$772.0	\$836.0	\$64.0
Full-Time Equivalent Positions	5,075.3	5,028.7	(46.6)

STRUCTURAL BUDGET DEFICIT

In February, the City released its updated financial forecast which projected a \$66 million budget deficit for FY2024/25 with deficits increasing annually throughout the forecast period. The forecast assumed continued economic growth and revealed a fundamental imbalance in the City’s budget with expenses outpacing revenues. This imbalance is known as a structural deficit.

The structural deficit is the result of many decisions that the City and voters have made over the past few years along with macroeconomic forces such as high inflation. In an effort to better serve its residents, especially during the pandemic, the City expanded beyond its traditional core service areas and launched new programs, often with one-time federal funding. New labor contracts and higher prices for supplies, services and insurance have increased operating costs. The City has increased staffing levels, and voters have approved measures to redirect G/MU revenues for specific purposes while

FY2024/25 Proposed Budget

other revenues, such as those associated with parking, have still not recovered to pre-COVID levels. In summation, the City is offering more programs and services, and the costs of those programs and services continue to increase. This has resulted in a situation where City expenses are growing faster than City resources.

CLOSING THE GAP

The Proposed Budget seeks to address the City's structural deficit by defining core City services and taking a strategic approach to revenue enhancements and expenditure reductions instead of simply pursuing across-the-board cuts.

Departments under the purview of the City Manager were instructed to submit reduction plans that totaled 15% of their G/MU discretionary funding and were given a framework designed to protect core services and Council priorities. Departmental reduction strategies were categorized on a one through four scale based on impact to residents and communities, with one being a low impact and four being resulting in a severe impact.

In addition, staff analyzed "citywide" strategies to identify previously allocated funding for projects or citywide programs that could be redirected for budget balancing. Overall, staff identified 276 one-time and ongoing revenue-enhancement and expenditure-reduction strategies totaling more than \$130 million in savings. A description of each strategy is included in the Proposed Budget document.

Category	Number of Strategies	G/MU Impact (millions)	Vacant FTE Impact	Filled FTE Impact	Total FTE Impact
Revenue Enhancement	132	(\$14.9)	0.00	0.00	0.0
Level 1 – Low Impact	40	(\$17.6)	(23.15)	(4.00)	(27.15)
Level 2 -Moderate Impact	32	(\$11.2)	(38.33)	(13.20)	(51.53)
Level 3 – High Impact	10	(\$5.7)	(26.00)	(11.00)	(37.00)
Level 4 – Severe Impact	32	(\$36.5)	(136.52)	(116.00)	(252.52)
Citywide Strategies	30	(\$46.3)	0.00	0.00	0.0
Total	276	(\$132.2)	(224.00)	(144.20)	(368.20)

Proposed solutions to close the \$66 million funding gap include a combination of one-time and ongoing strategies with \$30.1 million in ongoing reduction strategies and \$36.6 million in one-time solutions. The Proposed Budget includes the elimination of 44 vacant full-time equivalent positions but **does not include the elimination of any filled positions.**

FY2024/25 Proposed Budget

A summary of the budget balancing strategies in the Proposed Budget are in the table below:

	FY25 Proposed Budget	FTE Impact vs FY24 Midyear Forecast
Projected FY25 Surplus / (Deficit)	(\$66.0)	-
Citywide Revenue/Expense Adjustments	\$4.7	-
Department Augmentations*	(\$2.4)	(18.81)
Citywide Strategies**	\$33.7	-
Departmental Revenue Increases	\$14.9	-
Level 1 Reductions	\$17.0	(23.15)
Level 2 Reductions	\$4.0	(21.05)
Salary Savings Adjustments	(\$5.2)	-
FY25 Proposed Budget Surplus / (Deficit)	\$0.7	(63.01)

*Position reductions primarily due to elimination of Police contract with SacRT and elimination of YPCE vacancies to fund park maintenance.

**Includes \$7.4M of FY23 savings approved by Council on Feb 27, 2024.

PENDING FACTORS

As the City heads into the new fiscal year, increasing service needs, higher costs and slower revenue growth will continue to create challenges. It's also worth noting that any economic downturn would cause further strain on the City's budget.

The ongoing solutions used to balance the Proposed Budget will begin to address our deficit for the following fiscal year. While one-time balancing strategies allow the City to maintain services for one year, they do not solve the structural nature of the budget deficit.

The City must address its long-term liabilities to ensure its fiscal stability. While the Proposed Budget includes \$115 million in funding for deferred maintenance and capital projects, the five-year Capital Improvement Plan identifies approximately \$1.4 billion of unfunded capital projects and deferred maintenance costs on City-owned properties that, if not addressed, will increase dramatically as buildings and infrastructure continue to age.

In addition, the California Public Employees' Retirement System (CalPERS) latest Actuarial Valuation report reflects an unfunded pension liability of \$1.4 billion. The City also has approximately \$200 million in unfunded Other Post-Employment Benefits (OPEB) that primarily consists of retiree health care obligations.

NEXT STEPS

As Council considers the Proposed Budget and our structural financial challenges, it will be essential to balance current needs with long-term fiscal health. The Proposed Budget

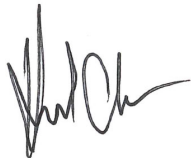
FY2024/25 Proposed Budget

strives to define and maintain the core services that Sacramentans rely on, maintain our City workforce and begin to address our structural budget deficit.

While addressing the City's fiscal challenges remains a top focus, the City continues to make meaningful progress via its strategic investments in several critical areas. In recent months the City opened a new shelter-and-service campus on Roseville Road for people experiencing homelessness – bringing our total number of beds to 1,350, ratified important contracts with more than a dozen of our labor partners and approved the 2040 General Plan, which facilitates the construction of much-needed “missing middle” housing such as duplexes, triplexes and fourplexes. In addition, the City has completed the Del Rio Trail, which connects multiple neighborhoods in South Sacramento and encourages people to travel without using an automobile.

In my eighth year as City Manager, I offer a Proposed Budget that is balanced and supports the overall vision articulated by the Council and its work to recognize, advance and uplift all Sacramento neighborhoods and communities. I would like to thank the Council for its ongoing commitment to resolving the City's structural deficit while ensuring residents continue to receive the essential services they depend upon in their daily lives.

Respectfully submitted,



Howard Chan
City Manager

FY2024/25 Proposed Budget

Operating Budget Excellence Award



The City's FY2023/24 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 FY2024/25 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 2024/25 Operating Budget Excellence Award.

2

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 518,161.¹ The population of the County of Sacramento is estimated at 1,572,453.¹ 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.

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, 2023.

FY2024/25 Proposed Budget

Demographics

The information presented is based on the 2018-2022 American Community Survey (ACS) 1-Year Estimates from the United States Census Bureau.

Population by Sex

Percent female persons	50.8%
Percent male persons	49.2%

Race and Origin

Hispanic or Latino (of any race)	30.4%
White	30.1%
Asian	20.1%
Black or African American	11.4%
Two or more races	5.9%
Native Hawaiian and Other Pacific Islander	1.2%
Some other race	0.8%
American Indian and Alaska Native	0.1%

Age Distribution

0-14 years	17.5%
15-24 years	13.8%
25-64 years	53.8%
65 years and over	14.9%
Median age	36.0

Housing Status

Total	212,260
Occupied	200,189
Owner-occupied	105,227
Renter-occupied	94,962

Average Household Size

Owner-occupied unit	2.79
Renter-occupied unit	2.37

Residential Vacancy Rate

Vacant	12,071
Homeowner vacancy rate	0.4%
Rental vacancy rate	5.9%

Home Values

Median value of owner-occupied units	\$520,200
Occupied units paying rent	92,820
Median gross rent	\$1,650

Commuting to Work

Mean travel time to work in minutes	23.8
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Occupation

Management, business, science, and arts occupations	112,042
Service occupations	48,898
Sales and office occupations	53,250
Natural resources, construction, and maintenance occupations	17,433
Production, transportation, and material moving occupations	30,539

Household Income

Total households	200,189
Median household income	\$80,254
Mean household income	\$104,495

Individual Income

Per capita income	\$40,502
Median earnings for workers	\$45,085

Education

Percent high school graduate or higher	88.8%
Percent bachelor's degree or higher	33.9%

FY2024/25 Proposed Budget

Community Profile

The information presented is based on the City's Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 30, 2023.

Principal Employers

State of California	107,876
UC Davis Health System	16,075
Sacramento County	13,252
Kaiser Permanente	10,934
US Government	10,507
Sutter Health	9,350
Dignity Health	7,353
Intel Corporation	5,000
San Juan Unified School District	4,801
Los Rios Community College District	3,049

Operating Indicators

Police:

Citizen initiated calls for service with officer responses	149,182
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Fire:

Number of incidents	110,221
Number of structure fires	1,106
Number of construction inspections/reviews	8,854

Public Works:

Number of traffic investigations completed	920
Residential garbage disposed (in tons)	127,791

Youth, Parks, & Community Enrichment:

Number of students enrolled in START	456
Number of students enrolled in 4th R	1,876

Utilities:

Number of water accounts	148,237
Water distributed/pumped (millions of gallons)	25,884
Number of wastewater accounts	79,287
Wastewater distributed/pumped (millions of gallons)	6,360
Number of storm drainage accounts	149,005
Storm drainage distributed/pumped (millions of gallons)	23,987

Community Development:

Number of building permits issued	19,451
Building permit valuation (in millions of dollars)	\$1,185
Number of animal licenses issued	19,126
Number of animal outplacements	7,076

Convention & Cultural Services:

Number of Community Convention Center events	406
Community Convention Center event attendance	531,284
Number of Zoo attendance	488,627

FY2024/25 Proposed Budget

Capital Asset Statistics

Police:

Number of stations	4
Number of patrol units	265
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	3,154
Number of streetlights	39,788
Number of City public parking spaces	5,635
Number of City leased parking spaces	2,298
Number of City garages and open parking lots	14
Number of City leased garages and open parking lots	7
Miles of off-street bikeways	78

Youth, Parks, & Community Enrichment:

Number of parks	235
Park acreage	4,331
Number of community centers	13
Number of swimming pools (including wading pools)	28

Utilities:

Miles of water mains and distribution lines	1,639
Miles of sanitary sewers and storm drainage	1,981

Miscellaneous:

Number of boat harbor slips	475
Number of Golf Courses	6

3

SECTION - 3 Budget Overview

Proposed Budget Overview

Introduction

The City is facing significant financial challenges for the coming fiscal year (FY), including a structural imbalance between City operating costs and available resources. The FY2024/25 Proposed Operating and Capital Improvement Program (CIP) Budget (Budget) begins to address this structural deficit while maintaining core City services and advancing Council priorities.

The Budget is balanced and closes a \$66 million funding gap without the elimination of filled positions. The Budget totals approximately \$1.6 billion from all funding sources and supports 5,028.70 full-time equivalent (FTE) positions. This includes \$836 million for General and Measure U (G/MU) Fund operations and capital projects, and \$731 million for the City's enterprise and other fund activities.

The Budget continues to invest in community needs and preserve mandated and core services. The Budget maintains funding for key priorities such as homelessness including continued funding for the operation of 1,350 shelter beds and the City's Affordable Housing Fee Credit program. The City's workforce also remains intact as no filled positions were cut.

Structural Deficit

In February, the City released its updated financial forecast which projected a \$66 million budget deficit for FY2024/25 with deficits increasing annually throughout the forecast period. The forecast assumed continued economic growth and revealed a fundamental imbalance in the City's budget with expenses outpacing revenues. This imbalance is known as a structural deficit.

The structural deficit is the result of many decisions that the City and voters have made over the past few years along with macroeconomic forces such as high inflation. In an effort to better serve its residents, especially during the pandemic, the City expanded beyond its traditional core service areas and launched new programs, often with one-time federal funding. New labor contracts and higher prices for supplies, services and insurance have increased operating costs. The City has increased staffing levels, and voters have approved measures to redirect G/MU revenues for specific purposes. In summation, the City is offering more programs and services, and the costs of those programs and services continue to increase. This has resulted in a situation where City expenses are growing faster than City resources.

Closing the Budget Gap

The Budget seeks to address the City's structural deficit by defining core City services and taking a strategic approach to revenue enhancements and expenditure reductions instead of simply pursuing across-the-board cuts. Reduction strategies included in the Budget aim to minimize program and service impacts to the community to the extent possible. Proposed solutions to close the \$66 million funding gap include a combination of one-time and ongoing strategies with \$30.1 million in ongoing reduction strategies and \$36.6 million in one-time solutions. The Budget includes the elimination of 44 vacant full-

time equivalent positions but does not include the elimination of any filled positions. **More information on the budget balancing process and balancing strategies can be found in Section 4 - Budget Modifications.**

Revenue Outlook

While the Budget includes citywide revenue growth, the increase is lower than previous FYs. Despite a slowdown in real estate transactions, property values remain strong and property tax revenue growth is expected to continue. Sales Tax and Measure U Sales Tax Revenues are projected to grow, but at a slower rate than during the post-pandemic recovery. Interest Income and Utility Users' Tax (UUT) are projecting growth. Many of the department revenues from programs and services have increased as departments pursue new revenue opportunities and increase fees associated with higher operating costs.

The City's homelessness services are highly reliant on State funding, primarily from the State's Homeless Housing, Assistance, and Prevention Grant (HHAP) program. The FY2024/25 Budget assumes a \$27.1 million HHAP-5 allocation and \$3.8 million of funding from prior year HHAP grants. With the State facing a large structural deficit, the future of HHAP funding is in doubt. Absent future rounds of HHAP, the City will need to reduce homelessness spending, raise additional revenues for homelessness programs, or reduce other G/MU programs to maintain the current level of homelessness services.

Pending Factors

As the City heads into the new fiscal year, increasing service needs, higher costs and slower revenue growth will continue to create challenges. It's also worth noting that any economic downturn would cause further strain on the City's budget.

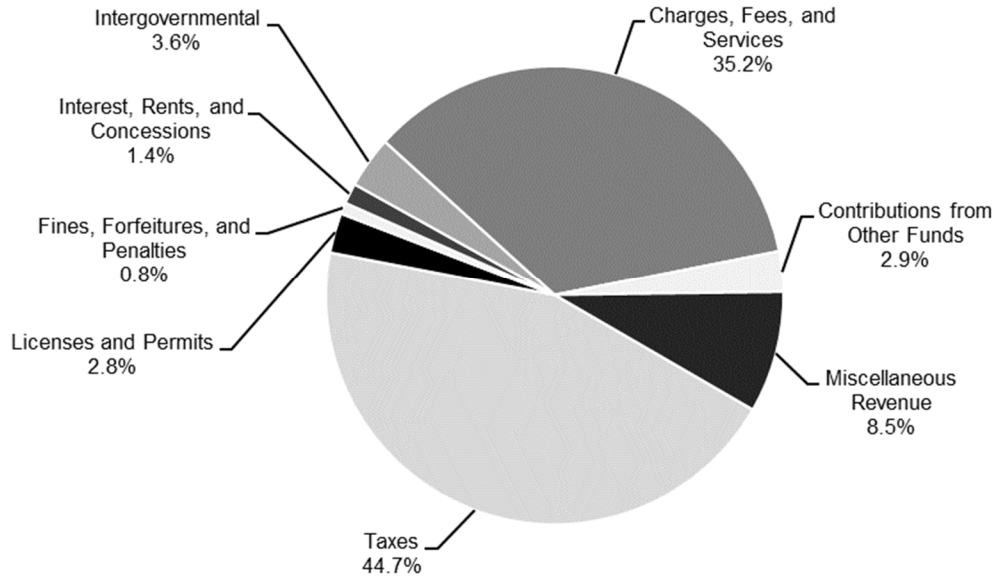
The ongoing solutions used to balance the Budget will begin to address our deficit for the following fiscal year. While one-time balancing strategies allow the City to maintain services for one year, they do not solve the structural nature of the budget deficit.

The City must address its long-term liabilities to ensure its fiscal stability. While the Budget includes \$115 million in funding for deferred maintenance and capital projects, the five-year CIP identifies approximately \$1.4 billion of unfunded capital projects and deferred maintenance costs on City-owned properties that, if not addressed, will increase dramatically as buildings and infrastructure continue to age.

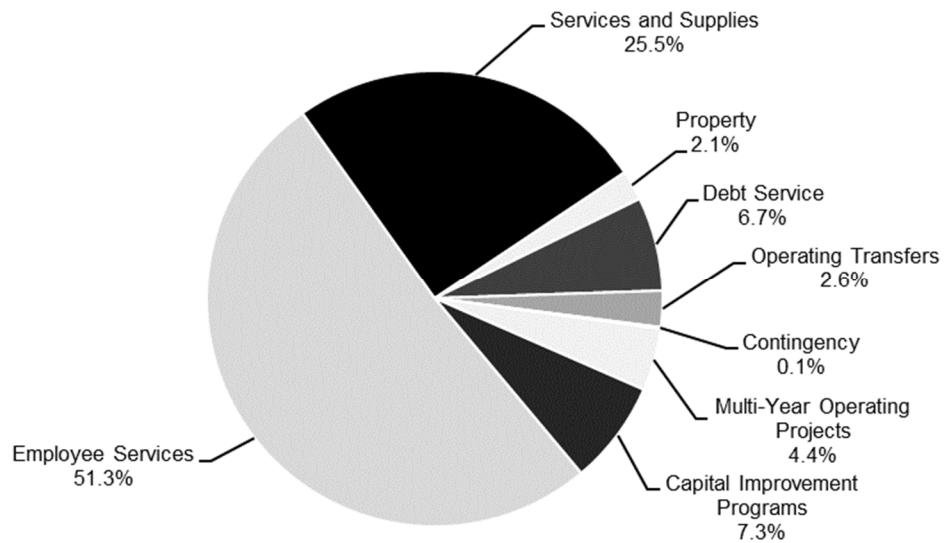
In addition, the California Public Employees' Retirement System (CalPERS) latest Actuarial Valuation report reflects an unfunded pension liability of \$1.4 billion. The City also has approximately \$200 million in unfunded Other Post-Employment Benefits (OPEB) that primarily consists of retiree health care obligations.

Total Proposed City Budget: \$1.6 Billion

Revenues



Expenditures



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

Budget Modifications

The Budget seeks to address the City’s structural deficit by defining core City services and taking a strategic approach to revenue enhancements and expenditure reductions instead of simply pursuing across-the-board cuts.

Departments under the purview of the City Manager were instructed to submit reduction plans that totaled 15% of their G/MU discretionary funding and were given a framework designed to protect core services and Council priorities. Departmental reduction strategies were categorized on a one through four scale based on impact to residents and communities, with one being a low impact and four being resulting in a severe impact.

In addition, staff analyzed “citywide” strategies to identify previously allocated funding for projects or citywide programs that could be redirected for budget balancing. Overall, staff identified 276 one-time and ongoing revenue-enhancement and expenditure-reduction strategies totaling more than \$130 million in savings.

All Strategies - G/MU/IGF Funds		
Category	FTE Change	Net Budget Change
Revenues	-	(\$14,941,493)
1	(27.15)	(17,616,733)
2	(51.53)	(11,151,653)
3	(37.00)	(5,676,753)
4	(252.52)	(36,521,019)
Citywide*	-	(46,290,135)
Total	(368.20)	(\$132,197,786)

* Includes prior year savings of \$7.4 million

In addition to budget balancing strategies, the Budget also includes additional Citywide Revenue and Expense Adjustments, Department Augmentations, and Salary Savings Adjustments that factor into closing the \$66 million gap.

FY2024/25 Proposed Budget

	FY25 Proposed Budget	FTE Impact vs FY24 Midyear Forecast
Projected FY25 Surplus / (Deficit)	(\$66.0)	-
Citywide Revenue/Expense Adjustments	\$4.7	-
Department Augmentations*	(\$2.4)	(18.81)
Citywide Strategies**	\$33.7	-
Departmental Revenue Increases	\$14.9	-
Level 1 Reductions	\$17.0	(23.15)
Level 2 Reductions	\$4.0	(21.05)
Salary Savings Adjustments	(\$5.2)	-
FY25 Proposed Budget Surplus / (Deficit)	\$0.7	(63.01)

*Position reductions primarily due to elimination of Police contract with SacRT and elimination of YPCE vacancies to fund park maintenance.

**Includes \$7.4M of FY23 savings approved by Council on Feb 27, 2024.

Of the \$131.3 million, the Budget includes \$69.5 million in reduction strategies, with a reduction of 44.24 FTEs.

Proposed Strategies - G/MU/IGF Funds		
Category	FTE Change	Net Budget Change
Revenues	-	(\$14,941,493)
1	(23.15)	(17,005,876)
2	(21.05)	(4,010,023)
3	-	-
4	-	-
Citywide*	-	(33,657,802)
Total	(44.20)	(\$69,615,194)

* Includes prior year savings of \$7.4 million

The Budget also includes \$1.7 million in increases and strategic reductions to other funds that were directly tied to the proposed reduction strategies. This included swapping G/MU Fund for other funds and Citywide strategies that not only reduced the impact to G/MU Fund, but also to the other funds.

Proposed Strategies - Other Funds

Category	FTE Change	Net Budget Change
Revenues	-	(295,000)
1	-	1,487,829
2	-	-
3	-	-
4	-	-
Citywide	-	560,677
Total	-	1,753,506

There were \$2.4 million in modifications to G/MU Fund and Innovation and Growth Fund (IGF) for augmentations and position add/deletes. This also included a reduction of 18.81 FTEs.

Modifications* - G/MU/IGF Funds

Department	FTE Change	Net Budget Change
City Manager	1.00	\$187,652
Community Development	(1.00)	(146,964)
Convention and Cultural Services	6.00	836,940
Finance	-	-
Information Technology	-	1,058,394
Police	(5.66)	-
Public Works	-	482,571
Youth, Park & Community Enrichment	(19.15)	-
Total	(18.81)	\$2,418,593

* Includes Augmentation and Add/Deletes

Finally, the Budget includes \$1.4 million in modifications to other funds for augmentations and position add/deletes. There is an increase of 1.10 FTEs.

FY2024/25 Proposed Budget

Modifications* - Other Funds		
Department (Fund)	FTE Change	Net Budget Change
Convention and Cultural Services (Community Center)	(0.50)	(\$68,279)
Human Resources (Risk)	-	120,000
Information Technology (Community Center)	-	60,711
Information Technology (Parking)	-	25,600
Information Technology (Solid Waste)	-	124,827
Information Technology (Storm Drainage)	-	83,883
Information Technology (Wastewater)	-	59,479
Information Technology (Water)	-	210,090
Public Works (4th R)	-	59
Public Works (Community Center)	-	141
Public Works (Fleet Management)	1.00	142,593
Public Works (Gas Tax)	-	825,441
Public Works (Lighting and Landscaping)	-	123,239
Public Works (Marina)	-	56
Public Works (New Measure A Maintenance)	-	77,731
Public Works (Parking)	-	(751,373)
Public Works (Recycling and Solid Waste)	-	216,002
Public Works (Storm Drainage)	-	39,491
Public Works (Wastewater)	-	37,412
Public Works (Water)	-	39,989
Public Works (Risk)	-	5,455
Utilities (Water)	1.00	-
Youth, Parks and Community Enrichment (4th R)	(0.40)	-
	1.10	\$1,372,547

* Includes Augmentation and Add/Deletes

2024-2029 CIP

The Proposed 2024-2029 CIP is the City’s five-year financial and strategic plan for infrastructure, deferred maintenance and facility needs. In accordance with best practice, beginning with the Proposed 2024-2029 CIP, the CIP will identify all capital needs, including projects that do not currently have identified funding or are not yet fully funded. The addition of unfunded capital needs gives Council a clearer picture of the status of the City’s infrastructure and fiscal health, allows Council to prioritize infrastructure investments more holistically, and aids in the development of a comprehensive capital financing plan.

The Proposed 2024-29 CIP totals \$1.9 billion in capital needs with \$0.5 billion in identified funding leaving an unfunded balance of \$1.4 billion. Funded projects in the CIP total \$482.5 million, including \$71.0 million in G/MU Funds. The fiscal year FY2024/25 CIP budget totals \$114.9 million, including \$14.5 million in G/MU Funds. Additional projects and maintenance beyond the 5-year CIP are estimated to bring the total to approximately \$9.3 billion.

FY2024/25 Proposed Budget

A summary of program and service changes included in the CIP is provided below. The Information Technology department submitted various one-time budget adjustments to implement several critically needed system updates and renewals. The Police Department reduced funding from the Information Technology Critical Infrastructure Program. Public Works increased several Solid Waste projects with commercial waste compliance revenues and is also receiving one-time funding to upgrade various fleet shops. Citywide projects identified as budget reductions and included in the CIP are the Council Chamber Hearing Room Project and the Oak Park Facility Improvement Project. Additional details are provided in the department sections.

Capital Improvement Program

Department (Fund)	FTE Change	NET Budget Change
Information Technology (Various*)	-	2,593,000
Police (General)	-	(426,000)
Public Works (General)	-	549,000
Public Works (Various*)	-	742,022
Citywide and Community Support (General/Measure U)	-	(33,265)
		\$3,424,757

* Various Funds include 4th R Program, Community Center, General Fund, Marina, Measure U, Parking, Recycling and Solid Waste, Risk Management, Storm Drainage, Wastewater, and Water.

Budget Hearings

On May 7, 2024, the Budget and Audit Committee will hold the first public hearing on the Budget. Council will consider the budget in May and June with adoption scheduled for June 11, 2024. 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.

FY2024/25 Proposed Budget

Date / Meeting	Subject
Week of April 29, 2024	Release of Proposed Budget
May 7, 2024 – 11AM B&A Committee	Proposed Budget Overview Review of Fees & Charges
May 7, 2024 – 5PM Council	Proposed Budget Hearing: <ul style="list-style-type: none"> • Budget Overview • Community Services • Internal Services • Municipal Services • Public Safety
May 14, 2024 – 2PM Council	Proposed Budget Hearing: <ul style="list-style-type: none"> • Capital Plan • Fees & Charges • Asset Forfeiture • Pilot Equity Analysis
May 14, 2024 – 5PM Council	Proposed Budget Hearing: <ul style="list-style-type: none"> • Budget Deliberations & Council Direction
May 20, 2024 – 5:30PM Measure U Commission	Proposed Budget Overview
May 28, 2024 – 11AM B&A Committee	Final Budget Review
June 11, 2024 – Council – 5PM	Final Budget Review and Adoption

On the Horizon – Future Fiscal Challenges

Aside from the forecasted deficits, the City continues to face ongoing challenges such as increasing labor costs and liabilities that compete with the priorities and needs of our community. The following summarizes a few of the challenges ahead, which not only impacts the G/MU Fund but the Enterprise Funds as well.

Rising Labor Costs

All contracts of the City’s eleven recognized employee organizations (REOs) were renegotiated during FY2023/24 with 18 to 24 months terms. Two contracts will expire during FY2024/25, Sacramento Area Firefighters, Local 522 (September 30, 2024) and Sacramento Police Officers Association (January 24, 2025). The remaining nine REOs contracts will expire in FY2025/26. Future labor cost increases resulting from negotiations are not included as part of the five-year forecast.

Annual Pension Costs–CalPERS

CalPERS employer retirement contribution rates have increased significantly over the past few FYs due to lowered expectations for future investment returns (discount rate). Based on estimates provided by CalPERS, the City’s payment for unfunded accrued liabilities (UAL) (when investment returns do not achieve the target earning assumptions

FY2024/25 Proposed Budget

rate) will increase by \$35.3 million over the term of the forecast, \$28.8 million in the G/MU Fund. The total UAL for the Safety and Miscellaneous CalPERS plans is \$1.4 billion. The current funding ratio (assets divided by the funding target) is 70.2% for the Miscellaneous Plan and 65.0% for the Safety Plan. In July 2023, CalPERS announced a preliminary 5.8% net return on investments for the 12 months ending June 30, 2023. 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. This has caused many insurance carriers to withdraw policy coverage over the past two years. As a result, 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 concerning until recently, will likely yield coverage restrictions, new exclusions, and/or reduction in limits. The annual growth rate in jury verdicts from 2010 to 2020 was 11%. The annual rate of increases in liability costs nationwide is even higher in recent years, with a 16% annual growth rate from 2018 to 2022, according to an October 2023 Swiss Re Institute Report. 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 have also contributed to a hardening property insurance market with increased costs. The City has included 14% to 15% insurance cost increases in futures years of the G/MU forecast.

Consistent with Council's adopted Risk Management Funding and Reserve Policy, the G/MU contribution to the GL&AL Fund increased from \$36.7 million in FY2023/24 to \$42.3 million (15% increase) in FY2024/25. The Forecast section of the Budget provides additional information on GL&AL cost increases.

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 \$206 million as of June 30, 2023.

Compliance with Zero Emission Vehicle (ZEV) regulations

Consistent with the City's Fleet Sustainability Policy and its climate goals, the City is making all efforts to electrify its fleet. The California Air Resources Board adopted the Advance Clean Fleets (ACF) Regulation which became effective October 1, 2023, and focuses on medium and heavy-duty fleet vehicles. As currently proposed, compliance with this regulation requires 50% of medium and heavy-duty vehicle purchases to be ZEVs starting January 1, 2024, and 100% ZEV purchases by 2027.

Compliance with ACF mandates will require significant, currently unfunded investments that the City will be required to implement. The State did not provide any funding to support implementation of the ACF. These costs fall into three major categories: vehicles, charging infrastructure, and vehicle maintenance. The City currently has no dedicated ongoing funding to cover the costs for installation and maintenance of charging infrastructure. While there are often available rebates that help offset some of the costs, they typically do not cover costs for the electrical upgrades needed to install chargers at locations where City fleet vehicles are deployed. The City is currently relying on pursuit of one-time grants to address infrastructure costs; however, these grant opportunities are very limited and the need for infrastructure to support the ongoing electrification of light duty fleet is escalating.

Given the significance and magnitude of these requirements, City staff has been working with the Sacramento Municipal Utilities District (SMUD) to help analyze the necessary steps and estimated costs for compliance with ACF. The City has also retained a consultant to review and identify the necessary fleet shop modifications so City technicians can meet requirements to service electric vehicles. Total costs are anticipated to be in the tens to hundreds of millions of dollars to fully implement ACF. Until all the analysis is completed, the specific full costs and challenges of continuing to electrify the City's fleet and comply with ACF are still unknown. The City will update the five-year forecast once costs are more available.

Current National Economic Conditions

National, State, and local economic conditions are more concerning than they were a year ago. While the employment market remains strong, the unemployment rate has increased compared to last year, and the labor market is weaker in California than it is nationally. Employment also tends to be a lagging indicator of economic activity, with unemployment spikes typically occurring after the onset of an economic slowdown or recession.

Over the past three years, central banks – both in the United States and globally – have pursued more restrictive monetary policies to combat inflation. These actions have increased borrowing costs throughout the economy and have acted as a brake on economic activity. Higher interest rates have resulted in fewer real estate transactions locally and have put pressure on home prices. As the rate of inflation has slowed, the Federal Reserve is not expected to increase interest rates farther and may enact rate cuts later this year. Given local governments' reliance on property tax for discretionary revenue, the City is closely monitoring inflation and interest rates. Finally, commercial real estate vacancies remain a major concern as vacancy rates remain well above pre-pandemic levels in most metropolitan areas in California.

FY2024/25 Proposed Budget

Overall, the economy continues to grow, but at a slower pace than in the immediate post-COVID period. The Proposed Budget is assuming continued economic growth; however, a recession remains a risk and would have a significant negative impact on City finances.

The City will continue to monitor economic conditions, review all available forecasts and recommendations, and recommend adjustments to the Budget if necessary.

Ballot Measures

In 2014 and 2016, voters in the City declared their support for the Sacramento Public Library by passing two parcel taxes, Measure B and Measure X, for Library services which provide approximately \$10 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, which would impact vulnerable youth, job seekers and those who rely on high-speed internet access and computing resources for access to basic life services. Measure B will expire on June 30, 2026, and Measure X on June 30, 2027. 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. The City plans to work with the Library this Spring to place a renewal measure on the ballot, which will go to Council for approval.

In November 2024, California voters may decide on a ballot initiative known as the Taxpayer Protection and Government Accountability Act. This initiative would revise the California Constitution with provisions that limit voters' authority and input, adopt new and stricter rules for raising taxes and fees, and may make it more difficult to impose fines and penalties for violation of state and local laws. It would put tens of millions in local fee revenue at risk, increase litigation costs for the City and would likely result in service reductions.

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:

- **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 UUT for streaming services. 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 Fees and Charges:** Many of the City departments' fees and charges have not been updated to keep up with the actual cost of providing programs and services. Although the City conducts a biennial CPI increase, many departments

FY2024/25 Proposed Budget

have not reviewed their fees to ensure that there is a full cost recovery. Not only does this partially contribute to City's deficit, but it also decreases the City's ability to provide and/or expand programs and services. The City plans to conduct fee studies to determine full cost recovery, which will allow for many of the fees and charges to be updated in the next fiscal year.

- **Update Business Operation Tax (BOT) (requires voter approval):** BOT rates have not been adjusted since 1991. During the FY 2023/24 budget process, Council directed staff to explore options to modernize the BOT. Staff returned with a proposal to modernize the BOT by increasing the gross receipts minimum threshold, adding an inflation adjustment for gross receipts tax businesses, increasing the maximum annual cap and conducting a five-year phase-in, increasing minimum payment, conducting an inflation adjustment to the professional flat fee with an ongoing annual inflation adjustment, treating short-term rentals (for landlords with four or more rentals) equivalently to hotels and motels, and conducting an inflation adjustment to the flat fee for residential rentals, hotels and motels with an ongoing annual inflation adjustment. On November 14, 2023, Council adopted Ordinance 2023-0023 to conduct the proposed updates, which was subject to approval of the voters. Measure C was added to the Statewide Municipal Election, held on March 5, 2024, and 61% of the voters voted against the measure. The City will continue to assess options to modernize the BOT and if directed by Council will develop a future ballot measure.

Conclusion

As the City continues to overcome deficits in FY2024/25 and future fiscal years, investing in community needs and preserving mandated and core services remains a priority. The City will continue to utilize strategies to reduce expenditures and increase revenues to ensure that the Budget is balanced. Maximizing revenue opportunities, especially from Federal and State relief funding and grants will provide some relief and help leverage limited resources for operational needs and community programming investments.

4

SECTION - 4 Budget Modifications

Budget Modifications

In February 2024, the City released its updated General/ Measure U (G/MU) Fund financial forecast, which projected a \$66 million structural deficit for FY2024/25, with deficits increasing annually throughout the forecast period.

Department Reduction Process

To address the structural imbalance currently projected in the G/MU Fund for FY2024/25, departments under the purview of the City Manager were directed to prepare a reduction plan of up to 15 percent of the departments’ net G/MU Fund reliance in the FY2023/24 Approved Budget. It is important to note that instead of conducting a reduction across the board, reductions were strategic in order to preserve mandated programs and core services. As such, departments were instructed to submit reduction types with ongoing savings in the following priority order: (1) Revenue Enhancement or Discretionary Program Reduction, (2) Mandated Program Delivery Change and (3) Mandated Program Reduction. The reduction types were defined as the following:

Reduction Type	
Revenue Enhancement	Increase projected department revenues with no corresponding increase in the department expenditure budget.
Discretionary Program Reduction	Decrease spending on programs that are not core City services.
Mandated Program Delivery Change	Decrease spending on programs that are core City services while maintaining the same level of service. (example: contracting out services)
Mandated Program Reduction	Decrease spending on programs that are core City services by reducing service levels.

In addition to the reduction strategies, departments also submitted proposals to increase all eligible fees in accordance with the Citywide Fees and Charges Policy (in the Financial Policies section) by the biennially CPI factor (10.7% for the previous two years).

In addition to the proposed department strategies, there were 30 Citywide reduction strategies totaling \$46.3 million. The majority of the strategies are one-time savings.

A combination of 276 revenue enhancements and expenditure reductions were reviewed, categorized, and finalized by the City Manager’s Executive Team.

Review Process

The City Manager’s Executive Team reviewed department proposals using a scale between one through four (1-4) based on the impact to both City services and the community with 1 being low impact, 2 being moderate impact, 3 being high impact and 4 being severe impact. Other considerations that were used to determine where a proposal

FY2024/25 Proposed Budget

should rank were whether position reductions were filled or vacant and if there was an impact to the Measure L baseline. Citywide strategies and revenue enhancement strategies were not ranked.

Revenue enhancement proposals were reviewed to ensure that they were in compliance with Propositions 218 and 26. Also, any revenue increase proposals that were related to an expenditure in the Measure L baseline was also reviewed to determine impact.

As shown in the chart below, a total of \$132.2 million in strategies were reviewed and considered. Of the 276 proposals, 132 were revenue enhancements and 144 were expenditure reductions. There were 368.20 full-time equivalent (FTE) positions included in the reduction proposals of which approximately 39% or 144.20 FTEs are currently filled.

Proposal Type/Category	Submittals	Amount (in millions)	Vacant FTEs*	Filled FTEs	Total FTEs
Revenue Increases	132	\$14.9	0.00	0.00	0.00
Level 1 – Low Impact	40	17.6	(23.15)	(4.00)	(27.15)
Level 2 – Moderate Impact	32	11.2	(38.33)	(13.20)	(51.53)
Level 3 – High Impact	10	5.7	(26.00)	(11.00)	(37.00)
Level 4 – Severe Impact	32	36.5	(136.52)	(116.00)	(252.52)
Citywide Strategies	30	46.3	0.00	0.00	0.00
Total	276	\$132.2	(224.00)	(144.20)	(368.20)

^ FTE is Full-time Equivalent

Proposed Budget Strategies

The following tables include the details of the G/MU Fund and Innovation and Growth Fund (IGF) expenditure reductions and revenue enhancements in the FY2024/25 Proposed Budget (Budget).

Proposed Strategies - G/MU/IGF Funds

Category	FTE Change	Net Budget Change
Revenues	-	(\$14,941,493)
1	(23.15)	(17,005,876)
2	(21.05)	(4,010,023)
3	-	-
4	-	-
Citywide*	-	(33,657,852)
Total	(44.20)	(\$69,615,244)

* Includes prior year savings of \$7.4 million

FY2024/25 Proposed Budget

Revenue Strategies

Department	Description	Discretionary or Mandated	Fund	Revenue/Offset Adjustment	Expenditure Change
City Manager	Revenue increase for Facility Use Fees	Discretionary	General	(28,092)	-
City Treasurer	Increase Pool A Interest revenues to align with actuals received based on historical data.	Discretionary	General	(1,020,000)	-
Convention and Cultural Services	Increase revenue budget for History Division based on FY24 projections and previous years collections.	Discretionary	General	(63,881)	-
Convention and Cultural Services	Increase various fees based on CPI: Editorial Use - Electronic/Film Editorial Use - Non-profit non-electronic Non-Editorial Use - Merchandise (Commercial Rate) Non-Editorial Use - Merchandise (Non-profit Rate)	Discretionary	General	(5,100)	-
Finance	Realign and increase revenue budgets in the Revenue Division in order to match with actuals received based on historical data.	Discretionary	General	(94,484)	-
Finance	Increase labor offsets in the Accounting Division in order to account for labor reimbursements from the Redevelopment Agency Successor Agency (RASA).	Discretionary	General	(10,000)	-
Finance	Increase reimbursement offsets in the Infrastructure Finance Division to account for the charging of additional approved eligible expenses to bond proceeds.	Discretionary	General	(50,000)	-
Finance	Increase the revenue budget for late payments penalties in Receivables and Collection. The current late charge fee is \$20 with this change the late fee will be 20% of the balance owed. This change creates more progressive fee structure, and will encourage prompt payment of debts owed to the City.	Discretionary	General	(100,000)	-
Finance	Increase the revenue budget related to several special business permit programs. Many of the permit fees associated with these programs have not been updated since 2007. Since that time, costs to maintain these programs have increased.	Discretionary	General	(100,000)	-
Finance	Increase the revenue budget in the Accounting Division by increasing out of date Accounting Services charges to 3rd parties.	Discretionary	General	(35,000)	-
Finance	Increase reimbursement offsets in the Infrastructure Finance Division to account for the charging of staffing time related to the districts they serve. Match actuals.	Discretionary	General	(30,000)	-
Finance	Increase the revenue budget in the Procurement Division for P-Card Rebates. Adding Dell charges to the p-card program will help create a more efficient payment process and has the potential of generating revenue.	Discretionary	General	(20,406)	-
Fire	Increase revenue and expenditure budget for Fire Emergency Medical Services Division to provide additional ambulance response to the residents of the City through a Public/Private ambulance service contract.	Mandated	General	(5,500,000)	2,750,000
Fire	Increase revenue and expenditure budget for Fire Emergency Medical Services Division to better align revenue and expenditures related to the Plan Provider- Ground Emergency Medical Transport Program (PP-GEMT).	Mandated	General	(10,000,000)	7,000,000
Fire	Increase revenues in the Fire Operations division to better align with actual revenues received in prior years.	Mandated	General	(900,000)	-

FY2024/25 Proposed Budget

Department	Description	Discretionary or Mandated	Fund	Revenue/Offset Adjustment	Expenditure Change
Police	Increase revenue budget for CPI adjustments and miscellaneous true-up adjustments: •Adult-Related Entertainer (New and Renewal) •Antique 2nd Hand Dealer (New) •Antique 2nd Hand Dealer (Renewal) •Arrest Report Summary •Audio Recording - Subpoena •Card Room Employee Permit (New and Renewal) •Gun Dealer - Business Owner Permit (New and Renewal) •Gun Dealer - Employee Permit (New and Renewal) •No Criminal Record Letter •Photo CD •Sound Permit •Video Tapes - Subpoenas •Revenue adjustment for School Resource Officer contract	Mandated	General	(22,627)	-
Public Works	Increase revenue and expense budget associated with anticipated increases in lease revenue from Sacramento Valley Station and real estate fees. Based on actuals.	Discretionary	General	(261,000)	211,000
Public Works	Increase the revenue and expense budget associated with street cut fees, tree permits, and pass-through costs from property owners for sidewalk repairs based on anticipated growth. All costs are fully offset.	Discretionary	General	(1,528,000)	900,000
Public Works	Increase revenue budget associated with average expenses for administration of Caltrans shared expenses according to 1982 agreement. Based on actuals.	Discretionary	General	(50,652)	-
Public Works	Increase revenues for Sidewalk Repair Admin Fee through adjustments to fees and charges.	Discretionary	General	(45,290)	-
Public Works	Increase revenues for Tree Root Inspection Fee through adjustments to fees and charges.	Discretionary	General	(17,879)	-
Public Works	Increase revenue and expense budget for parking citations and parking meter collection based on assumed increases in parking staffing and continued growth in parking demand.	Discretionary	General	(1,388,362)	50,000
Public Works	Increase revenue budget to increase penalties for parking violations.	Discretionary	General	(719,000)	100,000
Public Works	Increase revenue budget to increase parking meter fees.	Discretionary	General	(123,000)	10,000
Public Works	Create new revenue source from Paid On-street Parking Program. Implementation of paid on-street permit pilot program for new developments where residential permits are not available.	Discretionary	General	(342,000)	1,500
Public Works	Increase revenue and expense budgets by installing 300 new paid on-street parking meters.	Discretionary	General	(285,000)	245,000
Public Works	Increase revenue and expense budgets by including meter operations on Sunday.	Discretionary	General	(575,000)	5,000
Public Works	Increase revenue and expense budgets by adding meter operations on holidays.	Discretionary	General	(131,000)	-
Public Works	Increase revenue and expense budgets by eliminating free on-street Annual Holiday Parking Program.	Discretionary	General	(240,000)	-
Public Works	Increase revenues for Re-inspection fee for Solid Waste materials through adjustments to fees and charges.	Discretionary	General	(110)	-
Public Works	Increase revenues for Commercial Solid Waste Franchise Denial Appeal Fee through adjustments to fees and charges.	Discretionary	General	(2,640)	-
Youth, Park & Community Enrichment	Increase revenue budget by increasing special event and block party permit fees by 5%, increasing the permit application fee from \$50 to \$75 and changing the late fee from a \$50 flat fee to \$25 per business day.	Discretionary	General	(19,500)	-
Youth, Park & Community Enrichment	Increase revenue budget by increasing fees for adult sports field rentals. The fee would increase level I, level II and William Land Regional Park sports field fees for adults by 45%. Level I field fees would increase from \$17 per hour to \$24 per hour and level II field fees would increase from \$18 per hours to \$25 per hour.	Discretionary	General	(90,000)	-

FY2024/25 Proposed Budget

Department	Description	Discretionary or Mandated	Fund	Revenue/Offset Adjustment	Expenditure Change
Youth, Park & Community Enrichment	Increase revenue budget by increasing fees for youth sports field rentals. The fee would increase level I fields from \$2 per hour to \$4 per hour and level II fields from \$3 per hour to \$6 per hour.	Discretionary	General	(321,915)	-
Youth, Park & Community Enrichment	Increase revenue budget by increasing fees for Trips and Tours program by 35% and increasing the one-time enrollment fee from \$50 to \$125 and changing the minimum days of service from one to two days per week.	Discretionary	General	(190,000)	-
Youth, Park & Community Enrichment	Decrease funding in Measure U by providing an offset to the Hart Trust MYOP by charging eligible programming costs for Meals on Wheels.	Discretionary	Measure U	(111,196)	-
Youth, Park & Community Enrichment	Increase revenue budget by increasing fees for rentals, onboarding leisure enrichment providers to provide programming and realigning budget to current revenue obligation.	Discretionary	General	(147,000)	-
Youth, Park & Community Enrichment	Increase revenue budget by eliminating fee waivers for youth programs that are currently subsidized with free or low costs. Youth programs include Community Center Camp sites, Jr. NBA, Jr. Giants Program and various aquatic programs.	Discretionary	General	(61,030)	-
Youth, Park & Community Enrichment	Increase revenue budget by changing revenue split for current leisure enrichment providers. Change the current revenue split from 70%-30% to 65%-35%.	Discretionary	General	(12,318)	-
Youth, Park & Community Enrichment	Increase revenue budget by adding new leisure enrichment providers. Expand current leisure enrichment offerings by onboarding and expanding the type of classes. This would increase revenues as City would receive 35% of contracted revenue split of 65%-35%.	Discretionary	General	(25,500)	-
Youth, Park & Community Enrichment	Increase revenue budget at Community Centers by increasing program fees, facility and room rental fees and establish a new fee for services previously offered free of charge (examples include youth and teen summer camp).	Discretionary	Measure U	(688,467)	-
Youth, Park & Community Enrichment	Increase revenue budget by restructuring facility rental fee waiver resolution. Eliminate 100% waiver option with exception of City use of facilities for City functions that operate within normal community center hours. Restructure 50% fee waiver criteria.	Discretionary	General	(118,305)	-
Youth, Park & Community Enrichment	Increase revenue budget in Community Centers by establishing a fee for senior special events. This is currently free of charge and new fee of \$5 - \$10 per senior special events will be implemented.	Discretionary	General	(3,000)	-
Youth, Park & Community Enrichment	Increase revenue budget in Camp Sacramento to align with a previous fee increase. The program has return to full operation with high participation and has produced higher than budgeted revenue.	Discretionary	General	(105,000)	-
Youth, Park & Community Enrichment	Increase revenue budget for aquatic programs (swim lessons, swim team, lap swimming, water aerobics) at all city pools and recreational swim fees at North Natomas Aquatics Complex to the higher end of their approved fee range.	Discretionary	General	(255,000)	-
Youth, Park & Community Enrichment	Increase revenue budget in Youth Expanded Learning by increasing the fee for Summer Oasis Camp to \$100 per session.	Discretionary	General	(32,000)	-
Youth, Park & Community Enrichment	Increase revenue budget in Youth Expanded Learning by establishing a new fee for Kids Camp Evelyn Moore Summer Camp. The camp is currently free.	Discretionary	General	(12,000)	-
Youth, Park & Community Enrichment	Increase revenue budget in Youth Expanded Learning to account for the additional on-going amount provided by the Twin Rivers Unified School District partnership to provide intersession programming for youth.	Discretionary	General	(80,000)	-
Youth, Park & Community Enrichment	Increase North Natomas Community Center and Aquatic Center inflatable/diving board/50M wrist band fee based on Consumer Price Index (CPI)	Discretionary	General	(620)	-

FY2024/25 Proposed Budget

Department	Description	Discretionary or Mandated	Fund	Revenue/ Offset Adjustment	Expenditure Change
Youth, Park & Community Enrichment	Increase Youth Group rate recreation swim based on CPI	Discretionary	General	(756)	-
Youth, Park & Community Enrichment	Increase Adult Group rate recreation swim based on CPI	Discretionary	General	(249)	-
Youth, Park & Community Enrichment	Increase North Natomas Community Center and Aquatic Center - Community Center room rental kitchen add-on based on CPI	Discretionary	General	(1,131)	-
Youth, Park & Community Enrichment	Increase North Natomas Community Center and Aquatic Center - Community Center room rental based on CPI	Discretionary	General	(10,770)	-
Youth, Park & Community Enrichment	Increase North Natomas Community Center and Aquatic Center - swim meet fee (per event entry) based on CPI	Discretionary	General	(5,500)	-
Youth, Park & Community Enrichment	Increase Citywide pools - 50 meter pool lane rental contract rate based on CPI	Discretionary	General	(11,700)	-
Youth, Park & Community Enrichment	Increase Citywide pools - 25 meter pool lane rental contract rate based on CPI	Discretionary	General	(3,210)	-
Youth, Park & Community Enrichment	Increase North Natomas Community Center and Aquatic Center - Activity Play Pool rental based on CPI	Discretionary	General	(107)	-
Youth, Park & Community Enrichment	Increase North Natomas Community Center and Aquatic Center - Instructional Pool rental based on CPI	Discretionary	General	(107)	-
Youth, Park & Community Enrichment	Increase North Natomas Community Center and Aquatic Center - 50 meter pool rental based on CPI	Discretionary	General	(107)	-
Youth, Park & Community Enrichment	Increase North Natomas Community Center and Aquatic Center - room rentals based on CPI	Discretionary	General	(53)	-
Youth, Park & Community Enrichment	Increase North Natomas Community Center and Aquatic Center - birthday parties based on CPI	Discretionary	General	(1,070)	-
Youth, Park & Community Enrichment	Increase Citywide pools lap swim based on CPI	Discretionary	General	(1,320)	-
Youth, Park & Community Enrichment	Increase 20 pass lap swim (all pools) based on CPI	Discretionary	General	(321)	-
Youth, Park & Community Enrichment	Increase North Natomas Community Center and Aquatic Center - patio rental add-on based on CPI	Discretionary	General	(856)	-
Youth, Park & Community Enrichment	Increase North Natomas Community Center and Aquatic Center - Lawn Rental add-on based on CPI	Discretionary	General	(267)	-
Youth, Park & Community Enrichment	Increase North Natomas Community Center and Aquatic Center - fireplace rental add-on based on CPI	Discretionary	General	(74)	-
Youth, Park & Community Enrichment	Increase Aquatic special event admission based on CPI	Discretionary	General	(107)	-
Youth, Park & Community Enrichment	Increase Aquatic specialty class fee based on CPI	Discretionary	General	(107)	-
Youth, Park & Community Enrichment	Increase stand alone wading pool rentals based on CPI	Discretionary	General	(53)	-
Youth, Park & Community Enrichment	Increase community pool rentals (excluding North Natomas Community Center and Aquatic Center) based on CPI	Discretionary	General	(107)	-
Youth, Park & Community Enrichment	Increase session fee to Kids Camp (New) based on CPI	Discretionary	General	(7,200)	-
Youth, Park & Community Enrichment	Increase Camp Sacramento rental rates based on CPI - Group Rental Rates - 2 Nights/5 Meals (Age 3-5)	Discretionary	General	(514)	-
Youth, Park & Community Enrichment	Increase Camp Sacramento rental rates based on CPI - Group rental rates - 2 Nights/5 Meals (Age 6-8)	Discretionary	General	(956)	-
Youth, Park & Community Enrichment	Increase Camp Sacramento rental rates based on CPI - Group rental rates - 2 Nights/5 Meals (Age 9-14)	Discretionary	General	(1,262)	-
Youth, Park & Community Enrichment	Increase Camp Sacramento rental rates based on CPI - Group rental rates - 2 Nights/5 Meals (Age 15+)	Discretionary	General	(6,503)	-
Youth, Park & Community Enrichment	Increase Camp Sacramento rental rates based on CPI - Family Camp Rental - Week Camp/5 Night (Age 3 - 5) - Non-Resident	Discretionary	General	(106)	-
Youth, Park & Community Enrichment	Increase Camp Sacramento rental rates based on CPI - Family Camp Rental - Week Camp/5 Nights (Age 3 - 5) - Resident	Discretionary	General	(217)	-
Youth, Park & Community Enrichment	Increase Camp Sacramento rental rates based on CPI - Family Camp Rental - Week Camp/5 Night (Age 6-10) - Non-Resident	Discretionary	General	(869)	-

FY2024/25 Proposed Budget

Department	Description	Discretionary or Mandated	Fund	Revenue/ Offset Adjustment	Expenditure Change
Youth, Park & Community Enrichment	Increase Camp Sacramento rental rates based on CPI - Family Camp Rental - Week Camp/5 Nights (Age 6-10) - Resident	Discretionary	General	(1,631)	-
Youth, Park & Community Enrichment	Increase Camp Sacramento rental rates based on CPI - Family Camp Rental - Week Camp/5 Night (Age 11-15) - Non-Resident	Discretionary	General	(769)	-
Youth, Park & Community Enrichment	Increase Camp Sacramento rental rates based on CPI - Family Camp Rental - Week Camp/5 Nights Age (11 - 15) - Resident	Discretionary	General	(1,524)	-
Youth, Park & Community Enrichment	Increase Camp Sacramento rental rates based on CPI - Family Camp Rental - Week Camp/5 Night (Age 16 and over) - Non-Resident	Discretionary	General	(5,277)	-
Youth, Park & Community Enrichment	Increase Camp Sacramento rental rates based on CPI - Family Camp Rental - Week Camp/ 5 Nights - (Age 16 and Over) - Resident	Discretionary	General	(10,586)	-
Youth, Park & Community Enrichment	Increase Camp Sacramento rental rates based on CPI - Family Camp Rental - Mini Camp/3 Night (Age 3 - 5) - Non-Resident	Discretionary	General	(283)	-
Youth, Park & Community Enrichment	Increase Camp Sacramento rental rates based on CPI - Family Camp Rental - Mini Camp/3 Night (Age 3 - 5) - Resident	Discretionary	General	(573)	-
Youth, Park & Community Enrichment	Increase Camp Sacramento rental rates based on CPI - Family Camp Rental - Mini Camp/3 Night (Age 6 -10) - Non-Resident	Discretionary	General	(1,764)	-
Youth, Park & Community Enrichment	Increase Camp Sacramento rental rates based on CPI - Family Camp Rental - Mini Camp/3 Night (Age 6 -10) - Resident	Discretionary	General	(3,756)	-
Youth, Park & Community Enrichment	Increase Camp Sacramento rental rates based on CPI - Family Camp Rental - Mini Camp/3 Night (Age 11-15) - Non - Resident	Discretionary	General	(1,612)	-
Youth, Park & Community Enrichment	Increase Camp Sacramento rental rates based on CPI - Family Camp Rental - Mini Camp/3 Night (Age 11-15) - Resident	Discretionary	General	(3,087)	-
Youth, Park & Community Enrichment	Increase Camp Sacramento rental rates based on CPI - Family Camp Rental - Mini Camp/3 Night (Age 16 and Over) - Non- Resident	Discretionary	General	(9,043)	-
Youth, Park & Community Enrichment	Increase Camp Sacramento rental rates based on CPI - Family Camp Rental - Mini Camp/3 Night (Age 16 and Over) - Resident	Discretionary	General	(18,339)	-
Youth, Park & Community Enrichment	Increase fee based on CPI for No Parking additional posting for Special Events (On-Street Parking)	Discretionary	General	(156)	-
Youth, Park & Community Enrichment	Increase fee based on CPI for No Parking 1st Posting for Special Events (On-Street Parking)	Discretionary	General	(102)	-
Youth, Park & Community Enrichment	Increase Parking Event Rate for Miller Park based on CPI	Discretionary	General	(55)	-
Youth, Park & Community Enrichment	Increase Park Vehicle Permit based on CPI	Discretionary	General	(217)	-
Youth, Park & Community Enrichment	Increase Certified Farmer's Market Permit based on CPI	Discretionary	General	(150)	-
Youth, Park & Community Enrichment	Increase Special Events - Amphitheater Use fee based on CPI	Discretionary	General	(920)	-
Youth, Park & Community Enrichment	Increase fee for Special Events Additional Set-Up or Tear Down Day based on CPI	Discretionary	General	(342)	-
Youth, Park & Community Enrichment	Increase Park Maintenance Services recovery fee based on CPI	Discretionary	General	(72)	-
Youth, Park & Community Enrichment	Increase Community Garden Plot fee based on CPI	Discretionary	General	(13,080)	-
Youth, Park & Community Enrichment	Increase Volleyball court rental fee based on CPI (weekday/ weekend)	Discretionary	General	(3,864)	-
Youth, Park & Community Enrichment	Increase Volleyball court rental fee based on CPI for weekday/weekend (flat rate for all 4 courts - full day)	Discretionary	General	(5,650)	-
Youth, Park & Community Enrichment	Increase League fees based on CPI (per team) indoor and outdoor adult sports leagues at various city fields/locations	Discretionary	General	(7,560)	-
Youth, Park & Community Enrichment	Increase Adult Special Events fee based on CPI at various city parks, community centers, and Sacramento Softball Complex (per person)	Discretionary	General	(500)	-
Youth, Park & Community Enrichment	Increase Complex Weekend Rental fees based on CPI (flat rate for all 4 courts - full day)	Discretionary	General	(8,286)	-

FY2024/25 Proposed Budget

Department	Description	Discretionary or Mandated	Fund	Revenue/Offset Adjustment	Expenditure Change
Youth, Park & Community Enrichment	Increase Complex Weekday Rental fees based on CPI (per hour)	Discretionary	General	(2,247)	-
Youth, Park & Community Enrichment	Increase Community Center Facility Rental fee based on CPI	Discretionary	General	(193)	-
Youth, Park & Community Enrichment	Increase Security fee based on CPI	Discretionary	General	(32)	-
Youth, Park & Community Enrichment	Increase fees for Older Adult Enhanced or Non-core Programming: Triple R based on CPI	Discretionary	General	(43,980)	-
Youth, Park & Community Enrichment	Increase fees for Older Adult Services and Access Leisure based on CPI	Discretionary	General	(565)	-
Youth, Park & Community Enrichment	Increase fees based on CPI for Recreation Explorer Camp program for 3-5 year old programs	Discretionary	General	(13,281)	-
Youth, Park & Community Enrichment	Increase Park Facility Rental-Regional Park Rose Garden Fee based on CPI	Discretionary	General	(997)	-
Youth, Park & Community Enrichment	Increase Didion Gym Rental Rate based on CPI	Discretionary	General	(51)	-
Youth, Park & Community Enrichment	Increase Park Facility Rental - Covered Picnic Area based on CPI	Discretionary	General	(4,554)	-
Youth, Park & Community Enrichment	Increase Park Picnic Reservation - Application Fee based on CPI	Discretionary	General	(1,387)	-
Youth, Park & Community Enrichment	Increase Park Picnic Area Reservation fee based on CPI	Discretionary	General	(1,996)	-
Youth, Park & Community Enrichment	Increase Picnic Area Reservations (Premium) fee based on CPI	Discretionary	General	(2,093)	-
Youth, Park & Community Enrichment	Increase fee for Weight Rooms in Community Center based on CPI	Discretionary	General	(4,980)	-
Youth, Park & Community Enrichment	Increase Park Facility Rental fee based on CPI for Regional Parks	Discretionary	General	(4,586)	-
Youth, Park & Community Enrichment	Increase Access Leisure Core Programming fee based on CPI	Discretionary	General	(4,880)	-
Youth, Park & Community Enrichment	Add Access Leisure Enhanced or Non-Core Programming Teen Program fee (New Fee)	Discretionary	General	(12,000)	-
Total Change				\$(26,213,993)	\$11,272,500

FY2024/25 Proposed Budget

Department Strategies – G/MU/IGF

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change	FTE Filled
1						
City Manager	Delete one position (1.0 FTE - Executive Assistant) from the City Manager's Executive Office to address structural budget limitations.	General	-	(97,003)	(1.00)	-
City Manager	Delete one position (1.0 FTE - Administrative Analyst) for the Language Access Program to address structural budget limitations.	General	-	(10,888)	(1.00)	-
City Manager	Delete one position (1.0 FTE - Administrative Technician) from the Office of Innovation and Economic Development, Economic Development Unit. Position worked on the Economic Gardening program. Work would need to be redistributed to other staff.	Measure U	-	(105,959)	(1.00)	-
City Manager	Delete one position (1.0 FTE - Principal Planner) from the Office of Innovation and Economic Development, Community Investment Unit. Primary duty was to focus on redevelopment and revitalization of The Railyards and Waterfront. Work would need to be redistributed to other staff.	Measure U	-	(167,198)	(1.00)	-
City Manager	Eliminate the 2018 Business Incentive Program Multi-Year Operation Project (MYOP) (I02001300) and Covid-19 Great Plates Emergency Food Project (G02610300) and return unused cost savings to fund balance.	General	-	(208,900)	-	-
City Manager	Liquidate one-time funding in the following MYOPs - Neighborhood Community & Economic Plans (I02001700) Return unused dollars to fund balance.	General	-	(354,754)	-	-
City Manager	Liquidate one-time funding in the following MYOPs - Neighborhood Community & Economic Plans (I02001700) Return unused dollars to fund balance.	Measure U	-	(34,246)	-	-
City Manager	Liquidate one-time funding in the following MYOPs - City Hall Technology (I02001500), Forgivable Loans (I02180400), and Innovation Grants (I80000100). Reduce ongoing funding in the following MYOPs: City Hall Technology (I02001500), Creative Edge (I02181100), Inclusive Economic Development, Business Incentive program (I02180100). Return unused dollars to fund balance.	Innovation and Growth	-	(7,920,803)	-	-
City Manager	Decrease the Community Investment Unit annual Innovation and Growth Fund operations. Reduce efforts and spending related to the Innovation and Growth Fund Policy and Redevelopment Agency Successor Agency and its property maintenance.	Innovation and Growth	-	(85,000)	-	-
Citywide and Community Support	Eliminate e-check fee by transitioning providers	General	-	(100,000)	-	-
Citywide and Community Support	Reduce Arts Stabilization available budget	Measure U	-	(102,100)	-	-
Community Development	Increase reimbursements in the Long Range Planning Division to recognize staff charges to projects related to the General Plan Update.	Measure U	-	(500,000)	-	-

FY2024/25 Proposed Budget

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change	FTE Filled
1 (cont)						
Community Development	Change funding source for information technology development related resources from General/Measure U Fund to Development Services Fund. The technology surcharge fee should fund the maintenance of current information systems and implementation of information system needs.	General	-	(612,317)	-	-
Community Development	Decrease annual funding for the Neighborhood Development Action Team (NDAT, I22000100) from \$1.2 million to \$600,000.	Measure U	-	(600,000)	-	-
Community Development	Reduce General/Measure U Fund services and supplies budget in the amount of \$867,383 as part of the Citywide reduction plan.	General	-	(867,383)	-	-
Convention and Cultural Services	Shift of eligible costs for visitor-serving facilities to the Community Center Fund. The shifting of funds allows for CCS to add the new Entertainment Services Division.	Measure U	-	(1,412,829)	-	-
Finance	Delete two positions (two 0.45 FTE - Customer Service Representatives) in the Revenue Division. This will result in a lower quality of customer service provided, slower processing times and potential impact to citywide revenues.	General	-	(47,350)	(0.90)	-
Finance	Decrease funding for e-check fees. The Revenue Division is transitioning e-check providers from Authorize.net to Chase. As a result, the City will no longer incur fees related to the transmission of files to Chase. The \$100,000 savings is in Citywide but managed by Finance.	General	-	-	-	-
Finance	Decrease funding for mailing checks. The reduction in this expense will result in department contacts picking up on-cycle payroll checks on Tuesday, i.e. the paycheck date.	General	-	(10,000)	-	-
Finance	Decrease funding for mailing of invoices and statements. The Revenue Division will transition to electronic delivery which will reduce the cost of postage and printing services. Additionally, it can potentially speed up payments when documents are delivered electronically.	General	-	(10,000)	-	-
Finance	Decrease funding related to the budget book contract. This reduction will reduce the number of printed Budget books and Annual Comprehensive Financial Report books.	General	-	(15,000)	-	-
Fire	Utilize the Intergovernmental Transfer Commitment of the General Fund balance to offset six (6) months of labor costs associated with 20.0 FTEs (Sacramento Fire EMT) and 20.0 FTEs (Sacramento Fire Paramedic).	General	-	(2,322,370)	-	-
Information Technology	Discontinue the Student Internship Training Program. Eliminating this program will remove the necessary support needed to accomplish routine tasks that help the department operate more efficiently.	Measure U	-	(120,000)	-	-
Police	Eliminate cellular connectivity from police vehicle laptop computers. The connectivity is redundant as police vehicles already have cellular connectivity.	General	-	(116,628)	-	-
Youth, Park & Community Enrichment	Decrease funding for eliminating or exploring alternative options for three major regional camps for adults with physical and intellectual disabilities.	Measure U	-	(10,000)	-	-
Youth, Park & Community Enrichment	Decrease funding for skate park facility, programs and enrichment providers by eliminating camp lunches and shirts and the need for three suppliers.	Measure U	-	(34,750)	-	-

FY2024/25 Proposed Budget

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change	FTE Filled
1 (cont)						
Youth, Park & Community Enrichment	Delete two positions (2 @ 0.25 FTE Recreation Aides) that are difficult to fill in Youth and Adult Sports.	Measure U	-	(18,020)	(0.50)	-
Youth, Park & Community Enrichment	Decrease funding in food programs for Community Centers due to the elimination of hours in Summer Teen Drop and modification of Teen Scene Summer Program hours from 4 pm - 7 pm to 9 am - 2 pm.	Measure U	-	(13,114)	-	-
Youth, Park & Community Enrichment	Reduce the FTE levels of various aquatics positions (without eliminating the positions) to support minor adjustments to the number of days pools are open for recreational swimming and the length of the extended recreational swimming season at Clunie and North Natomas (6.05 FTE net change). Various PT Aquatic positions include Cashiers, Lifeguards and Senior Lifeguards.	Measure U	-	(208,950)	(6.05)	-
Youth, Park & Community Enrichment	Delete a (1.0 FTE Recreation General Supervisor Position) in Permitting and Events as this position is no longer needed in YPCE and duties will transfer over to a new position being added in CCS that will support large scale citywide events	Measure U	-	(160,561)	(1.00)	-
Youth, Park & Community Enrichment	Delete various positions and adding lower FTE positions (2.43 FTE total). A reduction in the FTE of existing budget Community Center positions is feasible with minor adjustments to program operations and capacities. Positions reduced in FTE include Recreation Aides.	Measure U	-	(85,581)	(2.43)	-
Youth, Park & Community Enrichment	Reduce the reliance on Measure U by increasing the offset from the Neighborhood Park Maintenance Community Facilities District (CFD). This offset will pay for park maintenance expenses.	Measure U	(75,000)	-	-	-
Youth, Park & Community Enrichment	Delete eight positions (0.50 FTE Program Leader, 3 @ 0.38 FTE and 4 @ 0.12 FTE Recreation Aides) that are difficult to fill in summer camps and other Expanded Learning Programs.	Measure U	-	(88,879)	(2.12)	-
Youth, Park & Community Enrichment	Delete two positions (2 @ 0.10 FTE Recreation Aides) that are difficult to fill that support summer camps and other Expanded Learning Programs.	Measure U	-	(7,206)	(0.20)	-
Youth, Park & Community Enrichment	Delete nine positions (3 @ 0.47 FTE and 2 @ 0.25 FTE Public Service Aide, 2 @ 0.22 FTE, 0.20 FTE and 0.40 FTE Recreation Aide) in Community Centers and Youth Employment to align with program needs.	Measure U	-	(106,312)	(2.95)	-
Youth, Park & Community Enrichment	Delete a position (1.0 FTE Recreation Superintendent) due to a restructure in the management team	Measure U	-	(163,961)	(1.00)	-
Youth, Park & Community Enrichment	Delete a position (1.0 FTE Accounting Technician) in Youth Employment to better align with duties.	Measure U	-	(91,294)	(1.00)	-
Youth, Park & Community Enrichment	Delete a position (1.0 FTE Administrative Analyst) in Recreation Administration to create more efficiency within the department.	Measure U	-	(121,520)	(1.00)	-
2						
Convention and Cultural Services	Decrease funding to the Sacramento History Alliance based upon City's discretionary authority to adjust operating support provided by the terms of the agreement.	Measure U	-	(87,000)	-	-
Convention and Cultural Services	Decrease funding to the SMUD Museum of Science and Curiosity (MOSAC) based upon City's discretionary authority to adjust operating support provided by the terms of the agreement.	Measure U	-	(87,000)	-	-

FY2024/25 Proposed Budget

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change	FTE Filled
2 (cont)						
Information Technology	Discontinue the Digital Equity Response Program. Eliminating this program will remove the necessary digital resources many households and individuals in Sacramento need for normal access to services and healthcare resources.	Measure U	-	(200,000)	-	-
Information Technology	Discontinue the Fiber Optic Infrastructure Program. Eliminating this program will cease to provide the resources needed to maintain and expand the fiber optic infrastructure that is needed to connect remote facilities and industrial assets.	General	-	(200,000)	-	-
Information Technology	Delete one position (1.0 FTE - Administrative Analyst) in the Technology Administration Division. By eliminating this position, the department will not be able to address inadequacies in providing ongoing support for the software asset management (SAM) program that includes administrative oversight, business analysis, statistical and narrative reporting, and general correspondence.	General	-	(119,578)	(1.00)	-
Information Technology	Delete two positions (2.0 FTE - GIS Specialist I) in the Citywide GIS Support Section. Eliminating these positions will result in inefficiencies in providing GIS services to internal and external customers related to various services under the Community Development and Public Works Departments.	General	-	(293,775)	(2.00)	-
Information Technology	Delete three positions (1.0 FTE - Senior Applications Developer; 1.0 FTE - IT Support Specialist I; and 1.0 FTE IT Support Specialist II) in the IT Regional Support Division. The elimination of these positions will negatively impact the ability to maintain and enhance finance and personnel systems, and the reduction in regional support service is anticipated to lead to a 10% increase in the time taken for both incident resolution and request fulfillment. Such delays are likely to adversely affect the productivity and overall performance of departments that are reliant on timely incident resolution or request fulfillment.	General	-	(396,113)	(3.00)	-
Police	Delete one position (1.0 FTE - Public Safety Communications Manager) in the Communications Center. Management of Communications Center will be re-directed to a Police Captain.	General	-	(290,128)	(1.00)	-
Police	Delete two positions (2.0 FTE - Police Records Supervisor) from the Transparency Team. Their work will be redirected to remaining positions, but will result in decreased service levels.	General	-	(239,998)	(2.00)	-
Police	Delete five positions (1.0 FTE - Police Sergeant and 4.0 FTE - Police Officer) in Internal Affairs. This will result in fewer complaints being investigated because the nature of these complaints requires specialized training and can't be absorbed by other units in the Department.	General	-	(957,469)	(5.00)	-
Police	Delete two positions (1.0 FTE - Police Officer and 1.0 FTE - Media Production Specialist II) in the Public Information Office (PIO). This will negatively affect the PIO's ability to share information with the public, respond to media requests, and delay the creation, production, and delivery of videos that satisfy legal mandates.	General	-	(232,183)	(2.00)	-

FY2024/25 Proposed Budget

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change	FTE Filled
2 (cont)						
Youth, Park & Community Enrichment	Reduce funding for professional services in Community Centers by cancelling an enrichment contract and reducing amount allocated for special events.	Measure U	-	(75,000)	-	-
Youth, Park & Community Enrichment	Reduction in the FTE levels of various camp positions (2.05 FTE net change). Reductions do not eliminate the positions. A reduction in the FTE of existing budget Camp Sacramento positions is feasible with minor adjustments to Camp operations.	Measure U	-	(5,084)	(2.05)	-
Youth, Park & Community Enrichment	Delete a vacant position (1.0 FTE Customer Service Assistant) in Aquatics to meet the reduction plan. Position could be deleted if duties are shifted to the registration office for support.	Measure U	-	(72,929)	(1.00)	-
Youth, Park & Community Enrichment	Decrease funding by eliminating the use of various supplier and vendors for enrichment programming such as Goffland Sunsplash, IFLY Sacramento, Scandia, TopGolf Roseville, etc.	Measure U	-	(98,200)	-	-
Youth, Park & Community Enrichment	Delete two vacant positions (1.0 FTE Program Coordinator and 1.0 FTE Program Supervisor) as part of the reduction plan. The elimination of the two positions will reduce program service levels, facility operations and safe space hours.	Measure U	-	(214,066)	(2.00)	-
Youth, Park & Community Enrichment	Decrease funding for utility expenses by irrigating 10% less at ornamental turf within passive recreational park areas.	Measure U	-	(320,000)	-	-
Youth, Park & Community Enrichment	Reduce youth stipends-based programming	Measure U	-	(121,500)	-	-
Total Change			\$ (75,000)	\$(20,940,899)	(44.20)	-

Citywide Strategies

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change	FTE Filled
City Clerk	Decrease funding for the credit card fees to eliminate City subsidies of merchant fees for credit card payments and pass those costs onto users.	General	-	(50)	-	-
City Manager	Liquidate one-time funding in the following MYOPs - Business Incentive program (I02180100). Return unused dollars to fund balance.	Innovation and Growth	-	(13,500,000)	-	-
Citywide and Community Support	Shift CalPERS Annual pre-payment to Monthly Support	General	-	(1,500,000)	-	-
Citywide and Community Support	Eliminate the Fare Free Transit Program	Measure U	-	(1,000,000)	-	-
Citywide and Community Support	One-Time Projects Clean Up/Reduction: 2020 SHSGP (G12903300)	General	-	(10,270)	-	-
Citywide and Community Support	One-Time Projects Clean Up/Reduction: County COVID-19 Testing and Vaccine Project (I12000100)	General	-	(10,057)	-	-
Citywide and Community Support	One-Time Projects Clean Up/Reduction: Council Chamber/Hearing Room Upgrade Project (A07001000)	General	-	(12,246)	-	-
Citywide and Community Support	One-Time Projects Clean Up/Reduction: Water Conservation Program (I14120400)	General	-	(97,622)	-	-
Citywide and Community Support	One-Time Projects Clean Up/Reduction: Children and Youth Services Program (I02001830)	Measure U	-	(2)	-	-

FY2024/25 Proposed Budget

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change	FTE Filled
Citywide and Community Support	One-Time Projects Clean Up/Reduction: Summer Youth and Community Programs (I19141000)	Measure U	-	(136,453)	-	-
Citywide and Community Support	One-Time Projects Clean Up/Reduction: Youth Sports Field Permit Program (I19143000)	Measure U	-	(200,000)	-	-
Citywide and Community Support	One-Time Projects Clean Up/Reduction: Oak Park Facility Improvements Project (L19800200)	Measure U	-	(21,019)	-	-
Citywide and Community Support	One-time HHAP funding savings from prior rounds (not HHAP-5)	General	-	(3,800,000)	-	-
Citywide and Community Support	Suspend FY2024/25 EUR Contribution (estimate)	General	-	(3,379,000)	-	-
Citywide and Community Support	Suspend FY2024/25 EUR Contribution (estimate)	Measure U	-	(597,000)	-	-
Community Development	Decrease funding for the credit card fees to eliminate City subsidies of merchant fees for credit card payments and pass those costs onto users.	General	-	(36,000)	-	-
Community Development	Decrease funding for the credit card fees to eliminate City subsidies of merchant fees for credit card payments and pass those costs onto users.	Measure U	-	(1,584)	-	-
Convention and Cultural Services	Decrease funding for the credit card fees to eliminate City subsidies of merchant fees for credit card payments and pass those costs onto users.	Measure U	-	(1,000)	-	-
Debt Service	Shift of Innovation and Growth Fund portion of debt service support to transient occupancy tax.	Innovation and Growth	-	(1,100,000)	-	-
Fund Balance	FY2022/23 Year-End Resources	General Fund/Measure U	-	(7,400,647)	-	-
Police	Decrease funding for IT Critical Infrastructure CIP related to storage. The CA Department of Justice approved the use of the City Cloud storage instead of physical servers that are more expensive.	General	-	(226,000)	-	-
Police	Decrease funding for IT Critical Infrastructure CIP.	General	-	(200,000)	-	-
Police	Decrease funding for the credit card fees to eliminate City subsidies of merchant fees for credit card payments and pass those costs onto users.	General	-	(33,400)	-	-
Public Works	Decrease funding for the credit card fees to eliminate City subsidies of merchant fees for credit card payments and pass those costs onto users.	General	-	(377,197)	-	-
Youth, Park & Community Enrichment	Decrease funding for the credit card fees to eliminate City subsidies of merchant fees for credit card payments and pass those costs onto users.	Measure U	-	(18,305)	-	-
Total Change \$			-	\$(33,657,802)	-	-

Measure L Review

An internal assessment was conducted to determine whether any of the proposed reductions would cause youth expenditures to go below the Measure L baseline as determined by the City Auditor’s Office (CAO). Out of all of the proposals, there were four proposals totaling \$966,784 that would cause expenditures to go below the Measure L baseline. The amount was determined using the methodology of the CAO. Since the baseline was based on actual youth spending for FY2023/24, the only reductions eligible for the Measure L calculation were the ones that would reduce actual youth spending from that fiscal year. Therefore, proposed reductions of vacant positions or cuts to unspent supplies and services were not eligible since they weren’t spent in FY2023/24. In addition, any proposed fee increases tied to departments serving youth were reduced from the calculation.

The following table contains all strategies that are considered youth related, whether they are considered eligible for the Measure L calculation, and the Measure L calculation.

Department	Description	Fund	Expenditure Change	FTE Change	FTE Filled	Measure L Amount	Reason
Citywide and Community Support	Eliminate the Fare Free Transit Program	Measure U	(1,000,000)	-	-	(750,000)	Only \$750,000 is in the CAO’s baseline funding for the program.
Youth, Park & Community Enrichment	Decrease funding for eliminating or exploring alternative options for three major regional camps for adults with physical and intellectual disabilities.	Measure U	(10,000)	-	-	-	Not in Measure L calculation because these funds are unspent savings.
Youth, Park & Community Enrichment	Decrease funding for skate park facility, programs and enrichment providers by eliminating camp lunches and shirts and the need for three suppliers.	Measure U	(34,750)	-	-	-	Not in Measure L calculation because these funds are unspent savings.
Youth, Park & Community Enrichment	Delete two positions (2 @ 0.25 FTE Recreation Aides) that are difficult to fill in Youth and Adult Sports.	Measure U	(18,020)	(0.50)	-	-	Not in Measure L calculation because these positions are vacant.
Youth, Park & Community Enrichment	Decrease funding in food programs for Community Centers due to the elimination of hours in Summer Teen Drop and modification of Teen Scene Summer Program hours from 4 pm - 7 pm to 9 am - 2 pm.	Measure U	(13,114)	-	-	(13,114)	Included in the Measure L calculation.
Youth, Park & Community Enrichment	Reduce the FTE levels of various aquatics positions (without eliminating the positions) to support minor adjustments to the number of days pools are open for recreational swimming and the length of the extended recreational swimming season at Clunie and North Natomas (6.05 FTE net change). Various PT Aquatic positions include Cashiers, Lifeguards and Senior Lifeguards.	Measure U	(208,950)	(6.05)	-	-	Not in Measure L calculation because these positions are vacant.
Youth, Park & Community Enrichment	Delete various positions and adding lower FTE positions (2.43 FTE total). A reduction in the FTE of existing budget Community Center positions is feasible with minor adjustments to program operations and capacities. Positions reduced in FTE include Recreation Aides.	Measure U	(85,581)	(2.43)	-	-	Not in Measure L calculation because these positions are vacant.
Youth, Park & Community Enrichment	Delete eight positions (0.50 FTE Program Leader, 3 @ 0.38 FTE and 4 @ 0.12 FTE Recreation Aides) that are difficult to fill in summer camps and other Expanded Learning Programs.	Measure U	(88,879)	(2.12)	-	-	Not in Measure L calculation because these positions are vacant.
Youth, Park & Community Enrichment	Delete two positions (2 at 0.10 FTE Recreation Aides) that are difficult to fill that support summer camps and other Expanded Learning Programs.	Measure U	(7,206)	(0.20)	-	-	Not in Measure L calculation because these positions are vacant.

FY2024/25 Proposed Budget

Department	Description	Fund	Expenditure Change	FTE Change	FTE Filled	Measure L Amount	Reason
Youth, Park & Community Enrichment	Delete nine positions (3 @ 0.47 FTE and 2 @ 0.25 FTE Public Service Aide, 3 @ 0.22 FTE and 0.40 FTE Recreation Aide) in Community Centers and Youth Employment to align with program needs.	Measure U	(106,312)	(2.97)	-	-	Not in Measure L calculation because these positions are vacant.
Youth, Park & Community Enrichment	Delete a position (1.0 FTE Recreation Superintendent) due to a restructure in the management team	Measure U	(163,961)	(1.00)	-	-	Not in Measure L calculation because this position is vacant.
Youth, Park & Community Enrichment	Delete a position (1.0 FTE Accounting Technician) in Youth Employment to better align with duties.	Measure U	(91,294)	(1.00)	-	-	Not in Measure L calculation because this position is vacant.
Youth, Park & Community Enrichment	Delete a position (1.0 FTE Administrative Analyst) in Recreation Administration to create more efficiency within the department.	Measure U	(121,520)	(1.00)	-	-	Not in Measure L calculation because this position is vacant.
Convention and Cultural Services	Decrease funding to the SMUD Museum of Science and Curiosity (MOSAC) based upon City's discretionary authority to adjust operating support provided by the terms of the agreement.	Measure U	(87,000)	-	-	-	Not in Measure L calculation because these funds pay for operations, which are ineligible for the baseline.
Youth, Park & Community Enrichment	Reduce funding for professional services in Community Centers by cancelling an enrichment contract and reducing amount allocated for special events.	Measure U	(75,000)	-	-	-	Not in Measure L calculation because these funds are unspent savings.
Youth, Park & Community Enrichment	Reduction in the FTE levels of various camp positions (2.07 FTE net change). Reductions do not eliminate the positions. A reduction in the FTE of existing budget Camp Sacramento positions is feasible with minor adjustments to Camp operations.	Measure U	(5,084)	(2.07)	-	-	Not in Measure L calculation because these positions are vacant.
Youth, Park & Community Enrichment	Delete a vacant position (1.0 FTE Customer Service Assistant) in Aquatics to meet the reduction plan. Position could be deleted if duties are shifted to the registration office for support.	Measure U	(72,929)	(1.00)	-	-	Not in Measure L calculation because this position is vacant.
Youth, Park & Community Enrichment	Decrease funding by eliminating the use of various supplier and vendors for enrichment programming such as Golfand Sunsplash, IFLY Sacramento, Scandia, TopGolf Roseville, etc.	Measure U	(98,200)	-	-	(82,170)	Measure L amount equals reduction less increased revenues (\$16,030)
Youth, Park & Community Enrichment	Delete two vacant positions (1.0 FTE Program Coordinator and 1.0 FTE Program Supervisor) as part of the reduction plan. The elimination of the two positions will reduce program service levels, facility operations and safe space hours.	Measure U	(214,066)	(2.00)	-	-	Not in Measure L calculation because these positions are vacant.
Youth, Park & Community Enrichment	Reduce youth stipends-based programming	Measure U	(121,500)	-	-	(121,500)	Included in the Measure L calculation.
Total Change			\$(2,623,366)	(22.34)	-	\$(966,784)	

Once the amount was determined, the next step of the assessment was to determine whether all modifications and updates to the Budget exceeded or reduced the baseline funding. The Budget includes contractual labor agreements that increased the budget for all departments. The assessment methodology included reviewing the overall labor increase for a sample of youth programs at the department level and comparing it to the CAO baseline tracker. This review showed that although there is \$966,784 in youth program reductions in the Budget, approximately \$4.7 million has been increased over the baseline funding requirements in the sample assessment. Increased fee revenues on youth programs would also impact the Measure L maintenance of effort, however the revenue increases would just further offset the \$966,784 expense reduction in the Budget. Approximately \$500,000 in youth-related revenue increases were added to the Budget.

The formal Measure L assessment will be conducted by the CAO at year-end and will be based on actual spending for the fiscal year. If it is determined through the CAO assessment that youth programs do not meet the mandated baseline requirement for

FY2024/25 Proposed Budget

Measure L spending, adjustments will be made to increase funds to said programs to required levels.

Department and Citywide Strategies – Other Funds

The Budget includes \$1.8 million in increases and strategic reductions to other funds that were directly tied to the proposed G/MU/IGF reduction strategies. This included increases to revenues, swapping G/MU/IGF Fund for other funds and Citywide strategies that not only reduced the impact to G/MU/IGF Fund, but also to the other funds.

Proposed Strategies - Other Funds

Category	FTE Change	Net Budget Change
Revenues	-	(295,000)
1	-	1,487,829
2	-	-
3	-	-
4	-	-
Citywide	-	560,677
Total	-	1,753,506

Revenue Strategies

Department	Description	Fund	Revenue/Offset Adjustment	Expenditure Change
Public Works	Increase revenue budget by increasing daily maximum rate in parking garages.	Parking	(205,000)	10,000
Public Works	Eliminate free electric vehicle charging in City Parking Garages. Charging will cover costs of providing electricity and maintaining chargers.	Parking	(100,000)	-
Total Change			\$ (305,000)	\$ 10,000

Department Strategies

Department	Description	Fund	Revenue/Offset Adjustment	Expenditure Change	FTE Change	FTE Filled
1						
Convention and Cultural Services	Shift of eligible costs for visitor-serving facilities to the Community Center Fund.	Community Center	-	1,412,829	-	-
Youth, Park & Community Enrichment	Reduce the reliance on Measure U by increasing the offset from the Neighborhood Park Maintenance Community Facilities District (CFD). This offset will pay for park maintenance expenses.	Neighborhood Park Maintenance CFD	75,000	-	-	-
Total Change			\$ 75,000	\$ 1,412,829	-	-

FY2024/25 Proposed Budget

Citywide Strategies

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change	FTE Filled
Convention and Cultural Services	Decrease funding for the credit card fees to eliminate City subsidies of merchant fees for credit card payments and pass those costs onto users.	Community Center	-	(3,500)	-	-
Debt Service	Shift of Innovation and Growth Fund portion of debt service support to transient occupancy tax.	Community Center	-	1,100,000	-	-
Human Resources	Decrease funding for the credit card fees to eliminate City subsidies of merchant fees for credit card payments and pass those costs onto users.	Risk Mgmt	-	(797)	-	-
Human Resources	Decrease funding for the credit card fees to eliminate City subsidies of merchant fees for credit card payments and pass those costs onto users.	Worker's Compensation Fund	-	(11,000)	-	-
Public Works	Decrease funding for the credit card fees to eliminate City subsidies of merchant fees for credit card payments and pass those costs onto users.	Fleet	-	(815)	-	-
Public Works	Decrease funding for the credit card fees to eliminate City subsidies of merchant fees for credit card payments and pass those costs onto users.	Solid Waste	-	(7,500)	-	-
Utilities	Decrease funding for the credit card fees to eliminate City subsidies of merchant fees for credit card payments and pass those costs onto users.	Water Wastewater Storm Drainage	-	(78,211)	-	-
Utilities	Decrease funding for the credit card fees to eliminate City subsidies of merchant fees for credit card payments and pass those costs onto users.	Water	-	(410,000)	-	-
Youth, Park & Community Enrichment	Decrease funding for the credit card fees to eliminate City subsidies of merchant fees for credit card payments and pass those costs onto users.	4th R Program	-	(27,500)	-	-
Total Change			\$ -	\$ 560,677	-	-

Proposed Budget Modifications

There were \$2.4 million in modifications to G/MU Fund and IGF for augmentations and position add/deletes. This also included a reduction of 18.81 FTEs.

Modifications* - G/MU/IGF Funds

Department	FTE Change	Net Budget Change
City Manager	1.00	\$187,652
Community Development	(1.00)	(146,964)
Convention and Cultural Services	6.00	836,940
Finance	-	-
Information Technology	-	1,058,394
Police	(5.66)	-
Public Works	-	482,571
Youth, Park & Community Enrichment	(19.15)	-
Total	(18.81)	\$2,418,593

* Includes Augmentation and Add/Deletes

FY2024/25 Proposed Budget

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
City Manager	Delete a position (1.0 FTE Media and Communications Specialist) and add a new position (1.0 FTE Program Specialist). Internal reorganization of the city's public information efforts by promoting staff as managing supervisor. Position will execute strategic communication plans, marketing campaigns, and project management, as well as provide leadership to staff in accordance to departmental goals, mission, and values.	General	-	-	-
City Manager	Add a position (1.0 FTE Administrative Analyst) from the Community Development Department to the Office of Media and Communications to align and centralize public information, outreach, and strategic media efforts.	General	-	146,964	1.00
City Manager	Increase funding for the Sacramento Economic Gardening Program, Multi-Year Operating Project I02184000. Success of program had improved the revenue of 10 small businesses by 50% and provided new jobs.	Innovation and Growth	-	40,688	-
Community Development	Transfer a position (1.0 FTE - Administrative Analyst) from the Community Development Department to the City Manager's Office. This position handles public information coordination, media inquiries, external/internal communications, and will report to the Media and Communications Manager.	General	-	(146,964)	(1.00)
Community Development	Increase funding for veterinary services at the City's Animal Shelter to provide life saving after-hours care.	Measure U		665,960	
Community Development	Delete a position (1.0 FTE - Associate Planner) and add a position (1.0 FTE - Senior Planner) for Long Range Planning. This position will be focus on affordable housing policies and regulatory improvements to facilitate housing development in the City to align with State mandates.	Measure U	(42,433)	42,433	-
Community Development	Maintain one-time increase in the revenue budget for Neighborhood Code Compliance.	General	(715,960)	-	-
Community Development	Maintain one-time increase in the revenue budget for Business Compliance.	General	(350,000)	-	-
Community Development	Increase funding for heavy-duty towing services associated with recreational vehicles and the unhoused population.	Measure U	-	400,000	-
Community Response	Delete a position (1.0 FTE - Senior Accountant Auditor) and add a new position (1.0 FTE - Accountant Auditor) to align with department current structure.	Measure U	-	(4,971)	-
Community Response	Delete a position (1.0 FTE - Staff Aide) and add a new position (1.0 FTE - Program Specialist) to help the implementation of Incident Management Team and to address the growing issue of homelessness.	Measure U	-	(10,372)	-
Community Response	Delete a position (1.0 FTE - Program Coordinator in the Office of Director) and add a new position (1.0 FTE - Senior Staff Assistant in Office of Community Outreach) to address the needs of Notice and Demand required by Measure O.	Measure U	-	15,343	-

FY2024/25 Proposed Budget

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Convention and Cultural Services	Create Entertainment Services Division and add 6 positions (1.0 FTE Program Manager, 1.0 FTE Program Specialist, 1.0 FTE Administrative Analyst, and 3.0 FTE Administrative Technician). This division would be the consolidation of the business functions for film, special events and entertainment licenses to help reduce inefficiency and confusion for the public.	Measure U	-	836,940	6.00
Finance	Delete a position (1.0 FTE - Program Specialist) and add a new position (1.0 FTE - Program Manager) in the Procurement Division to allow for the department to have the proper staffing needed to oversee projects and duties of other staffing.	General	-	-	-
Information Technology	Increase one-time funding to support the information technology training requirements. These resources are necessary for providing continued professional development to ensure staff are trained and prepared to support the City's technical environment and critical business systems. Offset with a transfer from the Digital Strategy Project (A07000700).	General	(250,000)	250,000	-
Information Technology	Increase ongoing funding to support the rising software and hardware maintenance cost that is necessary to support the City's enterprise business systems and technical environment. Software and hardware maintenance provide the latest patches and updates to ensure our systems operate at peak capacity and protect against cyber-attacks, data breaches, and other harmful activities.	General	-	933,394	-
Information Technology	Increase one-time funding to replace and migrate the legacy Police Department Human Resource Information System to the City's Finance and Human Resources System (eCAPS). Migrating the legacy system to eCAPS will automate business processes, provide transparency, increase efficiency, and reduce costs. Offset with a transfer from the Digital Strategy Project (A07000700).	General	(350,000)	350,000	-
Information Technology*	Increase one-time funding to upgrade the core network infrastructure needed to support the City's Data Center Cloud and public safety systems. This initiative will consolidate our physical IT environments and streamline the technical support operations resulting in reduced overall cost to the City. Offset with a transfer from the Digital Strategy Project (A07000700, \$108,889) and Enterprise Funds (\$41,111).	General	(150,000)	108,889	-
Information Technology	Increase one-time funding to create a comprehensive IT Disaster Recovery and Business Continuity Plan. The plan will consolidate data backup solutions using industry best practices and will include a business continuity strategy for backups, restoration, and redundancies for supporting enterprise applications and infrastructure systems. Offset with a transfer from the Digital Strategy Project (A07000700).	General	(68,000)	68,000	-

FY2024/25 Proposed Budget

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Information Technology	Increase one-time funding to renew the City's WiFi license that support 265 wireless access points throughout the city. The wireless access points provide staff with secure wireless access to the city's internet, business systems, and data. Additionally, guest Wifi access will be renewed at the Council Chambers, public counters, and other city facilities that will provide wireless internet services for city customers and guests. Offset with a transfer from the Digital Strategy Project (A07000700).	General	(65,000)	65,000	-
Information Technology*	Increase one-time funding to replace the legacy citywide document management system (CCM) with a cloud-based solution. The CCM is the City's primary document and records repository that integrates with enterprise business systems. Replacing the onsite CCM with a cloud solution will result in increased efficiency, accessibility, security, and compliance, ultimately contributing to transparency and cost-effectiveness. Offset with a transfer from the Digital Strategy Project (A07000700, \$660,593) and Enterprise Funds (\$249,407).	General	(910,000)	660,593	-
Information Technology	Increase ongoing funding for the annual cloud-based software subscription and maintenance for the citywide document management system (CCM).	General	-	125,000	-
Information Technology*	Increase one-time funding to renew the city's firewalls appliances, software support and subscription. Firewalls are an essential IT infrastructure component and first line of defense in providing network security to protect the City's critical systems and sensitive data from unauthorized access. Offset with a transfer from the Digital Strategy Project (A07000700, \$725,928) and Enterprise Funds (\$274,072).	General	(1,000,000)	725,928	-
Police	Delete one position (1.0 - FTE - Police Social Services Administrator) in the Office of Investigations and add one position (1.0 - FTE Police Lieutenant) in the Impact Team for the City's Incident Management Team (IMT) to respond to homeless complaints. This position will oversee the PD's homeless response teams.	General	-	126,247	-
Police	Delete two positions (0.50 - FTE Reserve Police Officer I and 0.16 - FTE Reserve Police Officer II) in the Metro Division. This reduction will create savings to fund other PD proposed position changes to fill holes in necessary areas (i.e. homeless response, Personnel, etc.).	General	-	(79,142)	(0.66)
Police	Delete one position (1.0 - FTE Administrative Analyst) and add one position (1.0 FTE - Program Specialist) in the Property Division. This position change aligns the job classification to the job duties being performed.	General	-	36,118	-

FY2024/25 Proposed Budget

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Police	Delete one position (1.0 - FTE Senior Personnel Transactions Coordinator) and add one position (1.0 - FTE Senior Staff Assistant) in the Personnel Division. This position change aligns the job classification to the job duties being performed and will allow for a larger candidate pool.	General	-	15,598	-
Police	Delete eight positions (8.0 - FTE Police Officer) and corresponding revenue budget for a reduction in the Regional Transit contract.	General	1,588,939	(1,588,939)	(8.00)
Police	Delete seven positions (7.0 - FTE Police Officer) and add ten positions (10.0 - FTE Community Service Officer III) to provide career-path opportunities for prospective employees interested in law enforcement who do not want to work in a sworn police officer capacity.	General	-	(1,153,292)	(7.00)
Police	Delete seven positions (7.0 - FTE Police Officer) and add ten positions (10.0 - FTE Community Service Officer III) to provide career-path opportunities for prospective employees interested in law enforcement who do not want to work in a sworn police officer capacity.	Measure U	-	1,054,471	10.00
Public Works	Increase the revenue and expenditure budgets for administrative fee associated with the Sacramento Countywide Mitigation Fee Program (SCMFP) for Sacramento Transportation Authority. Cost is fully offset.	General	(30,000)	30,000	-
Public Works	Delete 1 position (1.0 FTE - Engineering Technician III) and add 1 new position (1.0 FTE - Senior Engineer). To provide additional resources to address complex private development applications.	General	(89,063)	89,063	-
Public Works	Delete 1 position (1.0 FTE - Building Inspector III) and add 1 new position (1.0 FTE - Administrative Analyst). To provide additional resources to manage and update Facilities asset database and electric vehicle charging equipment.	General	(13,193)	13,193	-
Public Works	Delete 1 position (1.0 FTE - Maintenance Worker) and add 1 new position (1.0 FTE - Building Maintenance Worker). This position will be able to manage building repairs independently and increase productivity.	General	-	17,969	-
Public Works	Increase funding for Fleet Shops CIP (B13000100) to address critical emergency repairs, including vehicle lifts, air conditioning units, parts cleaners, shop vacuums, roll-up garage doors, fall protection, tools, electrical repairs, and paint. Funding is allocated to various funds based on proportion of vehicles in City fleet to be serviced.	General	-	319,968	-
Public Works	Increase funding for Fleet Shops CIP (B13000100) to address critical emergency repairs.	Measure U	-	79,834	-
Public Works	Delete 1 position (1.0 FTE - Senior Accounting Technician) and add 1 new position (1.0 FTE - Administrative Officer). To better manage the ongoing administrative functions for the Division.	General	(77,731)	77,731	-

FY2024/25 Proposed Budget

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Public Works	Increase funding for Streetscapes Maintenance contracts due to the increase in costs for landscaping and maintenance contracts which is exceeding the Lighting and Landscaping tax revenue increases.	General	-	300,000	-
Public Works	Create new division to consolidate policy and implementation actions related to evolving mobility options and policies and that promote climate implementation. Delete 1 position (1.0 FTE - Program Manager) and add 1 new position (1.0 FTE - Planning Director).	General	-	(230,416)	-
Public Works	Adjust revenue and expenditure budgets for Commercial Waste Compliance Franchise Fees to reflect anticipated revenues with expenses dedicated to commercial waste compliance, illegal dumping, and landfill closures.	General	(1,695,728)	1,240,944	-
Public Works	Delete 1 position (1.0 FTE - Assistant Engineer) and add 1 new position (1.0 FTE - Traffic Control & Lighting Technician). To provide additional resources to address backlog of streetlight repairs.	General	(123,239)	123,239	-
Public Works	Increase expenditure budget for ongoing electrical costs billed by Sacramento Municipal Utilities District (SMUD) for streetlights installed on SMUD poles.	General	-	450,000	-
Public Works	Increase the revenue and expenditure budgets in the Signs and Markings section to cover inflation cost in order to provide the same level of service. Funding will assist with raw materials for street signs including pipe, aluminum blanks, and pipe hardware costs.	General	(200,000)	200,000	-
Youth, Park & Community Enrichment	Delete six vacant positions (0.47 FTE Utility Worker, 0.30 FTE Building Monitor, 2 @ 0.20 FTE Recreation Aide, 0.07 and 0.45 FTE Senior Recreation Aide) and add a position (1.0 FTE Custodian II) to support the expanded janitorial support of the North Natomas Community Center. Any variance will be offset by reducing services and supplies.	Measure U	-	-	(0.69)
Youth, Park & Community Enrichment	Delete various vacant positions (7.44 FTE total) in Youth, Community Recreation Services, Access Leisure and Community Centers to reallocate funding for maintenance of new parks.	Measure U	-	-	(7.44)
Youth, Park & Community Enrichment	Reallocation of FY2024/25 budgeted fleet vehicle replacement funds to purchase other higher priority vehicles and equipment needed.	Measure U	-	-	-
Youth, Park & Community Enrichment	Delete 12 vacant positions (12 @ 0.45 Utility Workers) in Park Operations to reallocate funding for park maintenance contracted services.	Measure U	-	-	(5.40)
Youth, Park & Community Enrichment	Delete various vacant positions (1.0 FTE Park Safety Ranger, 2 @ 0.25 FTE Building Monitor, 4 @ .10 Recreation Aide, 4 @ .11 Senior Recreation Aide, .13 Youth Aide and 3 @ .06 Youth Aide) and add a position (1.0 FTE Chief Animal Control Officer) in Park Safety. This position will need to change to a Chief Park Safety Ranger once the classification has been created by HR. Any variance will be offset by services and supplies.	Measure U	-	-	(1.65)

FY2024/25 Proposed Budget

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Youth, Park & Community Enrichment	Delete a vacant position (1.0 FTE Park Supervisor) and add a position (1.0 FTE Program Supervisor) in Permitting and Events to accurately reflect the job duties and needs of the Department. Any variance will be offset by reducing services and supplies.	Measure U	-	-	-
Youth, Park & Community Enrichment	Delete various vacant positions (4.99 FTE total) and add various positions (3.80 FTE total) in Community Centers to provide the needed service levels due to the expanded hours of service in community centers. Any variance will be offset by reducing services and supplies.	Measure U	-	-	(1.19)
Youth, Park & Community Enrichment	Delete various vacant positions (2.78 FTE total) and add a position (1.0 FTE Program Supervisor) in Access Leisure and Community Centers in order to ensure program safety and provide direct support to the department and city's inclusion and diversity programs and initiatives. Any variance will be offset by reducing services and supplies.	Measure U	-	-	(1.78)
Youth, Park & Community Enrichment	Delete a vacant position (1.0 FTE Accounting Technician) in Park Development Services as the position is no longer needed and as been replaced by an Administrative Technician. The offset related to this position has been removed for a cost neutral change.	General	87,302	(87,302)	(1.00)
Total Change			\$ (2,394,106)	\$ 4,812,699	(18.81)

* IT projects are included for informational purposes, but is excluded from the total. The General Fund portion is covered by the Digital Strategy Project (A07000700) thus making it cost neutral.

Proposed Budget Modifications – Other Funds

There were \$1.4 million in modifications to other funds for augmentations and position add/deletes. There is an increase of 1.10 FTEs.

Modifications* - Other Funds

Department (Fund)	FTE Change	Net Budget Change
Convention and Cultural Services (Community Center)	(0.50)	(\$68,279)
Human Resources (Risk)	-	120,000
Information Technology (Community Center)	-	60,711
Information Technology (Parking)	-	25,600
Information Technology (Solid Waste)	-	124,827
Information Technology (Storm Drainage)	-	83,883
Information Technology (Wastewater)	-	59,479
Information Technology (Water)	-	210,090
Public Works (4th R)	-	59
Public Works (Community Center)	-	141
Public Works (Fleet Management)	1.00	142,593

Modifications* - Other Funds (cont.)

Department (Fund)	FTE Change	Net Budget Change
Public Works (Gas Tax)	-	825,441
Public Works (Lighting and Landscaping)	-	123,239
Public Works (Marina)	-	56
Public Works (New Measure A Maintenance)	-	77,731
Public Works (Parking)	-	(751,373)
Public Works (Recycling and Solid Waste)	-	216,002
Public Works (Storm Drainage)	-	39,491
Public Works (Wastewater)	-	37,412
Public Works (Water)	-	39,989
Public Works (Risk)	-	5,455
Utilities (Water)	1.00	-
Youth, Parks and Community Enrichment (4th R)	(0.40)	-
	1.10	\$1,372,547

* Includes Augmentation and Add/Deletes

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Convention and Cultural Services	Delete 1 position (1.0 FTE Administrative Officer) and add 1 new position (1.0 FTE Contracts and Compliance Specialist). This is to help align and centralize our fiscal operations based on the needs for the department.	Community Center	-	(4,734)	-
Convention and Cultural Services	Delete 1 position (1.0 FTE Administrative Analyst) and add 1 new position (0.5 FTE Administrative Analyst). This is to resolve discrepancy between Budget and HR systems regarding allocated FTE.	Community Center	-	(63,545)	(0.50)
Human Resources	Add a position (1.0 FTE - Program Specialist) and delete a position (1.0 FTE - Program Manager) for management of the Leave Administration program.	Workers' Compensation	-	-	-
Human Resources	Increase funding for citywide medical services - Employee Assistance Program (EAP).	Risk	-	120,000	-
Human Resources	Increase funding to purchase vehicles for the Sacramento Driver Training Facility to provide behind the wheel training to city staff.	Risk	(170,000)	170,000	-
Human Resources	Increase funding to purchase used golf carts for instructors to transport participants at the Sacramento Driver Training Facility.	Risk	(25,000)	25,000	-
Information Technology	Increase one-time funding to upgrade the core network infrastructure needed to support the City's Data Center Cloud and public safety systems.	Parking	-	1,864	-
Information Technology	Increase one-time funding to upgrade the core network infrastructure needed to support the City's Data Center Cloud and public safety systems.	Water	-	15,298	-
Information Technology	Increase one-time funding to upgrade the core network infrastructure needed to support the City's Data Center Cloud and public safety systems.	Wastewater	-	4,331	-

FY2024/25 Proposed Budget

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Information Technology	Increase one-time funding to upgrade the core network infrastructure needed to support the City's Data Center Cloud and public safety systems.	Solid Waste	-	9,089	-
Information Technology	Increase one-time funding to upgrade the core network infrastructure needed to support the City's Data Center Cloud and public safety systems.	Community Center	-	4,421	-
Information Technology	Increase one-time funding to upgrade the core network infrastructure needed to support the City's Data Center Cloud and public safety systems.	Storm Drainage	-	6,108	-
Information Technology	Increase one-time funding to replace the legacy citywide document management system (CCM) with a cloud-based solution.	Parking	-	11,309	-
Information Technology	Increase one-time funding to replace the CCM with a cloud-based solution.	Water	-	92,807	-
Information Technology	Increase one-time funding to replace the CCM with a cloud-based solution.	Wastewater	-	26,275	-
Information Technology	Increase one-time funding to replace the CCM with a cloud-based solution.	Solid Waste	-	55,142	-
Information Technology	Increase one-time funding to replace the CCM with a cloud-based solution.	Community Center	-	26,819	-
Information Technology	Increase one-time funding to replace the CCM with a cloud-based solution.	Storm Drainage	-	37,055	-
Information Technology	Increase one-time funding to renew the city's firewalls appliances, software support and subscription.	Parking	-	12,427	-
Information Technology	Increase one-time funding to renew the city's firewalls appliances, software support and subscription.	Water	-	101,986	-
Information Technology	Increase one-time funding to renew the city's firewalls appliances, software support and subscription.	Wastewater	-	28,873	-
Information Technology	Increase one-time funding to renew the city's firewalls appliances, software support and subscription.	Solid Waste	-	60,595	-
Information Technology	Increase one-time funding to renew the city's firewalls appliances, software support and subscription.	Community Center	-	29,471	-
Information Technology	Increase one-time funding to renew the city's firewalls appliances, software support and subscription.	Storm Drainage	-	40,720	-
Public Works	Add 1 position (1.0 FTE - Administrative Analyst). To provide additional resources to support the administrative requirements associated with state mandated Advanced Clean Fleet (ACF) regulations.	Fleet Management	-	142,593	1.00
Public Works	Increase funding for Fleet Shops CIP (B13000100) to address critical emergency repairs.	Community Center	-	141	-
Public Works	Increase funding for Fleet Shops CIP (B13000100) to address critical emergency repairs.	Parking	-	1,714	-
Public Works	Increase funding for Fleet Shops CIP (B13000100) to address critical emergency repairs.	Recycling and Solid Waste	-	217,903	-
Public Works	Increase funding for Fleet Shops CIP (B13000100) to address critical emergency repairs.	Storm Drainage	-	39,491	-
Public Works	Increase funding for Fleet Shops CIP (B13000100) to address critical emergency repairs.	Wastewater	-	37,412	-

FY2024/25 Proposed Budget

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Public Works	Increase funding for Fleet Shops CIP (B13000100) to address critical emergency repairs.	Water	-	39,989	-
Public Works	Increase funding for Fleet Shops CIP (B13000100) to address critical emergency repairs.	Risk	-	5,455	-
Public Works	Increase funding for Fleet Shops CIP (B13000100) to address critical emergency repairs.	4th R	-	59	-
Public Works	Increase funding for Fleet Shops CIP (B13000100) to address critical emergency repairs.	Marina	-	56	-
Public Works	Delete 1 position (1.0 FTE - Senior Accounting Technician) and add 1 new position (1.0 FTE - Administrative Officer). To better manage the ongoing administrative functions for the Division.	New Measure A Maintenance	77,731	-	-
Public Works	Purchase a trailer to transport heavy machinery needed for the grinder used in the pavement maintenance division.	Gas Tax	-	111,027	-
Public Works	Purchase curb cadet equipment to efficiently install curbs with fewer materials and staff.	Gas Tax	-	128,470	-
Public Works	Create new division to consolidate policy and implementation actions related to evolving mobility options and policies and that promote climate implementation. Delete 1 position (1.0 FTE - Program Manager) and add 1 new position (1.0 FTE - Planning Director).	Gas Tax	286,504	-	-
Public Works	Increase revenue and expenditure due to increases in parking demand and actual revenue received.	Parking	(1,000,000)	250,000	-
Public Works	Delete 1 position (1.0 FTE - Senior Accountant Auditor) and add 1 new position (1.0 FTE - Administrative Analyst). To provide support for parking fiscal activities	Parking	(3,087)	-	-
Public Works	Delete 1 position (1.0 FTE - Support Services Manager) and add 1 new position (1.0 FTE - Administrative Officer). To provide oversight for recycling and solid waste administrative activities	Recycling and Solid Waste	-	(1,901)	-
Public Works	Delete 1 position (1.0 FTE - Assistant Engineer) and add 1 new position (1.0 FTE - Traffic Control & Lighting Technician). To provide additional resources to address backlog of streetlight repairs.	Lighting and Landscaping	123,239	-	-
Public Works	Delete 1 position (1.0 FTE - Assistant Engineer) and add 1 new position (1.0 FTE - Traffic Control & Lighting Technician). To provide additional resources to address backlog of streetlight repairs.	Gas Tax	(133,810)	-	-
Public Works	Increase the revenue and expenditure budgets in the Signs and Markings division to cover inflation cost in order to provide the same level of service. Funding will assist with raw materials for street signs including pipe, aluminum blanks, and pipe hardware costs.	Gas Tax	200,000	-	-
Public Works	Purchase new Bucket Truck (new equipment/vehicle) in order to provide additional resources to address the backlog of streetlight repairs.	Gas Tax	-	233,250	-

FY2024/25 Proposed Budget

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Utilities	Delete 1 position (1.0 FTE - Junior Plant Operator) and add 1 new position (1.0 FTE - Assistant Director) and Reduce Professional Services Operating Budget. The Assistant Director will assist the Director by managing department operations. The Assistant Director will be able to cover a variety of operational and administrative tasks, as well as attending to staff needs on less controversial programs and projects.	Water	-	-	-
Utilities	Delete 2 positions (0.5 FTE- Administrative Analyst) and add 1 new position (1.0 FTE - Administrative Analyst). This position would increase DOU's emergency preparedness efforts, ultimately making the City of Sacramento more resilient and prepared to respond to crises. The preparation efforts taken by this position can mitigate damage and losses from future emergencies by providing a more prepared community. This request will result in a net-zero FTE and cost savings to the rate payer funds.	Water	-	-	-
Utilities	Delete 1 position (1.0 FTE - Junior Plant Operator) and add 1 new position (1.0 FTE - Plant Operator) and Reduce Professional Services Operating Budget. The Department of Utilities (DOU) is requesting an Add/Delete of 1.0 FTE Plant Operator by deleting a Junior Plant Operator to support the Water Maintenance Program. Current staffing conditions at the reservoirs are inadequate to meet the workload. This position would be placed within the Reservoir Crew to mitigate the staffing conditions.	Water	-	-	-
Utilities	Add 1 position (1.0 FTE - Administrative Technician) by Reducing Professional Services Operating Budget. The addition of an Administrative Technician is needed to support the growing need for procuring parts, equipment, and services in a timely manner to keep The City's water, wastewater, and storm systems operational.	Water	-	-	1.00
Utilities	Delete 1 position (1.0 FTE - Personnel Transaction Coordinator) and add 1 new position (1.0 FTE - Administrative Technician) and Reduce Professional Services Operating Budget. Replacing the Personnel Transaction Coordinator with an Administrative Technician would give the program the flexibility to use the position for more complex duties while performing PAR-related tasks as needed. DOU believes that this replacement of the Personnel Transaction Coordinator with an Administrative Technician will provide a larger pool of dynamic and competitive candidates.	Wastewater	-	-	-
Youth, Park & Community Enrichment	Delete a vacant position (1.0 FTE Senior Accounting Technician) and add a position (1.0 FTE Accounting Technician) in 4th R to realign with current needed duties to administrative services within the department. Any variance will be offset by reducing services and supplies.	4th R	-	-	-

FY2024/25 Proposed Budget

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Youth, Park & Community Enrichment	Delete two vacant positions (1.0 FTE Recreation General Supervisor and 0.40 FTE Senior Recreation Aide) and add a position (1.0 FTE Recreation Superintendent) in 4th R to align with program oversight and compliance with childcare licensing, After School Safety and Education grants and Expanded Learning Opportunities Program funding enrichment contracts. Any variance will be offset by reducing services and supplies.	4th R	-	-	(0.40)
Total Change			\$ (644,423)	\$ 2,016,970	1.10

Budget Reduction Strategies Not Chosen

The following tables include G/MU Fund reduction strategies **not included** in the FY2024/25 Proposed Budget (Budget).

Strategies Not Chosen - G/MU Fund

Category	FTE Change	Net Budget Change
Revenues	-	-
1	(4.00)	(610,857)
2	(30.48)	(7,141,630)
3	(37.00)	(5,676,753)
4	(252.52)	(36,521,019)
Citywide*	-	(12,632,333)
Total	(324.00)	(\$62,582,592)

Department Strategies – G/MU

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change	FTE Filled
1						
Human Resources	Delete one position (1.0 FTE - Administrative Analyst) in Organizational Development, reducing citywide training and employee development program by 50%.	General	-	(130,874)	(1.00)	1.00
Human Resources	Delete one position (1.0 FTE - Administrative Analyst) in HR Administration due reduction in management appointments as a result of hiring freeze and layoffs.	General	-	(136,818)	(1.00)	1.00
Human Resources	Delete one position (1.0 FTE - Program Specialist) in Organizational Development, eliminating the Citywide training and employee development program.	General	-	(177,376)	(1.00)	1.00
Human Resources	Delete one position (1.0 FTE - Program Specialist) in HR Administration eliminating administrative support for all HR divisions.	General	-	(165,789)	(1.00)	1.00
2						
Community Response	15% program funding reduction which could be restored with prior year unspent Homeless Housing, Assistance and Prevention (HHAP) funding. If it becomes an ongoing reduction, it would move to Level 4.	Measure U	-	(2,687,000)	-	-

FY2024/25 Proposed Budget

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change	FTE Filled
2 (cont)						
Finance	Delete one position (1.0 FTE - Administrative Officer) in the Office of the Director. This will result in a delay to fee payments in Property and Business Improvement Districts (PBID) and Business Improvement Areas (BIA) and reduce the ability to conduct Citywide projects such as web migration/updates and Citywide financial policies.	General	-	(164,094)	(1.00)	1.00
Human Resources	Delete one position (1.0 FTE - Administrative Analyst) in Diversity & Equity eliminating external programming initiatives.	Measure U	-	(111,892)	(1.00)	1.00
Human Resources	Delete one position (1.0 FTE - Administrative Analyst) in Diversity & Equity eliminating internal programming initiatives.	Measure U	-	(120,300)	(1.00)	1.00
Police	Delete one position (1.0 FTE - Administrative Analyst) in the Professional Standards Unit. This will result in reduced Policy Team service levels leading to longer timelines, many of which are mandated by state law.	General	-	(124,122)	(1.00)	-
Police	Delete four positions (1.0 FTE - Police Sergeant and 3.0 FTE - Police Officer) in the Force Investigations Team (FIT). This will eliminate SPD's independent administrative investigations regarding serious uses of force as recommended by the California Department of Justice (DOJ) and therefore will not align with DOJ recommendations.	General	-	(666,710)	(4.00)	1.00
Police	Delete three positions (3.0 FTE - Community Service Representative I) from the patrol commands. The elimination of these positions will reduce efforts to build trust between the community and the Police Department and increase the workload of patrol captains.	General	-	(249,242)	(3.00)	2.00
Police	Delete seven positions (1.0 FTE - Police Sergeant and 6.0 FTE - Police Officer) from the Advanced Officer Training (AOT) Unit. Eliminating these positions would reduce SPD's capacity to conduct mandated and perishable skills training. SPD would also lack the resources to research new technology and industry best practices.	General	-	(1,107,479)	(7.00)	1.00
Police	Delete one position (1.0 FTE - Police Lieutenant) in the Personnel Services Division. The elimination of this position will decrease supervision and span of control over current staff and negatively affect compliance with legal and Peace Officers Standards and Training (POST) mandates.	General	-	(263,143)	(1.00)	1.00
Police	Delete one position (1.0 FTE - Police Captain) from the Research, Training and Development Division. The elimination of this position will result in decreased supervision of the Academy and the Field Training Program, and have a negative effect on ensuring training compliance as required by POST, City, and Department rules and guidelines.	General	-	(367,980)	(1.00)	1.00
Police	Delete one positions (1.0 FTE - Administrative Analyst) in the Public Information Office (PIO). This will negatively affect the PIO's ability to share information with the public, respond to media requests, and delay the creation, production, and delivery of videos that satisfy legal mandates.	General	-	(110,903)	(1.00)	-

FY2024/25 Proposed Budget

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change	FTE Filled
2 (cont)						
Police	Delete one position (1.0 FTE - Police Officer) from the K9 Unit. Eliminating this position will result in not being able to provide 24-hour K9 coverage and reduces overall officer and community safety. This could also lead to relying on outside agency K9 assistance, resulting in delayed response.	General	-	(146,923)	(1.00)	-
Police	Delete five positions (1.0 FTE - Police Sergeant and 4.0 FTE - Police Officer) in the Mounted Unit. This will eliminate the whole unit and have a negative impact on the overall safety in the business and visitor areas of the City, including the Sacramento waterways.	General	-	(813,633)	(5.00)	1.00
Youth, Park & Community Enrichment	Delete various positions (3.48 FTE total) by reducing Community Center hours to open hours from M-F 8am-6pm and closed on weekends except for paid rentals.	Measure U	-	(208,209)	(3.48)	3.20
3						
Finance	Delete one position (1.0 FTE - Payroll Technician) in the Payroll Division to help address. This will cause delays in issuing any off-cycle paychecks, a reduction in providing customer service to employees and a change in payroll cutoff from close of business Mondays to mid-day Mondays.	General	-	(108,391)	(1.00)	1.00
Finance	Delete three positions (3.0 FTE - Customer Service Representatives) in the Revenue Division. This will reduce the levels of services related to processing payments, permit fees, parking citations, business tax certificates and special business permits.	General	-	(227,310)	(3.00)	3.00
Information Technology	Delete one position (1.0 FTE - Senior Applications Developer) in the Enterprise Applications Division. By eliminating this position, the department would be unable to maintain the City's existing Citywide Document Management (CCM) System and other integrated digitalization processes and application integrations between the city's enterprise business systems including utility billing, citywide cashing, and finance and personnel system.	General	-	(182,005)	(1.00)	1.00
Police	Delete 13 positions (13.0 FTE - Police Records Specialist I/II) in the Records Division. This is a 23% reduction in Police Records Specialist I/II staffing and will result in reduced operational efficiency for all Police Records Division functions.	General	-	(964,316)	(13.00)	1.00
Police	Delete two positions (2.0 FTE - Police Officer) in the Marine Unit. This will eliminate the whole unit and have a negative impact on the overall safety in the business and visitor areas of the City, including the Sacramento waterways.	General	-	(293,846)	(2.00)	-
Police	Delete four positions (1.0 FTE - Police Sergeant and 3.0 FTE - Police Officer) in the Human Trafficking Investigations Unit. The elimination of the Unit will cause the Department to have a reduced ability to investigate pimping, pandering, trafficking, and exploitation cases. Additionally, the Department would not be able to support federal or regional human trafficking investigative teams.	General	-	(666,710)	(4.00)	1.00

FY2024/25 Proposed Budget

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change	FTE Filled
3 (cont)						
Police	Delete one position (1.0 FTE - Police Lieutenant) from the Office of Specialized Services, Metro Administration. This position oversees the SWAT team and is critical in decision making and reducing litigation during critical incidents. If eliminated, other managers would need to take on this role as an ancillary position which would lead to expanded span of control and could lead to undesirable outcomes and increased liability.	General	-	(263,143)	(1.00)	1.00
Police	Eliminate the Traffic Enforcement Unit, deleting ten positions (1.0 FTE - Police Sergeant and 9.0 FTE - Police Officer). The elimination of the Traffic Enforcement Unit would decrease citywide traffic enforcement and potentially increase vehicle collisions in the city due to the lack of enforcement.	General	-	(1,577,374)	(10.00)	1.00
Police	Delete two positions (2.0 FTE - Police Officer) from the Bike Patrol Unit. The elimination of these positions would reduce community outreach and decrease the response time to emergency calls for service in the downtown core.	General	-	(393,658)	(2.00)	2.00
Police	Reduce Office of Violence Prevention (OVP) MYOP funding by \$1 million for the remaining two fiscal years (FY25 and FY26). A funding reduction will result in less program support for community-driven emergency critical incident response; disruption, response, intervention, and prevention (DRIP) efforts; and reduce partnerships between communities and the Police Department.	Measure U	-	(1,000,000)	-	-
4						
Convention and Cultural Services	Decrease funding allocation for Downtown Sacramento Partnership (DSP) for COVID-era increased services that was set to expire in FY24 and reduce funding for district activations.	Measure U	-	(225,000)	-	-
Fire	Elimination of 18 positions (1.0 FTE - Administrative Technician, 1.0 FTE - Program Supervisor, 10.0 FTE - Emergency Medical Service (EMS) Trainee, 1.0 FTE - Fire Assistant Chief, 3.0 FTE - Firefighter Admin, 2.0 FTE - Fire Captain Admin) within the Diversity Outreach and Recruitment Program. The elimination of this program would affect or eliminate the following activities: <ul style="list-style-type: none"> • All local/regional recruitment events at high schools, colleges, local organizations and council member events. • All local/regional youth programs, including high school programs, firefighter youth academy, girls fire camp, and any future youth program expansion. • All Fire Department hiring pipeline programs, including the Sacramento Fire Reserves and EMS Trainee. 	Measure U	-	(3,547,181)	(18.00)	18.00
Fire	Delete 48 positions (48.0 FTE - Firefighter) in the Fire Suppression Division. Elimination of these firefighter FTE's will reduce emergency response to the community and will require the department to close fire companies daily.	General	-	(7,594,504)	(48.00)	18.00

FY2024/25 Proposed Budget

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change	FTE Filled
4 (cont)						
Information Technology	Delete two positions (2.0 FTE - Senior Applications Developer) in the Enterprise Applications Division. The elimination of these positions will negatively impact the department's ability to properly maintain and enhance the City's finance and personnel system. This will have a negative impact on business operations and would necessitate manual processes to perform critical business functions.	General	-	(305,882)	(2.00)	-
Information Technology	Delete one position (1.0 FTE - Senior Applications Developer) in the Enterprise Applications Division. By eliminating this program, the IT Department will be unable to properly maintain the existing customer relationship management (CRM) system and may result in longer wait times at the 311- call center for customers, impacting the overall user experience and the perception of the organization.	General	-	(152,941)	(1.00)	-
Information Technology	Delete one position (1.0 FTE - Senior Applications Developer) in the Enterprise Applications Division. By eliminating this position, the IT Department would be unable to properly maintain the existing permitting system and may result in longer wait times for developing and deploying permit fee changes, permit process automation, and enhancements.	General	-	(152,941)	(1.00)	-
Information Technology	Delete three positions (3.0 FTE - 311 Customer Service Agent) in the Sacramento 311 Division. Eliminating these positions will result in longer wait times for 311 services which would also include decreased responsiveness and overall customer dissatisfaction.	General	-	(231,378)	(3.00)	-
Information Technology	Delete one position (1.0 FTE - Senior Systems Engineer) in the IT Operations Division. Eliminating this position would decrease the required service level support need to properly manage the City's server infrastructure operations and services.	General	-	(153,428)	(1.00)	-
Information Technology	Delete one position (1.0 FTE - Principal Systems Engineer) in the IT Operations Division. Eliminating this position would remove the technical leadership responsible for the core IT infrastructure that supports the City's enterprise data network and security systems.	General	-	(210,656)	(1.00)	-
Information Technology	Delete one position (1.0 FTE - Systems Engineer) in the IT Operations Division. Eliminating this position will directly impact system connectivity and network redundancy for public safety locations and city facilities. Additionally, this would negatively impact fiber expansion efforts to replace costly leased lines with city owned fiber connectivity.	General	-	(139,068)	(1.00)	-
Information Technology	Delete one position (1.0 FTE - Senior Applications Developer) in the PD Systems Support Division. By eliminating this position, the technical resource responsible for supporting the Police Department's Mission Critical Versadex Records Management System (RMS) as well as maintenance and support for over 40 RMS related third party data sharing interfaces.	General	-	(192,299)	(1.00)	-

FY2024/25 Proposed Budget

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change	FTE Filled
4 (cont)						
Police	Delete 14 positions (12.0 Dispatcher I/II and 2.0 FTE - Dispatcher III) in the Communications Center. This is a 15% decrease in Dispatcher I/II and 17% decrease in Dispatcher III and will result in reduce efficiency for answering both 911 and non-emergency calls for police assistance and reduced operational efficiency for police radio communications.	General	-	(1,630,742)	(14.00)	-
Police	Delete 46 positions (46.0 FTE - Community Service Officer II) in the Hiring Pipeline Program. The elimination of these positions will decrease the opportunities for young adults to be successful in pursuing career positions with the Police Department, and will increase the workload for patrol officers on non-priority calls for service.	Measure U	-	(4,444,290)	(46.00)	28.00
Police	Delete one position (1.0 FTE - Senior Staff Assistant) in the Office of the Chief. The elimination of this position would result in an overall decrease in efficiency and accuracy of the work product within the Office of the Chief.	General	-	(87,796)	(1.00)	1.00
Police	Delete five positions (5.0 FTE - Police Officer) from the Criminal Justice Magnet Academies at five area high schools. The elimination of these positions would reduce recruitment opportunities for low income, disadvantaged, and minority students who may be interested in law enforcement careers. The relationship and trust built among school staff, students, and officers will also be negatively affected from the lack of engagement.	General	-	(734,615)	(5.00)	-
Police	Delete six positions (6.0 FTE - Police Officer) in the Backgrounds Investigations Unit. These reductions would slow the hiring process, which could cause the City to lose qualified applicants and increase the risk of missing relevant information that could impact an applicant's suitability for a role.	General	-	(881,538)	(6.00)	-
Police	Delete two positions (2.0 FTE - Police Officer) in the Sexual Assault Felony Enforcement Team. The elimination of these positions will reduce the region's capacity to supervise and monitor registered sex offenders, which could result in offenders' increased non-compliance with court-ordered conditions.	General	-	(293,846)	(2.00)	-
Police	Delete 16 positions (2.0 FTE - Police Sergeant and 14.0 FTE - Police Officer) in the Special Weapons and Tactics (SWAT) teams. The elimination of these full time positions would reduce the overall safety and protection of life for officers and the community. The Department would either need to rely on the Sacramento Sheriffs Department for SWAT coverage or create an ancillary SWAT team. The latter would require the current personnel as well as 14 additional ancillary positions, equipment, and increased training.	General	-	(2,537,930)	(16.00)	2.00
Police	Delete one position (1.0 FTE - Deputy Chief) from the Office of Specialized Services. The Deputy Chief assigned to this position is responsible for the Metro Division and Support Services Division. Eliminating this position would cause a significant restructure of the organization, and the managerial oversight of the Office of Specialized Services would have to be absorbed by the remaining two Deputy Chiefs.	General	-	(394,685)	(1.00)	1.00

FY2024/25 Proposed Budget

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change	FTE Filled
4 (cont)						
Police	Delete two positions (2.0 FTE - Police Officer) in the Major Collision Investigation Unit. Eliminating these positions will reduce the overall capacity of the unit to investigate collisions involving serious bodily injury or death, and City-involved collisions. Lack of detailed follow-up on City-involved collisions could result in increased City liability.	General	-	(293,846)	(2.00)	-
Police	Delete five positions (5.0 FTE - Police Lieutenant) in the four patrol commands. Elimination of these positions will lead to delays in completing police administrative tasks including discipline and corrective action, and will result in a decrease time spent maintaining and building community relationships. Additionally it will reduce oversight and supervision of field personnel, and increase the workload of patrol captains. It is likely that some tasks/projects will no longer be feasible.	General	-	(1,572,235)	(5.00)	5.00
Police	Delete eight positions (7.0 FTE - Police Clerk II and 1.0 FTE - Police Clerk III) in various administrative areas across the Department. Eliminating these positions will result in a decreased ability to perform administrative duties and reduced customer service to the community and city employees/departments. It could also lead to higher paid professional staff or sworn officers needing to take on mandated tasks, taking them away from other duties.	General	-	(555,226)	(8.00)	3.00
Police	Delete four positions (4.0 FTE - Police Officer) in the Burglary Investigations Unit. Eliminating these positions will have a negative impact on the number of cases worked and the solvability rate of property crimes, allowing individuals to further victimize the community by remaining out of custody jeopardizing community safety.	General	-	(587,692)	(4.00)	-
Police	Delete one position (1.0 FTE - Police Officer) from the Gang Investigation Unit. Eliminating this position will reduce the ability for the unit to investigate people, groups, and behaviors that increase the likelihood of violence and would have unintended negative consequences on the rest of the community.	General	-	(146,923)	(1.00)	-
Police	Delete two positions (2.0 FTE - Police Officer) in the Criminal Intelligence Unit. Eliminating these positions will result in a decrease of threat assessments conducted, dignitary protection offered, investigation of crimes involving city employees, and delayed times in processing U Nonimmigrant Status applications (U-VISAs), risking non-compliance with statutory requirements.	General	-	(293,846)	(2.00)	-
Police	Delete two positions (2.0 FTE - Police Officer) in the Warrants and Missing Persons Unit. Eliminating these positions decreases the Department's ability to investigate the whereabouts of missing persons and would reduce the efficiency of extraditing individuals facing criminal charges in Sacramento County. These positions also ensure that SPD submits warrants accurately.	General	-	(293,846)	(2.00)	-

FY2024/25 Proposed Budget

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change	FTE Filled
4 (cont)						
Police	Delete five positions (1.0 FTE - Police Sergeant and 4.0 FTE - Police Officer) from the Homicide Investigation Unit, eliminating one of three teams. Eliminating these positions would increase the workload of the remaining detectives in the unit, negatively impacting their ability to properly investigate each case and the solvability of homicide investigations. These eliminations could also cause investigative delays, allowing dangerous individuals to remain free and potentially further victimize the community.	General	-	(942,571)	(5.00)	3.00
Police	Delete 16 positions (3.0 FTE - Police Sergeant and 13.0 FTE - Police Officer) from SPD's Problem Oriented Policing (POP) Teams. The elimination of these teams reduces each patrol command's ability to identify and target problems specific to each area, to immediately investigate operational level property and narcotic crime, and to engage with the community.	General	-	(3,323,978)	(16.00)	16.00
Police	Delete six positions (2.0 FTE - Police Sergeant and 4.0 FTE - Police Officer) from the Violent Crime Reduction Teams. The elimination of these positions would leave the Department with one team that would have citywide responsibilities to address violent crime. This would lead to fewer resources being dedicated to address violent crime.	General	-	(1,297,450)	(6.00)	6.00
Police	Delete 13 positions (13.0 FTE - Police Officer) from the patrol commands. This elimination would directly impact staffing levels and therefore directly impact response times to emergency calls for service. Sacramento already has a population versus staffing ratio that is below the national average.	General	-	(2,558,777)	(13.00)	13.00
Youth, Park & Community Enrichment	Delete and reduce various PT Recreation Aide positions related to youth, teens and senior programming at Community Centers by reducing Community Center hours open hours to M-F 8am-6pm and closed on weekends except for paid rentals.	Measure U	-	(229,565)	(6.57)	-
Youth, Park & Community Enrichment	Delete various positions (13.95 FTE total) related to reducing ten non-hub pools (Cabrillo, Doyle, Glenn Hall, Johnston, Mangan, McClatchy, Oki, Sim, Southside, Tahoe) to being open three days per week during the summer. This will also have a reduction in revenue due to closures. Various PT Aquatic positions include Cashier, Lifeguard, Senior Lifeguard, Assistant Pool Manager and Pool Manager.	Measure U	25,000	(539,344)	(13.95)	2.00
Total Change			\$ 25,000	\$(49,975,259)	(324.00)	144.20

FY2024/25 Proposed Budget

Citywide Strategies – G/MU

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change	FTE Filled
Citywide and Community Support	Sacramento Utility Rate Assistance Program (SURA) Reduction	Measure U	-	(5,300,000)	-	-
Citywide and Community Support	Eliminate ongoing funding to the Impact Fee Waiver Program	General	-	(3,000,000)	-	-
Citywide and Community Support	Language Access Program reduction	General	-	(250,000)	-	-
Citywide and Community Support	Suspend FY2023/24 EUR Contribution	General	-	(3,141,000)	-	-
Citywide and Community Support	Suspend FY2023/24 EUR Contribution	Measure U	-	(719,000)	-	-
Police	Decrease funding for cellular phone data plans and software. Phones would be wi-fi devices to process eCitations.	General	-	(222,333)	-	-
Total Change \$			-	\$(12,632,333)	-	-

Proposed Budget Augmentations Not Approved

The following tables include requested augmentations in the General Fund and other funds not approved for the FY2024/25 Proposed Budget (Budget).

Augmentations Not Approved General & Other Funds

Department	FTE Change	Net Budget Change
City Clerk (General)	-	140,000
Public Works (General)	-	1,168,326
Public Works (Fleet Management)	-	300,000
Public Works (Parking)	-	41,674
Total	-	\$1,650,000

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
City Clerk	Increase one-time funding for training videos for elected and appointed commission members for on-boarding/orientation, Brown Act and parliamentary procedure. This will ensure compliance with City and State regukatuibs and trainings will reduce and limit violations.	General	-	50,000	-
City Clerk	Increase one-time funding for recodification of the City Code. This will ensure easy, transparent and chronological access to City ordinances and codes.	General	-	40,000	-
City Clerk	Increase funding for new modules in Netfile to add additional transparency and good governance as it pertains to providing ethics training to employees as well as appointed commissioners.	General	-	50,000	-
Public Works	Increase expenditure budget and reduce offsets to address ongoing budget structural issues in the Facilities and Real Property Division to reflect minimum actual costs.	General	-	1,210,000	-

FY2024/25 Proposed Budget

Department	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Public Works	Place funding into Advance Clean Fleet MYOP to begin to address ACF implementation.	Fleet Management	-	300,000	-
Public Works	Position Move: Move 1.0 FTE Program Manager from Office of the Director to Parking Services and move 1.0 FTE Administrative Analyst from Parking Services to Office of the Director to better align staff resources with work needs in both sections.	Parking	-	41,674	-
Public Works	Position Move: Move 1.0 FTE Program Manager from Office of the Director to Parking Services and move 1.0 FTE Administrative Analyst from Parking Services to Office of the Director to better align staff resources with work needs in both sections.	General Fund	-	(41,674)	-
Total Change \$			-	\$ 1,650,000	-

5

SECTION - 5 **Understanding the Budget**

BUDGET INFORMATION

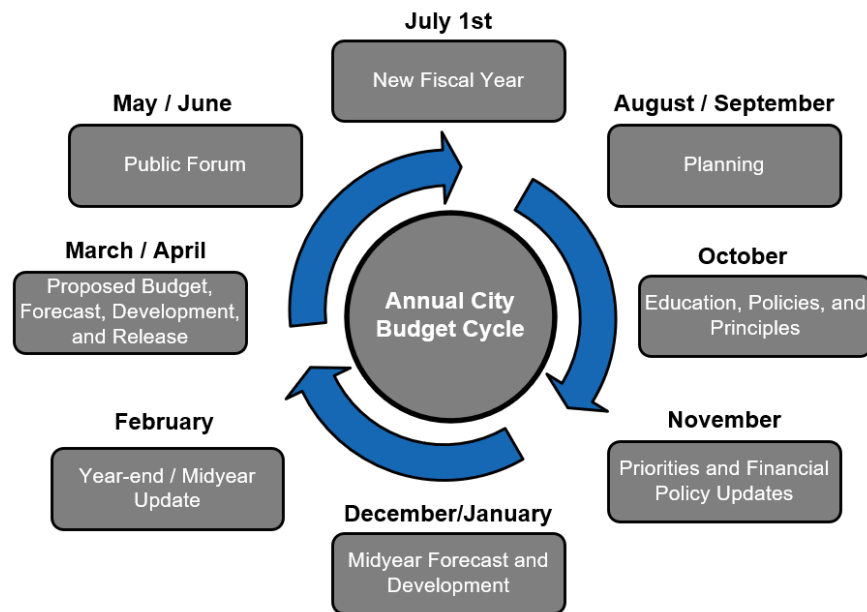
Budget Presentation

The presentation of the Budget includes both the FY2024/25 Proposed Operating Budget and the 2024-2029 Proposed Capital Improvement Program (CIP) Budget which includes the FY2024/25 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 City engaged and educated the community on the budget process and the City’s financial challenges by completing a community budget survey, conducting community meetings, and facilitating discussions at the Budget and Audit Committee (Committee) and Council meetings from February through April. 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.

FY2024/25 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 is outlined in the Budget Modification 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 2024-2029 CIP.

Council Priorities

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

FY2024/25 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

FY2024/25 Proposed Budget

- Emergency Medical Services (EMS) Revenue Recovery and Fee Waiver
- 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,

FY2024/25 Proposed Budget

special assessments, interest income, and other resources available for discretionary funding.

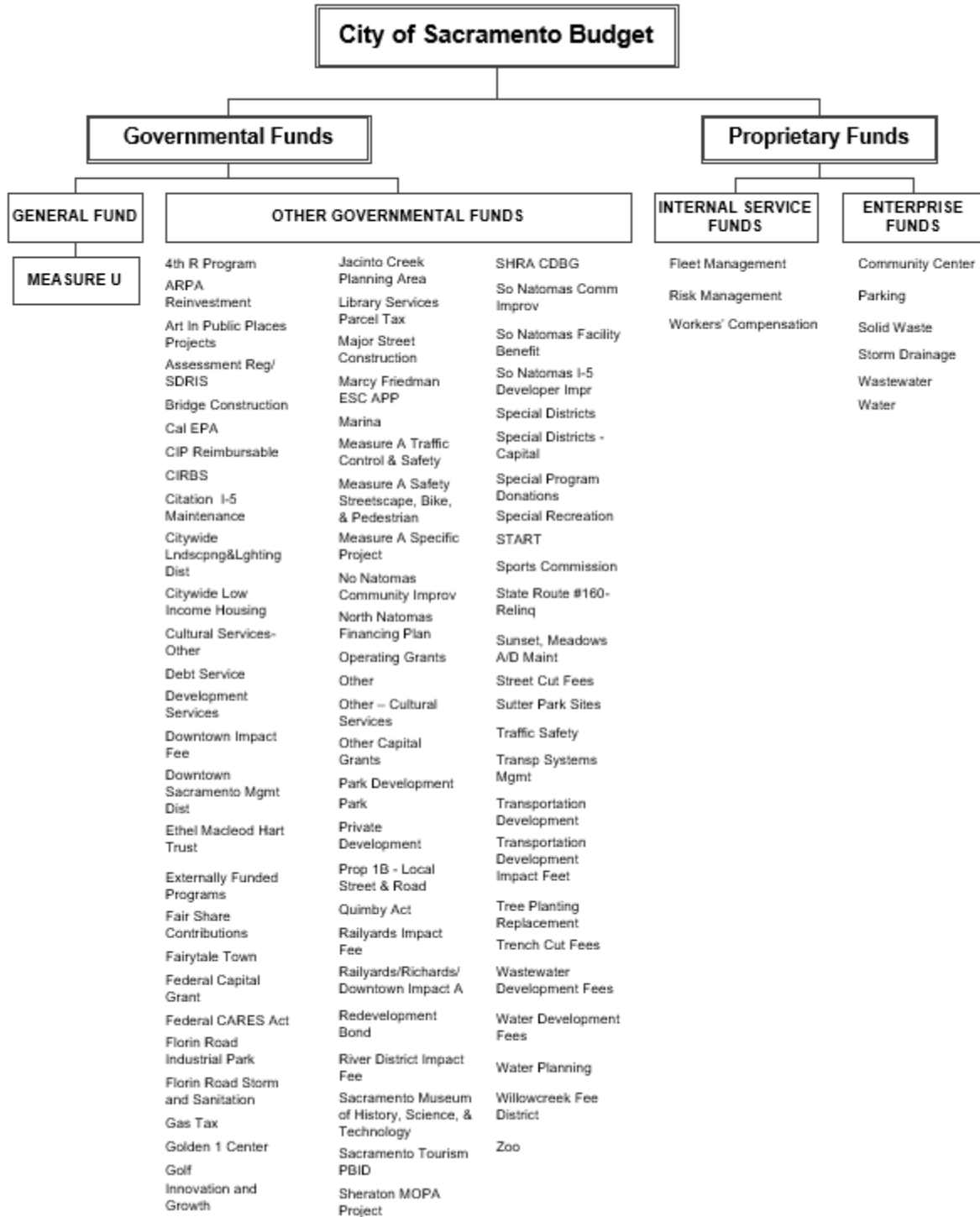
The G/MU Fund EUR was established to provide resources for the Mayor and Council to manage the impact of economic fluctuations that negatively impact the City's revenues.

- 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 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:
-

FY2024/25 Proposed Budget

- 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:
 - FY2021/22 Actuals
 - FY2022/23 Actuals
 - FY2023/24 Approved Budget
 - FY2023/24 Amended Budget (as of February 2024)
 - FY2024/25 Proposed Budget
 - Variance

The summary table shows for each year:

- Budgeted expenditures by category
- Funding sources and amounts
- A division level summary budget table:
 - FY2021/22 Actuals
 - FY2022/23 Actuals
 - FY2023/24 Approved Budget
 - FY2023/24 Amended Budget (as of February 2024)
 - FY2024/25 Proposed Budget
 - Variance
- A division level summary staffing table:
 - FY2021/22 Actuals
 - FY2022/23 Actuals
 - FY2023/24 Approved Budget
 - FY2023/24 Amended Budget (as of February 2024)
 - FY2024/25 Proposed Budget
 - Variance

Department Budget Summary Table

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

Human Resources Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Proposed	Proposed/Amended
Employee Services	\$ 10,827,246	\$ 11,535,813	\$ 12,648,583	\$ 12,648,583	\$ 13,686,828	\$ 1,038,245
Other Services and Supplies	43,999,886	63,501,837	52,104,850	52,600,850	61,274,543	8,673,693
City Property	36,321	67,296	43,200	43,200	43,200	-
Multi-Year Operating Projects	-	-	235,810	102,250	182,250	80,000
Transfers	(68,807)	(82,847)	-	-	-	-
Labor and Supply Offset	5,833,167	3,398,354	1,432,937	1,432,937	1,863,295	430,358
Total	\$ 60,627,813	\$ 78,420,453	\$ 66,465,380	\$ 66,827,820	\$ 77,050,116	\$ 10,222,296

Funding Summary by Fund/Special District	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Proposed	Proposed/Amended
General Fund	\$ 4,090,961	\$ 4,219,935	\$ 5,126,898	\$ 5,126,898	\$ 5,644,088	\$ 517,190
Interdepartmental Service	1,673,537	1,725,737	1,664,044	1,664,044	1,763,967	99,923
Measure U	-	499,655	456,853	456,853	503,266	46,413
Marina	-	-	4,811	4,811	4,000	(811)
Parking	-	-	4,811	4,811	4,000	(811)
Water	57,700	-	-	-	-	-
Wastewater	18,585	-	-	-	-	-
Recycling and Solid Waste	117,545	150,087	152,226	152,226	168,606	16,380
Storm Drainage	45,189	-	-	-	-	-
Fleet Management	59,614	59,614	14,433	14,433	16,000	1,567
Risk Mgmt	40,623,117	25,969,628	42,480,421	42,346,861	50,031,825	7,684,964
Worker's Compensation Fund	13,941,565	45,795,797	16,560,883	17,056,883	18,914,364	1,857,481
Total	\$ 60,627,813	\$ 78,420,453	\$ 66,465,380	\$ 66,827,820	\$ 77,050,116	\$ 10,222,296

- Column 1 - FY2021/22 actual expenditures by category and funding amounts by source.
- Column 2 - FY2022/23 actual expenditures by category and funding amounts by source.
- Column 3 - FY2023/24 Approved Budget by category and funding amounts by source.
- Column 4 - FY2023/24 Amended Budget by category and funding amounts by source (as of February 2024).
- Column 5 - FY2024/25 Proposed Budget by category and funding amounts by source.
- Column 6 - The budget change between the FY2024/25 Proposed and the FY2023/24 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	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Approved	FY2023/24 Amended	FY2024/25 Proposed	Change More/(Less) Proposed/Amended
HR Administration Division	\$ 1,645,888	\$ 1,619,354	\$ 2,139,897	\$ 2,139,897	\$ 2,338,984	\$ 199,087
Benefit Services Division	1,165,041	1,214,386	1,205,582	1,205,582	1,300,510	94,928
Employment, Classification and Development Division	1,758,658	1,918,039	2,050,864	2,050,864	2,200,337	149,473
Risk Management Administration Division	51,382,963	68,596,996	55,573,571	55,936,011	65,132,457	9,196,446
Workers' Compensation Division	2,958,229	2,855,472	3,183,891	3,183,891	3,520,055	336,164
Labor Relations Division	1,717,034	1,716,481	1,854,722	1,854,722	2,054,507	199,785
Office of Diversity and Equity Division	-	499,725	456,853	456,853	503,266	46,413
Total	\$ 60,627,813	\$ 78,420,453	\$ 66,465,380	\$ 66,827,820	\$ 77,050,116	\$ 10,222,296

Column 1 - FY2021/22 actual expenditures by division.

Column 2 - FY2022/23 actual expenditures by division.

Column 3 - FY2023/24 Approved Budget by division.

Column 4 - FY2023/24 Amended Budget by division (as of February 2024).

Column 5 - FY2024/25 Proposed Budget by division.

Column 6 - The budget change between the FY2024/25 Proposed and the FY2023/24 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	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Approved	FY2023/24 Amended	FY2024/25 Proposed	Change More/(Less) Proposed/Amended
HR Administration Division	9.00	9.00	9.00	9.00	9.00	-
Benefit Services Division	9.00	9.00	9.00	9.00	9.00	-
Employment, Classification and Development 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	11.00	11.00	11.00	11.00	-
Office of Diversity and Equity Division	-	3.00	3.00	3.00	3.00	-
Total	79.00	83.00	83.00	83.00	83.00	-

Column 1 – FTEs by division in FY2021/22.

Column 2 – FTEs by division in FY2022/23.

Column 3 – FTEs by division in the FY2023/24 Approved Budget.

Column 4 – FTEs by division for the FY2023/24 Amended Budget (as of February 2024).

Column 5 – FTEs by division as Proposed for FY2024/25.

Column 6 – The budget change in FTEs by division between the FY2024/25 Proposed and the FY2023/24 Amended Budget.

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SECTION - 6 **The Forecast**

Proposed Financial Forecast

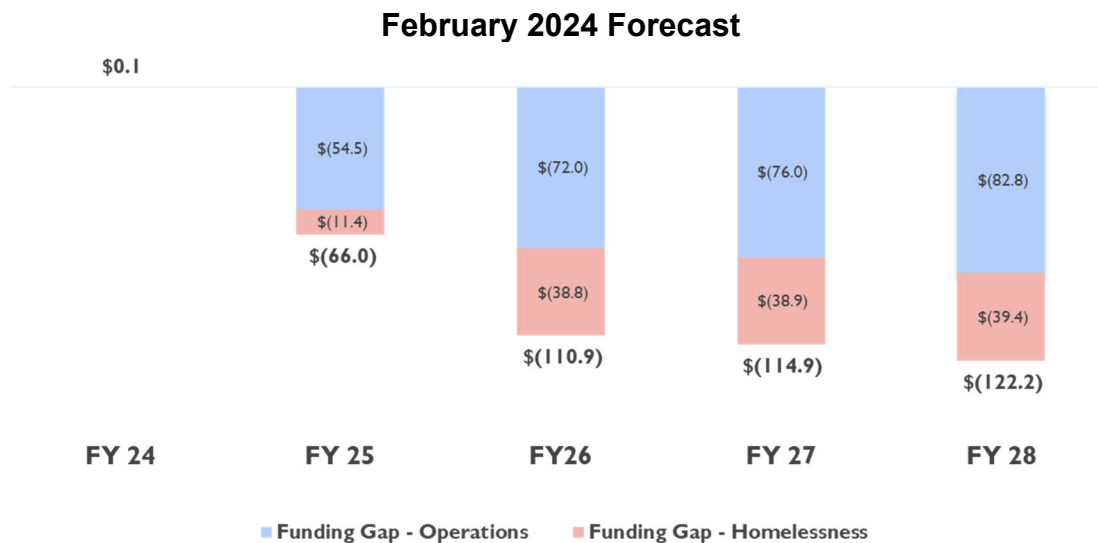
Financial Forecast

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.

In February, the City released its updated financial forecast which included the costs associated with new labor agreements with every City bargaining unit. The forecast projected a \$66 million funding gap for FY2024/25 with deficits increasing annually throughout the forecast period and reaching over \$120 million by FY2027/28:



While the forecast assumes continued economic growth, it also revealed a fundamental imbalance in the City's budget with expenses outpacing revenues. This imbalance is known as a structural deficit.

The structural deficit is the result of many decisions the City and voters have made over the past few years along with macroeconomic forces such as high inflation. In an effort to better serve its residents, especially during the pandemic, the City expanded beyond its

FY2024/25 Proposed Budget

The structural deficit is the result of many decisions the City and voters have made over the past few years along with macroeconomic forces such as high inflation. In an effort to better serve its residents, especially during the pandemic, the City expanded beyond its traditional core service areas and launched new programs, often with one-time federal funding. New labor contracts and higher prices for supplies, services and insurance have increased operating costs. The City has increased staffing levels, and voters have approved measures to redirect G/MU revenues for specific purposes. In summation, the City is offering more programs and services, and the costs of those programs and services continue to increase. This has resulted in a situation where City expenses are growing faster than City resources.

The Budget seeks to address the City's structural deficit by defining core City services and taking a strategic approach to revenue enhancements and expenditure reductions instead of simply pursuing across-the-board cuts. Proposed solutions to close the \$66 million funding gap include a combination of one-time and ongoing strategies with \$30.1 million in ongoing reduction strategies and \$36.6 million in one-time solutions. While the reductions helped decrease the deficits in future fiscal years, they did not close the entire gap.

The Five-Year G/MU Fund Forecast

Given 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. Updated cost estimates are also a key component of the long-range forecasting process. This allows the City to identify potential challenges and make course corrections through budget and operational 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 Budget is balanced; however, the City is currently facing a structural deficit where expenses are outpacing revenue growth in future fiscal years. While the recommended reduction strategies help close the funding gap in FY2024/25, these efforts do not completely fill the gaps in future fiscal years. The current five-year forecast is presented below.

FY2024/25 Proposed Budget

5-Year Forecast General (G) and Measure U (MU) Funds (\$ in 000s)	FY2024/25 Projection	FY2025/26 Projection	FY2026/27 Projection	FY2027/28 Projection	FY2028/29 Projection
BEGINNING AVAILABLE FUND BALANCE	42	709	-	-	-
Revenues					
Revenues	813,875	826,500	845,390	863,136	880,934
Other Sources	25,388	7,116	7,734	7,713	8,486
Total Revenues/Resources	839,263	833,616	853,125	870,849	889,421
Expenditures					
Department Operating, Debt, and MYOPs	823,891	850,788	877,848	906,744	943,420
Capital Projects	14,542	14,367	14,392	13,864	13,844
EUR Contribution	-	4,372	4,508	4,650	4,833
Total Expenditures/Uses	838,433	869,527	896,748	925,257	962,097
Surplus/(Deficit)	830	(35,911)	(43,624)	(54,408)	(72,676)
Other Sources/(Uses)					
Reserve for Future Budget Development (FY2021/22)	5,200	-	-	-	-
Reserve for Future Budget Development (FY2022/23)	7,401	-	-	-	-
FY2023/24 Vacancy Factor	11,732	11,966	12,206	12,450	12,699
Other Spending Increases	(7,000)	(7,140)	(7,283)	(7,428)	(7,577)
Total Other Sources/(Uses)	17,332	4,826	4,923	5,021	5,122
Voter-Approved Spending					
Measure L	(9,329)	(9,329)	(9,329)	(9,329)	(9,329)
Total Voter-Approved Spending	(9,329)	(9,329)	(9,329)	(9,329)	(9,329)
Surplus/(Deficit) with Other Sources	8,834	(40,413)	(48,030)	(58,716)	(76,883)
Homeless Services					
Schedule 9 MYOP Funding	11,414	11,460	11,507	11,555	11,604
New Homeless Services Resources (HHAP-5)	20,889	-	-	-	-
Prior Year Homeless Services Resources (HHAP1-4)	3,800	-	-	-	-
Prior Year DCR Operations Savings	1,727	-	-	-	-
Homeless Services Programming	(45,997)	(48,976)	(50,225)	(50,727)	(51,235)
Total Homeless Services	(8,167)	(37,516)	(38,718)	(39,172)	(39,631)
Surplus/(Deficit) with Homeless Services	666	(77,929)	(86,748)	(97,888)	(116,514)
ENDING AVAILABLE FUND BALANCE WITH HOMELESS SERVICES	709	(77,221)	(86,748)	(97,888)	(116,514)

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

- California Public Employees' Retirement System (CalPERS) unfunded liability costs will increase by \$28.8 million (30.3%) over the next four years.
- Liability insurance premiums are estimated to increase by \$26.7 million (63%) over the next four years.
- Uncertainty with future labor costs. Two of the eleven labor contracts will end before the close of FY2024/25 and the forecast does not include future increases for COLAs or health insurance.
- Approximately \$1.4 billion in unfunded capital needs between 2024 and 2029 are not included in the forecast. Unfunded capital needs consist of the maintenance and repairs of existing City facilities and assets and the purchase of new assets required to maintain a consistent level of service to City residents.
- Compliance with the Advance Clean Fleets (ACF) Regulation will have a financial impact which is unknown at this time.
- Homeless services will cost approximately \$201 million over the next four years.
- Two Library measures, Measure B and Measure X, provide approximately \$10 million to the Library and are scheduled to expire on June 30, 2026, and June 30, 2027, respectively. With Council's approval, the City plans to place a

FY2024/25 Proposed Budget

renewal measure on the November 2024 ballot to ensure continued funding. If the measure does not pass, this could have an additional financial impact.

- A proposed state ballot measure, if approved by voters, would limit the City’s ability to charge fees at a level that recovers the cost of providing a service.

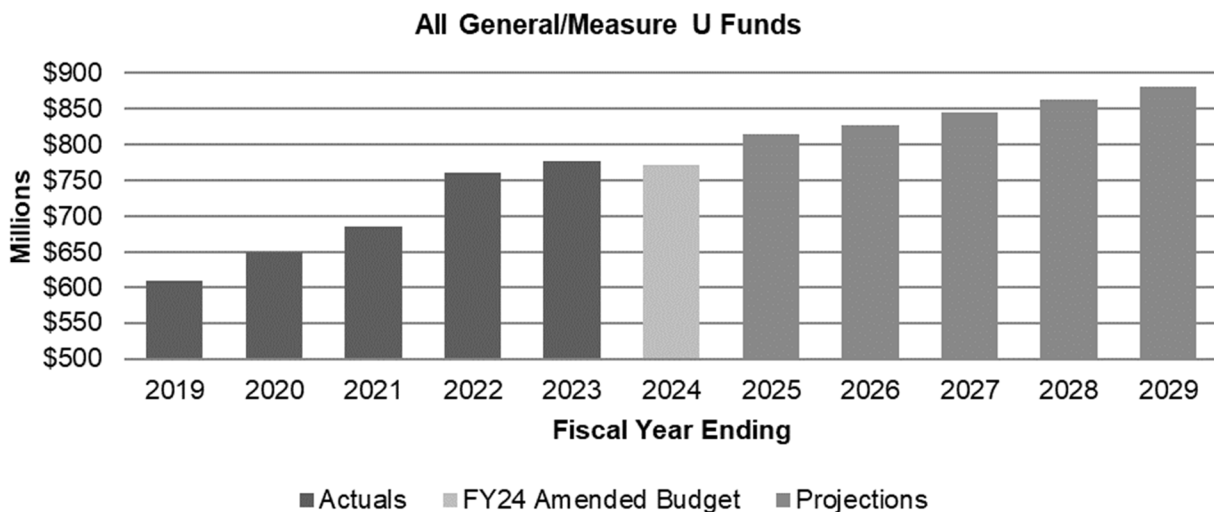
With the exception of future labor contract increases, unfunded capital needs, compliance with the ACF Regulation and Library measures, estimates for the above challenges have been included in the forecast as presented.

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 67% G/MU Fund revenues.

Revenue Source (\$ in 000s)	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29
	Amended	Proposed	Projected	Projected	Projected	Projected
Property Tax	220,721	229,635	236,381	243,329	250,486	257,858
Measure U Transaction & Use Tax	135,124	139,094	141,554	146,071	150,389	154,506
General Sales & Use Tax	103,761	107,228	108,460	111,218	113,884	116,458
Utility User Tax	65,092	67,465	67,802	68,141	68,482	68,824
Other Revenue	246,122	270,453	272,303	276,631	279,895	283,289
Total General/Measure U Revenue	770,820	813,875	826,500	845,390	863,136	880,934

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 45% from FY2018/19 through the term of the forecast in FY2028/29.

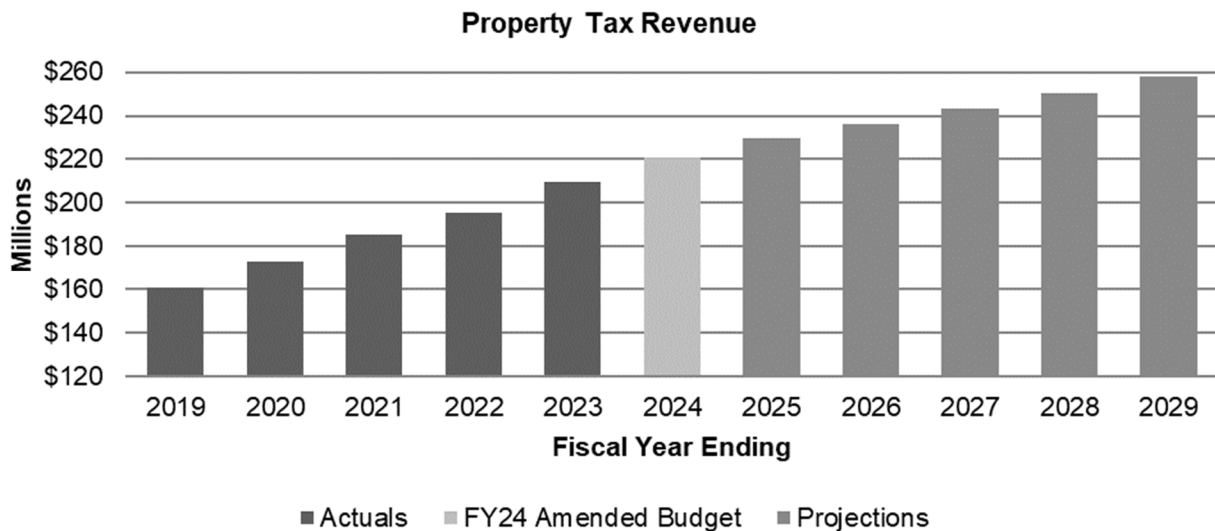


Property Tax

Property taxes account for 28% of all G/MU Fund revenues. Revenues related to property taxes are affected by fluctuations in the real estate market, levels of new construction

FY2024/25 Proposed Budget

activity, and the corresponding changes to the assessed value of those properties on the tax roll.



Mortgage rate predictions for 2024 indicate a potential decline, which could positively impact the real estate market and improve affordability for buyers. The Mortgage Bankers Association, as well as economists from Realtor.com and LendingTree predict rates will drop to 6.0% - 6.5% by the end of 2024. According to the Sacramento Business Review (SBR) January 2024 Report, the new home market continues to outperform the resale market as limited inventory and elevated mortgage rates continue to persist. Resale listings are still about 24% below levels from October 2019, and the trailing 12-month closings are at their lowest levels since 2008 for the Sacramento region. The Sacramento commercial market continues to struggle as tenants seek to downsize their space and increase operational efficiency as inflationary pressures continue to persist. The retail sector has remained healthy due to a lack of construction in recent years. The SBR found that grocery-anchored retail in particular has been resilient and continues to achieve a premium over the rest of the market.

Overall Real Estate Activity for the Sacramento Region

Category	2/2024 vs 2/2023
	% Change
Average Price per Square Foot	6.2%
Medium Sales Price	7.2%
Median Days on the Market	-57.7%
Active Inventory	6.3%
Sales Volume	4.4%

Data compiled by the Sacramento Association of Realtors, provided by MetroList MLS Database.

FY2024/25 Proposed Budget

From February 2023 through February 2024, the Sacramento Association of Realtors reported the cost of housing per square foot in the Sacramento region (region) increased from \$323 to \$343 and the median home price increased from \$499,000 to \$535,000. Fanny Mae expects both new and existing home sales volumes to increase by 5.7% and 3.1% respectively in 2024 across the nation. The peak first-time homebuying age for Millennials also continues for a few more years, contributing to sustained demand.

Total assessed value for Sacramento County's FY2023/24 secured and unsecured roll surpassed \$220 billion, an increase of 7.3% countywide. Additionally, the Sacramento County Assessor's (Assessor) 2023 Annual Report and monthly reports have highlighted positive barometers for the City as follows:

- Total gross assessed value of secured/unsecured properties in the City grew 7.6% from FY2022/23 to FY2023/24.
- City properties with Proposition 8 assessments (temporary reduction in property taxes due) decreased from 3,152 in March 2023 to 2,910 in March 2024, an 8% decrease adding \$78 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	2,382,349,059	3,154,272,317	76%
Single-Family Residence	516,142,418	576,637,830	90%
Multi-Family Residence	398,317,810	445,367,805	89%
Industrial	171,613,447	199,485,653	86%
Others	89,664,405	110,756,328	81%
City Total	3,558,087,139	4,486,519,933	79%

In December 2023, 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 FY2024/25 is 4.0% higher than the FY2023/24 Approved Budget which included 5.1% growth over FY2022/23 actuals. Estimates over the term of the forecast include 3% from FY2025/26 through FY2028/29, 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 (IGF). Beginning in FY2024/25 the amount required for the possessory interest tax paid on the Golden 1 Center will be paid from Transient Occupancy Tax resources, which will be used for the associated debt service payment in lieu of IGF resources.

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 2023 for FY2023/24 collections and indicated the City would receive an increase of 7.4% in estimated revenues when compared to FY2022/23 collections. After revising the FY2023/24 base upward by \$1.5 million, 4% growth was applied to the new baseline in FY2024/25, 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 \$19 million in FY2021/22 to a low of \$4.4 million in FY2010/11.

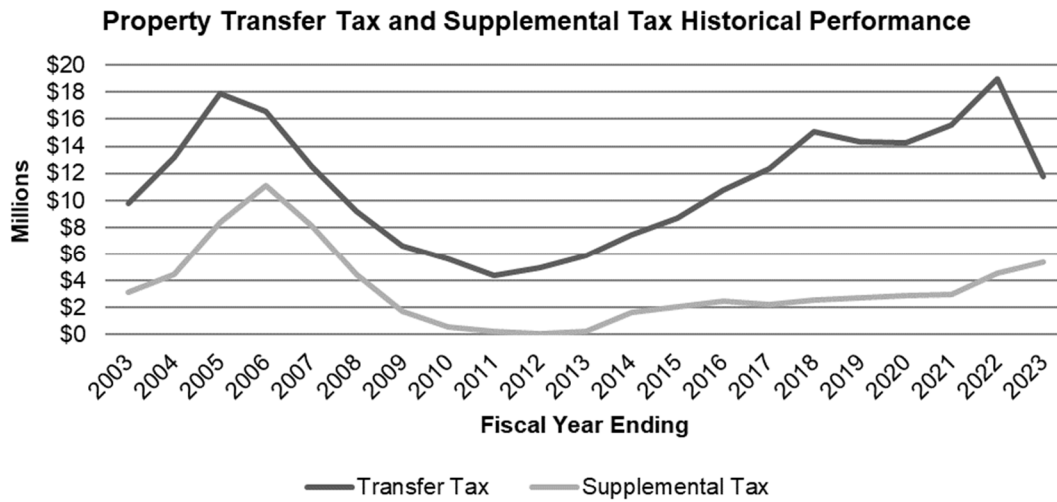
Supplemental Property Tax - A supplemental tax bill is generated when a property is reassessed due to a change in ownership (a sale, transfer, or transfer of fractional interest) or the result of new construction. The supplemental tax bill reflects any increase or decrease in property tax generated by 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 eight months of FY2023/24, real estate transactions decreased by 15% and the value of these transactions decreased by 28% when compared to the same period in the prior year. 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. While FY2021/22 was an all-time high of \$19 million for transfer tax collections, unfortunately activity has come to what seems like a griding halt comparatively with current FY2023/24 projections in the \$10 million range based on collections through the first eight months of the fiscal year. Transfer Tax and Supplemental Property Tax revenue streams are expected to decrease by 5% annually from FY2025/26 through FY2028/29 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

FY2024/25 Proposed Budget

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

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 13% 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 17% 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. Sales tax accounts for 30% of G/MU Fund revenues. 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 FY2024/25.

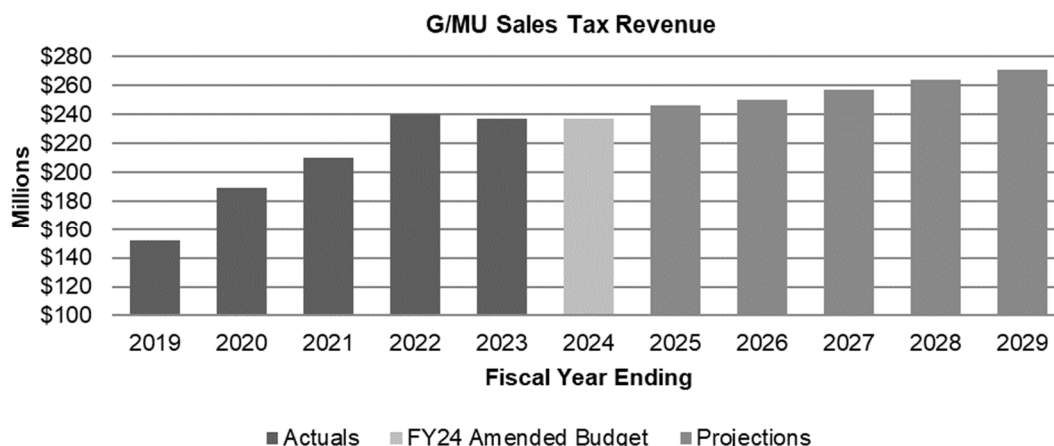
G/MU Sales Tax Breakdown by Economic Segment	
General Retail	24.0%
Business to Business	19.5%
Food Products	18.3%
Transportation	16.6%
Construction	12.1%
County Pool	6.3%
Miscellaneous	3.2%
Total	100.0%

FY2024/25 Proposed Budget

After reaching a 40-year high in 2022, inflation dropped from 8% to 4% in 2023. This is still substantially higher than the Federal Reserve's 2% inflation target and continues to remain a concern for regional consumers as rising prices outpace income levels. The UCLA Anderson Economic Forecast March 2024 predicts inflation will reach 2.5% by 2026 which is higher than the Fed's target but likely the new normal.

The California new vehicle market increased by 11.9% in 2023 while the used vehicle market declined by 3.2% during the same period. Vehicle affordability is still an issue but should improve as the year progresses. Recent increases in energy prices will create upward pressure on taxable items via increased transport costs. This could reduce disposable income for restaurants and retail purchases.

Avenu Insights & Analytics (Avenu), the City's sales tax consultant, projected a 1.9% decrease in sales tax revenues in FY2023/24. They anticipate that total sales tax revenues will increase by 2.1% in FY2024/25. Over the past few years, sales tax revenues have been affected by a variety of unusual factors related to the pandemic and recovery including but not limited to higher than normal inflation, supply chain issues, changes in consumer demand from taxable to non-taxable purchases, a spike in fuel prices. Avenu anticipates that most of these anomalous factors are receding, and Sacramento should be entering a 'new normal' period for sales tax starting in FY2024/25. Costco opened a new store in Natomas in March 2024 which could boost retail growth up to 6.2% in FY2024/25. The Food sector is projected to grow at 2.9% and is anticipated to return to normal growth levels largely due to inflation/price increases. The Transportation sector will decrease by 3.9% as the use of electric vehicles begins to affect gasoline demand. After a weak year for Construction in FY2023/24, Avenu anticipates a rebound with 4.5% growth in FY2024/25. Business-to-Business growth is anticipated to return to a normal growth level at 2.1%. Miscellaneous, the smallest category is anticipated to remain fairly flat with -0.2% growth due to constrained health and government spending. Likewise, County pool revenues will remain flat in FY2024/25, with 0.3% growth due to reduced overall consumption in the region. Growth projections in the five-year forecast range from one to four percent from FY2024/25-FY2028/29. The FY2024/25 budget is based on Avenu's most likely sales tax scenario while the future years of the 5-year forecast are an average of the conservative and most-likely revenue projections.



FY2024/25 Proposed Budget

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	YE 2023Q4
Apparel Stores	2,903,459	2,009,840	3,175,507	3,048,744	2,946,453
Department Stores	5,883,940	5,108,843	5,725,613	6,016,449	5,897,542
Furniture/Appliance	2,420,316	1,888,580	2,384,872	2,571,776	2,402,918
Drug Store	2,443,770	3,008,204	3,072,003	2,574,935	2,338,787
Recreation Products	655,269	637,476	776,827	723,478	653,611
Florist/Nursey	564,546	1,023,445	1,131,874	462,158	400,624
Miscellaneous Retail	4,619,641	3,977,378	5,362,602	5,297,554	4,864,334
General Retail Total	19,490,941	17,653,766	21,629,298	20,695,094	19,504,269
Restaurants	12,949,619	8,718,972	12,032,128	14,313,015	15,250,061
Food Markets	3,505,295	3,467,701	3,616,296	3,742,568	3,717,948
Liquor Stores	482,395	508,448	581,962	602,846	622,832
Food Processing Equipment	546,817	410,867	518,241	663,699	614,760
Food Products Total	17,484,126	13,105,988	16,748,627	19,322,128	20,205,601
Auto Parts/Repair	2,291,427	2,216,354	2,448,555	2,561,086	2,522,273
Auto Sales - New	1,661,159	1,754,888	1,700,174	1,956,028	2,552,284
Auto Sales - Used	1,931,834	2,139,429	3,258,946	3,159,437	2,609,615
Service Stations	5,900,698	4,379,620	5,972,523	7,440,263	6,664,612
Misc. Vehicle Sales	2,034,358	1,940,358	1,884,507	1,765,334	1,556,559
Transportation Total	13,819,476	12,430,649	15,264,705	16,882,148	15,905,343
Building Materials Wholesale	7,768,803	7,970,021	9,444,615	11,792,750	10,448,083
Building Materials Retail	2,230,024	2,564,324	2,789,014	2,728,364	2,694,248
Construction Total	9,998,827	10,534,345	12,233,629	14,521,114	13,142,331
Office Equipment	1,701,004	1,675,949	1,704,227	2,034,714	1,958,691
Electronic Equipment	548,546	561,657	627,483	726,473	821,088
Business Services	777,263	563,633	757,229	850,837	865,628
Energy Sales	2,587,135	1,993,607	3,207,516	4,408,153	2,628,389
Chemical Products	583,061	560,891	650,678	819,811	854,448
Heavy Industry	3,606,282	4,242,595	4,563,830	4,674,355	4,547,052
Light Industry	1,470,086	1,563,371	1,418,179	1,669,126	1,571,792
Leasing	1,136,146	1,134,124	1,445,090	1,603,471	1,906,594
Biotechnology	422,446	489,143	643,322	672,053	700,214
I.T. Infrastructure	271,583	426,483	45,538	53,011	66,948
Green Energy	229,780	215,772	236,723	299,793	223,579
Business To Business Total	13,333,332	13,427,225	15,299,815	17,811,797	16,144,423
Health & Government	920,892	836,698	845,641	1041551	1054509
Miscellaneous Other	707,372	689,690	867,453	927451	1063079
Miscellaneous Total	1,628,264	1,526,388	1,713,094	1,969,002	2,117,588
Net Pools/Admin/Adjustments	14,537,148	14,495,163	18,787,683	17,044,362	17,894,342
Total Measure U Receipts	90,292,114	83,173,524	101,676,851	108,245,645	104,913,897

FY2024/25 Proposed Budget

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.

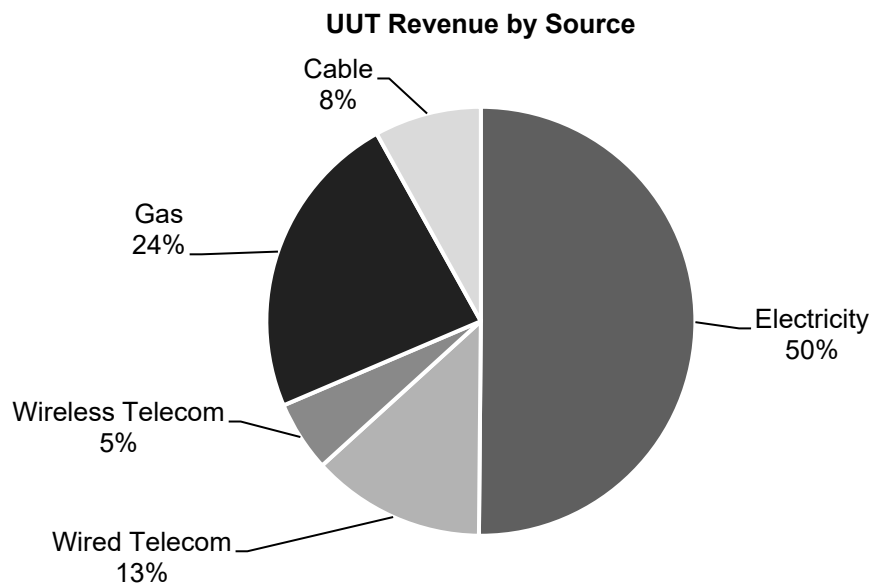
Measure U Transactions and Use Tax

(Benchmark Calendar Year)

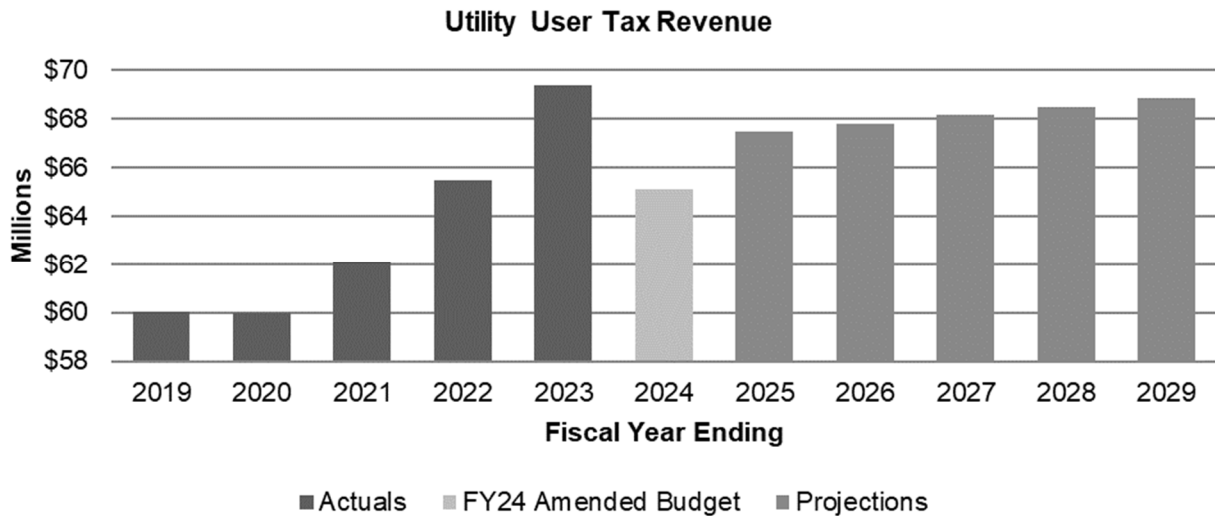
	YE 2019Q4	YE 2020Q4	YE 2021Q4	YE 2022Q4	YE 2023Q4
Apparel Stores	3,113,119	3,316,417	4,548,919	4,270,466	4,243,034
Department Stores	5,683,819	6,864,117	7,693,346	7,029,902	6,692,745
Furniture/Appliance	2,504,298	3,321,697	3,812,129	3,712,239	3,138,309
Drug Store	1,780,635	2,832,887	2,968,890	2,575,842	2,226,368
Recreation Products	660,484	991,123	1,128,744	1,042,291	1,013,815
Florist/Nursey	507,344	1,108,106	1,242,628	573,742	496,211
Miscellaneous Retail	7,124,127	12,112,308	14,590,434	14,584,208	14,673,813
General Retail Total	21,373,826	30,546,655	35,985,090	33,788,690	32,484,295
Restaurants	9,973,245	9,154,518	12,750,827	15,144,251	16,080,732
Food Markets	2,901,470	3,564,739	3,622,651	3,845,193	3,901,832
Liquor Stores	381,223	541,333	604,130	622,632	654,902
Food Processing Equipment	614,488	647,875	772,758	984,356	885,246
Food Products Total	13,870,426	13,908,465	17,750,366	20,596,432	21,522,712
Auto Parts/Repair	2,217,580	2,764,272	3,048,175	3,207,295	3,499,197
Auto Sales - New	5,351,577	7,323,032	9,562,718	10,055,082	10,837,677
Auto Sales - Used	1,771,164	2,607,619	3,328,842	2,968,854	2,745,809
Service Stations	4,761,089	4,535,698	6,232,550	7,649,552	6,792,140
Misc. Vehicle Sales	507,817	1,017,459	950,635	983,998	955,941
Transportation Total	14,609,227	18,248,080	23,122,920	24,864,781	24,830,764
Building Materials Wholesale	6,557,047	8,790,268	10,305,792	12,293,821	11,773,853
Building Materials Retail	3,492,489	4,968,803	5,370,341	5,270,929	5,130,017
Construction Total	10,049,536	13,759,071	15,676,133	17,564,750	16,903,870
Office Equipment	4,485,898	6,356,734	5,683,776	6,068,033	5,902,560
Electronic Equipment	1,343,956	1,740,365	2,513,271	2,059,666	2,136,530
Business Services	1,649,321	2,141,350	2,308,096	2,680,157	2,602,307
Energy Sales	537,363	601,078	922,437	1,299,361	1,020,498
Chemical Products	609,717	902,476	889,685	989,507	923,439
Heavy Industry	3,128,026	4,692,181	5,030,847	5,364,803	5,491,695
Light Industry	4,863,772	6,065,415	6,850,316	7,300,507	7,186,559
Leasing	1,789,485	2,735,210	2,856,193	2,983,798	3,180,808
Biotechnology	48,942	164,455	231,592	235,215	223,390
I.T. Infrastructure	901,590	554,628	316,721	379,553	432,042
Green Energy	88,501	148,163	238,680	184,593	142,855
Business To Business Total	19,446,571	26,102,055	27,841,614	29,545,193	29,242,683
Health & Government	1,704,916	2,199,473	2,921,512	3,050,283	2,608,546
Miscellaneous Other	1,266,788	1,732,033	2,020,899	2,151,476	2,430,692
Miscellaneous Total	2,971,704	3,931,506	4,942,411	5,201,759	5,039,238
Net Pools/Admin/Adjustments	(3,458,351)	(2,207,957)	1,936,278	738,138	2,817,954
Total Measure U Receipts	78,862,939	104,287,875	127,254,812	132,299,743	132,841,516

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 8% of General Fund revenue. UUT had 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 74% of all UUT revenue providing overall growth despite continued losses by the other components. Based on revenues collected during the first seven months of FY2023/24, UUT is projected to decrease by 6.2% in FY2023/24. Energy rate increases will offset losses from other sectors and project 3.6% growth in FY2024/25. FY2025/26-FY2028/29 include 0.5% annual growth reflected in the following chart.



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

Cable Subscriptions – Results from a 2023 Kagan US Consumer Insights survey continue to show US video cord cutting and the pace is accelerating. From 4Q2022 to 3Q2023, 8% of households cut the cord. 51% of consumers continue the traditional pay TV outlet, 35% have dropped cable and rely on internet streaming services, and 14% known as “video cord nevers,” have never subscribed to traditional pay TV. Comcast accounted for 77% of the City’s cable UUT receipts in FY2022/23. Avenu, Insights and Analytics forecasts an additional 20% decline in revenue by FY2027/28. The City’s cable revenue decreased by \$350,000 through the first seven months of FY2023/24, versus the same period in FY2022/23. Cable accounts for \$5.6 million (8%) of all UUT revenue.

Electricity – Energy will continue to be the main catalyst for UUT growth for the foreseeable future. The electricity sector has increased its share of the UUT pie from 39% in FY2007/08 to 50% 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 2.75% rate increase on January 1, 2024, 2.75% on May, 1 2024, 2.75% on January 1, 2025 and 2.75% on May 1, 2025 to combat these issues. During the first seven months of FY2023/24, the City’s electricity UUT revenues increased 0.2% compared to the same period in FY2022/23.

Natural Gas – PG&E approved rate increases of approximately 12.8% in 2024 and 1.6% in 2025. The increases are 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. The most recent winter (December 2023-February 2024) was the second warmest ever recorded in Sacramento, which may exacerbate the drop in gas usage compared to the previous winter (December 2022-February 2023). UUT gas collections were down \$2.1 million during the first seven months of FY2023/24 compared to FY2022/23. Gas accounts for \$16.2 million (24%) of all UUT revenue.

FY2024/25 Proposed Budget

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 9.1 million or 13% of the total UUT base; however, the revenue stream has decreased by 50% since FY1999/00. Through the first seven months of FY2023/24 wired telecom revenue is down \$1 million (-18.3%) compared to the same period in FY2022/23.

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 76% decrease in wireless revenues since FY2009/10. During the first seven months of FY2023/24, wireless UUT revenues have increased by \$137,000 (6.4%) versus the same period in FY2022/23. Wireless telecom accounts for \$3.7 million (5.3%) of all UUT revenue.

Cannabis Business Operations Tax (CBOT)

Statewide, the cannabis industry has struggled as evidenced by the California Department of Tax and Fee Administration report of a 9.5% decrease in sales during 2023 compared to 2022. California is now considered a mature market for cannabis and absent federal legalization to export to other states, cannabis sales are not expected to see the large growth rates experienced immediately after statewide recreational cannabis legalization. However, the Sacramento cannabis industry is showing strong year-over-year growth in taxable sales. Based on collections through the first seven months of FY2023/24, revenue collections are projected to be \$23.3 million an increase of \$1.3 million over the FY2023/24 Budget. Given the statewide uncertainty in the cannabis market, the FY2024/25 budget will remain at \$23.3 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 (10.7% for all eligible fees for FY2024/25).

FY2024/25 Proposed Budget

Beginning in FY2014/15, the City used the State of California Department of Industrial Relations CPI, which is the same index used by the 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 11.5% 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 2024.

Tourism and Parking

The COVID-19 pandemic had a significant negative impact on City revenues including Transient Occupancy Tax (TOT) and parking revenues. The normalization of the region's tourism economy has resulted in a rebound in TOT receipts with TOT revenues, which largely are allocated to the Community Center Fund, fully recovering to pre-pandemic levels. In FY2022/23, the Community Center Fund was determined to be in a strong enough position to return the \$6.7 million in General Fund support that was provided to it during the pandemic. Staff will continue to monitor TOT revenues and make revenue and programming adjustments to the Community Center Fund as necessary to keep the fund on sustainable financial footing.

However, off-street parking fees in the Parking Fund are still below pre-pandemic levels. The pandemic resulted in lowered usage of the City's parking garages for events and the widespread adoption of hybrid work models. Projected parking fees for FY2023/24 are approximately 89% of FY2018/19 levels, the last fiscal year uninterrupted by the pandemic.

Revenue from parking fees collected at City garages is projected to increase to about 95% of pre-pandemic levels in FY2024/25, with full recovery projected in FY2026/27. The recent announcement that the Oakland Athletics will temporarily relocate to West Sacramento for three seasons may have an impact on off-street parking revenues that is not included in this forecast. Additionally, the recent announcement by the Governor for all state employees to return to office two days a week may also have an impact on off-street parking revenues that is not included in this forecast. Staff will assess the impact of these items and incorporate the impact into future forecasting exercises.

Since the start of the pandemic, the General Fund has provided almost \$11 million in support to the Parking Fund, including \$5.2 million in FY2020/21 Midyear Budget, \$5.1 million in FY2021/22 Midyear Budget, and \$633,000 in the FY2022/23 Approved Budget. 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. The FY2024/25 Proposed Budget includes parking management strategies which aim to keep the Parking Fund on sustainable financial footing and prevent the need for additional General Fund support in the future. Staff will assess the effectiveness of these strategies and incorporate their impact into future forecasting exercises.

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. In FY2024/25, labor costs are expected to increase by 6.9% compared to the FY2023/24 Approved Budget due to approved salary and benefit increases included in the labor agreements approved by Council in FY2023/24, movement of employees through salary steps, pension cost increases and new position augmentations.

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 approximately \$1.4 billion.

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 Recognized Employee Organizations (REOs) agreed to pick up a portion of the employer's cost. In response to The Great Recession our REOs agreed to 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.

FY2024/25 Proposed Budget

PERS Type	Approved FY2017/18	Approved FY2018/19	Approved FY2019/20	Approved FY2020/21	Approved FY2021/22	Approved FY2022/23	Approved FY2023/24	Proposed FY2024/25
Classic	76%	69%	67%	61%	56%	52%	38%	35%
PEPRA	24%	31%	33%	39%	44%	48%	62%	65%

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 were incorporated in this actuarial valuation and impacted 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%. If the retirement plan does not meet actuarial assumptions – if earnings on plan assets are lower than the discount rate or salary increases are higher than plan assumptions – the City’s UAL will increase.

In July 2023, CalPERS announced a preliminary 5.8% net return on investments for the 12-months ending 6/30/23. Public equity investments outpaced all other asset classes in the new investment report, with an estimated 14.1% return in FY2022/23. These assets comprise about 45% of the total fund. However, because the return was short 1%, costs to employers will increase.

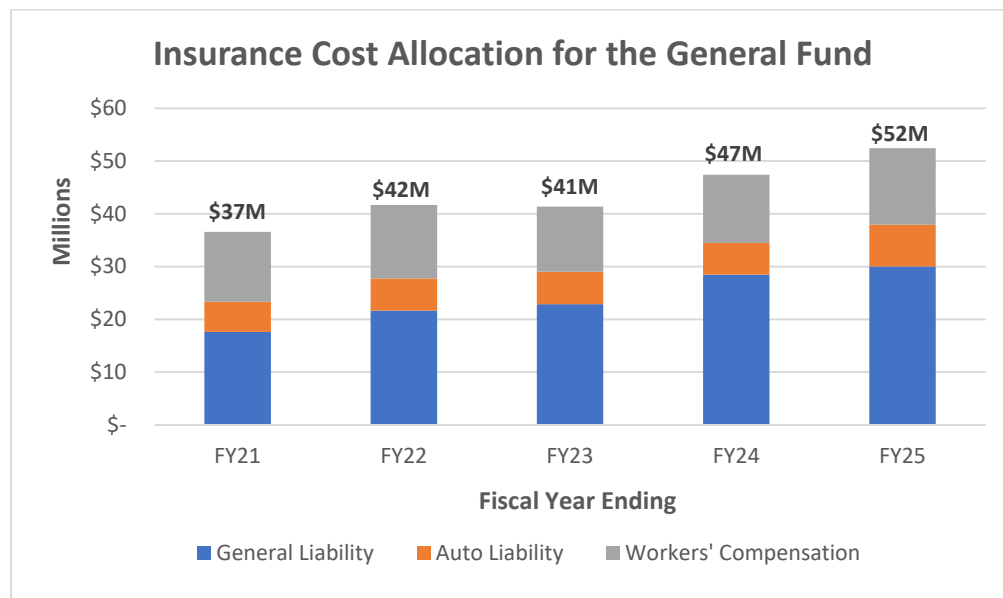
General Liability, Auto Liability, and Workers’ Compensation Insurance

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 adopted policy to maintain this funding level, the General Fund contribution to the GL&AL Fund was increased from \$34.49 million in FY2023/24 to \$37.94 million or 10% in FY2024/25. Insurance premiums have been rising in recent years, primarily excess liability and property premiums, and public entities will continue to experience a difficult insurance market in FY2024/25. This is an industry-wide problem and not isolated to the City of Sacramento. Since 2010 there has been an 11% annual increase in liability claim costs. A deterioration in loss experience and fewer insurance carriers willing to write

FY2024/25 Proposed Budget

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 contributing to our increasing insurance premiums. Unfortunately, property insurance rates are now on the increase due to years of catastrophic events such as hurricanes, floods, wildfires, winter storms, and a dramatic increase in construction costs. The General Fund contribution to the Workers' Compensation Fund increased from \$12.91 million in FY2023/24 to \$14.51 million in FY2024/24, or 13%.

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



Information provided by the City's insurance broker illustrates the dramatic increase in liability costs. The average jury award in 2010 was \$654,000 and the average jury award in 2020 was \$2.5 million, an increase of 274% and an all-time high. 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, 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 \$1 million or higher has more than doubled in the last five years. The annual growth rate in jury verdicts from 2010 to 2020 was 11%. The annual rate of increases in US liability costs is even higher in recent years, with a 16% annual growth rate from 2018 to 2022, according to an October 2023 Swiss Re Institute Report. Additionally, there are many recent jury verdicts or settlements against California public entities more than \$30 million. There has been a large amount of capacity pull backs and withdrawals by insurance carriers over the past two years. As

FY2024/25 Proposed Budget

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

Along with increasing liability costs and premiums, the property insurance market continues to harden with higher premium costs due to increases in the number and size of natural disasters. Inflation, labor shortages, and increased materials costs are also increasing construction costs, which contributes to rising property insurance premium costs. In 2022 there were \$125 billion in global catastrophic losses – the second worst year ever. In 2023 losses were also over \$100 billion, marking the fourth consecutive year with losses exceeding \$100 billion.

Measure U Programming and Forecast - \$148.6 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 \$140.3 million in revenues for FY2024/25.

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 FY2024/25 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 \$148.6 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.

FY2024/25 Proposed Budget

FY2023/24 Measure U Programming

Revenues and Expenditures in (\$ in 000s)	FY2024/25 FTE	FY2024/25 Proposed	FY2025/26 Projection	FY2026/27 Projection	FY2027/28 Projection	FY2028/29 Projection
REVENUES		140,344	142,554	147,071	151,389	155,506
EXPENDITURES						
Affordable Housing						
Operations	21.00	1,839	1,869	1,922	1,972	2,050
Multi-Year Operating Projects		3,600	3,600	3,600	3,653	3,600
Affordable Housing Subtotal	21.00	5,439	5,469	5,522	5,625	5,650
Arts/Creative Edge						
Operations	28.95	3,456	3,489	3,546	3,600	3,681
Multi-Year Operating Projects		614	614	614	614	614
Arts/Creative Edge Subtotal	28.95	4,070	4,103	4,160	4,214	4,295
Climate Action						
Operations	4.00	562	572	587	601	619
Multi-Year Operating Projects		300	300	300	300	300
Climate Action Subtotal	4.00	862	872	887	901	919
Community Investment						
Operations	177.17	20,609	20,862	21,214	21,554	22,008
Multi-Year Operating Projects		6,024	7,647	7,001	6,429	7,689
Capital Improvements		2,759	2,700	2,700	2,700	2,700
Community Investment Subtotal	177.17	29,392	31,209	30,915	30,683	32,396
Community Response						
Operations	130.00	17,723	18,006	18,390	18,765	19,256
Multi-Year Operating Projects		10,423	10,284	10,509	11,215	10,428
Community Response Subtotal	130.00	28,145	28,290	28,899	29,981	29,684
Homelessness						
Operations	6.00	984	1,001	1,025	1,048	1,077
Multi-Year Operating Projects		2,146	2,146	2,146	2,146	2,146
Homelessness Subtotal	6.00	3,130	3,147	3,171	3,194	3,223
Inclusive Economic Development						
Operations	33.00	7,916	8,043	8,208	8,369	8,573
Multi-Year Operating Projects		716	750	750	750	750
Inclusive Economic Development Subtotal	33.00	8,632	8,793	8,958	9,119	9,323
Library						
Operations	-	14,272	14,772	15,272	15,872	16,372
Multi-Year Operating Projects		400	400	400	400	400
Library Subtotal	-	14,672	15,172	15,672	16,272	16,772
Public Safety						
Community Development						
Operations	15.00	1,938	1,972	2,017	2,062	2,118
Multi-Year Operating Projects		40	210	110	43	-
Community Development Subtotal	15.00	1,978	2,183	2,128	2,104	2,118
Fire						
Operations	18.00	10,330	10,311	10,516	10,723	10,947
Fire Subtotal	18.00	10,330	10,311	10,516	10,723	10,947
Police						
Operations	84.50	7,354	7,489	7,662	7,832	8,044
Police Subtotal	84.50	7,354	7,489	7,662	7,832	8,044
Youth Parks & Community Enrichment (YPCE)						
Operations	15.00	1,973	2,008	2,056	2,103	2,165
Multi-Year Operating Projects		-	-	-	-	-
YPCE Subtotal	15.00	1,973	2,008	2,056	2,103	2,165
Public Safety Subtotal	132.50	21,635	21,991	22,362	22,763	23,275
Youth						
Operations	360.76	21,998	22,377	22,853	23,322	23,901
Multi-Year Operating Projects		4,596	4,810	3,743	3,736	3,729
Youth Subtotal	360.76	26,593	27,187	26,596	27,058	27,630
Miscellaneous						
Operations	-	6,064	6,739	7,463	8,283	9,212
Multi-Year Operating Projects		36	36	36	36	36
Miscellaneous Subtotal	-	6,099	6,775	7,499	8,319	9,247
Total Expenditures	893.38	148,670	153,008	154,641	158,128	162,415
Economic Uncertainty Reserve (EUR) Contribution (0.5% of Expenses)		-	765	773	791	812
Net Resources (revenues less expenditures)		(8,326)	(11,219)	(8,342)	(7,531)	(7,721)

FY2024/25 Proposed Budget

FY2023/24 Measure U Programming (continued)

Revenues and Expenditures in (\$ in 000s)	FY2024/25 FTE	FY2024/25 Proposed	FY2025/26 Projection	FY2026/27 Projection	FY2027/28 Projection	FY2028/29 Projection
Other Sources/Uses						
Beginning Available Fund Balance		(9,633)	-	-	-	-
Reserve for Future Budget Development		2,158	-	-	-	-
FY2023/24 Vacancy Factor		1,558	1,589	1,621	1,653	1,686
Other Spending Increases		(896)	(914)	(932)	(951)	(970)
Homeless Services						
Schedule 9 MYOP Funding		11,414	11,460	11,507	11,555	11,604
Homeless Services Resources (HHAP-5)		20,889	-	-	-	-
Prior Year Homeless Services Resources (HHAP1-4)		3,800	-	-	-	-
Current Year Savings		1,727	-	-	-	-
Homeless Services Programming		(45,997)	(48,976)	(50,225)	(50,727)	(51,235)
Homeless Services Subtotal		(8,167)	(37,516)	(38,718)	(39,172)	(39,631)
Revised Forecast	893.38	\$ (23,307)	\$ (48,059)	\$ (46,371)	\$ (46,000)	\$ (46,635)

Summary of Measure U Programs:

Affordable Housing – \$5.4 million, 21.0 FTE

- Resources for Specific Plans, Zero-Dollar Fee program, Long Range Planning, and Zoning services in the Community Development Department, and for Housing in 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 – \$4.1 million, 28.95 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 in Public Places, Arts Education and Outreach office, Arts and Culture, History, Crocker Art Museum, Arts Stabilization, Creative Economy and Grants, and the new Entertainment Services Division.

Climate Action – \$862,000, 4.00 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 and Sustainability Office.

Community Investment - \$29.4 million, 177.17 FTE

- Resources for the Sacramento History Museum, Sacramento Utility Rate Assistance (SURA) Program, Facility Reinvestment and Americans with Disabilities Act Compliance Programs as well as fleet acquisitions, 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 - \$28.1 million, 130.0 FTE

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

Homelessness - \$3.1 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 - \$8.6 million, 33.0 FTE

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

Library - \$14.7 million

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

Public Safety - \$21.6 million, 132.50 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 - \$26.6 million, 360.76 FTE

- Resources for programs such as the Mayor/Council Economic Development Priorities, Children and Youth Services Program, Summer Youth and Community Programs, Gang Prevention, Office of Violence Prevention Disruption, Response & Intervention, Powerhouse Science Center, and Family and Youth Investments. Resources also include the operation of the City's access leisure, aquatics, community centers, youth employment, youth enrichment, youth expanded learning, Camp Sacramento, Office of Youth Development, Fairytale Town, Sacramento Zoo, and recreation programs.

Miscellaneous - \$6.1 million

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

FY2024/25 Proposed Budget

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 FY2024/25 Budget for the Enterprise Funds:

Department	Description	Fund	Net Budget Change	FTE Change
Convention and Cultural Services	Decrease funding for the credit card fees to eliminate City subsidies of merchant fees for credit card payments and pass those costs onto users.	Community Center	(3,500)	-
Convention and Cultural Services	Shift of eligible costs for visitor-serving facilities to the Community Center Fund.	Community Center	1,412,829	-
Convention and Cultural Services	Delete 1 position (1.0 FTE Administrative Officer) and add 1 new position (1.0 FTE Contracts and Compliance Specialist). This is to help align and centralize fiscal operations based on the needs for the department.	Community Center	(4,734)	-
Convention and Cultural Services	Delete 1 position (1.0 FTE Administrative Analyst) and add 1 new position (0.5 FTE Administrative Analyst). This is to resolve discrepancy between Budget and HR systems regarding allocated FTE.	Community Center	(63,545)	(0.50)
Debt Service	Shift of Innovation and Growth Fund portion of Golden 1 Center debt service support to transient occupancy tax.	Community Center	1,100,000	-
Information Technology	Increase one-time funding to replace the legacy citywide document management system (CCM) with a cloud-based solution.	Parking	11,309	-
Information Technology	Increase one-time funding to replace the CCM with a cloud-based solution.	Water	92,807	-
Information Technology	Increase one-time funding to replace the CCM with a cloud-based solution.	Wastewater	26,275	-
Information Technology	Increase one-time funding to replace the CCM with a cloud-based solution.	Solid Waste	55,142	-
Information Technology	Increase one-time funding to replace the CCM with a cloud-based solution.	Community Center	26,819	-
Information Technology	Increase one-time funding to replace the CCM with a cloud-based solution.	Storm Drainage	37,055	-
Information Technology	Increase one-time funding to upgrade the core network infrastructure needed to support the City's Data Center Cloud and public safety systems.	Parking	1,864	-
Information Technology	Increase one-time funding to upgrade the core network infrastructure needed to support the City's Data Center Cloud and public safety systems.	Water	15,298	-
Information Technology	Increase one-time funding to upgrade the core network infrastructure needed to support the City's Data Center Cloud and public safety systems.	Wastewater	4,331	-

FY2024/25 Proposed Budget

Department	Description	Fund	Net Budget Change	FTE Change
Information Technology	Increase one-time funding to upgrade the core network infrastructure needed to support the City's Data Center Cloud and public safety systems.	Solid Waste	9,089	-
Information Technology	Increase one-time funding to upgrade the core network infrastructure needed to support the City's Data Center Cloud and public safety systems.	Community Center	4,421	-
Information Technology	Increase one-time funding to upgrade the core network infrastructure needed to support the City's Data Center Cloud and public safety systems.	Storm Drainage	6,108	-
Information Technology	Increase one-time funding to renew the city's firewall applicances, software support and subscription.	Community Center	29,471	-
Information Technology	Increase one-time funding to renew the city's firewall applicances, software support and subscription.	Solid Waste and Recycling	60,595	-
Information Technology	Increase one-time funding to renew the city's firewall applicances, software support and subscription.	Parking	12,427	-
Information Technology	Increase one-time funding to renew the city's firewall applicances, software support and subscription.	Water	101,986	-
Information Technology	Increase one-time funding to renew the city's firewall applicances, software support and subscription.	Wastewater	28,873	-
Information Technology	Increase one-time funding to renew the city's firewall applicances, software support and subscription.	Storm Drainage	40,720	-
Public Works	Increase funding for Fleet Shops CIP (B13000100) to address critical emergency repairs.	Community Center	141	-
Public Works	Increase funding for Fleet Shops CIP (B13000100) to address critical emergency repairs.	Solid Waste and Recycling	217,903	-
Public Works	Add 1.0 FTE Administrative Officer and delete 1.0 FTE Support Services Manager to provide oversight for Recycling and Solid Waste administrative activities.	Solid Waste and Recycling	(1,901)	-
Public Works	Decrease funding for the credit card fees to eliminate City subsidies of merchant fees for credit card payments and pass those costs onto users.	Solid Waste and Recycling	(7,500)	-
Public Works	Increase funding for Fleet Shops CIP (B13000100) to address critical emergency repairs.	Parking	1,714	-
Public Works	Increase revenue budget by increasing daily maximum rate in parking garages.	Parking	(195,000)	-
Public Works	Eliminate free electric vehicle charging in City Parking Garages. Charging will cover costs of providing electricity and maintaining chargers.	Parking	(100,000)	-
Public Works	Increase revenue and expenditure due to increases in parking demand and actual revenue received.	Parking	(750,000)	-
Public Works	Add 1.0 FTE Administrative Analyst and delete 1.0 FTE Senior Accountant Auditor to provide support for parking fiscal activities.	Parking	(3,087)	-
Public Works	Increase funding for Fleet Shops CIP (B13000100) to address critical emergency repairs.	Storm Drainage	39,491	-
Public Works	Increase funding for Fleet Shops CIP (B13000100) to address critical emergency repairs.	Wastewater	37,412	-
Public Works	Increase funding for Fleet Shops CIP (B13000100) to address critical emergency repairs.	Water	39,989	-

FY2024/25 Proposed Budget

Department	Description	Fund	Net Budget Change	FTE Change
Utilities	Decrease funding for the credit card fees to eliminate City subsidies of merchant fees for credit card payments and pass those costs onto users.	Water Wastewater Storm Drainage	(488,211)	-
Utilities	Add 5.0 FTE and delete 4.0 FTE to support continued operations and maintenance and realign staff to meet operational needs. Position costs are being fully offset by reductions to operating budget.	Water Wastewater	-	1.00
Total Change			\$ 1,796,591	0.50

Additional information on each of these initiatives can be found in the Budget Modification section and 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.

FY2024/25 Proposed Budget

Fund	Status
Community Center	The revenues collected for the Community Center Fund continue to show growth and are fully recovered to pre-pandemic levels. The Transient Occupancy Tax (TOT) is projected to be approximately 8.2% above FY2023/24 projected collections due to increases in room nights being booked in the Sacramento area. Debt service accounts for about 40% of Community Center Fund expenses annually.
Parking	Anticipated rate increases in this model include increasing the daily maximum rate to park in City garages and eliminating free electric vehicle charging in City garages in order to recover electrical cost. Revenue from parking fees collected at City garages continues to stabilize from severe declines during the pandemic, projected revenues for FY2023/24 are still only about 89% of FY2018/19 actual collections. Revenue recovery continues to increase and more events return downtown, which will increase the utilization of the garages. The Parking Fund will continue to be monitored.
Solid Waste	The most recent rate adjustment approved by the City Council came into effect on January 1, 2024, with no projected rate adjustments in the 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 2024 and a 75% reduction by 2026.
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.
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. In Fiscal Year 2024, the City was successful in receiving a judgement that has since been appealed. The Department of Utilities is currently collecting the new fee and is working with the City Attorney's Office on how to proceed with spending. The funding has been on hold pending developments in 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.
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 through Fiscal Year (FY) 2026/27. The Department anticipates pursuing a rate increase for FY2027/28 or will rely on the Operating Reserve in FY2027/28 and FY2028/29.

FY2024/25 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

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29
(\$ in 000s)	Estimated	Proposed	Projection	Projection	Projection	Projection
Beginning Fund Balance	14,864	21,153	15,520	10,658	8,657	8,078
Revenue	42,679	44,705	46,346	48,069	49,859	51,720
Expenditures	43,217	50,038	50,958	49,821	50,188	50,642
Other Source/(Use)	6,827	(300)	(250)	(250)	(250)	(250)
Ending Funding Balance	21,153	15,520	10,658	8,657	8,078	8,906

Parking Fund

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29
(\$ in 000s)	Estimated	Proposed	Projection	Projection	Projection	Projection
Beginning Fund Balance	3,220	2,389	2,081	948	265	734
Revenue	17,747	19,052	19,213	20,095	20,474	20,679
Expenditures	19,438	19,360	20,346	20,778	20,005	19,937
Other Source/(Use)	860	-	-	-	-	-
Ending Funding Balance	2,389	2,081	948	265	734	1,476

Solid Waste Fund

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29
(\$ in 000s)	Estimated	Proposed	Projection	Projection	Projection	Projection
Beginning Fund Balance	29,709	37,967	39,237	44,485	42,162	31,286
Revenue	94,141	96,727	97,538	98,362	99,192	100,029
Expenditures	86,952	95,457	92,290	100,685	110,068	118,852
Other Source/(Use)	1,069	-	-	-	-	-
Ending Funding Balance	37,967	39,237	44,485	42,162	31,286	12,463

Storm Drainage Fund

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29
(\$ in 000s)	Estimated	Proposed	Projection	Projection	Projection	Projection
Beginning Fund Balance	33,444	31,557	29,037	25,191	20,251	14,090
Revenue	41,685	41,150	41,161	41,210	41,235	41,265
Expenditures	44,878	43,670	45,007	46,151	47,396	48,476
Other Source/(Use)	1,306	-	-	-	-	-
Ending Funding Balance	31,557	29,037	25,191	20,251	14,090	6,878

Storm Drainage Property Fee Fund

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29
(\$ in 000s)	Estimated	Proposed	Projection	Projection	Projection	Projection
Beginning Fund Balance	7,179	4,299	11,126	14,005	17,647	21,841
Revenue	20,349	20,250	20,675	21,125	21,591	22,072
Expenditures	23,229	13,423	17,796	17,483	17,398	17,933
Other Source/(Use)	-	-	-	-	-	-
Ending Funding Balance	4,299	11,126	14,005	17,647	21,841	25,980

Wastewater Fund

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29
(\$ in 000s)	Estimated	Proposed	Projection	Projection	Projection	Projection
Beginning Fund Balance	19,542	26,300	26,626	22,919	15,714	9,939
Revenue	45,653	45,554	45,643	45,735	45,794	45,868
Expenditures	44,620	45,228	49,350	52,940	51,569	53,371
Other Source/(Use)	5,725	-	-	-	-	-
Ending Funding Balance	26,300	26,626	22,919	15,714	9,939	2,436

Water Fund

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29
(\$ in 000s)	Estimated	Proposed	Projection	Projection	Projection	Projection
Beginning Fund Balance	42,780	55,726	44,492	18,938	19,506	(6,859)
Revenue	136,460	137,496	138,000	138,121	138,423	138,456
Expenditures	150,236	151,590	163,554	166,394	164,787	166,849
Other Source/(Use)	26,722	2,859	-	28,841	-	-
Ending Funding Balance	55,726	44,492	18,938	19,506	(6,859)	(35,251)

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 other visitor-serving facilities 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 transient occupancy tax (TOT) revenues, and offering a premier venue to contribute to the economic vitality of the downtown and Sacramento region.

Over three-fourths of fund revenues collected in the Community Center Fund is TOT. For FY2024/25, TOT is projected to be about 8.2% above FY2023/24 projected collections. This estimated growth is due to the continuation of all of our facilities being opened to hold events for the full fiscal year and increases in room nights being booked in the Sacramento area. TOT revenues have fully recovered to pre-pandemic levels. In FY2022/23, the Community Center Fund was determined to be in a strong enough position to return approximately \$6.7 million in General Fund support provided to it during the pandemic.

On September 25, 2018, City 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. Debt service on the Community Center Fund represents about 40% of total expenditures annually.

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 FY2024/25 with payments continuing in future years. As of the beginning of FY2023/24, there is a remaining balance of approximately \$4.9 million.

The recent announcement by the Oakland Athletics to relocate to West Sacramento temporarily for three seasons may have an impact on TOT revenues that is not included in this forecast. Staff will assess what this impact may be and incorporate it into future forecasting exercises.

FY2024/25 Proposed Budget

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

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29
	Estimated	Proposed	Projection	Projection	Projection	Projection
BEGINNING FUND BALANCE	14,864	21,153	15,520	10,658	8,657	8,078
REVENUES						
TOT	33,740	34,546	35,890	37,287	38,737	40,245
Charges, Fees, and/or Services	7,924	8,709	9,006	9,333	9,672	10,025
Interest	115	550	550	550	550	550
Other (Facility Fee)	900	900	900	900	900	900
TOTAL REVENUES	42,679	44,705	46,346	48,069	49,859	51,720
EXPENDITURES						
Operating - Employee Services	8,581	10,501	10,711	10,925	11,143	11,366
Operating - Other	13,537	16,051	16,269	16,445	16,626	16,811
Transfers	-	668	674	681	688	695
Debt Service	19,219	20,319	20,318	20,320	20,320	20,320
Multi-Year Operating Projects	500	64	61	-	-	-
Capital Improvements	1,380	2,436	2,925	1,450	1,410	1,450
TOTAL EXPENDITURES	43,217	50,038	50,958	49,821	50,188	50,642
ANNUAL SURPLUS/(DEFICIT)	(538)	(5,333)	(4,612)	(1,752)	(329)	1,078
Other Source/Use ⁽¹⁾	6,827	(300)	(250)	(250)	(250)	(250)
ENDING FUND BALANCE	21,153	15,520	10,658	8,657	8,078	8,906

⁽¹⁾ Other Sources in FY2023/24 include additions to fund balance for prior reduction related to outstanding short-term portion of debt liability.

Parking Fund (6004)

The City of Sacramento operates five City parking garages and 12 City-owned surface lots, as well as 40 garages and surface parking 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 projecting 89% of pre-pandemic revenues in FY2023/24. Revenue for FY2024/25 from parking fees collected at City garages is projected to increase 8% 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 models. The City anticipates parking fees to remain mostly flat in FY2025/26, to increase by 5% in FY2026/27, and to increase by about 2% thereafter through FY2028/29. Anticipated rate increases in this model include increasing the daily maximum rate to park in City garages and eliminating free electric vehicle charging in City garages in order to recover electrical cost. The City continues to modify its parking programs to support a hybrid work model and anticipates that growth in event parking will continue.

Administrative fee revenue reflects anticipated revenue from the managed locations as well as system hosting services. Rental revenue is based on current and anticipated leases of commercial spaces. Businesses are still stabilizing 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.

Employee services reflect updated labor agreements. FY2024/25 includes a budgeted labor reduction of \$1 million to account for anticipated vacancies. This is not included in out-years, but future labor savings are likely to continue due to employee turnover rates. Services and supplies continue to increase due to increased security, repair & maintenance, technical services, utilities, and rental of land and building costs. The forecast includes a flat 1% increase in services and supplies annually for expenses beginning in FY2025/26 through FY2028/29.

Operating transfers in/out include the Citywide cost allocation plan, In Lieu Franchise Tax, In Lieu Property Tax, support to the Office of the Director, and a \$5.3 million support transfer from the Meter Shop. Debt service has a 3% decrease in FY2024/25 as debt obligations continue to decline. Funding for technology upgrades and replacement/upgrades of current infrastructure is included in the CIP.

The following chart provides a five-year forecast that reflects signs of pre-pandemic levels being achieved in the Parking Fund which includes increases in the daily max rate and revenue generated from electric vehicle charging stations. There may be additional revenue in the out-years for the Oakland A's move to West Sacramento and for the Governor's recent announcement for all state employees to return to office two days a week.

FY2024/25 Proposed Budget

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

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29
	Estimated	Proposed	Projection	Projection	Projection	Projection
BEGINNING FUND BALANCE	3,220	2,389	2,081	948	265	734
REVENUES						
Parking Fees	15,924	17,229	17,254	18,102	18,457	18,639
Administrative Fees	863	863	879	879	879	879
Interest (Operating Funds)	300	300	315	331	334	337
Real Property Rental	660	660	765	784	803	823
TOTAL REVENUES	17,747	19,052	19,213	20,095	20,474	20,679
EXPENDITURES						
Operating - Employee Services	4,583	5,347	6,474	6,603	6,735	6,870
Operating - Other	3,689	3,119	3,195	3,271	3,348	3,425
Debt Service	10,077	9,781	9,577	9,680	8,783	8,479
Multi-Year Operating Projects	321	321	335	459	374	397
Capital Improvements	768	792	765	765	765	765
TOTAL EXPENDITURES	19,438	19,360	20,346	20,778	20,005	19,937
ANNUAL SURPLUS/(DEFICIT)	(1,691)	(308)	(1,133)	(683)	469	742
Other Source/Use ⁽¹⁾	860	-	-	-	-	-
ENDING FUND BALANCE	2,389	2,081	948	265	734	1,476

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

Note: Employee Services reflects a 1.0M Base Labor Reduction implemented in FY24/25 for known vacancies; actual budgeted positions would be higher than reflected in this table.

FY2024/25 Proposed Budget

Solid Waste Fund (6007)

The Solid Waste Fund (6007) relies on user service fees collected for residential solid waste management services. Under the management of the Recycling and Solid Waste (RSW) Division, this fund supervises the collection of garbage, containerized organics, and recyclables. In addition to these services, the division oversees post-closure monitoring of landfills, street sweeping, hazardous waste disposal, and code enforcement. To comply with state waste diversion mandates, RSW conducts public outreach to educate residents on recycling standards, promote composting, and facilitate proper disposal of household hazardous waste.

The accompanying chart presents a five-year forecast for the Solid Waste Fund. The most recent rate adjustment approved by the City Council came into effect on January 1, 2024, with no projected rate adjustments in the forecast.

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

	FY2023/24 Estimated	FY2024/25 Proposed	FY2025/26 Projection	FY2026/27 Projection	FY2027/28 Projection	FY2028/29 Projection
BEGINNING FUND BALANCE	29,709	37,967	39,237	44,485	42,162	31,286
REVENUES						
Charges, Fees, and/or Services	93,291	95,945	96,473	97,297	98,127	98,964
Interest	750	750	750	750	750	750
Other (Intergovernmental)	100	33	315	315	315	315
TOTAL REVENUES	94,141	96,727	97,538	98,362	99,192	100,029
EXPENDITURES						
Operating - Employee Services	22,436	23,654	24,548	25,533	26,556	27,622
Operating - Other	51,489	59,092	62,060	65,165	68,424	71,843
Debt Service	1,678	1,674	1,667	1,667	1,668	1,660
Multi-Year Operating Projects	9,268	8,874	2,783	7,088	12,187	16,337
Capital Improvements	2,081	2,163	1,232	1,232	1,232	1,390
TOTAL EXPENDITURES	86,952	95,457	92,290	100,685	110,068	118,852
ANNUAL SURPLUS/(DEFICIT)	7,189	1,270	5,248	(2,323)	(10,876)	(18,823)
Other Source/Use ⁽¹⁾	1,069	-	-	-	-	-
ENDING FUND BALANCE	37,967	39,237	44,485	42,162	31,286	12,463

⁽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 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 Department of Utilities (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 \$7 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 separated drainage system service to meet citywide standards.
- Improving drainage system reliability and contributing to the combined sewer system (CSS) repair.
- Maintaining state and federal regulatory compliance, e.g., Stormwater National Pollution Discharge Elimination System (NPDES), floodplain management, and supporting regional flood control efforts.
- Implementing a new tree inventory and maintenance plan for 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.

FY2024/25 Proposed Budget

- Implementing an asset management system that will provide accurate reporting for operating, maintaining, and replacing infrastructure at appropriate lifecycle intervals.
- Increased cost related to carbon neutral sustainability goals for fleet and facilities.
- Expand and improve 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, includes anticipated cost increases, funds programs to meet regulatory requirements, and assumes no rate adjustments.

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

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29
	Estimated	Proposed	Projection	Projection	Projection	Projection
BEGINNING FUND BALANCE	33,444	31,557	29,037	25,191	20,251	14,090
REVENUES						
Charges, Fees, and/or Services	40,799	40,710	40,799	40,886	40,960	41,052
Interest	886	440	362	324	275	213
TOTAL REVENUES	41,685	41,150	41,161	41,210	41,235	41,265
EXPENDITURES						
Operating - Employee Services	19,266	20,410	20,839	21,256	21,681	22,115
Operating - Other	17,227	20,600	21,158	21,763	22,387	23,037
Debt Service	235	233	232	233	233	235
Multi-Year Operating Projects	1,678	2,303	2,778	2,899	3,095	3,089
Capital Improvements	6,472	123	-	-	-	-
TOTAL EXPENDITURES	44,878	43,670	45,007	46,151	47,396	48,476
ANNUAL SURPLUS/(DEFICIT)	(3,193)	(2,520)	(3,846)	(4,941)	(6,161)	(7,211)
Other Fund Sources/Uses ⁽¹⁾	1,306	-	-	-	-	-
ENDING FUND BALANCE	31,557	29,037	25,191	20,251	14,090	6,878

⁽¹⁾ Other Sources in FY2023/24 include additions to fund balance for prior reductions related to outstanding short-term portion of debt liability, and the annual adjustment for the Operating Reserve per 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 eligible 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 (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. In FY2023/24, the City was successful in receiving a judgement that has since been appealed. The Department of Utilities is currently collecting the new fee and is working with the City Attorney's Office on how to proceed with spending. The funding has been on hold pending developments in 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 the separated drainage system service to meet citywide standards.
- Improving drainage system reliability and contributing to the CSS repair and rehabilitation or replacement.
- Design and construct 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.

FY2024/25 Proposed Budget

- Maintaining state and federal regulatory compliance, e.g., Stormwater National Pollution Discharge Elimination System (NPDES) and floodplain management and supporting regional flood control efforts.
- 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 137 drainage basins.
- Improving the Drainage and CSS to adequately handle intensity of weather events related to climate change.
- Increased cost related to carbon neutral sustainability goals for fleet and facilities.
- Expand and improve 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, includes anticipated cost increases, projects and programs to meet regulatory requirements, and assumes no rate adjustments.

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

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29
	Estimated	Proposed	Projection	Projection	Projection	Projection
BEGINNING FUND BALANCE	7,179	4,299	11,126	14,005	17,647	21,841
REVENUES						
Charges, Fees, and/or Services	20,159	20,150	20,561	20,981	21,410	21,848
Interest	190	100	114	144	181	224
TOTAL REVENUES	20,349	20,250	20,675	21,125	21,591	22,072
EXPENDITURES						
Operating - Employee Services	-	-	-	-	-	-
Operating - Other	6,134	3,277	3,349	3,422	3,496	3,572
Debt Service	-	-	-	-	-	-
Multi-Year Operating Projects	1,700	2,250	2,250	2,250	2,250	2,250
Capital Improvements	15,395	7,896	12,197	11,811	11,652	12,111
TOTAL EXPENDITURES	23,229	13,423	17,796	17,483	17,398	17,933
ANNUAL SURPLUS/(DEFICIT)	(2,880)	6,827	2,880	3,642	4,194	4,139
Other Fund Sources/Uses	-	-	-	-	-	-
ENDING FUND BALANCE	4,299	11,126	14,005	17,647	21,841	25,980

Wastewater Fund (6006)

Revenue generated for the purpose of providing wastewater collection services is deposited in the Wastewater Fund. Revenues are derived from customer service fees, recovery of Sacramento Area Sewer District (SacSewer)-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, and 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 sewer system (CSS) and a separated wastewater system that, together, serve approximately 60% of the city, primarily the northeastern, central, and southern sections of the city. SacSewer is the wastewater collection system provider for the other areas of the city. While the City is responsible for the limited treatment of its CSS, it partners with SacSewer to treat the majority of the city's wastewater. The City provides SacSewer 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 (\$7.1 million) and capital (\$3.3 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., CSS National Pollution Discharge Elimination System (NPDES) permit and separated wastewater discharge requirements (WDR)) that includes implementation of the CSS Long Term Control Plan and the Sewer System Management Plan. The CSS collects wastewater from homes and businesses, as well as stormwater and urban runoff. A separated wastewater system collects wastewater from homes and businesses and does not collect stormwater.
- Continued state-mandated maintenance, repair, and rehabilitation of the City's CSS and separated wastewater system.
- Incorporating the growth of new wastewater services and the increasing costs for maintaining, repairing and replacement of the aging system.

FY2024/25 Proposed Budget

- Maintaining the financial strength of the fund for the purpose of raising sufficient capital to finance the rehabilitation and replacement of the wastewater systems and compliance with the CSS NPDES permit.
- 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.
- Implementing an asset management system that will provide accurate reporting for operating, maintaining, and replacing infrastructure at appropriate lifecycle intervals.
- Increased cost related to carbon neutral sustainability goals for fleet and facilities.
- Expand and improve 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, includes anticipated cost increases, funds programs and projects to meet regulatory requirements, and assumes no rate adjustments.

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

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29
	Estimated	Proposed	Projection	Projection	Projection	Projection
BEGINNING FUND BALANCE	19,542	26,300	26,626	22,919	15,714	9,939
REVENUES						
Charges, Fees, and/or Services	44,147	43,774	43,902	44,007	44,114	44,221
Interest	506	430	367	330	258	200
Other (Intergovernmental)	1,000	1,350	1,374	1,398	1,422	1,447
TOTAL REVENUES	45,653	45,554	45,643	45,735	45,794	45,868
EXPENDITURES						
Operating - Employee Services	13,581	14,592	14,915	15,213	15,517	15,827
Operating - Other	18,168	20,394	20,830	21,297	21,776	22,269
Debt Service	3,499	3,910	3,913	3,911	3,909	3,908
Multi-Year Operating Projects	2,849	2,859	3,492	3,783	3,897	4,357
Capital Improvements	6,523	3,473	6,200	8,736	6,470	7,010
TOTAL EXPENDITURES	44,620	45,228	49,350	52,940	51,569	53,371
ANNUAL SURPLUS/(DEFICIT)	1,033	326	(3,707)	(7,205)	(5,775)	(7,503)
Other Fund Sources/Uses ⁽¹⁾	5,725	-	-	-	-	-
ENDING FUND BALANCE	26,300	26,626	22,919	15,714	9,939	2,436

(1) Other Sources in FY2023/24 include additions to fund balance for prior reductions related to outstanding short-term portion of debt liability, and includes the annual adjustments for the Operating and Capital Reserves per the DOU Reserve Fund Policy adopted by City Council on 1/24/2023, Motion No. 2023-0028.

Water Fund (6005)

Revenue generated for the purpose of providing 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 operations of 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 (\$24 million) and capital (\$31.6 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 and failing infrastructure.
- Providing safe and reliable drinking water to the community, while planning for anticipated climate change impacts and other risks to supply and quality.
- Maintain water supply resiliency through conjunctive use of surface and groundwater supplies.
- Continued implementation and monitoring of an aggressive water conservation program 1) consistent with meeting 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.
- Implementing an asset management system that will provide accurate reporting for operating, maintaining, and replacing infrastructure at appropriate lifecycle intervals.
- Increased cost related to carbon neutral sustainability goals for fleet and facilities.

FY2024/25 Proposed Budget

- 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.
- Expand and improve 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 and planning for compliance with new and revised requirements.

The following chart provides a five-year forecast that addresses some of the challenges facing the Water Fund, includes anticipated cost increases, funds programs and projects to meet regulatory requirements, and assumes in FY2026/27 that the capital program of \$28.8 million will be funded from the Capital Reserve. As shown, the fund balance will be in the negative in FY2027/28 without a rate increase. The Department anticipates pursuing a rate increase in FY2027/28 or will utilize the remaining Capital and Operating Reserves through FY2028/29.

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

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29
	Estimated	Proposed	Projection	Projection	Projection	Projection
BEGINNING FUND BALANCE	42,780	55,726	44,492	18,938	19,506	(6,859)
REVENUES						
Charges, Fees, and/or Services	134,901	136,416	136,780	137,153	137,445	137,738
Interest	1,134	865	1,001	745	751	487
Other (Intergovernmental)	425	215	219	223	226	230
TOTAL REVENUES	136,460	137,496	138,000	138,121	138,423	138,456
EXPENDITURES						
Operating - Employee Services	45,599	55,420	56,626	57,759	58,914	60,092
Operating - Other	36,930	38,747	38,255	38,784	39,659	40,234
Debt Service	36,016	35,538	35,723	35,700	35,702	36,259
Multi-Year Operating Projects	3,574	3,632	4,949	5,310	5,104	5,263
Capital Improvements	28,118	18,253	28,001	28,841	25,408	25,001
TOTAL EXPENDITURES	150,236	151,590	163,554	166,394	164,787	166,849
ANNUAL SURPLUS/(DEFICIT)	(13,776)	(14,094)	(25,554)	(28,273)	(26,364)	(28,393)
Other Sources/Uses ⁽¹⁾	26,722	2,859	-	28,841	-	-
ENDING FUND BALANCE	55,726	44,492	18,938	19,506	(6,859)	(35,251)

(1) Other Sources in FY2023/24 include additions to fund balance for prior reductions related to outstanding short-term portion of debt liability and includes the annual adjustments for the Operating and Capital Reserves per the DOU Reserve Fund Policy adopted by City Council on 1/24/2023, Motion No. 2023-0028. Other Sources in FY2024/25 includes portion of debt service payment coming from liquidity reserve. Other Fund Sources/Uses in FY27 includes the use of the Capital Reserve to fund the FY27 CIP.

7

SECTION - 7 **Budget Schedules**

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

	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Governmental Funds						
General Fund	\$ 541,052	\$ 569,780	\$ 616,729	\$ 615,288	\$ 677,135	\$ 61,847
Measure U	84,981	98,605	141,042	139,763	144,353	4,590
Subtotal Governmental Funds	626,033	668,385	757,771	755,051	821,488	66,437
Enterprise Funds						
Community Center	29,959	46,149	41,922	42,044	47,602	5,558
Parking	11,091	16,775	17,491	17,579	18,568	989
Solid Waste	63,960	69,011	86,951	80,079	93,294	13,216
Storm Drainage	33,306	35,142	39,016	39,095	43,546	4,452
Storm Drainage Property Fee	-	12	5,412	5,412	5,527	115
Wastewater	32,552	33,185	39,540	38,174	41,754	3,580
Water	106,630	112,157	124,162	123,741	133,337	9,595
Subtotal Enterprise Funds	277,499	312,432	354,494	346,124	383,629	37,505
Internal Service Funds						
Fleet Management	42,795	47,816	62,036	67,728	66,047	(1,680)
Risk Management	55,745	87,662	60,339	60,722	70,268	9,546
Subtotal Internal Service Funds	98,540	135,478	122,375	128,449	136,315	7,866
Other Governmental Funds						
4th R Program	5,935	6,161	5,407	5,417	5,419	1
ARPA Reinvestment Fund	(112,313)	-	3,893	3,893	-	(3,893)
Assessment Reg and SDRIS	4	4	-	-	-	-
CIP Reimbursable	23	18	-	-	-	-
Citation I-5 Maintenance	47	43	40	40	40	-
Citywide Low Income Housing	2,791	1,805	2,390	2,390	2,970	580
Cultural Services - Other	74	151	149	149	149	-
Debt Service Funds	4,140	4,897	10,691	10,691	11,307	616
Development Services	313	932	2,266	2,266	3,689	1,423
Downtown Impact Fee	-	(645)	100	100	50	(50)
Downtown Management District	3,773	3,908	3,998	3,998	4,202	203
Externally Funded Programs	26	72	-	-	-	-
Fairytale Town	103	85	50	50	50	-
Gas Tax	7,638	5,297	7,297	4,322	11,769	7,447
Golf	366	344	328	328	365	37
Greenbriar Impact Fee	32	(250)	-	-	-	-
Delta Shores PF Impact Fee	-	5,986	500	500	2,500	2,000
Innovation and Growth	12,121	(14,038)	10,664	13,178	(12,294)	(25,472)
Jacinto Creek	25	152	-	-	-	-
Land Park	144	92	122	122	122	-
Library Services Parcel Tax	8,777	9,200	9,642	9,642	9,989	347
Landscaping and Lighting	17,422	17,386	20,088	19,481	20,561	1,079
Marina	2,246	2,165	2,248	2,255	2,354	98
Measure A Maintenance	10,494	12,990	19,231	19,231	17,830	(1,402)
North Natomas Financing Plan	11,822	3,405	2,008	2,008	2,069	60
Operating Grants	149	307	-	-	-	-
Other	112	267	110	110	85	(25)
Other Capital Grants	-	41	-	-	-	-
Park Development	1,638	(3,746)	442	442	824	382
Private Development	677	187	-	-	-	-
Quimby Act	5	10	10	10	10	-

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

	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Other Governmental Funds (continued)						
Railyards Impact Fee	11,666	(1,372)	50	50	25	(25)
Redevelopment Bond Funds	-	-	9	9	9	-
River District Impact Fee	-	(885)	25	25	125	100
Sheraton MOPA Project	107	258	-	-	-	-
SHRA CDBG	-	-	29	29	29	-
So Natomas Comm Improv	9	-	-	-	-	-
So Natomas Facility Benefit	16	17	-	-	-	-
Special Districts	23,148	26,232	23,221	23,241	24,467	1,226
Special Districts - Capital	2,203	841	-	-	-	-
Special Program Donations	-	17	250	250	250	-
START	853	881	383	383	396	12
65th Street Area Impact Fee	-	-	-	-	15	15
Transportation Development Impact Fee	81	96	-	-	-	-
Traffic Safety	253	253	350	350	307	(43)
NMA Safety, Streets, Ped, Bic	-	-	6	6	6	-
Wastewater Development Fees	1,631	(724)	-	-	-	-
Water Development Fees	-	(1,118)	-	-	-	-
Water Planning	1,682	1,392	1,226	1,145	1,109	(37)
Willow creek Fee District	-	49	-	-	-	-
Zoo	101	85	50	50	50	-
Subtotal Other Governmental Funds	20,336	83,248	127,274	126,164	110,845	(15,319)
Total	\$ 1,022,407	\$ 1,199,544	\$ 1,361,914	\$ 1,355,788	\$ 1,452,276	\$ 96,489

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

	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Mayor Offices						
Mayor/Council	\$ 7,202	\$ 7,901	\$ 8,147	\$ 10,254	\$ 9,266	\$ (987)
Subtotal Mayor Offices	7,202	7,901	8,147	10,254	9,266	(987)
Charter Offices						
City Attorney	11,549	12,425	12,985	13,220	14,772	1,553
City Auditor	1,706	1,721	1,848	1,848	1,882	34
City Clerk	3,150	3,207	3,837	3,837	4,147	310
City Manager	11,895	11,675	24,077	24,077	3,528	(20,549)
City Treasurer	2,344	2,334	2,937	2,937	3,158	221
Subtotal Charter Offices	30,643	31,363	45,684	45,918	27,486	(18,432)
Operating Offices						
Community Development	40,340	43,226	53,806	52,971	62,294	9,324
Community Response	2,977	3,720	17,913	17,913	17,277	(636)
Convention and Cultural Services	21,314	24,451	27,863	27,870	30,751	2,881
Finance	11,804	12,615	14,237	14,237	17,924	3,687
Fire	130,624	189,036	191,919	190,805	219,809	29,004
Human Resources	60,628	78,420	66,465	66,828	77,050	10,222
Information Technology	25,801	30,301	32,922	32,822	35,503	2,682
Police	146,319	218,358	227,332	222,416	250,860	28,444
Public Works	160,388	178,177	222,312	216,986	240,936	23,950
Utilities	135,295	141,430	169,805	167,586	183,453	15,867
Youth, Parks, and Community Enrichment	55,157	54,483	64,750	62,937	66,446	3,509
Subtotal Operating Offices	790,649	974,217	1,089,324	1,073,371	1,202,305	128,934
Other Offices						
Citywide and Community Support	96,965	109,239	137,688	145,174	131,678	(13,495)
Debt Service	101,319	100,057	105,714	105,714	105,168	(546)
Non-Appropriated	(4,371)	(23,234)	(24,643)	(24,643)	(23,628)	1,015
Subtotal Other Offices	193,913	186,062	218,759	226,245	213,219	(13,026)
Total	\$ 1,022,407	\$ 1,199,544	\$ 1,361,914	\$ 1,355,788	\$ 1,452,276	\$ 96,489

FY2024/25 Proposed Budget

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

	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Mayor Offices						
Mayor/Council	37.00	40.00	40.00	46.00	46.00*	-
Subtotal Mayor Offices	37.00	40.00	40.00	46.00	46.00*	-
Charter Offices						
City Auditor	10.00	10.00	10.00	10.00	10.00	-
City Manager	73.00	70.00	66.00	66.00	63.00	(3.00)
City Attorney	62.00	62.00	62.00	64.00	64.00	-
City Clerk	24.00	24.00	24.00	24.00	24.00	-
City Treasurer	14.00	14.00	14.00	14.00	14.00	-
Subtotal Charter Offices	183.00	180.00	176.00	178.00	175.00	(3.00)
Operating Offices						
Finance	92.00	93.90	94.90	94.90	94.00	(0.90)
Information Technology	200.50	202.50	208.50	208.50	202.50	(6.00)
Human Resources	79.00	83.00	83.00	83.00	83.00	-
Police	1,126.96	1,128.96	1,131.16	1,135.16	1,119.50	(15.66)
Fire	717.50	729.50	760.50	760.50	760.50	-
Utilities	571.90	572.90	582.18	582.18	589.18	7.00
Public Works	751.15	766.15	768.65	768.65	769.65	1.00
Convention and Cultural Services	123.50	123.00	119.00	119.00	124.50	5.50
Youth, Parks, and Community Enrichment	720.22	737.23	749.41	752.72	709.87	(42.85)
Community Development	308.00	315.00	319.00	319.00	318.00	(1.00)
Community Response	40.00	38.00	37.00	37.00	37.00	-
Subtotal Operating Offices	4,730.73	4,790.14	4,853.30	4,860.61	4,807.70	(52.91)
Other Offices						
Citywide and Community Support	7.00	7.00	6.00	6.00	-	(6.00)
Subtotal Other Offices	7.00	7.00	6.00	6.00	-	(6.00)
Total	4,957.73	5,017.14	5,075.30	5,090.61	5,028.70	(61.91)

*Three positions in the Office of the Mayor are limited term until 12/30/2024 per Resolution 2022-0365. Funding has been allocated until then and positions will be removed.

FY2024/25 Proposed Budget

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

	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Governmental Funds						
General						
Mayor/Council	32.00	35.00	35.00	35.00	35.00*	-
City Auditor	10.00	10.00	10.00	10.00	10.00	-
City Manager	28.00	29.00	30.00	30.00	29.00	(1.00)
City Attorney	62.00	62.00	62.00	64.00	64.00	-
City Clerk	24.00	24.00	24.00	24.00	24.00	-
City Treasurer	14.00	14.00	14.00	14.00	14.00	-
Finance	92.00	93.90	94.90	94.90	94.00	(0.90)
Information Technology	200.50	202.50	208.50	208.50	202.50	(6.00)
Human Resources	43.00	44.00	44.00	44.00	44.00	-
Police	1,063.46	1,063.46	1,053.66	1,057.66	1,032.00	(25.66)
Fire	710.50	711.50	742.50	742.50	742.50	-
Public Works	429.00	431.00	432.00	432.00	432.00	-
Convention and Cultural Services	5.00	5.00	-	-	-	-
Youth, Parks, and Community Enrichment	12.00	12.00	14.00	14.00	13.00	(1.00)
Community Development	191.00	196.00	197.00	197.00	196.00	(1.00)
Citywide and Community Support	1.00	1.00	-	-	-	-
Subtotal General Fund	2,917.46	2,934.36	2,961.56	2,967.56	2,932.00	(35.56)
Measure U						
Mayor/Council	5.00	5.00	5.00	11.00	11.00	-
City Manager	43.00	39.00	32.00	34.00	32.00	(2.00)
Human Resources	-	3.00	3.00	3.00	3.00	-
Police	63.50	65.50	77.50	77.50	87.50	10.00
Fire	7.00	18.00	18.00	18.00	18.00	-
Public Works	-	-	4.00	4.00	4.00	-
Convention and Cultural Services	21.20	19.95	24.95	24.95	30.95	6.00
Youth, Parks, and Community Enrichment	558.88	575.89	586.07	589.38	547.93	(41.45)
Community Development	117.00	119.00	122.00	122.00	122.00	-
Community Response	40.00	38.00	37.00	37.00	37.00	-
Subtotal Measure U Fund	855.58	883.34	909.52	920.83	893.38	(27.45)
Subtotal Governmental Funds	3,773.04	3,817.70	3,871.08	3,888.39	3,825.38	(63.01)
Enterprise Funds						
Community Center						
Convention and Cultural Services	97.30	98.05	94.05	94.05	93.55	(0.50)
Parking						
Public Works	61.25	61.25	60.75	60.75	60.75	-
Solid Waste						
Public Works	171.30	184.30	183.30	183.30	183.30	-
Storm Drainage						
Utilities	123.18	125.36	130.00	130.00	125.00	(5.00)
Wastewater						
Utilities	94.36	94.18	94.00	94.00	94.00	-
Water						
Utilities	354.36	353.36	358.18	358.18	364.18	6.00
Subtotal Enterprise Funds	901.75	916.50	920.28	920.28	920.78	0.50

FY2024/25 Proposed Budget

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

	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
<u>Internal Service Funds</u>						
Fleet Management						
Public Works	83.00	83.00	82.00	82.00	83.00	1.00
Risk Management Fund						
Human Resources	17.00	17.00	17.00	17.00	17.00	-
Workers' Compensation Fund						
Human Resources	19.00	19.00	19.00	19.00	19.00	-
Subtotal Internal Service Funds	119.00	119.00	118.00	118.00	119.00	1.00
<u>Other Government Funds</u>						
4th R Program						
Youth, Parks, and Community Enrichment	133.10	133.10	133.10	133.10	132.70	(0.40)
Cty/Cnty Office-Water Planning						
Citywide and Community Support	6.00	6.00	6.00	6.00	-	(6.00)
Utilities	-	-	-	-	6.00	6.00
Innovation and Growth						
City Manager	2.00	2.00	4.00	2.00	2.00	-
Marina						
Public Works	6.60	6.60	6.60	6.60	6.60	-
START						
Youth, Parks, and Community Enrichment	16.24	16.24	16.24	16.24	16.24	-
Subtotal Other Governmental Funds	163.94	163.94	165.94	163.94	163.54	(0.40)
	4,957.73	5,017.14	5,075.30	5,090.61	5,028.70	(61.91)

*Three positions in the Office of the Mayor are limited term until 12/30/2024 per Resolution 2022-0365. Funding has been allocated until then and positions will be removed.

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

	Total FTE	FY2024/25 Operating	FY2024/25 MYOP*	Total Operating Budget
Mayor Offices				
Mayor/Council	46.00	\$ 9,261	\$ 5	\$ 9,266
Subtotal Mayor Offices	46.00	9,261	5	9,266
Charter Offices				
City Auditor	10.00	1,882	-	1,882
City Manager	63.00	14,708	(11,180)	3,528
City Attorney	64.00	14,772	-	14,772
City Clerk	24.00	4,145	2	4,147
City Treasurer	14.00	3,157	1	3,158
Subtotal Charter Offices	175.00	38,664	(11,178)	27,486
Operating Offices				
Finance	94.00	15,039	2,885	17,924
Information Technology	202.50	35,185	318	35,503
Human Resources	83.00	76,868	182	77,050
Police	1,119.50	241,581	9,279	250,860
Fire	760.50	218,523	1,286	219,809
Utilities	589.18	172,410	11,043	183,453
Public Works	769.65	223,024	17,913	240,936
Convention and Cultural Services	124.50	30,073	678	30,751
Youth, Parks, and Community	709.87	65,237	1,208	66,446
Community Development	318.00	54,406	7,888	62,294
Community Response	37.00	5,863	11,414	17,277
Subtotal Operating Offices	4,807.70	1,138,210	64,095	1,202,305
Other Offices				
Debt Service	-	105,168	-	105,168
Citywide and Community Support	-	115,697	15,981	131,678
Non-Appropriated	-	(23,628)	-	(23,628)
Subtotal Other Offices	-	197,238	15,981	213,219
Total	5,028.70	\$ 1,383,373	\$ 68,903	\$ 1,452,276

*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
Current Resources						
Revenues						
Taxes	\$ 605,754	\$ 34,543	-	\$ 36,982	\$ 677,278	\$ 677,278
Licenses and Permits	34,690	140	-	7,720	42,550	42,550
Penalties	9,256	2,573	-	300	12,129	12,129
Concessions	6,315	4,796	1,651	9,108	21,870	20,219
Intergovernmental	18,609	3,123	-	33,384	55,115	55,115
Charges, Fees, and Services	94,007	358,853	10,333	69,994	533,187	522,854
Contributions from Other Funds	43,935	-	-	-	43,935	43,935
Miscellaneous Revenue	1,308	906	126,968	343	129,525	2,557
Total Current Resources	813,875	404,934	138,952	157,829	1,515,590	1,376,638
Current Requirements						
Current Operations						
Employee Services	683,539	129,923	16,179	4,278	833,919	817,740
Other Services and Supplies	198,762	102,282	85,664	36,073	422,781	337,117
City Property	2,870	2,307	27,961	217	33,355	5,394
Multi-Year Operating Projects	49,867	20,302	215	(1,480)	68,903	68,688
City Debt Service	16,578	71,454	45	17,091	105,168	105,123
Transfers	(8,086)	7,643	195	248	-	(195)
Labor and Supply Offset	(129,592)	14,232	6,056	55,319	(53,985)	(60,042)
Contingency	2,000	-	-	-	2,000	2,000
Operating Transfers	5,550	35,485	-	(900)	40,135	40,135
Subtotal Current Operations	821,488	383,629	136,315	110,845	1,452,276	1,315,961
Capital Improvements	14,542	35,136	208	64,983	114,868	114,661
Total Current Requirements	836,030	418,765	136,523	175,827	1,567,145	1,430,622
Other Fund Sources (Uses)	22,821	2,560	(999)	5,645	30,027	31,026
Total Surplus (Deficit)	666	(11,271)	1,430	(12,353)	(21,527)	(22,957)
Beginning Fund Balance	42	179,391	527	228,173	408,134	407,607
Ending Fund Balance	\$ 709	\$ 168,120	\$ 1,957	\$ 215,821	\$ 386,606	\$ 384,649

*Net Total excludes Internal Service Funds (ISF).

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

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	\$ 673,531	\$ 677,135	\$ 11,783	\$ 688,918	\$ 29,727	\$ 14,340	\$ 9,675	\$ 24,015
Measure U	140,344	144,353	2,759	147,112	(6,906)	(13,674)	(9,633)	(23,307)
Subtotal Governmental Funds	813,875	821,488	14,542	836,030	22,821	666	42	709
Enterprise Funds								
Community Center	44,705	47,602	2,436	50,038	(300)	(5,633)	21,153	15,520
Parking	19,052	18,568	792	19,360	-	(308)	2,389	2,081
Solid Waste	96,727	93,294	2,163	95,457	-	1,270	37,967	39,237
Storm Drainage	41,150	43,546	123	43,670	-	(2,520)	31,557	29,037
Storm Drainage Property Fee	20,250	5,527	7,896	13,423	-	6,827	4,299	11,126
Wastewater	45,554	41,754	3,473	45,228	-	326	26,300	26,626
Water	137,496	133,337	18,253	151,590	2,860	(11,234)	55,726	44,492
Subtotal Enterprise Funds	404,934	383,629	35,136	418,765	2,560	(11,271)	179,391	168,120
Internal Service Funds								
Fleet Management	67,680	66,047	202	66,250	-	1,430	527	1,957
Risk Management	71,272	70,268	5	70,273	(999)	-	-	-
Subtotal Internal Service Funds	138,952	136,315	208	136,523	(999)	1,430	527	1,957
Other Governmental Funds								
4th R Program	5,406	5,419	-	5,419	-	(13)	459	446
Art In Public Places Projects	-	-	-	-	-	-	96	96
Assessment Reg and SDRIS	-	-	-	-	-	-	167	167
Cal EPA	-	-	-	-	-	-	1,337	1,337
CIP Reimbursable	-	-	21	21	21	-	-	-
Capital Improv. Revenue Bonds	-	-	-	-	-	-	30	30
Citation I-5 Maintenance	-	40	-	40	-	(40)	626	586
Citywide Low Income Housing	2,970	2,970	-	2,970	-	-	1,281	1,281
Cultural Services - Other	155	149	-	149	-	6	1,240	1,246
Debt Service Funds	10,707	11,307	-	11,307	600	-	2,056	2,056
Development Services	3,921	3,689	232	3,921	-	-	-	-
Down town Impact Fee	-	50	-	50	-	(50)	3,189	3,139
Down town Management District	4,198	4,202	-	4,202	-	(3)	56	53
Ethel MacLeod Hart Trust	-	-	-	-	-	-	1,597	1,597
Fair Share Contributions	-	-	-	-	-	-	5,952	5,952
Fairy tale Town	50	50	-	50	-	-	4	4
Federal Capital Grant	-	-	23,608	23,608	23,608	-	-	-
Florin Road Storm and San	-	-	-	-	-	-	8	8
Gas Tax	14,277	11,769	1,986	13,754	-	523	8,328	8,851
Golf	816	365	-	365	-	451	(1,767)	(1,316)
Greenbriar Impact Fee	-	-	-	-	-	-	1,803	1,803
Innovation and Growth	13,468	(12,294)	-	(12,294)	(21,946)	3,816	3,534	7,350
Jacinto Creek	-	-	-	-	-	-	1,817	1,817
Land Park	23	122	-	122	-	(99)	235	136
Library Services Parcel Tax	9,989	9,989	-	9,989	-	-	-	-
Landscaping and Lighting	20,770	20,561	846	21,406	-	(636)	4,483	3,846
Major Street Construction	2,500	-	2,900	2,900	-	(400)	5,983	5,583
Marina	1,894	2,354	100	2,454	-	(560)	305	(255)
Measure A Maintenance	16,490	17,830	385	18,215	-	(1,725)	6,780	5,055
North Natomas Financing Plan	325	2,069	12	2,080	-	(1,755)	31,909	30,154
Other	-	85	-	85	-	(85)	6,221	6,136

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

	Resources		Requirements			Other Sources (Uses)	Surplus / (Deficit)	Fund Balance	
	Total	Current	CIP	Total	Beginning			Ending	
	Revenues	Operations							
Other Governmental Funds (continued)									
Other Capital Grants	-	-	3,362	3,362	3,362	-	-	-	-
Park Development	826	824	4,871	5,694	-	(4,868)	31,829	26,961	
Quimby Act	100	10	-	10	-	90	3,571	3,661	
Railyards Impact Fee	50	25	-	25	-	25	2,282	2,307	
Redevelopment Bond Funds	-	9	-	9	-	(9)	6,289	6,280	
River District Impact Fee	-	125	-	125	-	(125)	8,129	8,004	
SHRA CDBG	29	29	-	29	-	-	-	-	
So Natomas Comm Improv	-	-	-	-	-	-	401	401	
So Natomas Facility Benefit	-	-	-	-	-	-	4,634	4,634	
So Natomas I-5 Developer Impr	-	-	-	-	-	-	633	633	
Special Districts	25,657	24,467	-	24,467	-	1,191	12,956	14,147	
Special Districts - Capital	-	-	-	-	-	-	1,261	1,261	
Special Program Donations	250	250	-	250	-	-	-	-	
START	658	396	-	396	-	262	(293)	(31)	
Subregional I-5 Corridor Mitig	-	-	-	-	-	-	3,601	3,601	
Sunset, Meadows A/D Maint	-	-	-	-	-	-	188	188	
Trench Cut Fee	25	-	25	25	-	-	50	50	
Transportation Development	590	-	600	600	-	(10)	70	60	
65th Street Area Impact Fee	-	15	-	15	-	(15)	630	615	
Transportation Development Impact Fee	2,000	-	-	-	-	2,000	2,261	4,261	
Traffic Safety	300	307	-	307	-	(7)	35	28	
Tree Planting Replacement	120	-	120	120	-	-	-	-	
Road Maint and Rehabilitation	13,111	-	14,640	14,640	-	(1,529)	4,575	3,046	
NMA Traffic Control & Safety	1,649	-	1,979	1,979	-	(330)	824	494	
NMA Safety, Streets, Ped, Bic	2,429	6	3,397	3,403	-	(974)	1,314	340	
Wastewater Development Fees	-	-	500	500	-	(500)	6,390	5,890	
Water Development Fees	-	-	5,400	5,400	-	(5,400)	43,759	38,359	
Water Planning	1,525	1,109	-	1,109	-	417	634	1,051	
Willow creek Fee District	-	-	-	-	-	-	2,337	2,337	
Zoo	50	50	-	50	-	-	-	-	
Subtotal Other Governmental Funds	157,829	110,845	64,983	175,827	5,645	(12,353)	228,173	215,821	
Total	\$1,515,590	\$1,452,276	\$114,868	\$1,567,145	\$30,027	(21,527)	\$408,134	\$386,606	

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

	FY2020/21 Approved	FY2021/22 Approved	FY2022/23 Approved	FY2023/24 Approved	FY2024/25 Proposed
Governmental Funds*					
Revenues	\$ 589,064	\$ 665,245	\$ 743,069	\$ 770,820	\$ 813,875
Total Resources	589,064	665,245	743,069	770,820	813,875
Expenses					
Operations	613,750	666,956	723,702	757,771	821,488
CIP	11,280	14,623	18,096	14,217	14,542
Total Requirements	625,030	681,579	741,799	771,988	836,030
Other Fund Sources (Uses)	19,500	15,913	1,089	893	-
Beginning Fund Balance	17,042	589	4,761	731	42
Ending Fund Balance	577	168	7,120	457	22,112
Enterprise Funds					
Revenues	329,402	330,673	373,458	392,942	404,934
Total Resources	329,402	330,673	373,458	392,942	404,934
Expenses					
Expenses	327,060	318,333	350,316	354,494	383,629
CIP	42,810	41,165	43,527	48,197	35,136
Total Requirements	369,870	359,498	393,842	402,691	418,765
Other Fund Sources (Uses)	(2,727)	(3,071)	(250)	163	-
Beginning Fund Balance	212,227	239,840	248,632	144,975	179,391
Ending Fund Balance	169,032	207,944	227,998	135,388	165,560
Internal Service Funds					
Revenues	100,253	103,762	121,562	123,536	138,952
Total Resources	100,253	103,762	121,562	123,536	138,952
Expenses					
Expenses	100,271	102,598	121,585	122,375	136,315
CIP	202	209	202	202	208
Total Requirements	100,473	102,807	121,787	122,577	136,523
Other Fund Sources (Uses)	(262)	(1,597)	298	(1,231)	-
Beginning Fund Balance	1,083	2,646	403	573	527
Ending Fund Balance	601	2,005	476	301	2,956
Other Governmental Funds					
Revenues	126,148	126,393	138,135	146,735	157,829
Total Resources	126,148	126,393	138,135	146,735	157,829
Expenses					
Expenses	120,981	108,720	121,829	127,274	110,845
CIP	68,563	39,534	70,265	44,754	64,983
Total Requirements	189,544	148,254	192,094	172,029	175,827
Other Fund Sources (Uses)	32,845	(658)	38,007	10,487	-
Beginning Fund Balance	163,527	161,403	190,936	195,751	228,173
Ending Fund Balance	\$ 132,975	\$ 138,883	\$ 174,984	\$ 180,945	\$ 210,176

*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	
	FY2023/24	FY2024/25	FY2023/24	FY2024/25	FY2023/24	FY2024/25	FY2023/24	FY2024/25
Enterprise Funds								
Community Center	\$ 2,002	\$ 2,497	\$ 456	\$ 456	\$ 1,562	\$ 1,707	-	-
Parking	1,273	1,489	244	244	1,449	1,548	-	-
Solid Waste	4,884	4,377	-	-	-	-	10,146	10,504
Storm Drainage	3,174	2,009	-	-	-	-	6,492	6,578
Wastewater	2,450	1,465	-	-	-	-	4,636	4,669
Water	7,558	7,564	-	-	-	-	14,484	14,429
Total Enterprise Funds	21,341	19,401	700	700	3,011	3,255	35,758	36,180
Internal Service Funds								
Fleet Management	2,089	2,625	-	-	-	-	-	-
Risk Management	1,451	1,770	-	-	-	-	-	-
Total Internal Service Funds	3,540	4,395	-	-	-	-	-	-
GRAND TOTAL	\$ 24,881	\$ 23,796	\$ 700	\$ 700	\$ 3,011	\$ 3,255	\$ 35,758	\$ 36,180

***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.

FY2024/25 Proposed Budget

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

Fund	Description	Budget Through 02/2024	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	Total Five-year Funding
1001:	General Fund	\$ 196,821	\$ 11,783	\$ 11,667	\$ 11,692	\$ 11,164	\$ 11,144	\$ 57,450
1003:	ARPA Reinvestment Fund	2,832	-	-	-	-	-	-
2001:	Sacto Transp.Sales Tax-Cip.	1,206	-	-	-	-	-	-
2002:	Gas Tax 2016	22,456	1,986	1,986	1,986	1,986	1,986	9,928
2007:	Major Street Construction	26,676	2,900	2,700	2,700	2,700	2,700	13,700
2008:	Trench Cut Fee	113	25	25	25	25	25	126
2012:	Transportation System Management	380	-	-	-	-	-	-
2013:	Transportation Development	2,495	600	600	600	600	600	3,000
2016:	Development Services	20,243	232	241	247	288	323	1,331
2019:	Citation I-5 Improvements	420	-	-	-	-	-	-
2020:	So Natomas Comm Improv	1,135	-	-	-	-	-	-
2021:	So Natomas Facility Benefit	320	-	-	-	-	-	-
2023:	New Measure A Specific Project	17,802	-	-	-	-	-	-
2025:	New Measure A Construction	2,559	-	-	-	-	-	-
2026:	New Measure A Maintenance	3,023	385	385	385	385	385	1,925
2028:	Prop 1B - Local Street & Road	21	-	-	-	-	-	-
2031:	Innovation and Growth	798	-	-	-	-	-	-
2032:	Fair Share Contributions	353	-	-	-	-	-	-
2033:	I-5 Subregional Corridor Mitig	138	-	-	-	-	-	-
2035:	Tree Planting Replacement	1,093	120	120	120	120	120	600
2036:	Road Maint and Rehabilitation	31,803	14,640	14,640	14,640	14,640	14,640	73,200
2038:	NMA Traffic Control & Safety	8,936	1,979	1,979	1,979	1,979	1,979	9,895
2039:	NMA Safety, Streets, Ped, Bic	13,544	3,397	2,597	2,597	2,597	2,597	13,786
2220:	Sunset, Meadows A/D Maint	1,600	-	-	-	-	-	-
2230:	N Natomas Lands CFD 3	336	-	-	-	-	-	-
2232:	Landscaping and Lighting	5,186	846	455	455	455	455	2,666
2235:	Florin Road Storm and San	90	-	-	-	-	-	-
2401:	Measure U	46,512	2,759	2,700	2,700	2,700	2,700	13,559
2502:	Special Program Donations	287	-	-	-	-	-	-
2504:	Special Recreation	842	-	-	-	-	-	-
2507:	Land Park	137	-	-	-	-	-	-
2508:	Quimby Act	4,605	-	-	-	-	-	-
2601:	Old Sac Market	30	-	-	-	-	-	-
2603:	Golf	93	-	-	-	-	-	-
2605:	Zoo	1	-	-	-	-	-	-
2607:	Art In Public Places Projects	26	-	-	-	-	-	-
2608:	Marina	910	100	100	100	100	100	500
2609:	Marcy Friedman ESC APP	1,000	-	-	-	-	-	-
2700:	Block Grant/Housing & Redev	7,519	-	-	-	-	-	-
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	42	-	-	-	-	-	-
3004:	2006 CIRB - Tax Exempt	3,699	-	-	-	-	-	-
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	24,658	4,871	-	-	-	-	4,871
3206:	NNFP Public Facilities Fee	130	12	12	12	12	12	58
3215:	Transportation Development Impact Fee	10,096	-	-	-	-	-	-

FY2024/25 Proposed Budget

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

Fund	Description	Budget						Total
		Through 02/2024	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	Five-year Funding
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		569	-	-	-	-	-	-
3701: Sacto Housing & Redev Agency		3,853	-	-	-	-	-	-
3702: CIP Reimbursable		19,197	21	21	21	21	21	105
3703: Federal Capital Grant		94,550	23,608	-	-	-	-	23,608
3704: Other Capital Grants		96,481	3,362	-	-	-	-	3,362
3802: 2006 Army Depot TA		1,479	-	-	-	-	-	-
3803: 2006 Army Depot TE		715	-	-	-	-	-	-
6001: Water Development Fees		22,301	5,400	1,000	1,000	1,000	1,000	9,400
6002: Wastew ater Development Fees		15	500	2,000	2,000	-	-	4,500
6004: Parking		34,427	792	765	765	765	765	3,852
6005: Water		152,960	18,253	28,001	28,841	25,408	25,001	125,503
6006: Wastew ater		18,725	3,473	6,200	8,736	6,470	7,010	31,889
6007: Recycling and Solid Waste		31,896	2,163	1,232	1,232	1,232	1,390	7,248
6008: Landfill Closure		5,195	-	-	-	-	-	-
6009: Sacramento Marina		874	-	-	-	-	-	-
6010: Community Center		21,112	2,436	2,925	1,450	1,410	1,450	9,671
6011: Storm Drainage		17,190	123	-	-	-	-	123
6012: 4th R Program		653	-	-	-	-	-	-
6021: Storm Drainage Property Fee		-	7,896	12,197	11,811	11,652	12,111	55,666
6205: Water Grant Reimbursement		3,511	-	-	-	-	-	-
6206: Wastew ater Grant Reimbursement		4,266	-	-	-	-	-	-
6207: Solid Waste Grant Reimbursement		721	-	-	-	-	-	-
6211: Storm Drainage Grant Reimbursement		7,986	-	-	-	-	-	-
6310: Water Revenue Bonds		4,492	-	-	-	-	-	-
6311: Water Revenue Bonds Ser. 2017		614	-	-	-	-	-	-
6312: Drinking Water SRF Loan		48,651	-	-	-	-	-	-
6320: Wastew ater Revenue Bonds		124	-	-	-	-	-	-
6321: Wastew ater Revenue Bonds 2019		3,107	-	-	-	-	-	-
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		8,809	202	202	202	202	202	1,010
6502: Risk Mgmt		243	5	-	-	-	-	5
Total		\$ 1,439,917	\$ 114,868	\$ 94,749	\$ 96,295	\$ 87,909	\$ 88,714	\$ 482,536

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

"GANN" Appropriations Limit

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

APPROPRIATION LIMIT (Section 1)	FY2020/21	FY2021/22	FY2022/23	FY2023/24	FY2024/25
Prior year limit	\$ 849,122	\$ 890,747	\$ 945,554	\$ 1,016,435	\$ 1,305,724
Multiply by:					
Change in CPI or Per Capita Personal Income	1.0373	1.0573	1.0755	1.0444	1.0444
Change in Population	1.0113	1.0040	0.9995	1.2300	1.2300
Total Appropriation Limit	\$ 890,747	\$ 945,554	\$ 1,016,435	\$ 1,305,724	\$ 1,677,349
PROCEEDS OF TAXES (Section 2)					
Total governmental revenue	\$ 715,212	\$ 791,638	\$ 881,204	\$ 917,555	\$ 971,704
Add taxes in enterprise funds:					
Transient Occupancy Tax	12,589	18,628	26,359	33,872	34,460
Add user fees in excess of cost:	-	-	-	-	-
Deduct:					
Non-proceeds of tax revenue	(265,669)	(251,937)	(270,816)	(289,279)	(322,738)
General obligation debt service	-	-	-	-	-
Qualified capital outlay	(6,962)	(7,793)	(15,454)	(12,177)	(18,882)
Total Proceeds of Taxes	\$ 455,170	\$ 550,536	\$ 621,293	\$ 649,971	\$ 664,544
APPROPRIATIONS SUBJECT TO LIMIT (Section 3)					
Total Governmental Funds:					
Operating appropriations	\$ 734,731	\$ 775,676	\$ 845,531	\$ 885,045	\$ 932,333
CIP appropriations	79,843	54,157	88,361	58,971	79,525
Add:					
Enterprise fund tax appropriation	12,589	18,628	26,359	33,872	34,460
User fees in excess of cost	-	-	-	-	-
Current proceeds of taxes appropriated to reserves	7,385	7,922	20,970	12,529	19,410
Deduct:					
Non-proceeds of tax revenue	(265,669)	(251,937)	(270,816)	(289,279)	(322,738)
General obligation debt service	-	-	-	-	-
Qualified capital outlay	(6,962)	(7,793)	(15,454)	(12,177)	(18,882)
Total Appropriations Subject to Limit	\$ 561,917	\$ 596,653	\$ 694,951	\$ 688,961	\$ 724,109

FY2024/25 Proposed Budget

Schedule 6
Revenue Budget (in 000s)

	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Approved	FY2023/24 Amended	FY2024/25 Proposed
Governmental Funds					
Taxes					
Property Taxes - Current Secured	\$ 132,062	\$ 141,959	\$ 149,018	\$ 149,018	\$ 154,979
Property Taxes - Current Unsecured	4,642	4,832	4,585	4,585	4,768
Property Taxes - In Lieu VLF	54,619	58,863	61,775	61,775	65,791
Property Taxes - Prior Secured	1,166	1,209	1,157	1,157	1,203
Property Taxes - Prior Unsecured	95	50	76	76	80
Property Taxes - Redevelopment Passthrough	2,757	3,101	2,624	2,624	2,814
Property Taxes - Supplemental	4,531	5,405	2,597	2,597	3,704
Subtotal Property Taxes	199,872	215,419	221,833	221,833	233,338
Business Operations Taxes (BOT)	9,660	8,942	8,836	8,836	8,775
Cannabis Business Operations Tax (CBOT)	23,674	22,613	21,966	21,966	23,322
General Sales and Use Taxes	240,315	237,199	245,351	245,351	246,322
Property Taxes - Resident Development	885	802	1,013	1,013	916
Public Safety Sales Tax	8,200	8,629	9,014	9,014	9,033
Real Property Transfer Taxes	19,372	11,776	10,768	10,768	9,691
Transient Occupancy Tax	5,232	6,133	6,792	6,792	6,892
Transient Occupancy Tax - Prior	142	94	-	-	-
Utility Users Tax - Current	65,388	69,403	68,165	68,165	67,465
Utility Users Tax - Prior	73	126	-	-	-
Subtotal Other Taxes	372,941	365,717	371,904	371,904	372,415
Total Taxes	572,813	581,135	593,737	593,737	605,754
Licenses and Permits					
Alley Parking Permit	8	14	-	-	-
Alley Parking Permits	2	1	3	3	3
Animal Licenses	371	407	520	520	520
Building Trades Certification	-	-	1	1	1
Burglar Alarm Permits	984	919	1,132	1,132	1,000
Business Permits and Licenses	345	415	360	360	459
Cellular Revocable Permits	1,476	1,633	1,814	1,814	1,769
Construction Permits	13,064	12,048	12,714	12,714	12,704
Dance Permits	62	43	10	10	10
Emergency Permits	6	4	7	7	7
Excavation Permits	27	98	25	25	43
Home Occupation Permits	172	192	156	156	170
Marijuana Cultivation Permit	1,339	1,530	1,558	1,558	1,558
Marijuana Delivery Permit	868	632	484	484	484
Marijuana Dispensary Permit	635	575	624	624	624
Marijuana Manufacturing Permit	316	177	280	280	280
Marijuana Other Business Permit	718	706	666	666	666
Miscellaneous Licenses and Permits	12	14	-	-	10
Neighborhood Responsibility	2,338	114	-	-	-
On-Site Plan Review Permit	73	58	87	87	87
Plan Check Fees	7,932	9,643	10,254	10,254	10,254
Public Works Review	8	-	-	-	-
Sign and Billboard Permit	50	38	63	63	63
Sign and Billboard Permits	313	271	240	240	240
Special Event Permits	371	441	252	252	273
Special Use Permits	3,051	1,985	3,354	3,354	3,343
Street Vendor Permits	26	27	5	5	20
Taxi Permits	20	22	32	32	20
Towing Vehicle Permits	34	32	45	45	84
Subtotal Licenses and Permits	34,624	32,037	34,685	34,685	34,690

FY2024/25 Proposed Budget

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

	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Approved	FY2023/24 Amended	FY2024/25 Proposed
Governmental Funds (continued)					
Fines, Forfeitures, and Penalties					
Delinquency Charges	260	99	-	-	-
Fines and Penalties	9,794	8,980	7,272	7,272	9,256
Transient Occupancy Tax - Penalty	3	32	-	-	-
Subtotal Fines, Forfeitures, and Penalties	10,057	9,112	7,272	7,272	9,256
Interest, Rents, and Concessions					
Interest on Investments	1,259	4,007	1,500	1,500	5,750
Interest on Receivables	121	794	125	125	336
Real Property Rental	521	537	229	229	229
Subtotal Interest, Rents, and Concessions	1,901	5,338	1,854	1,854	6,315
Intergovernmental					
Fire District Reimbursement	9,435	6,995	8,875	8,875	9,775
Miscellaneous Governmental Revenue	6,484	6,472	4,524	4,524	4,601
Miscellaneous Other Federal	2,507	10,730	1,210	1,210	1,210
Other Agency Payments	4,893	1,552	1,210	1,210	354
Other County Payments	949	208	425	425	425
Other Recoveries	283	749	133	133	183
Other State Payments	2,787	1,004	76	76	127
P.O.S.T. Reimbursement	219	55	167	167	167
Redevelopment Agency Services	538	430	373	373	460
Sacramento County Support - Metro Arts	-	388	-	-	-
Sacramento County Support - Museums	459	258	258	258	258
State Homeowners Property Tax	1,104	1,082	1,045	1,045	1,045
State Mandated Reimbursement SB 90	454	386	212	212	212
State Motor Vehicle In Lieu Tax	596	533	250	250	501
Subtotal Intergovernmental	30,708	30,844	18,757	18,757	18,609
Charges, Fees, and Services					
Administrative Fee	654	655	505	505	748
ALS Fees	29,426	28,585	31,500	31,500	47,000
Animal Shelter Fees and Charge	246	269	340	340	340
Appeal Fees	14	8	-	-	-
City Attorney Fees	-	2	-	-	-
Code Enforcement Fee	5,172	3,959	3,231	3,231	3,421
Community Services Fees	885	1,188	1,428	1,428	2,752
Compliance Fee	589	1,543	448	448	448
Concessions	85	85	115	115	68
Concessions - Golf	-	2	-	-	-
Demolition Charges	369	456	417	417	417
DUI Fees	6	106	32	32	77
EIS Fees	-	6	-	-	-
Facility Use Fees	1,882	3,283	1,648	1,648	2,378
Fire Permit Fees	1,240	1,124	1,326	1,326	1,326
Franchise Fees	8,829	9,627	7,571	7,571	9,275
Housing and Dangerous Buildings	75	89	111	111	111
Jail Booking Fee Recovery	19	-	40	40	40
Lawn and Garden Service	3	-	-	-	-
Miscellaneous Proprietary Revenue	30	17	32	32	32
Other Departmental Service	9,024	10,980	8,679	8,679	8,805

FY2024/25 Proposed Budget

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

	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Approved	FY2023/24 Amended	FY2024/25 Proposed
Governmental Funds (continued)					
Other Fees	203	270	1	1	1
Other General Fees and Charges	73	137	28	28	10
Parking Fees	10	10	5	5	347
Parking Meter Receipts	8,428	10,343	9,919	9,919	11,523
Parking Meter Removal Fees	688	505	520	520	520
Recyclables Sales	5	3	15	15	-
Registration Fees	169	158	105	105	244
Service Fees	68	197	35	35	100
Special Assessments - Administ	483	499	150	150	230
Special Assessments - Business	-	1	-	-	-
Street Sidewalk and Curb Repair	2,115	2,699	1,525	1,525	3,063
Subdivision Map Processing - Planning	-	-	30	30	30
Swimming Pool Fees	261	389	383	383	702
Third Party Recoveries - Property	-	1	-	-	-
Third Party Recoveries - Vehicle	40	229	-	-	-
Tour Fees	2	6	-	-	-
Vehicle Abatement SAVSA	603	64	-	-	-
Subtotal Charges, Fees, and Services	71,654	77,219	70,136	70,136	94,007
Contributions from Other Funds					
Contributions from Other Funds Accounts	38,895	40,644	42,469	42,469	43,935
Subtotal Contributions from Other Funds	38,895	40,644	42,469	42,469	43,935
Miscellaneous Revenues					
Escheat	627	223	242	242	242
Gifts and Donations	23	1	-	-	-
One-time Budgeted Revenue Adj	-	-	1,666	1,848	1,066
Sale of Real or Personal Property	26	227	-	-	-
Subtotal Miscellaneous Revenue	676	451	1,908	2,090	1,308
Total General Funds	\$ 761,328	\$ 776,781	\$ 770,820	\$ 771,002	\$ 813,875

FY2024/25 Proposed Budget

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

	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Approved	FY2023/24 Amended	FY2024/25 Proposed
Enterprise Funds					
Community Center					
Box Office Fees	\$ 1,484	\$ 1,363	\$ 1,016	\$ 1,016	\$ 1,100
Catering Fees	449	2,790	1,125	1,125	1,602
Concessions	154	197	275	275	300
Facility Use Fees	3,687	5,624	3,230	3,230	3,418
Insurance Fee	-	-	1	1	-
Interest on Investments	276	1,149	115	115	550
Miscellaneous Governmental Revenue	660	124	80	80	80
Other Fees	865	862	900	900	900
Real Property Rental	636	1,629	700	700	701
Registration Fees	1	-	-	-	-
Royalties	1,716	866	866	866	866
Service Fees	487	435	631	631	641
Transient Occupancy Tax	26,117	30,663	33,872	33,872	34,460
Transient Occupancy Tax - Penalty	17	162	3	3	3
Transient Occupancy Tax - Prior	709	469	83	83	83
Subtotal Community Center	37,259	46,332	42,897	42,897	44,705
Parking					
Administrative Fee	542	735	774	774	803
Delinquency Charges	4	3	-	-	-
Facility Use Fees	19	18	-	-	-
Interest on Investments	171	462	300	300	300
Miscellaneous Governmental Revenue	19	(12)	-	-	-
Other Fees	31	64	20	20	20
Other General Fees and Charges	31	55	-	-	-
Other Recoveries	36	56	-	-	-
Parking Fees	12,440	15,048	14,493	14,493	17,229
Real Property Rental	504	716	746	746	615
Royalties	52	75	40	40	40
Vehicle or Equipment Rental	47	49	45	45	45
Subtotal Parking	13,894	17,268	16,418	16,418	19,052
Solid Waste					
Facility Use Fees	177	195	182	182	182
Fines and Penalties	(10)	(3)	-	-	-
Interest on Investments	363	777	750	750	750
Miscellaneous Governmental Revenue	159	139	-	-	-
Miscellaneous Proprietary Revenue	35	26	-	-	-
Other Agency Payments	43	86	33	33	33
Other Departmental Services	10	20	-	-	-
Recyclables Sales	132	1,098	100	100	100
Sale of Real or Personal Property	15	14	-	-	-
Service Fees	167	158	-	-	-
Utility Services Charges	75,575	86,095	92,409	92,409	95,663
Subtotal Solid Waste	76,666	88,604	93,473	93,473	96,727

FY2024/25 Proposed Budget

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

	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Approved	FY2023/24 Amended	FY2024/25 Proposed
Enterprise Funds (continued)					
Storm Drainage					
Compliance Fee	84	66	110	110	100
Delinquency Charges	-	-	-	-	400
Drainage Impact Fee	-	(17)	-	-	-
Impact Admin Fees	-	-	-	-	2
Interest on Investments	354	869	440	440	440
Interest on Receivables	35	33	-	-	-
Miscellaneous Governmental Revenue	25	32	30	30	-
Miscellaneous Proprietary Revenue	22	16	15	15	-
Other Agency Payments	-	5	-	-	-
Other Fees	27	32	50	50	20
Other General Fees and Charges	1	-	-	-	-
Other Recoveries	(8)	76	-	-	-
Plan Check Fees	61	45	55	55	85
Sale of Real or Personal Property	-	149	-	-	-
Service Fees	52	44	50	50	-
Subdivision Map Processing - Engineering	2	5	-	-	4
Utility Services Charges	39,761	39,995	39,074	39,074	40,100
Vehicle or Equipment Rental	49	-	15	15	-
Subtotal Storm Drainage	40,465	41,350	39,839	39,839	41,150
Storm Drainage Property Fee					
Delinquency Charges	-	-	-	-	150
Interest on Investments	-	145	-	-	100
Utility Services Charges	-	19,612	19,500	19,500	20,000
Subtotal Storm Drainage Property Fee	-	19,757	19,500	19,500	20,250
Wastewater					
Delinquency Charges	-	-	-	-	820
Impact Admin Fees	-	-	-	-	93
Interest on Investments	402	1,062	430	430	430
Miscellaneous Governmental Revenue	61	(14)	-	-	-
Miscellaneous Proprietary Revenue	49	20	48	48	48
Other Agency Payments	4	13	-	-	-
Other Recoveries	(9)	(10)	-	-	-
Regional Sanitation District	1,186	1,737	1,050	1,050	1,350
Service Fees	114	57	75	75	75
Sewer Permits	80	87	72	72	97
Subdivision Map Processing - Engineering	2	3	2	2	3
Utility Services Charges	42,999	42,963	42,338	42,338	42,639
Subtotal Wastewater	44,888	45,918	44,015	44,015	45,554
Water					
Capital Contributions	48	-	-	-	-
Cellular Revocable Permits	52	78	55	55	55
Delinquency Charges	-	-	-	-	1,200
Fines and Penalties	1	1	-	-	-
Fire Hydrant Use Fee	143	49	125	125	50
Fleet Vehicle Revenue	9	-	-	-	-

FY2024/25 Proposed Budget

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

	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25
	Actuals	Actuals	Approved	Amended	Proposed
Enterprise Funds (continued)					
Impact Admin Fees	-	-	-	-	160
Interest on Investments	1,466	4,128	865	865	865
Miscellaneous Governmental Revenue	64	62	60	60	60
Miscellaneous Proprietary Revenue	85	38	100	100	75
Other Agency Payments	1,710	1,457	1,600	1,600	1,600
Other Bonds Issued	22,646	107	-	(33,972)	-
Other Fees	58	33	-	-	50
Other General Fees and Charges	5	-	-	-	-
Other Recoveries	269	33	-	-	-
Park Impact Fee	61	61	-	-	-
Public Facilities Impact Fee	-	(96)	-	-	-
Residential Construction Water	168	135	160	160	91
Service Fees	155	108	200	200	220
Special Item Revenue	-	4,710	-	-	-
Subdivision Map Processing - Engineering	2	3	2	2	3
Utility Service Extensions	50	30	20	20	20
Utility Services Charges	132,576	127,495	132,191	132,191	131,691
Water Flow Test Fee	277	205	220	220	220
Water Tap Sales	1,058	1,049	1,200	1,200	1,135
Subtotal Water	160,903	139,686	136,798	102,827	137,496
Total Enterprise Funds	\$ 374,075	\$ 398,914	\$ 392,942	\$ 358,970	\$ 404,934

FY2024/25 Proposed Budget

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

	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Approved	FY2023/24 Amended	FY2024/25 Proposed
Internal Service Funds					
Fleet Management					
Fleet Charges Accident Repair	\$ 636	\$ 378	\$ 765	\$ 765	\$ 902
Fleet Charges O & M	21,454	21,539	21,329	21,329	26,821
Fleet Vehicle Revenue	19,383	42,325	28,279	33,947	27,921
Gasoline and Oil Sales	9,739	10,252	9,348	9,348	10,083
Interest on Investments	154	565	200	200	200
Miscellaneous Governmental Revenue	7	8	-	-	-
Miscellaneous Other Federal	118	110	-	-	-
Other Recoveries	83	21	-	-	-
Sale of Real or Personal Property-Salvage	824	872	856	856	856
Vehicle or Equipment Rental	1,150	926	1,189	1,189	897
Subtotal Fleet Management	53,548	76,995	61,966	67,634	67,680
Risk Management					
Interest on Investments	953	2,318	500	500	500
Interest on Receivables	281	78	60	60	54
Other Departmental Services	1,388	1,314	-	-	-
Risk Fund In-Lieu Insurance	50,992	53,900	60,660	60,660	70,468
Service Fees	-	-	100	-	-
Third Party Recoveries - Property	2,335	730	250	250	250
Third Party Recoveries - Vehicle	-	1	-	-	-
Third Party Recoveries Workers' Compensation	1	-	-	-	-
Subtotal Risk Management	55,993	58,361	61,570	61,470	71,272
Total Internal Service Funds	\$ 109,541	\$ 135,356	\$ 123,536	\$ 129,104	\$ 138,952

FY2024/25 Proposed Budget

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

	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Approved	FY2023/24 Amended	FY2024/25 Proposed
Other Governmental Funds					
4th R Program	\$ 4,455	\$ 5,885	\$ 5,406	\$ 5,406	\$ 5,406
65th Street Area Impact Fee	38	503	-	-	-
ARPA Reinvestment Fund	546	1,310	-	-	-
Art In Public Places Projects	4	8	-	-	-
Assessment Reg and SDRIS	1	3	-	-	-
Cal EPA	215	245	-	-	-
Capital Improv. Revenue Bonds	2	4	-	-	-
CIP Reimbursable	23	18	-	-	-
Citation I-5 Improvements	3	3	-	-	-
Citation I-5 Maintenance	5	12	-	-	-
Citywide Low Income Housing	2,292	2,846	2,390	2,390	2,970
Cultural Services - Other	225	197	155	155	155
Debt Service Funds	4,578	4,670	10,286	10,286	10,707
Delta Shores PF Impact Fee	-	6,695	500	500	500
Development Services	2,012	2,211	3,616	1,350	3,921
Downtown Impact Fee	1,020	496	-	-	-
Downtown Management District	3,655	3,899	3,998	3,998	4,198
Ethel MacLeod Hart Trust	153	136	-	-	-
Externally Funded Programs	26	72	-	-	-
Fair Share Contributions	306	135	-	-	-
Fairytale Town	103	85	50	50	50
Florin Road Storm and San	-	-	-	-	-
Gas Tax	12,457	13,676	14,320	14,320	14,277
Golf	842	873	816	816	816
Greenbriar Impact Fee	1,503	1,132	-	-	-
I-5 Subregional Corridor Mitig	1	3,590	-	-	-
Innovation and Growth	11,391	13,381	11,185	11,185	13,468
Jacinto Creek	33	228	-	-	-
Land Park	163	149	23	23	23
Landscaping and Lighting	18,742	19,569	20,019	20,019	20,770
Library Services Parcel Tax	8,777	9,200	9,642	9,642	9,989
Major Street Construction	3,289	3,866	1,500	1,500	2,500
Marcy Friedman ESC APP	-	1	-	-	-
Marina	2,111	2,124	1,894	1,894	1,894
Measure A Maintenance	16,187	16,682	15,177	15,177	16,490
NMA Safety, Streets, Ped, Bic	2,432	2,606	2,210	2,210	2,429
NMA Traffic Control & Safety	1,645	1,726	1,518	1,518	1,649
North Natomas Financing Plan	11,351	9,072	325	325	325
Operating Grants	149	307	-	-	-
Other	56,277	891	-	-	-
Other Capital Grants	-	41	-	-	-
Park Development	8,698	7,972	806	826	826
Private Development	364	428	-	-	-
Quimby Act	301	165	100	100	100
Railyards Impact Fee	11,686	536	50	50	50
Redevelopment Bond Funds	80	179	-	-	-
River District Impact Fee	1,386	4,997	-	-	-
Road Maint and Rehabilitation	11,332	11,983	11,533	11,533	13,111

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

	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Approved	FY2023/24 Amended	FY2024/25 Proposed
Other Governmental Funds (continued)					
Sheraton MOPA Project	107	258	-	-	-
SHRA CDBG	-	-	29	29	29
So Natomas Comm Improv	480	16	473	473	-
So Natomas Facility Benefit	387	709	-	-	-
So Natomas I-5 Developer Impr	5	11	-	-	-
Special Districts	24,806	27,542	24,641	24,661	25,657
Special Districts - Capital	128	438	-	-	-
Special Program Donations	-	17	250	-	250
START	486	893	658	658	658
Sunset, Meadows A/D Maint	13	31	-	-	-
Traffic Safety	200	287	350	350	300
Transportation Development	981	614	400	400	590
Transportation Development Impact Fee	2,802	3,283	1,000	1,000	2,000
Tree Planting Replacement	202	65	120	120	120
Trench Cut Fee	40	37	25	25	25
Wastewater Development Fees	17,096	1,933	-	-	-
Water Development Fees	4,701	4,824	-	-	-
Water Planning	886	1,359	1,220	1,704	1,525
Willow creek Fee District	118	147	-	-	-
Zoo	101	85	50	50	50
Other Governmental Funds	\$ 141,846	\$ 197,353	\$ 146,735	\$ 144,743	\$ 157,829

Schedule 7A
Operating Grants - \$81.6 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 2024-2029 CIP. Significant grant amounts that will benefit FY2024/25 are summarized by department below.

CITY MANAGER - \$45,134,464

FY 2024 Go-Biz Cannabis Equity Grants for Local Jurisdictions **\$1,250,000**
FY 2023 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. The FY24 grant cycle includes a \$750,000 City match in addition to the grant award, which can include administrative labor and contracts that benefit equity members.

FY2022 Department of Cannabis Control **\$5,786,617**
Local Jurisdiction Assistance Grant

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

FY2022/23 Assembly Bill 178 **\$20,000,000**
California Natural Resource Agency Community Reinvestment Project

The 2022-23 State Budget (AB 178) appropriated \$20 million for Community Reinvestment programs and projects within the City of Sacramento. The State's allocation of \$9.7 million funds eight city infrastructure projects dedicated to street safety, park, and facility improvements; \$8.2 million in grant awards to seventeen agencies/non-profit organizations in various community efforts throughout the city from youth job training, childhood education, environmental and sustainability projects, community center upgrades, park improvements, art, music events, and food programs; and the remaining \$2.1 million will be used for grant administration and service agreements.

FY2022/23 Assembly Bill 179 **\$800,000**
California State Parks Grants & Local Services

The 2022-23 State Budget (AB 179) appropriated \$800,000 in pass through funds to the City of Sacramento in support of local government programs. Grant awardee, Street Soccer USA, will use the funding to enhance and expand their programs within the City

FY2024/25 Proposed Budget

of Sacramento, which includes subsidizing soccer coaching recruitment and training, youth program design and development, and equipment costs.

**FY2024/25 United States Environmental Protection Agency (US EPA) \$800,000
Marysville and Grand Multipurpose Grant**

United States Environmental Protection Agency Grant funding environmental assessment to characterize and identify the source of Volatile Organic Compounds impacting two City owned properties at 3739 and 3801 Marysville Boulevard. Funding includes environmental remediation of the of the two City owned properties as necessary and development of a community-informed site reuse plan that identifies existing conditions, specific actions, and funding sources for addressing development constraints within the four-block area of the Marysville Boulevard and Grand Avenue intersection.

**FY2024/25 Cities for Financial Empowerment (CFE) Fund, Inc. \$170,000
Financial Empowerment Cities Grant**

CFE Fund will conduct a thorough analysis of Sacramento's Financial Empowerment Landscape. In partnership, the city will identify potential partners, stakeholders and engage the community at large to understand common financial empowerment challenges and identify potential solutions, with particular emphasis on historically disadvantaged groups such as communities of color, immigrants, etc. Financial Empowerment data will be captured and analyzed to develop additional resources as needed and to sustain ongoing operations.

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

This program provides funding from the United States Department of Labor through the State of California 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. Funding supports 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 programs that support long-term COVID-19 recovery and climate change mitigation goals.

**FY2024/25 U.S Small Business Administration \$300,000
Sacramento Neighborhood Equity Initiative**

This initiative will contribute to an inclusive economy in Sacramento, including support for women- and minority-owned entrepreneurs and small/micro businesses. Funding is dedicated to business technical assistance, case management, outreach, contracting opportunities, incubation and acceleration, and overall business support activities that contribute to commercial corridor revitalization.

**FY2024/25 U.S. Department of Labor \$394,000
Early Childhood Education (ECE) Apprenticeship**

The ECE Apprenticeship Program will be designed to provide education and training to apprentices over a six-semester period. Apprentices will enroll in courses through the Local Education Agency (LEA) while working at Early Learning & Childcare centers

FY2024/25 Proposed Budget

throughout the city of Sacramento. Apprentices will receive on-the-job training and mentoring from experienced ECE teachers, and supportive services including tutoring and educational counseling from the LEA staff. The program is designed to meet the immediate labor force need by increasing the ECE workforce. In addition, the ECE apprenticeship program will build childcare center capacity and help improve program quality.

**FY2024/25 The California Department of Food and Agriculture
Meadowview Community Farmers Market** **\$ 500,000**

The California Department of Food and Agriculture selected the City of Sacramento to provide oversight to the Meadowview Community Farmers Market. Funding be used to increase access to fresh, healthy food in low-income communities in South Sacramento. In partnership with community organizations, the funding will support a new Farmers Market in Meadowview that would provide an affordable, culturally relevant, and convenient source of local fresh produce to improve the health and well-being of South Sacramento residents.

**FY2023/24 California Department of Housing and Community
Development's (HCD) Pro-housing Incentive Pilot Program** **\$2,500,000**

The HCD 2023 Pro-housing Incentive Pilot funding program was designed to incentivize local governments to pursue Pro-housing Designations and rewards those with the Pro-housing Designation with additional funding to accelerate affordable housing production and preservation. This funding was made available as gap financing through SHRA's Multi-Family Lending program to support the City's affordable housing production.

FY2022/23 Homeless Housing, Assistance and Prevention III **\$2,740,791**

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. The HHAP-3 grant provides Office of Innovation and Economic Development (OIED) Housing funding for prevention programming.

FY2023/24 Homeless Housing, Assistance and Prevention IV **\$1,349,254**

The Homeless Housing, Assistance and Prevention IV 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. HHAP Round 4 funds permanent supportive housing through OIED-Housing.

COMMUNITY RESPONSE - \$21,888,982

FY2024/25 Homeless Housing Assistance and Prevention V **\$20,888,982**

Staff recommended the HHAP-5 cycle provide funding for continued support of youth sheltering, the Coordinated Access System, and outreach services; and continued

operations of the North Fifth Street Navigation Center, the City Motel Program, the Outreach and Engagement Center, and Emergency Bridge Housing on Grove Avenue.

Budget Act of 2022 (Chapter 249, Statutes of 2022, AB 179, Section 19.56) \$1,000,000

The Budget Act of 2022, effective September 6, 2022, provides funding to the City of Sacramento for homeless services. Specifically, funds are used for providing case management, navigation, and other services in partnership with Hope Cooperative for individuals and families experiencing homelessness in and around the California Capitol State Park. Additionally, rental assistance is provided in partnership with Step up on Second Street.

CONVENTION & CULTURAL SERVICES - \$171,000

National Endowment for the Arts \$100,000

The City of Sacramento Office of Arts & Culture (OAC) will seek a \$100,000 grant to support sub granting for arts projects as a local arts agency.

California Arts Council State and Local Partners Grant \$71,000

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.

FIRE DEPARTMENT - \$1,422,956

Urban Search and Rescue (US&R) \$1,422,956

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 eight 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 - \$8,841,280

FY2020/21 Urban Area Security Initiative **\$3,097,500**
FY2021/22 Urban Area Security Initiative **\$3,097,000**

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.

FY2022/23 Citizens' Option for Public Safety **\$800,102**
FY2023/24 Citizens' Option for Public Safety **\$805,643**

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.

FY2023/24 Selective Traffic Enforcement Program **\$400,000**

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.).

FY2023/24 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.

FY2022/23 Edward Byrne Memorial Justice Assistance Program **\$278,035**

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 - \$1,539,208

Department of Water Resources (DWR): Flood Maintenance Assistance Program (FMAP) Grant **\$550,600**

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 DOU 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 the last six years.

Department of Water Resources: Floodplain Management Protection and Risk Awareness Program, Prop 68 Grant (Florin Creek Study & Pomegranate Localized Flood Control Project) \$842,414

The Florin Creek area has historically been vulnerable to flooding during large storms and high-water events. The DWR funding will support two projects to eliminate impacts from the base 100-year flood event in the Florin Creek neighborhoods. The first project will update the 1998 hydraulic and hydrologic model for an 881-acre drainage basin (Basin 67) to include additional flood control measures in compliance with Federal Emergency Management Agency requirements. The second is a flood control project that includes the construction of a 12 cubic feet per second (cfs) pump station at Center Parkway near Florin Creek and drainage improvements in Center Parkway from Pomegranate Avenue to the pump station, which will reduce flooding in the area and remove the remaining structures from the 100-year floodplain.

Regional Water Authority (RWA): Turf Replacement and Customer Outreach Project \$146,194

This project will expand residential, institutional, and commercial outdoor customer water efficiency and outreach programs in the Sacramento region, which includes turf replacement rebates with low water use/native plants and low water use turf alternatives/groundcover, as well as, irrigation efficiency rebates, including the installation of new equipment or upgrades to smart controllers, drip irrigation, sprinkler nozzles, etc.

YOUTH, PARKS, & COMMUNITY ENRICHMENT - \$2,577,640

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 \$222,263

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 DOE provides after-school academic support, enrichment activities, recreation, and sports for students at middle schools in the Sacramento City

FY2024/25 Proposed Budget

Unified School District (SCUSD). The school district is the grantee who contracts with the City for delivery of the program.

Expanded Learning Opportunities Program (ELO-P) \$1,428,625

The City receives DOE Expanded Learning Opportunities Program (ELO-P) funding from Robla School District to support the expansion of the City's existing ASES program by allowing the number of students serviced to be increased as well as additional grade levels (TK and Kindergarten students) to be serviced. The school district is the grantee, and they contract with the City for delivery of the program.

**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 2023 and includes the program's name, grantee, grant amounts, and funding source.

Department	Grant Program Name	Grantee	Amount Awarded
City Manager			
	Al Fresco Dining	Various Awardees (max potential grantees 100)	2,000,000
	ARPA City of Festivals	City of Festivals Organizations	700,000
	ARPA Food Justice Grant	Genesis Missionary Baptist Church	74,000
		Norcal Resist	113,966
	ARPA Funding Grant with DSP in Old Sac	Downtown Sacramento Partnership	800,000
	ARPA North Area Business Assistance	The Pop Up Shop at Arden	50,000
	ARPA North Area Community Impact	Capital College & Career Academy	150,000
		Green Technical Education and Employment	50,000
		The Humanity Center	150,000
	ARPA North Area Façade Pilot	Burly Beverages LLC	9,305
		Charging Horses	22,367
		Dionne Choyce, dba Choyce Law Firm	150,000
		Dionne Choyce, dba 1442 on the Blvd	15,000
		Lil Joe's	16,000
		Line Holdings	10,000
	ARPA Northgate Boulevard Nonprofit Support	Health Communication Research Institute	450,500
	ARPA Northgate Boulevard Small Business Recovery	Sacramento Hispanic Chamber of Commerce	2,000,000
	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
	Midtown ARPA Grant Agreement	Midtown Sacramento PBID Corporation	635,000
	R Street Partnership	R Street Partnership	180,000
	United Way California Capital Region	United Way California Capital Region	750,000
	Center for Worker's Right's	Center for Worker's Rights	550,000
		Subtotal American Rescue Plan Fund Total \$	10,251,182
	Economic Gardening	Various Organizations 10 grants	500,000
	Sacramento Innovation Grant	Alchemist CDC	145,600
		Atrium 916	178,300
		EmpowerTO Inc	63,750
		Fourthwave Foundation	109,650
		Growth Factory	71,932
		HumanBulb	187,500
		Sacramento Black Chamber of Commerce Foundation	240,500
		SliceForm, LLC	51,429
		Startup Sac	86,680
		Various Organizations 14 grants	208,900
		Subtotal Innovation Growth Fund Total \$	1,844,241
	FY22 Mid-Year Economic Development Priorities	La Familia Counseling Center	2,000,000
	Participatory Budget Program - OIED	4 Your Epiphany Foundation, Inc.	18,000
		Del Paso Blvd Partnership Inc.	20,000
		Del Paso Heights Growers' Alliance - Insight Garden Program	140,000
		Hmong Youth and Parents United	24,998
		Nicholas Haystings DbA Common Good	125,000
		Oshay Johnson DbA Sunshinez Cleaning Inc. DbA Manpower	100,000
		Play Hard Play Smart	100,000
		Sacramento Developer Collective	100,000
		The Greenhouse	12,000
	CMC Program Expansion Project	California Mobility Center	1,000,000
		Subtotal Measure U Fund Total \$	3,639,998
	Californians for All	4 Your Epiphany Foundation Inc	121,208
		Bridge Network Corporation	62,300
		Greater Sacramento Urban League	249,075
		Green Technical Education and Employment	122,000
		Impact Foundry	227,637
		Improve Your Tomorrow	96,800
		La Familia Counseling Center	173,365
		Lao Family Community Development Inc	236,127
		Light and Water	182,500
		Sac Connect	187,200
		Sacramento Chinese Community	201,582

Schedule 7B (continued)
City Grant Awards

Department	Grant Program Name	Grantee	Amount Awarded
City Manager (cont)			
		Sacramento Tree foundation	181,353
		Sacramento Youth Center	86,265
		UC Davis CTSC	190,905
		UC Davis Shines	205,069
		Urban Strategies	238,900
		TBD	2,500,000
	Prohousing Incentive Pilot (PIP) Program		
	U.S. Environmental Agency Brownfields Revolving Loan Grant	Sacramento Housing Redevelopment Agency	200,000
	CA Department of Parks and Recreation	Street Soccer USA - Sacramento	800,000
	CNRA Community Reinvestment Project	Various: 8 City Projects & 17 agencies/non-profits	20,000,000
	Homeless Housing, Assistance and Prevention III (HHAP III)	TBD	2,740,791
	Homeless Housing, Assistance and Prevention IV (HHAP IV)	TBD	1,349,254
		Subtotal Operating Grant Total	\$ 30,352,330
	Planting Justice Tree Nursery	Planting Justice Tree Nursery	2,000,000
		Subtotal Other Capital Grants Total	\$ 2,000,000
		City Manager Total	\$ 48,087,751
Community Response			
	ARPA	Arden Acres	485,000
		Paul & Sons	395,000
		Shree Enterprises, LLC	890,000
		Siyaram Hotels, LLC	260,000
		Sky Riders	220,000
	Outreach Services	Capitol Station dba the River District	249,475
		Subtotal American Rescue Plan Fund Total	\$ 2,499,475
	CA Rural Legal Assistance	CA Rural Legal Assistance	500,000
	Outreach Services	Sacramento Regional Coalition to End Homelessness	100,000
		Subtotal General Fund Total	\$ 600,000
	CA Rural Legal Assistance	CA Rural Legal Assistance	500,000
	Safegrounds	First Step Communities	3,287,452
		Subtotal Measure U Fund Total	\$ 3,787,452
	Coordinated Access System	Sacramento Steps Forward	1,000,000
	Outreach Services	Step Up on Second Street	167,838
		TLCS Inc., dba Hope Cooperative	832,160
	Women and Family Shelter Project	Saint John's Program for Real Change	1,003,328
		WEAVE	478,804
	Homeless Housing, Assistance and Prevention II (HHAP II)	Sacramento LGBT Community Center	716,308
	Homeless Housing, Assistance and Prevention III (HHAP III)	Arden Acres	782,000
		Paul & Sons	1,750,000
		Sacramento Housing Redevelopment Authority (SHRA)	6,840,800
		Sacramento LGBT Community Center	97,624
		Shelter Inc.	3,447,202
		Shree Enterprises, LLC	1,944,000
		Siyaram Hotels, LLC	872,000
		Sky Riders	902,000
		Waking the Village	501,126
		Wind Youth Services	471,882
	Homeless Housing, Assistance and Prevention IV (HHAP IV)	Sacramento Housing Redevelopment Authority (SHRA)	4,628,284
		Subtotal Operating Grant Total	\$ 26,435,356
		Community Response Total	\$ 33,322,283
Convention and Cultural Services			
	Arts and Cultural Nonprofit Recovery Program Grants	916 Ink	99,404
		Aerospace Museum of California	80,588
		American River Natural History Association (Effie Yeaw)	55,489
		Ankur Inc.	15,209
		Arabic Language Education for Everyone	13,716
		ARTners	9,757
		Atrium 916 (Up Kindness Inc)	47,578
		Balance Dance Project	14,370
		Big Idea Theatre	19,924
		Brazilian Center	23,726
		Broad Room Creative Collective	20,963
		Broadway Sacramento	141,549
		Calidanza Dance Company	27,008
		California Delta Chapter SPEBSQSA Inc. (Voice of CA)	11,861
		California Museum for History, Women & the Arts	78,546
		California Vehical Foundation	77,850
		Camellia Symphony Association	19,652
		Capital Stage Company	124,916
		Capital Storytelling	8,354
		Casa de Brazilian	14,546
		Celebration Arts	33,806

Schedule 7B (continued)
City Grant Awards

Department	Grant Program Name	Grantee	Amount Awarded
Convention and Cultural Services (cont)		Chalk It Up	24,960
		Chautauqua Playhouse	14,844
		Country Dance & Song Society Inc.	11,657
		Crocker Art	126,754
		DDSO	89,515
		Department of Sound	41,680
		Design Sacramento	10,788
		Elk Grove Fine Arts Center	18,460
		Elk Grove Musical Theatre Company	12,516
		Elk Grove Writers Guild, Inc	13,062
		Empire Arts Collective	13,062
		Fairytale Town	79,539
		Folsom Concert Association	22,300
		Folsom Symphony Inc	66,929
		Freedom Bound Center dba Sol Collective	109,868
		Girls Rock Sacramento	16,330
		Grant Drum Line Music Association	15,864
		Hacker Lab EDU	54,909
		Hmong Youth and Parents United	33,488
		Hot Jazz Jubilee, Inc.	13,479
		I sound Performing Arts Community Development Inc	17,377
		Instituto Mazatlan Bellas Artes de Sacramento	16,276
		Iu-Mien Community Services	20,969
		Jan Ken Po Gakko	11,626
		Latino Center of Arts and Culture	45,248
		Loa's Foundation	37,582
		Mandarins of Sacramento	110,135
		Musical Instruments N Kids Hands	11,323
		Musical Mayhem Productions	40,260
		National Academic Youth Corp.	63,437
		Natomas Garden and Arts Club	12,809
		Nu Art dba Nor Cal School of the Arts	39,523
		Ohana Dance	15,708
		OnStage Theatre Arts	12,049
		Rincones de mi Tierra	17,809
		River City Theatre Company	17,066
		Royal Stage Christian Performing Arts	27,171
		Sacramento Area Regional Theatre Alliance	10,682
		Sacramento Ballet Association	80,590
		Sacramento Baroque Soloists	11,687
		Sacramento Children's Chorus	27,927
		Sacramento Children's Museum	73,576
		Sacramento Choral Society	87,208
		Sacramento Comedy Spot	51,022
		Sacramento Fine Arts Center	33,331
		Sacramento French Cultural Society dba Sacramento French Film Fest	23,145
		Sacramento Guitar Society	9,726
		Sacramento History Alliance, Inc	70,805
		Sacramento Jazz Education Foundation	21,982
		Sacramento Juneteenth	14,056
		Sacramento LGBT Center	26,653
		Sacramento Literacy Foundation	54,941
		Sacramento Master Singers	26,011
		Sacramento Men's Chorus	43,962
		Sacramento Performing Arts Conservatory	13,604
		Sacramento Preparatory Music Academy	21,199
		Sacramento Region Performing Arts Alliance	77,479
		Sacramento Regional Association of Malayalees	10,873
		Sacramento Theatre Company	82,981
		Sacramento Valley Chapter of Sweet Adelines International	75,670
		Sacramento Valley Symphonic Band Association	9,585
		Sacramento Women's Chorus	12,761
		Sacramento Youth Band Parents Association	11,317
		Sacramento Youth Symphony	63,646
		Sacramento Zoological Society	37,932
		Sinfonia Spirituosa	16,096
		Sisters of Nia	21,138
		SMUD Museum of Science and Curiosity	35,610
		Strauss Festival of Elk Grove	30,205

Schedule 7B (continued)
City Grant Awards

Department	Grant Program Name	Grantee	Amount Awarded
	Convention and Cultural Services (cont)	Studio T Arts and Entertainment (3 point)	62,352
		Studios for the Performing Arts	70,717
		Symphony d'Oro Rancho Cordova	11,257
		The Library of Musiclandria	25,628
		Theatre for Children Inc	98,802
		Theatre Production and Technical Academy, Inc	19,722
		Unsung Heroes Living History Project	20,479
		Verge Center for the Arts	91,621
		Vida De Oro Foundation	13,218
		Viewpoint Photographic Art Center	33,232
		Village Stage Production, Inc.	10,235
		Washington Neighborhood Center	13,579
		Wellspring Women's Center	28,203
		Wide Open Walls	41,640
		Women's Wisdom Art	18,348
		Zado Eastern European Vocal Ensemble	9,247
	Arts Journalism Grant Program	Local Media Association as fiscal sponsor for Solving Sacramento	250,000
	Cultural Arts Awards (CAA)	Sacramento Youth Symphony	19,013
		Sisters of NIA, Incorporated	5,936
		Sol Collective (Freedom Bound Center, Inc)	32,758
		Strauss Festival of Elk Grove, Inc.	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
		Viewpoint Photographic Art Center	5,000
		Voices of California, CA Delta Chapter of BHS	5,000
		Wellspring Women's Center	16,601
		Women's Wisdom Art	15,453
		Subtotal American Rescue Plan Fund Total \$	4,475,642
	Arts & Cultural Nonprofits Recovery Program Microgrants	Borne to Create	4,295
		Caribbean Basin Institute for Education and Culture	1,116
		OWrang	2,169
		RiverBells	1,648
		Wildwood Performing Arts Foundation	2,420
	Cultural Arts Awards (CAA)	916 Ink	20,480
		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
		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
		Iu Mien Community Services	6,040
		KVIE	17,711
		Latino Center of Art and Culture	28,256
		Lenaea High School Theatre Festival	5,000
		Loa'a Foundation	17,415
		Los Rios Community College District AKA Sacramento Shakespeare F	5,000

Schedule 7B (continued)
City Grant Awards

Department	Grant Program Name	Grantee	Amount Awarded				
Convention and Cultural Services (cont)		Mandarins of Sacramento, Inc	32,771				
		National Academy Youth Corp (Sojourner Truth)	19,003				
		Nu Art Education, Inc DBA NorCal School of the Arts	17,562				
		Rincones de mi Tierra Grupo Folklorico	15,377				
		Sacramento Ballet	21,717				
		Sacramento Children's Chorus	6,336				
		Sacramento Children's Museum	19,478				
		Sacramento Performing Arts Conservatory	6,095				
		Subtotal General Fund Total \$			587,878		
		Cultural Arts Awards (CAA)		Natomas Arts and Education Foundation	6,941		
				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 Fest	6,141		
				Sacramento LGBT Community Center	25,870		
				Sacramento Master Singers	6,261		
				Sacramento Men's Chorus	6,834		
				Sacramento Regional Assoc of Malayalees	5,000		
				Sacramento Theatre Company	8,302		
				Sacramento Valley Chapter of Sweet Adelines International	7,481		
				Sacramento Film + Media Grants		Access Sacramento	10,000
						Digital Curanderas	10,000
		Hidden Temple	5,000				
		Muganzo Entertainment	10,000				
		Ross-Campbell Inc	5,000				
Stuart Harmon dba Continental Drift Media	10,000						
Subtotal Measure U Fund Total \$			151,155				
CA Creative Corps Program Grant		3 Point 0 Studio T	300,000				
		916 Ink	117,000				
		American River Conservancy	117,000				
		Arts Benicia	117,000				
		Broad Room Creative Collective	117,000				
		Capital Storytelling	117,000				
		Center for Land Based Learning	300,000				
		City of Davis	300,000				
		Developmental Disabilities Service Organization	117,000				
		Freedom Bound Center dba Sol Collective	117,000				
		Freedom Bound Center as fiscal sponsor for Community Responsive C	117,000				
		Freedom Bound Center as fiscal sponsor Hidden Temple Media	117,000				
		Friends of Sacramento Arts as fiscal sponsor for Hangtown Collective	117,000				
		Girls Rock Sacramento	117,000				
		Latino Center of Art and Culture	117,000				
		National Academic Youth Corp. as fiscal sponsor for Sugar Skull Art W	117,000				
		National Academic Youth Corps	117,000				
		Nu Art dba Nor Cal School of the Arts	300,000				
		Shingle Springs Band of Miwok Indians	117,000				
		SSCCC/YMO Collective	117,000				
		Vallejo Community Arts Foundation	117,000				
		Wellspring Women's Center	117,000				
		Yxplosion as fiscal sponsor for See the Elephant	117,000				
Subtotal Operating Grant Total \$			3,423,000				
Convention and Cultural Services Total \$			8,637,675				
Police	Evidence-Based Community Violence Interruption, Disruption, and Suppression	Brother to Brother Mentoring Inc	62,500				
		H.O.P.E. Helping Our People Eat	62,500				
		Self Awareness and Recovery	25,000				
		Voice of the Youth, Inc	50,000				
		Subtotal General Fund Total \$			200,000		
		Evidence-Based Community Violence Interruption, Disruption, and Suppression		Brother to Brother Mentoring Inc	225,000		
				H.O.P.E. Helping Our People Eat	225,000		
				Self Awareness and Recovery	225,000		
				Voice of the Youth, Inc	250,000		
		Gang Prevention & Intervention Task Force		Academics 4 Athletes, Inc	225,000		
				Brother to Brother Mentoring Inc	225,000		
				Neighborhood Wellness Foundation	62,500		
				ReImagine Mack Road Foundation	100,000		

Schedule 7B (continued)
City Grant Awards

Department	Grant Program Name	Grantee	Amount Awarded
Police (cont)			
		Rose Family Creative Empowerment Center	20,833
		Sacramento Youth Center	150,000
		The Hawk Institute	225,000
		Victory Outreach - South Sacramento	125,000
		Subtotal Measure U Fund Total	\$ 2,058,333
	Gang Violence Suppression	County of Sacramento	20,000
		County of Sacramento District Attorney's Office	70,000
		La Familia Counseling Center, Inc	10,000
		Sacramento City Unified School District	75,000
	Urban Area Security Initiative	Roseville, City of	31,000
		West Sacramento, City of	82,000
		Subtotal Operating Grant Total	\$ 288,000
		Police Total	\$ 2,546,333
Public Works			
	City of Sacramento Railyards Rehabilitation	Downtown Railyard Venture	30,000,000
		Subtotal Other Capital Grants Total	\$ 30,000,000
		Public Works Total	\$ 30,000,000
Youth, Parks & Community Enrichment			
	Ann Land & Bertha Henschel Memorial Fund Grant	Center for Employment Opportunities	4,125
		First Step Housing, dba First Step Communities	9,700
		Food Literacy Center	2,200
		Love is the Answer Mission Ministries	2,000
		Meals on Wheels by ACC	9,000
		My Sister's House	9,700
		National Academic Youth Corps, Inc dba Sojourner Truth African Heritite	2,000
		Next Move Homeless Services	8,000
		Relmagine Mack Road Foundation	9,312
		Repairing the Breach Neighborhood Project	7,600
		Roberts Family Development Center	4,675
		Sacramento Food Bank and Family Services	10,000
		Sacramento LGBT Community Center	8,000
		Sacramento Loaves & Fishes	4,500
		Saint John's Program for Real Change	10,000
		Sierra Service Project	2,000
		South Sacramento Christian Center	1,375
		South Sacramento Interfaith Partnership	9,700
		Stanford Settlement	9,700
		Travelers Aid Emergency Assistance Agency	8,000
		WEAVE	10,000
		Subtotal Ann Land/Bertha Henschel Fund Total	\$ 141,587
	Participatory Budget Program - YPCE/OYD	Hope Technologies Sacramento	100,000
		Just Us United	50,000
		Subtotal Measure U Fund Total	\$ 150,000
	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 I	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 SB 170 - Community Reinvestment Fund Total	\$ 14,800,000
		Youth, Parks & Community Enrichment Total	\$ 15,091,587
		Grand Total	\$ 137,685,629

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.

FY2024/25 Proposed Budget

Schedule 9
Multi-year Operating Projects (MYOPs)

This section provides an overview of FY2024/25 appropriations to existing and new MYOPs. Appropriations will be transferred to the respective project July 1, 2024. The information is a general summary of MYOPs in each department by fund, project number, project name, budget as of April 2024, balance as of April 2024, and FY2024/25 funding amount.

Department Fund	Project Numer	Project Name	Total Project Budget as of April 2024	Estimated Balance as of April 2024	FY2024/25 Funding
City Clerk's Office					
General Fund	I04000100	Commission Stipends	27,500	(20,050)	41,600
Measure A Streetscape, Safety, Pedestrian & Bicycling Fund	I04000100	Commission Stipends	3,750	3,750	5,500
Measure U	I04000100	Commission Stipends	17,150	(12,000)	35,650
Water	I04000100	Commission Stipends	3,500	3,500	1,400
City Clerk's Office Total			51,900	(24,800)	84,150
City Manager's Office					
General Fund	G02610300	COVID-19 Great Plates Emergency Food Project	108,900	108,900	(108,900)
	I02001300	Business Incentives Program	100,000	100,000	(100,000)
	I02001700	Neighborhood Communication and Economic Plan	354,754	354,754	(354,754)
	I06420000	Cannabis Policy and Enforcement	1,000,000	473,782	2,018,300
Innovation and Growth	E18000400	Powerhouse Science Center	3,400,000	186,584	400,000
	I02001500	City Hall Tech	750,000	445,803	(445,803)
	I02180100	Centene Employment Incentive Program	13,500,000	13,500,000	(13,500,000)
	I02180400	Forgiveable Loan Program	2,701,500	2,701,500	(1,000,000)
	I02180900	Inclusive Economic Development	2,000,000	1,699,000	1,000,000
	I02181100	Creative Edge	1,000,000	965,000	850,000
	I02182000	Financial Empowerment	1,135,000	19,841	450,000
	I02184000	Sacramento Economic Gardening	2,835,750	948,560	895,125
	I18000100	RAILS Sacramento Innovation Grant Program	-	-	(2,000,000)
Measure U	I01000300	Thousand Strong	750,000	750,000	750,000
	I02001700	Neighborhood Communication and Economic Plan	34,246	34,246	(34,246)
City Manager's Office Total			29,670,150	22,287,970	(11,180,278)
Community Development					
Development Services	I22000000	General Plan Update	20,749,471	6,537,733	2,588,700
Development Services Fund	I21000800	Accela Maintenance	450,000	450,000	1,100,000
General Fund	I22000000	General Plan Update	69,679	69,679	90,000
Measure U	I06000999	Fleet Acquisitions	-	-	225,000
	I21002600	Zero-Dollar Rate Program	-	-	3,000,000 ¹
	I22000100	NDAT	4,710,451	3,227,373	600,000
Special Program Donations	I13000400	F.O.C.A.S.	2,963,820	440,041	250,000
Community Development Total			28,943,421	10,724,826	7,853,700
Community Response					
Measure U	I23000100	Community Response	7,384,502	7,282,084	9,267,712
	I23001000	Homeless Housing Initiative	-	-	2,146,000 ¹
Community Response Total			7,384,502	7,282,084	11,413,712
Convention and Cultural Services					
Community Center	I06000999	Fleet Acquisitions	-	-	64,000
	I17000700	Cultural Arts Awards	500,000	144,316	-
Measure U	I17000700	Cultural Arts Awards	564,000	222,810	614,000
Convention and Cultural Services Total			1,064,000	367,126	678,000
Finance					
65th Street Area Impact Fee	I06000600	65th Street Impact Fee Program	993,228	46,228	15,000
Delta Shores PF Impact Fees	I06132130	Delta Shores Fee District	1,466,119	461,341	2,000,000
Downtown Impact Fee Fund	I06132110	Central City Fee District	225,000	121,660	50,000
NNFP Drainage Fee Fund	I22200600	Basin 6 Drainage	3,976,965	69,804	400,000
NNFP Pub Land Acquisition Fee	I22200100	N Natomas Admin Control	623,913	35,001	90,000
NNFP Public Facilities Fee Fnd	I22200100	N Natomas Admin Control	8,889,957	1,796,959	150,000
NNFP Reg Park Land Acquisition	I22200100	N Natomas Admin Control	110,000	36,968	15,000
NNFP Transit Fee Fund	I22200100	N Natomas Admin Control	125,000	57,921	15,000
Railyards Impact Fee Fund	I06132100	Railyards Fee District	2,148,000	83,863	25,000
River District Impact Fee Fund	I06132120	River District Fee District	100,000	35,607	125,000
Finance Total			18,658,182	2,745,352	2,885,000
Fire					
General Fund	I06000999	Fleet Acquisitions	-	-	1,286,444
Fire Total			0	0	1,286,444
Human Resources					
General Fund	I08000100	ADA Education and Training	575,876	555,535	80,000
Risk	E08000100	Driver Training Program	1,595,573	469,049	100,000
Human Resources Total			2,171,449	1,024,584	180,000

FY2024/25 Proposed Budget

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

Department Fund	Project Numer	Project Name	Total Project Budget as of April 2024	Estimated Balance as of April 2024	FY2024/25 Funding
Information Technology					
General Fund	I06000999	Fleet Acquisitions	-	-	58,000
	I07000900	Webgrant Restructuring	1,409,558	46,178	260,000
Measure U	I07001100	Digital Equity Response Program	400,000	200,000	0
Information Technology Total			1,809,558	246,178	318,000
Police					
General Fund	I06000999	Fleet Acquisitions	-	-	4,304,613
	I11002300	Police Observation Devices (PODs)	39,600	39,021	31,619
	I11002400	Impact Team	3,991,884	806,000	595,337
	I11002500	Shotspotter Gunshot Detection System	1,088,092	28,125	314,600
	I11002700	Police Information Technology Infrastructure	1,629,309	1,069,109	375,774
Measure U	I11003000	Gang Prevention and Intervention	2,866,368	473,351	1,357,065
	I11003100	Family and Youth Investments	1,300,000	178,035	1,300,000
	I11003200	OVP - ARPA Replacement	1,000,000	225,000	1,000,000
Police Total			11,915,253	2,818,641	9,279,008
Public Works					
Fleet	I06000999	Fleet Acquisitions	-	-	115,000
Gas Tax	I06000999	Fleet Acquisitions	-	-	4,376,079
	I15221700	Transportation Planning	750,000	576,233	250,000
General Fund	I06000999	Fleet Acquisitions	-	-	1,345,524
	I13000100	Electrical Safety Program	830,259	66,292	100,000
	I15001000	Sacramento Valley Station Operations and Mgmt	1,356,752	422,644	211,000
	I15200200	Illegal Dumping Program	1,256,860	-	600,000
	I15230200	Disability Advisory Commission (DAC)	51,400	7,333	24,600
Landscaping & Lighting	I06000999	Fleet Acquisitions	-	-	415,000
Measure U	I15200200	Illegal Dumping Program	2,910,000	557,536	970,000
	I15220300	Public Works Sustainability Program	473,986	236,385	300,000
Parking	I15001000	Sacramento Valley Station Operations and Mgmt	1,305,000	130,201	221,000
	I15001211	City of Festivals Program	1,489,000	140,845	100,000
Solid Waste	I06000999	Fleet Acquisitions	-	-	6,673,700
Solid Waste & Recycling	I14120200	Solid Waste Outreach	3,668,834	828,666	200,000
	I14120500	Solid Waste Container Replacement	1,854,457	1,800,001	2,000,000
Public Works Total			15,946,548	4,766,135	17,901,903
Utilities					
Storm Drainage	I06000999	Fleet Acquisitions	-	-	609,399
	I14100000	Storm Drainage Planning and Management	19,434,749	2,476,949	1,693,789
Storm Drainage Property Related Fee	I14100000	Storm Drainage Planning and Management	2,950,000	2,950,000	2,250,000
Wastewater	I06000999	Fleet Acquisitions	-	-	1,064,426
	I14600000	Wastewater Planning and Management	14,739,027	6,291,418	1,794,162
Water	I06000999	Fleet Acquisitions	-	-	1,072,332
	I14400000	Water Planning and Management	29,422,015	4,982,933	2,557,800
Utilities Total			66,545,791	16,701,300	11,041,908
Youth, Parks, and Community Enrichment					
General Fund	I19101100	Oak Park Clinic Building Maintenance	267,580	267,580	58,427
	I19101200	Cesar Chavez Park Maintenance	105,905	96,865	30,509
Measure U	I06000999	Fleet Acquisitions	-	-	798,500
	I19143300	Mayor Council Economic Development Priorities	300,000	300,000	300,000
Youth, Parks, and Community Enrichment Total			673,485	664,445	1,187,436
Citywide and Community Support					
General Fund	G12903300	2020 State Homeland Security Grant Program	10,270	10,270	(10,270)
	I12000100	County COVID-19 Testing and Vaccine Project	10,057	10,057	(10,057)
	I14120400	Water Conservation Program	97,622	97,622	(97,622)
	I80000100	Measure L Youth Funding	9,241,400	9,241,400	9,328,800
	I80310000	Citywide Litigation Project	6,570,623	1,614,009	500,000
Measure U	E18000400	Powerhouse Science Center	1,200,000	600,000	600,000
	I02001830	Children and Youth Services Program	2	2	(2)
	I02181400	Fare Free Transit for Youth	3,750,000	-	-
	I14130100	SURA Program	10,072,720	1,203,472	5,400,000
	I15220100	SPLA Maintenance Program	1,200,000	429,319	400,000
	I19141000	Summer Youth and Community Programs	89,453	89,453	(136,453)
	I19143000	Youth Sports Field Permit Program	10,000	6,657	-
Citywide and Community Support Total			32,252,147	13,302,260	15,974,396
Grand Total			217,086,386	82,906,101	68,903,379

¹New 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.

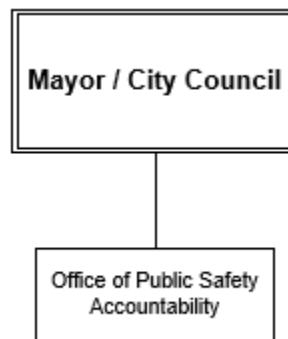
Fund Type	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29
<u>Governmental Funds</u>					
General Fund	\$16,578	\$16,567	\$16,631	\$16,858	\$16,902
Subtotal Governmental Funds	16,578	16,567	16,631	16,858	16,902
<u>Enterprise Funds</u>					
Community Center	20,319	19,218	19,220	19,220	19,220
Parking	9,781	9,577	9,680	8,783	8,479
Solid Waste	1,674	1,667	1,667	1,668	1,660
Storm Drainage	233	232	233	233	235
Wastewater	3,910	3,913	3,911	3,909	3,908
Water	35,538	35,723	35,700	35,702	36,259
Subtotal Enterprise Funds	71,454	70,331	70,410	69,516	69,761
<u>Internal Service Funds</u>					
Fleet Management	45	45	45	45	47
Worker's Compensation Fund	(54)	(48)	(42)	(36)	(30)
Subtotal Internal Service Funds	(9)	(3)	3	9	17
<u>Other Governmental Funds</u>					
2006 CIRBs, Series B (CROCIP)	312	312	241	-	-
2015 Golden 1 Center Revenue Bonds	288	227	(136)	489	505
Golf	435	435	435	435	434
Innovation and Growth	-	1,100	1,100	1,100	1,100
Marina	1,207	1,257	1,257	1,257	1,282
NNFP Public Facilities Fee	573	577	579	582	603
NNFP Reg Park Land Acquisition	825	831	834	838	869
Sacramento TID	2,742	2,742	2,739	2,743	2,740
Subtotal Other Governmental Funds	6,383	7,481	7,049	7,444	7,533
Total	\$94,407	\$94,375	\$94,093	\$93,828	\$94,214

8

SECTION - 8 **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.

FY2024/25 Proposed Budget

- 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 FY2024/25

- 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.

Department Budget Summary

Mayor/Council Budget Summary	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Approved	FY2023/24 Amended*	FY2024/25 Proposed	Change More/(Less) Proposed/Amended
Employee Services	\$ 6,626,779	\$ 7,049,644	\$ 7,313,806	\$ 7,733,167	\$ 8,359,997	\$ 626,830
Other Services and Supplies	600,868	1,034,458	1,065,932	2,752,949	1,020,558	(1,732,391)
City Property	17,704	21,678	2,000	2,000	2,000	-
Multi-Year Operating Projects	-	-	4,950	4,950	4,950	-
Transfers	-	(87,099)	-	-	-	-
Labor and Supply Offset	(43,443)	(118,020)	(239,262)	(239,262)	(121,114)	118,148
Total	\$ 7,201,907	\$ 7,900,660	\$ 8,147,426	\$ 10,253,804	\$ 9,266,391	\$ (987,413)

*The Amended FY2023/24 Budget includes carryover of unspent FY2022/23 Budget and/or transfers to capital projects.

FY2024/25 Proposed Budget

Department Budget Summary (continued)

Funding Summary by Fund/Special District	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change
	Actuals	Actuals	Approved	Amended*	Proposed	More/(Less) Proposed/Amended
General Fund	4,927,365	5,537,918	5,702,089	7,389,106	5,945,473	(1,443,633)
Interdepartmental Service	1,433,202	1,503,943	1,477,587	1,477,587	1,440,510	(37,077)
Measure U	841,340	858,799	967,750	1,387,111	1,880,408	493,297
Total	\$ 7,201,907	\$ 7,900,660	\$ 8,147,426	\$ 10,253,804	\$ 9,266,391	\$ (987,413)

*The Amended FY2023/24 Budget includes carryover of unspent FY2022/23 Budget and/or transfers to capital projects.

Division Budget Summary

Mayor/Council Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Office of the Mayor	\$ 1,885,366	\$ 1,878,192	\$ 1,922,340	\$ 2,157,813	\$ 853,992	\$ (1,303,821)
Mayor Council Operations Division	-	-	-	-	1,880,885	1,880,885
City Council District 1	544,439	772,159	657,167	811,034	672,449	(138,585)
City Council District 2	454,544	510,497	657,167	996,090	308,206	(687,884)
City Council District 3	615,343	621,023	657,167	832,151	672,449	(159,702)
City Council District 4	515,195	668,808	657,167	777,198	308,206	(468,992)
City Council District 5	641,304	667,848	657,167	765,891	672,449	(93,442)
City Council District 6	664,941	681,298	657,167	792,353	672,449	(119,904)
City Council District 7	546,331	616,630	657,167	912,208	672,449	(239,759)
City Council District 8	493,104	625,407	657,167	821,955	672,449	(149,506)
Office of Public Safety Accountability Division	841,340	858,799	967,750	1,387,111	1,880,408	493,297
Total	\$ 7,201,907	\$ 7,900,660	\$ 8,147,426	\$ 10,253,804	\$ 9,266,391	\$ (987,413)

*The Amended FY2023/24 Budget includes carryover of unspent FY2022/23 Budget and/or transfers to capital projects.

Staffing Levels

Mayor/Council Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Office of the Mayor	12.00	15.00	15.00	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	11.00	11.00	-
Total	37.00	40.00	40.00	46.00	46.00	-

*Three positions in the Office of the Mayor are limited term until 12/30/2024 (Per reso 2022-0365). Funding has been allocated until then and positions will be removed.

MEASURE U

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

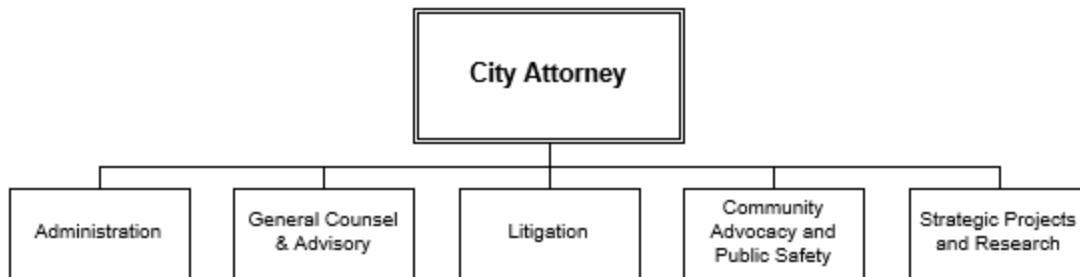
Funding Category	Program Name	FTE	FY2024/25 Proposed
Community Response			
Operations	Office of Public Safety Accountability	11.00	1,875,458
Miscellaneous			
MYOP	Commission Stipends	-	4,950
Grand Total		11.00	\$ 1,880,408

9

SECTION - 9 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 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.

FY2024/25 Proposed Budget

- **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 (SPR):** 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

- Assisted the City Manager's Office in negotiating an extension of the City's Community Workforce Training Agreement for another five-year term, which requires Public Work's contractors to utilize unionized labor for city construction projects over \$1 million and prioritizes local hiring.
- Assisted with the development and adoption of the 2040 General Plan.
- Coordinated the efforts of Department of Utilities water quality staff and outside counsel in litigation to obtain a settlement estimated at \$5 million to compensate the city for damages related to per- and polyfluoroalkyl substances (i.e., "forever chemicals") contamination of City water sources.
- Assisted Recycling and Solid Waste in drafting an ordinance updating collection and disposal requirements for organic waste to ensure compliance with new state laws and reduce the amount of waste deposited in landfills, thereby reducing methane gas emissions.
- Assisted the Convention and Cultural Services Department in continuing to distribute State and Federal grant funds, which allowed hundreds of organizations and individuals to provide programs, services, and activities to communities that were adversely impact by the COVID-19 pandemic. This effort involved preparing grant guidelines, notices of funding availability, and preparing dozens of grant agreements totaling over \$4 million dollars.

Litigation

- *Case No. 1:* Plaintiff alleged she was assaulted by a Sacramento Police Officer during a pat down for weapons prior to being transported and booked in the Main Jail. Case went to trial in U.S. District Court, Eastern District of California and CAO obtained a unanimous defense verdict in favor of the City and Officer Mulligan.

FY2024/25 Proposed Budget

- *Case No. 2:* The City was sued for motor vehicle negligence because of a collision wherein Plaintiff rear-ended a Police Department (SPD) police vehicle that was travelling with lights and sirens. Plaintiffs agreed to dismiss the case in its entirety after the CAO filed a motion for summary judgment on behalf of the City and the officer. The case was dismissed on December 7, 2023.
- *Case No. 3:* This matter involved an officer-involved shooting of a suspect that was pointing a replica gun at citizens on the streets of Sacramento. At the close of the trial, a single juror hold-out prevented a defense verdict, and a mistrial was declared. On the eve of the retrial a year later, the case was resolved for a fraction of the plaintiffs' demand.
- *Case No. 4:* A local business owner sued the City alleging that the City's failure to move homeless individuals around his business negatively impacted his business to the point that it was a constitutional violation. The court granted the City's motion for summary judgment holding decisions regarding enforcement are discretionary and could not serve as a basis of liability.
- *Case No. 5:* Plaintiff asserted various civil rights violations after being detained while SPD investigated a shooting at a residence. The City filed a successful motion for summary judgment and the case was dismissed.

Community Advocacy & Public Safety

- Continued to abate illegal cannabis production and collect administrative and civil penalties to fund the Justice for Neighbors (JFN) Fund, which provides funding for training, equipment, and the Emergency Home Repair Program (EHRP).
- Led the JFN team to abate social and physical nuisance properties throughout the City. Created the JFN EHRP that provides up to \$15,000 in funding to homeowners to assist in repairing dangerous or substandard conditions at their home prior to the home becoming a public nuisance.
- Assisted the Department of Community Response and the City Manager's Office with Citywide Homelessness Response Protocols and provided guidance on those Protocols to protect both the public and the rights of people experiencing homelessness.
- Assisted the Police Department with training and producing confidential police personnel records pursuant to SB 1421 and AB 748 state disclosure laws.
- Assisted the Police Department with prosecuting Gun Violence Restraining Orders, taking weapons off the street and from individuals who propose a threat to either themselves or the public at large.

Strategic Projects & Research

- *Homelessness.* SPR attorneys advised the City regarding the Partnership Agreement with the County of Sacramento regarding homelessness, its companion Collaboration Protocol, the Emergency Shelter, and Enforcement Act

FY2024/25 Proposed Budget

of 2022 (Measure O), as well as numerous other homelessness-related service contracts and grant documents.

- *Sacramento Iceland.* SPR attorneys assisted the City in providing over \$1.3 million in funding to build a roof over the Sacramento Iceland ice rink and to make improvements to the existing building façade.
- *North Natomas Community Facilities District No. 4, Special Tax Refunding Bonds, Series G (2023)* – Par Amount \$25,125,000. SPR attorneys assisted the City Treasurer with the issuance of these bonds that lowered the interest owed by property owners within the district.
- *Sacramento Innovation Grant Program.* SPR attorneys provided legal advice on the Sacramento Innovation Grant Program which annually offers up to \$1 million in grants to support Sacramento’s entrepreneurial and innovative ecosystem.
- *St. Anton Ascent Project.* The St. Anton Ascent project is a proposed 120-unit affordable housing project in Council District 1. SPR attorneys provided legal advice to secure benefits for residents and City oversight.

DEPARTMENT EFFICIENCIES

- Addressed vacant attorney positions by either restructuring the work and holding vacancies, or under-filling Senior Deputy City Attorney positions with Deputy City Attorney I/II level hires to optimize budget.
- Continued to reduce print materials and opt for electronic where available to reduce cost and increase access.
- Continued to incorporate new office space in City Hall 4133 by opening access within the existing suite City Hall 4006. Optimized carryover budget from FY2021/22 to complete this project in 2024.

OBJECTIVES FOR FY2024/25

- 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.
- 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).
- Provide citywide training through City U courses to include Public Records Act, public contracting, First Amendment issues, and the Brown Act.

FY2024/25 Proposed Budget

- Continue supporting the City's pursuit of racial and social justice and racial equity through ongoing support for the Police Department and the Office of Public Safety Accountability, by working to increase the public's oversight of its Police Department, and by helping to reimagine and retool the City's delivery of public safety services.
- Retain a staff of highly qualified and dedicated attorneys and support staff with extensive knowledge of the City of Sacramento and municipal law to deliver high quality legal services and advice more efficiently and effectively.
- Continue to defend the City's legal interests in court and in administrative proceedings and initiate legal action and other initiatives to protect and advance the rights, interests, and quality of life of our community, and to ensure justice and equity.

Department Budget Summary

City Attorney Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Employee Services	\$ 12,308,760	\$ 13,288,417	\$ 13,989,990	\$ 14,224,500	\$ 15,534,999	\$ 1,310,499
Other Services and Supplies	440,580	550,723	529,466	529,466	529,589	123
City Property	33,163	18,121	13,750	13,750	13,750	-
Labor and Supply Offset	(1,233,585)	(1,432,265)	(1,548,062)	(1,548,062)	(1,306,153)	241,909
Total	\$ 11,548,917	\$ 12,424,996	\$ 12,985,144	\$ 13,219,654	\$ 14,772,185	\$ 1,552,531

Funding Summary by Fund/Special District	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
General Fund	\$ 8,638,526	\$ 9,470,193	\$ 10,470,489	\$ 10,704,999	\$ 11,521,894	\$ 816,895
Interdepartmental Service	2,432,221	2,426,557	1,983,763	1,983,763	2,652,049	668,286
Measure U	229,033	254,564	245,744	245,744	279,402	33,658
Water	146,742	161,472	168,238	168,238	181,739	13,501
Wastewater	47,336	52,000	54,178	54,178	54,203	25
Storm Drainage	42,602	46,526	48,475	48,475	73,333	24,858
City/Cnty Office-Water Planning	12,457	13,684	14,257	14,257	9,565	(4,692)
Total	\$ 11,548,917	\$ 12,424,996	\$ 12,985,144	\$ 13,219,654	\$ 14,772,185	\$ 1,552,531

Division Budget Summary

City Attorney Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
City Attorney Division	\$ 11,548,917	\$ 12,424,996	\$ 12,985,144	\$ 13,219,654	\$ 14,772,185	\$ 1,552,531
Total	\$ 11,548,917	\$ 12,424,996	\$ 12,985,144	\$ 13,219,654	\$ 14,772,185	\$ 1,552,531

Staffing Summary

City Attorney Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
City Attorney Division	62.00	62.00	62.00	64.00	64.00	-
Total	62.00	62.00	62.00	64.00	64.00	-

MEASURE U

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

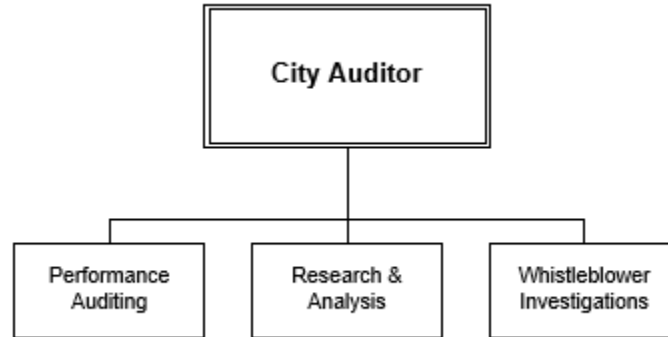
Funding Category	Program Name	FTE	FY2024/25 Proposed
Community Response Operations	City Attorney Department	-	279,402
Grand Total		-	\$ 279,402

10

SECTION - 10 **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, equitable, 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 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.

FY2024/25 Proposed Budget

- Issued the City Auditor's Baseline Funding Calculation for the Sacramento Children's Fund. In compliance with section 120(e)(1)(A) of the City Charter, this report documents the City Auditor's calculation and publishing of the Baseline Funding amount no later than December 31, 2023.
- Issued Assessments of Revenues and Expenses Associated with the City's COVID-19 Response – Report No. 5. This report represents the fifth and final report in the series. It provides information to help the City prepare for State and Federal audits of the City's use of emergency funding.
- Issued an Audit of the Police Department's Evidence and Property Division – Sexual Assault Evidence Kits. This audit assessed the Department's compliance with applicable policies, laws, and industry best practices. The report made eight recommendations aimed at improving data, managing evidence collected in sexual assault investigations, and enhancing compliance with State law. This audit was awarded the Association of Local Government Auditor's 2023 Distinguished Knighton Award.
- Issued an audit of Department of Utilities Supervisory Control and Data Acquisition (SCADA) System. Due to the critical and sensitive nature of SCADA, this report contained two findings and eight recommendations that were provided in a detailed oral report to the Department of Utilities.
- 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.
- Monitored the status of over 140 open audit recommendations by conducting follow-up reviews every six months.
- Received and processed 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 digitize internal audit processes and reduce processing time. Fully implemented Missionmark's time tracking feature to help evaluate future project timelines and budgets.
- 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.
- Modernized the City Auditor's public website to provide additional functionality, improved look/feel, and enhancements to better serve the public.

OBJECTIVES FOR FY2024/25

- 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.
- Fulfill the City Auditor’s responsibilities related to the Sacramento Children’s Fund.
- 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	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Employee Services	\$ 1,763,346	\$ 1,758,400	\$ 1,847,684	\$ 1,847,684	\$ 1,900,199	\$ 52,515
Other Services and Supplies	90,066	115,470	163,581	163,581	163,581	-
City Property	6,066	12,231	5,000	5,000	5,000	-
Labor and Supply Offset	(153,391)	(164,783)	(168,553)	(168,553)	(187,255)	(18,702)
Total	\$ 1,706,088	\$ 1,721,317	\$ 1,847,712	\$ 1,847,712	\$ 1,881,525	\$ 33,813

Funding Summary by Fund/Special District	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
General Fund	\$ 1,125,369	\$ 1,124,998	\$ 1,271,702	\$ 1,271,702	\$ 1,277,578	\$ 5,876
Interdepartmental Service	455,925	476,696	427,958	427,958	440,589	12,631
Water	77,372	74,166	91,792	91,792	101,282	9,490
Wastewater	24,959	23,925	29,611	29,611	32,672	3,061
Storm Drainage	22,463	21,532	26,649	26,649	29,404	2,755
Total	\$ 1,706,088	\$ 1,721,317	\$ 1,847,712	\$ 1,847,712	\$ 1,881,525	\$ 33,813

Division Budget Summary

City Auditor Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Performance Auditing Division	\$ 1,184,564	\$ 1,205,084	\$ 1,269,911	\$ 1,269,911	\$ 1,235,078	\$ (34,833)
Research & Analysis Division	521,523	516,233	577,801	577,801	646,447	68,646
Total	\$ 1,706,088	\$ 1,721,317	\$ 1,847,712	\$ 1,847,712	\$ 1,881,525	\$ 33,813

Staffing Levels

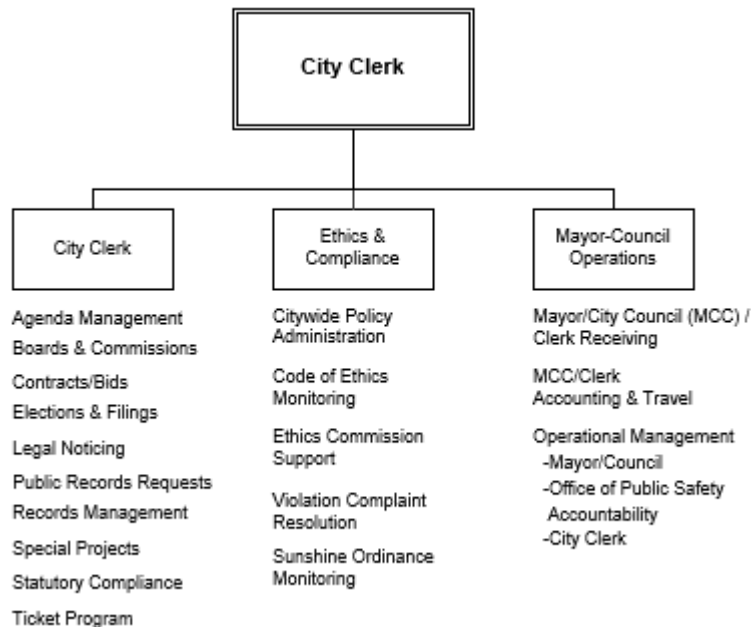
City Auditor Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Performance Auditing Division	7.00	7.00	7.00	7.00	7.00	-
Research & Analysis Division	3.00	3.00	3.00	3.00	3.00	-
Total	10.00	10.00	10.00	10.00	10.00	-

11

SECTION - 11 **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.
- 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 diverse staff in the responsibilities and requirements of the City Clerk's Office. A large focus this year was on implementing training centered around succession planning for the City Clerk's Office. Succession planning will remain a focus into FY2024/25. For the first time since 1999, The City Clerk's Office organized and implemented an application and onboarding process for the appointment of a councilmember. Additionally, the City Clerk's Office was the recipient of the 2023 Innovative Program of the Year presented by the City Clerks Association of California for a successful implementation and usage of a robust Teams environment.

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 City records to both internal and external customers with the goal of increasing transparency in government.
- 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 immediate virtual access.

FY2024/25 Proposed Budget

- Continued to utilize Microsoft Teams for better collaboration and accountability between both in-office and remote workers.
- Responded to over 3,200 California Public Records Act requests.
- Implemented a new public facing webpage on schedule and in compliance with the DOTGOV Online Trust in Government Act of 2019, with a more streamlined appearance and a focus on transparency of the work of the City Clerk's Office.

OBJECTIVES FOR FY2024/25

- 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.
- Implement new technology to improve the timeliness of PRA request responses.
- Continue to expand utilization of the CCM.
- Continue to refine and expand our Boards and Commissions recruiting, onboarding, and ongoing training to include the implementation of many virtual training modules.
- Continue to evaluate and expand our programs and technology tools to create more efficient processes and products for staff and citizens.
- Continue to support the City's nine elected officials and their staff with onboarding and offboarding employees, financial requests, travel, office budgets, ceremonial documents, and other administrative duties.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
City Clerk	Decrease funding for the credit card fees to eliminate City subsidies of merchant fees for credit card payments and pass those costs onto users.	General	-	(50)	-
Total Change			\$ -	\$ (50)	-

Department Budget Summary

City Clerk Budget Summary	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Approved	FY2023/24 Amended	FY2024/25 Proposed	Change More/(Less) Proposed/Amended
Employee Services	\$ 2,705,958	\$ 2,678,876	\$ 3,206,710	\$ 3,206,710	\$ 3,517,350	\$ 310,640
Other Services and Supplies	412,215	451,037	625,732	625,732	625,682	(50)
City Property	28,422	75,617	2,000	2,000	2,000	-
Multi-Year Operating Projects	-	-	2,250	2,250	1,750	(500)
Labor and Supply Offset	3,054	1,850	-	-	-	-
Total	\$ 3,149,649	\$ 3,207,381	\$ 3,836,692	\$ 3,836,692	\$ 4,146,782	\$ 310,090

FY2024/25 Proposed Budget

Department Budget Summary (continued)

Funding Summary by Fund/Special District	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
General Fund	\$ 2,155,907	\$ 2,200,642	\$ 2,695,643	\$ 2,695,643	\$ 3,153,329	\$ 457,686
Interdepartmental Service	993,742	1,006,739	1,141,049	1,141,049	993,453	(147,596)
Total	\$ 3,149,649	\$ 3,207,381	\$ 3,836,692	\$ 3,836,692	\$ 4,146,782	\$ 310,090

Division Budget Summary

City Clerk Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
City Clerk Division	\$ 3,038,136	\$ 3,100,372	\$ 3,557,427	\$ 3,557,427	\$ 3,868,017	\$ 310,590
Office of Ethics & Compliance Division	50,039	28,460	189,545	189,545	189,045	(500)
Mayor-Council Operations Division	61,474	78,548	89,720	89,720	89,720	-
Total	\$3,149,649	\$3,207,381	\$3,836,692	\$3,836,692	\$4,146,782	\$310,090

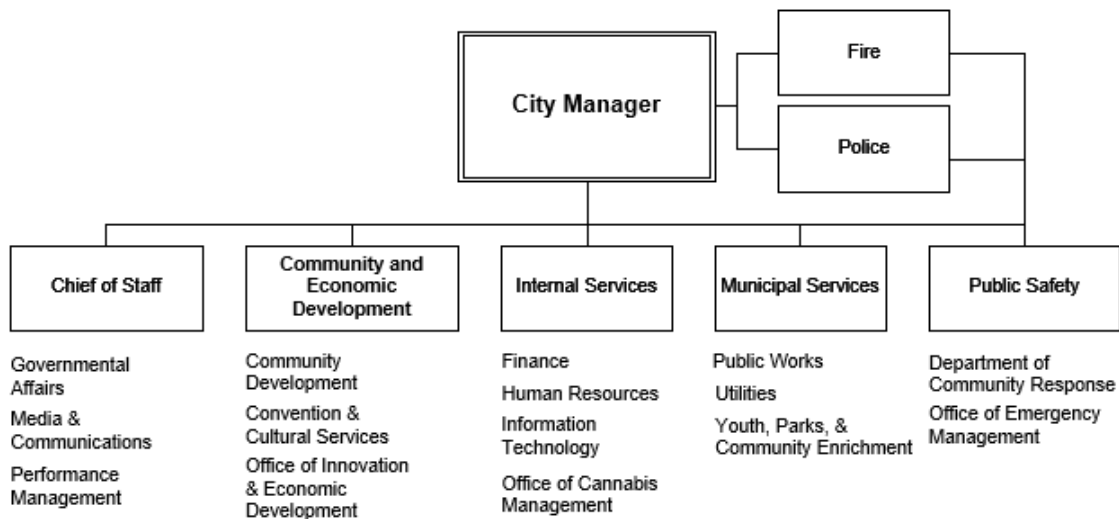
Staffing Levels

City Clerk Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
City Clerk Division	24.00	24.00	24.00	24.00	24.00	-
Total	24.00	24.00	24.00	24.00	24.00	-

12

SECTION - 12 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, and Performance Management.

It has been four years since the onset of the global pandemic and the unprecedented health crisis. The City has subsequently transitioned from responding to the pandemic and providing numerous programs and services to support residents and businesses to managing the ongoing recovery. However, fiscal challenges persist. The City currently is facing a significant structural budget deficit, with expense growth outpacing revenue growth. This structural deficit is not driven by an overall recession in the economy. During and following the pandemic, choices were made to provide as many resources as we could to our community, and these resources were largely paid for by federal relief funding. While we were responsive to the needs of our communities, one-time funding was used for some ongoing programs and services. The City’s bottom line has also been affected by an expansion of City positions, compensation increases for employees, overall inflationary increases and voter-approved measures that have committed monies in the City’s General Fund to specific purposes. With the proposed budget for Fiscal Year 2024/25, the City Manager’s Office and the finance department have identified a path toward fiscal sustainability and will continue to work closely with all City departments and the Mayor and Council offices to deliver an approved balanced budget per the City Charter.

PROGRAMS/SERVICE HIGHLIGHTS

Executive Office

- 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. Recently, the Office has taken responsibility for overseeing the administration of large state grants secured by state legislators, with these grants funding critical City and community-led projects.
- Media and Communications coordinated with all departments to share relevant information and engage citizens in important City services, projects and initiatives. This included communicating information regarding the City's response to the massive January 2023 storm, the City's 2040 General Plan, the Sacramento Police Department's military equipment use policy and other important items. Media and Communications oversaw translation of outreach materials into multiple languages, placed local media ads, worked with media outlets both local and national and supported 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. For example, the Office publicly reports the results of American Rescue Plan Act of 2021 (ARPA) funded programs through a series of dashboards available on an ARPA Community Impact Hub. In addition, the Office collaborated with the Incident Management Team to develop and launch a Homelessness Response Dashboard that is updated weekly.

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.
 - Continued work towards increasing affordable housing development including completing agreements for nearly 500 new residential units, secured \$2.5 million
-

FY2024/25 Proposed Budget

from California Department of Housing and Community Development's Prohousing Incentive Pilot Program, applied for the 5th round of Homeless Housing, Assistance and Prevention (HHAP) program funding (\$27 million), and completed contracts totaling \$2.4 million for the Aggie Square Anti-displacement and Housing Stabilization program.

- Completed the Sacramento Sociable City Assessment, an in-depth analysis of City's social economy, identifying strengths, challenges, and opportunities. The assessment findings and recommendations are the foundation of a strategic plan for a safe, vibrant, and well managed social economy.
- Launched the third cohort of the Economic Gardening Program 2.0 which will assist 10 small businesses by pairing them with business experts who assisted them in developing growth strategies. The 16 businesses from the first two cohorts have experienced significant revenue and employment growth.
- Funded 88 events under the City of Festivals grant program, launched the Al Fresco grant program and leveraged over \$758,000 in total expenditures for the Shop916 program to support small businesses.
- Furthered the implementation of the Aggie Square Community Benefit Partnership Agreement launching workforce pilots, funding for 800 units along Stockton Boulevard and programs for housing stabilization.
- Expanded the Neighborhood Development Action Team (NDAT) Community Ambassador Program from 6 to 18 ambassadors to bring more trusted messengers to the community. The 18 ambassadors spoke 11 languages. The NDAT Community Ambassador program is an award winning cultural and language justice program created to facilitate multicultural bridge building to create and maintain relationships with community partners, businesses, and residents who represent linguistically diverse populations and/or historically underrepresented communities.
- Partnered with 15 community-based organizations to train and employ 240 youth and young adults through the #CaliforniansForAll Youth and Young Adult Workforce grant.
- The Financial Empowerment Center (FEC) continues to offer free professional one-on-one financial coaching for residents who are 18+. The FEC provided assistance to over 1,200 clients. This resulted in an average savings of \$2,300 per client, with an overall savings of \$536,376 and an average reduction in debt of \$2,400, which resulted in over \$1 million in debt reduced.
- The Office of Cannabis Management (OCM) coordinates cannabis policy and outreach, 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, funds youth cannabis prevention and community education, and provides logistical support for cannabis administrative appeal hearings. OCM is leveraging multi-year technology upgrades in compliance

with State requirements to migrate State provisional license holders to annual licenses. OCM administers the local cannabis equity program, which includes a grant and zero-interest loan program funded by state equity grants, a marketing program for local equity cannabis businesses, networking events, and small cannabis business education and training, among other program benefits.

Public Safety

- Office of Emergency Management (OEM) coordinates internal and allied agency communication, planning, preparedness, response, and recovery during largescale hazards affecting the city, including leading activations of Crisis Action Teams and the Emergency Operations Center. During the last fiscal year, staff responded to several crises including severe windstorms, flooding, and emergency sheltering. Staff expanded the community emergency preparedness program and attained an 11% increase of public approval on the latest community survey. Additionally, staff facilitated a largescale utility-centered exercise and 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 FY2024/25

- With a focus on equity and inclusion, continue to implement innovative approaches to strengthening Sacramento's workforce, neighborhoods, and commercial corridors.
- 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 provide comprehensive business support to cannabis entrepreneurs and meet State requirements transferring provisional license holders to annual licenses.

FY2024/25 Proposed Budget

- Educate and inform parents and young people about the potential hazards of cannabis use by adolescents and teens.
- Collaborate with departments citywide that award grants to update policies and implement improvements to the City's Grant Management System.
- Review performance measures and data practices within departments to align those measures with citywide strategic goals and operational priorities.

REORGANIZATION

- As part of the FY2024/25 Budget, 1.0 FTE position and associated budgets were moved from the Community Development Department to the City Manager's Office.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Executive Office	Delete a vacant position (1.0 FTE - Executive Assistant) from the City Manager's Executive Office to address structural budget limitations.	General	-	(97,003)	(1.00)
Executive Office	Delete a vacant position (1.0 FTE - Administrative Analyst) from the Language Access Program to address structural budget limitations.	General	-	(10,888)	(1.00)
Executive Office	Eliminate the 2018 Business Incentive Program (I02001300) and Great Plates Delivered match Projects (G02610300). Return unused cost savings to fund balance.	General	-	(208,900)	-
Media and Communications	Delete a position (1.0 FTE - Media and Communications Specialist) and add a new position (1.0 FTE - Program Specialist). Internal reorganization of the city's public information efforts by promoting staff as managing supervisor. Position will execute strategic communication plans, marketing campaigns, and project management, as well as provide leadership to staff in accordance to departmental goals, mission, and values.	General	-	-	-
Media and Communications	Add a position (1.0 FTE - Administrative Analyst) from the Community Development Department to the Office of Media and Communications to align and centralize public information, outreach, and strategic media efforts.	General	-	146,964	1.00
Office of Innovation and Economic Development	Revenue increase for Facility Use Fees	General	(28,092)		-
Office of Innovation and Economic Development	Delete a vacant position (1.0 FTE - Administrative Technician) and redistribute workload to address structural budget limitations.	Measure U	-	(105,959)	(1.00)
Office of Innovation and Economic Development	Delete a vacant position (1.0 FTE - Principal Planner) and redistribute workload to address structural budget limitations.	Measure U	-	(167,198)	(1.00)
Office of Innovation and Economic Development	Liquidate one-time and ongoing funding from Multi-Year Operating Projects. Return unused dollars to fund balance.	General	-	(357,754)	-
Office of Innovation and Economic Development	Liquidate one-time and ongoing funding from Multi-Year Operating Projects. Return unused dollars to fund balance.	Measure U	-	(34,246)	-

FY2024/25 Proposed Budget

BUDGET AND POSITION CHANGES (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Office of Innovation and Economic Development	Liquidate one-time and ongoing funding from Multi-Year Operating Projects. Return unused dollars to fund balance.	Innovation and Growth	-	(7,920,803)	-
Office of Innovation and Economic Development	Liquidate one-time funding in the following MYOPs - Business Incentive program (I02180100). Return unused dollars to fund balance.	Innovation and Growth	-	(13,500,000)	-
Office of Innovation and Economic Development	Decrease the Community Investment Unit annual Innovation and Growth Fund operations. Reduce efforts and spending related to the Innovation and Growth Fund Policy and Redevelopment Agency Successor Agency	Innovation and Growth	-	(85,000)	-
Office of Innovation and Economic Development	Increase funding for the Sacramento Economic Gardening Program, Multi-Year Operating Project I02184000. Success of program had improved the revenue of 10 small businesses by 50% and provided new jobs.	Innovation and Growth	-	40,688	-
Total Change			\$ (28,092)	\$(22,300,099)	(3.00)

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

Department Budget Summary

City Manager Budget Summary	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Approved	FY2023/24 Amended	FY2024/25 Proposed	Change More/(Less) Proposed/Amended
Employee Services	\$ 10,204,399	\$ 10,698,655	\$ 11,470,283	\$ 11,470,283	\$ 12,268,413	\$ 798,130
Other Services and Supplies	2,000,501	1,459,315	2,646,851	2,646,851	2,544,466	(102,385)
City Property	58,274	62,180	24,326	24,326	24,326	-
Multi-Year Operating Projects	-	-	10,189,050	10,189,050	(11,180,278)	(21,369,328)
Transfers	(11,502)	(214,241)	-	-	-	-
Labor and Supply Offset	(249,776)	(72,857)	(253,197)	(253,197)	(129,075)	124,122
Operating Transfers	(107,136)	(257,604)	-	-	-	-
Total	\$ 11,894,761	\$ 11,675,447	\$ 24,077,313	\$ 24,077,313	\$ 3,527,852	\$ (20,549,461)

Funding Summary by Fund/Special District	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Approved	FY2023/24 Amended	FY2024/25 Proposed	Change More/(Less) Proposed/Amended
General Fund	\$ 4,692,507	\$ 4,891,570	\$ 7,379,717	\$ 7,379,717	\$ 7,426,604	\$ 46,887
Interdepartmental Service	2,023,052	1,639,182	1,536,200	1,536,200	1,557,424	21,224
Bmflid Revolving Loan Program	(100,000)	-	-	-	-	-
Innovation and Growth	254,058	(15,147,276)	8,568,675	8,568,675	(12,469,746)	(21,038,421)
Measure U	5,025,143	5,291,971	6,554,471	6,554,471	6,975,320	420,849
Block Grant/Housing & Redev	-	-	29,250	29,250	29,250	-
2003 North Sac TE TABS	-	-	9,000	9,000	9,000	-
Risk Mgmt	-	15,000,000	-	-	-	-
Total	\$ 11,894,761	\$ 11,675,447	\$ 24,077,313	\$ 24,077,313	\$ 3,527,852	\$ (20,549,461)

Division Budget Summary

City Manager Budget Summary	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Approved	FY2023/24 Amended	FY2024/25 Proposed	Change More/(Less) Proposed/Amended
Office of the City Manager Division	\$ 4,353,173	\$ 4,026,210	\$ 3,869,629	\$ 3,869,629	\$ 3,841,870	\$ (27,759)
Office of Cannabis Management Division	1,113,817	1,343,743	3,614,476	3,614,476	3,727,318	112,842
Office of Climate Action Initiatives Division	321,252	324,014	-	-	-	-
Office of Diversity and Equity Division	254,654	-	-	-	-	-
Office of Innovation and Economic Development Division	4,623,094	4,206,954	15,319,604	15,319,604	(5,624,630)	(20,944,234)
Office of Emergency Management Division	428,342	434,374	605,773	605,773	691,356	85,583
Office of Media & Communications Division	547,500	528,083	667,831	667,831	891,938	224,107
Office of Youth Development Division	252,929	812,070	-	-	-	-
Total	\$ 11,894,761	\$ 11,675,447	\$ 24,077,313	\$ 24,077,313	\$ 3,527,852	\$ (20,549,461)

FY2024/25 Proposed Budget

Staffing Levels

City Manager Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Proposed	Proposed/Amended
Office of the City Manager Division	12.00	13.00	13.00	13.00	11.00	(2.00)
Office of Cannabis Management Division	9.00	9.00	9.00	9.00	9.00	-
Office of Climate Action Initiatives Division	2.00	2.00	-	-	-	-
Office of Diversity and Equity Division	3.00	-	-	-	-	-
Office of Innovation and Economic Development Division	34.00	34.00	36.00	36.00	34.00	(2.00)
Office of Emergency Management Division	3.00	3.00	3.00	3.00	3.00	-
Office of Media & Communications Division	4.00	4.00	5.00	5.00	6.00	1.00
Office of Youth Development Division	6.00	5.00	-	-	-	-
Total	73.00	70.00	66.00	66.00	63.00	(3.00)

MEASURE U

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

Funding Category	Program Name	FTE	FY2024/25 Proposed
Affordable Housing			
Operations	Housing	2.00	367,131
Inclusive Economic Development			
MYOP	Thousand Strong	-	750,000
Operations	Community Engagement	8.00	1,558,457
	Community Investment	7.00	1,329,701
	Economic Development	11.00	2,003,643
	Economic Development Administration	4.00	1,000,634
Grand Total		32.00	\$ 7,009,566

PERFORMANCE MEASURES

Key Measure	FY21	FY22	FY23	FY24	FY25
	Actuals	Actuals	Actuals	Estimate	Target
Number of businesses in the city*	21,279	21,136	22,384	21,876	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	FY21	FY22	FY23	FY24	FY25
	Actuals	Actuals	Actuals	Estimate	Target
Number of jobs in the city	272,403	286,896	285,037	287,118	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	FY21	FY22	FY23	FY24	FY25
	Actuals	Actuals	Actuals	Estimate	Target
Employment rate	91.1%	95%	95.4%	95.3%	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.

FY2024/25 Proposed Budget

Key Measure	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Estimate	FY25 Target
Total investments made in Sacramento, by building permit valuation	\$1.46 billion	\$1.35 billion	\$1.19 billion	\$1.13 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.

*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.

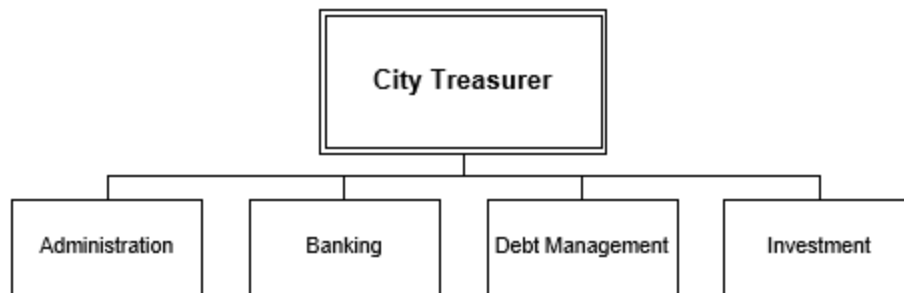
**ESRI is an international supplier of geographic information software system, geodatabase management, and business analytics data. ESRI extracts its business data from Data Axle.

13

SECTION - 13 **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 keeps the Council informed regarding the status of investments and City funds. Additionally, the Council has directed that the City Treasurer should also provide public finance and debt issuance services for the City.

PROGRAMS/SERVICE HIGHLIGHTS

- Worked with City Council and Community Based Organizations (CBO) to explore the concept of a Public Bank for the City; received approval from Budget & Audit Committee to issue a Request for Qualifications (RFQ) for consultant services to conduct a feasibility study for the creation and operation of a local public bank. Also worked with CBO's to explore if fossil free banking services were a viable option to provide for key services for the city.
- Assisted business units (Community Development Department, City Clerk, Parking, Revenue) in establishing new e-commerce payment methods (i.e., online, mobile, Interactive Voice Response, etc.), providing a better customer experience, maximum flexibility, more revenue opportunities and strong security standards, 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. This year, the team conducted in person interviews and audit controls.
- Refinanced the North Natomas Community Facilities District (CFD) 4, Series E bonds. The refinancing allowed certain constituents in North Natomas to realize aggregate cashflow savings in their property taxes through FY2033/34 of \$5.5 million.
- Worked with the Department of Utilities to complete the complex partial tender and refinancing of the Series 2020 Water Bonds (taxable) and issue the Series 2023 Water Bonds (tax-exempt). The partial tender and refinancing allowed the City's Water Fund to realize \$4 million in aggregate cashflow savings.

FY2024/25 Proposed Budget

- 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. The staff is now managing more than \$1.9 billion.
- SCERS Plan maintained over 95% funding status year after year in a year when high inflation led to larger than anticipated participants balance increases. Staff continues to demonstrate disciplined investment strategies in both positive and negative market environments.
- Completed a 6-month project working with the State Controller's Office and previous custodian to recapture funds that had been erroneously sent to the state of California as unclaimed. Funds from as far back as 1999 were retrieved during the lengthy process and over the last fiscal year deposits of over \$160,000 were returned to both the City Pool A and SCERS accounts.
- Updated and strengthened the Investment Policy guidelines to clarify Community Banking Guidelines to ensure that our local banking partners in our Community Investments Program continue to have majority ownership based locally in the Sacramento area.

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 FY2024/25

- Complete reviews 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. Incorporate new PCI DSS 4.0 requirements into PCI Policies and Procedures.
- After releasing an RFQ for consulting services to prepare a Viability Study, staff plan to continue to work with City Council and CBOs to explore the concept of a Public Bank for the City.

FY2024/25 Proposed Budget

- Work on the issuance of bonds for various community facilities districts – Delta Shores CFD (Improvement Area 1), Greenbriar CFD (Improvement Area 2), and Aggie Square CFD to acquire infrastructure from the respective developers.
- Work with the Mayor’s Office to determine the feasibility of an additional Transient Occupancy Tax debt issuance given the passing of Measure N.
- Work on completing the analyses to validate the feasibility of removing certain encumbered assets in the City’s master lease program, while ensuring continued compliance with bond covenants associated with the credit quality of various series of outstanding lease revenue bonds. The removal of certain assets will enable additional amenities to be provided to certain constituents.
- 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; continue to work with the Department of Public Works and other City departments on the development of the Sacramento Valley Station Governance Study.
- Creating a structured monthly payment program for the CalPERS annual unfunded liability payment. Staff is creating a laddered portfolio of monthly maturing assets that will outearn our lumpsum CalPERS prepayment discount rate. Building the portfolio over the course of the year will result in a one-time savings of approximately \$1.5 million for FY2024/25. Staff will work with Finance and Budget on the feasibility of structuring another portfolio to outearn the next prepayment discount rate when Cal PERS supplies the calculation to the City in the fall of 2024 for FY2025/26.
- Continue to build a succession and training plan that helps to cultivate staff in preparation for natural attrition with a focus on knowledge sharing for the subsequent hiring of future replacement staff.
- Work with Banking Manager and Finance to onboard more vendors into the City’s Single Use Account and Automated Clearing House payment programs to cut down on the number of large checks the City must float to cover daily, which reduces the potential for higher yields on Pool A funds.

BUDGET CHANGES AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change	FTE Filled
City Treasurer	Increase revenue budget to align with actuals received based on historical data.	General	(1,020,000)	-	-	-
Total Change			\$ (1,020,000)	\$ -	-	-

FY2024/25 Proposed Budget

Department Budget Summary

City Treasurer Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Proposed	Proposed/Amended
Employee Services	\$ 2,080,381	\$ 2,165,534	\$ 2,670,039	\$ 2,670,039	\$ 2,898,618	\$ 228,579
Other Services and Supplies	290,904	177,228	260,611	260,611	253,111	(7,500)
City Property	1,824	1,820	5,000	5,000	5,000	-
Multi-Year Operating Projects	-	-	1,000	1,000	1,000	-
Labor and Supply Offset	(29,068)	(10,360)	350	350	350	-
Total	\$ 2,344,041	\$ 2,334,222	\$ 2,937,000	\$ 2,937,000	\$ 3,158,079	\$ 221,079

Funding Summary by Fund/Special District	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Proposed	Proposed/Amended
General Fund	\$ 1,661,683	\$ 1,171,003	\$ 1,707,591	\$ 1,707,591	\$ 1,753,882	\$ 46,291
Interdepartmental Service	682,358	1,163,219	1,229,409	1,229,409	1,404,197	174,788
Total	\$ 2,344,041	\$ 2,334,222	\$ 2,937,000	\$ 2,937,000	\$ 3,158,079	\$ 221,079

Division Budget Summary

City Treasurer Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Proposed	Proposed/Amended
City Treasurer Division	\$ 2,344,041	\$ 2,334,222	\$ 2,937,000	\$ 2,937,000	\$ 3,158,079	\$ 221,079
Total	\$ 2,344,041	\$ 2,334,222	\$ 2,937,000	\$ 2,937,000	\$ 3,158,079	\$ 221,079

Staffing Levels

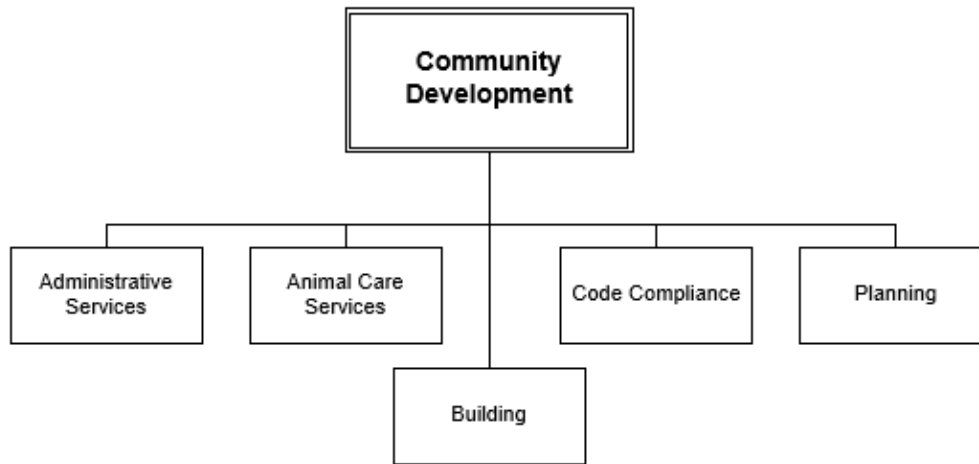
City Treasurer Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Proposed	Proposed/Amended
City Treasurer Division	14.00	14.00	14.00	14.00	14.00	-
Total	14.00	14.00	14.00	14.00	14.00	-

14

SECTION - 14 **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

- The Planning Division completed the 2040 General Plan and Climate Action & Adaptation Plan and is on track to process approximately 675 private development applications by the end of FY2023/24. Notable projects include:
 - Continued residential and commercial development in the Panhandle area, the Railyards, and Delta Shores. The Panhandle alone includes approval of over 800 residential lots with another 160 lots in process.
 - Approval of planning entitlements for the Stone Beetland project, encompassing approximately 1,100 residential units and commercial development adjacent to the Morrison Creek light rail station.
- Notable highlights in the Building Division include:
 - Implementation of the Alternative Water Systems Ordinance, which outlines new graywater piping requirements applicable to certain new non-residential buildings over 10,000 square feet.
 - Availability of permit-ready Accessory Dwelling Unit (ADU) plans for studio, one-bedroom, and two-bedroom units for the public.
 - Launch of the SolarApp program enabling registered solar contractors to apply and be issued permits virtually.
- Animal Care Services Homeless Outreach and Assistance Program has provided vaccinations, veterinary care, and spay/neuter services to 1,466 animals owned by 260 owners.
- Code Compliance developed a community outreach and resource team to attend community events and proactively engage the community.
- The Emergency Home Repair Program was implemented. This program provides grants to help income-eligible households who are not able to make necessary repairs impacting the safety and habitability of their homes.

DEPARTMENT EFFICIENCIES

- Animal Care Services updated the adoption process to a completely online process, allowing adoptions to be finalized without the adopter having to be present at the shelter, and saving time with electronic applications online.
- The Building Division implemented 100% online submittals for permitting to provide a more transparent tracking mechanism, enhance accuracy, and streamline processing; all sections transitioned to electronic codes in lieu of hard copy.
- The Code Compliance Division restructured the Hearings Unit by adding a Program Specialist to lead the program and ensure its separation from enforcement. This ensures that all communication concerning Hearings and Appeals flows through an unbiased group. It also allows work to be redistributed and creates efficiencies within the process and has helped streamline the special assessment lien process.
- The Planning Division transitioned from responding to public inquiries via email to utilizing Salesforce, which is a case-based software that can track staff responses, provide data on the nature of the inquiries, and measure employee performance and workload.

OBJECTIVES FOR FY2024/25

- Amend the Planning and Development Code to implement the Missing Middle Housing and other land use policies of the newly adopted 2040 General Plan.
- Recruit and retain staff for all sections of the shelter.
- Provide a public kiosk and in-person assistance to navigate the website during the time counter services are open.
- Implement an enhanced Rental Housing Inspection Program.
- Propose an enhanced Tenant Protection Program while extending the December 2024 sunset date.
- Implement a new code enforcement case management and reporting system that will be used by several departments.

REORGANIZATION

- As part of the FY2024/25 Budget, 1.0 FTE position and associated budgets were moved from the Community Development Department to the City Manager's Office.

FY2024/25 Proposed Budget

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Administration	Transfer a position (1.0 FTE - Administrative Analyst) from the Community Development Department to the City Manager's Office. This position handles public information coordination, media inquiries, external/internal communications, and will report to the Media and Communications Manager.	General	-	(146,964)	(1.00)
Administration	Decrease funding for the credit card fees to eliminate City subsidies of merchant fees for credit card payments and pass those costs onto users.	General	-	(36,000)	-
Administration	Decrease funding for the credit card fees to eliminate City subsidies of merchant fees for credit card payments and pass those costs onto users.	Measure U	-	(1,584)	-
Animal Care	Increase funding for veterinary services at the City's Animal Shelter to provide life saving after-hours care.	Measure U	-	665,960	-
Building	Change funding source for information technology development related resources from General/Measure U Fund to Development Services Fund. The technology surcharge fee should fund the maintenance of current information systems and implementation of information system needs.	General	-	(612,317)	-
Code	Maintain one-time increase in the revenue budget for Neighborhood Code Compliance.	General	(715,950)	-	-
Code	Maintain one-time increase in the revenue budget for Business Compliance.	General	(350,000)	-	-
Code	Increase funding for heavy-duty towing services associated with recreational vehicles and the unhoused population.	Measure U	-	400,000	-
Department-wide	Reduce General/Measure U Fund services and supplies budget in the amount of \$867,383 as part of the citywide reduction plan.	General	-	(867,383)	-
Planning	Increase reimbursements in the Long Range Planning Division to recognize staff charges to projects related to the General Plan Update.	Measure U	-	(500,000)	-
Planning	Decrease annual funding for the Neighborhood Development Action Team (NDAT, I22000100) from \$1.2 million to \$600,000.	Measure U	-	(600,000)	-
Planning	Delete a position (1.0 FTE - Associate Planner) and add a position (1.0 FTE - Senior Planner) for Long Range Planning. This position will focus on affordable housing policies and regulatory improvements to facilitate housing development in the city to align with State mandates.	Measure U	(42,433)	42,433	-
Total Change			\$ (1,108,383)	\$ (1,655,855)	(1.00)

FY2024/25 Proposed Budget

Department Budget Summary

Community Development Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Proposed	Proposed/Amended
Employee Services	\$ 33,242,970	\$ 35,273,739	\$ 40,664,689	\$ 40,664,689	\$ 44,508,889	\$ 3,844,200
Other Services and Supplies	9,469,149	10,903,029	11,230,945	10,800,834	12,467,545	1,666,711
City Property	374,110	240,908	181,641	181,641	181,641	-
Multi-Year Operating Projects	-	-	4,231,430	3,826,300	7,888,400	4,062,100
Transfers	302,075	327,838	350,212	350,212	328,418	(21,794)
Labor and Supply Offset	(3,048,189)	(3,519,826)	(2,853,094)	(2,853,094)	(3,080,429)	(227,335)
Total	\$ 40,340,115	\$ 43,225,689	\$ 53,805,823	\$ 52,970,582	\$ 62,294,464	\$ 9,323,882

Funding Summary by Fund/Special District	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Proposed	Proposed/Amended
General Fund	\$ 29,508,143	\$ 31,236,205	\$ 35,449,868	\$ 34,936,127	\$ 37,554,964	\$ 2,618,837
Development Services	-	158,088	2,266,000	2,266,000	3,688,700	1,422,700
Landscaping and Lighting	137,294	206,913	255,000	255,000	262,600	7,600
Measure U	7,979,219	10,166,525	13,194,955	12,873,455	17,568,200	4,694,745
Special Program Donations	-	-	250,000	250,000	250,000	-
Citywide Low Income Housing	2,790,748	1,804,605	2,390,000	2,390,000	2,970,000	580,000
Risk Mgmt	(75,289)	(346,647)	-	-	-	-
Total	\$ 40,340,115	\$ 43,225,689	\$ 53,805,823	\$ 52,970,582	\$ 62,294,464	\$ 9,323,882

Division Budget Summary

Community Development Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Proposed	Proposed/Amended
Administration Division	\$ 2,360,484	\$ 2,477,410	\$ 3,364,919	\$ 3,384,808	\$ 3,775,737	\$ 390,929
Animal Care Services Division	6,298,828	7,763,511	8,221,488	7,899,988	9,232,946	1,332,958
Building Division	14,596,172	14,918,893	18,319,334	17,979,334	19,225,167	1,245,833
Planning Division	6,717,548	6,959,083	11,661,581	11,511,581	15,317,482	3,805,901
Code Compliance Division	10,367,083	11,106,793	12,238,501	12,194,871	14,743,132	2,548,261
Total	\$ 40,340,115	\$ 43,225,689	\$ 53,805,823	\$ 52,970,582	\$ 62,294,464	\$ 9,323,882

Staffing Levels

Community Development Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Proposed	Proposed/Amended
Administration Division	16.00	18.00	20.00	19.00	19.00	-
Animal Care Services Division	61.00	61.00	63.00	63.00	63.00	-
Building Division	87.00	90.00	89.00	90.00	89.00	(1.00)
Planning Division	52.00	54.00	55.00	55.00	55.00	-
Code Compliance Division	92.00	92.00	92.00	92.00	92.00	-
Total	308.00	315.00	319.00	319.00	318.00	(1.00)

MEASURE U

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

Funding Category	Program Name	FTE	FY2024/25 Proposed
Affordable Housing			
MYOP	Specific Plans	-	600,000
	Zero-Dollar Fee Program	-	3,000,000
Operations	Long Range	13.00	707,207
	Zoning	6.00	764,532
Community Response			
MYOP	Fleet Acquisitions	-	185,000
Operations	Animal Care Administration	14.00	1,295,967
	Animal Care/Shelter	34.00	4,835,870
	Neighborhood Code Compliance	40.00	4,383,257
Miscellaneous			
MYOP	Commission Stipends	-	3,500
Public Safety - Community Development			
MYOP	Fleet Acquisitions	-	40,000
Operations	Animal Enforcement/Field Services	15.00	1,977,867
Grand Total		122.00	\$ 17,793,200

PERFORMANCE MEASURES

Animal Care Services Division

Key Measure	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Estimate	FY25 Target
Percent of animals that are adopted, transferred, sent to rescue, or returned to owner (live release rate)	85%	85%	87%	90%	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. With the surge in animal intake, we foresee challenges in achieving our live release rate target.

Building Division

Key Measure	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Estimate	FY25 Target
Percent of development inspections performed on the day scheduled	99%	99%	98%	98%	96%

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	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Estimate	FY25 Target
Percentage of residential building permits issued within two days	80%	85%	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.

FY2024/25 Proposed Budget

Code Enforcement Division

	FY21	FY22	FY23	FY24	FY25
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Vehicle cases closed within 21 days	86%	52%	64%	75%	78%

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

	FY21	FY22	FY23	FY24	FY25
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Percent of director-level planning files completed within 90 days	39%	19%	50%	82%	80%

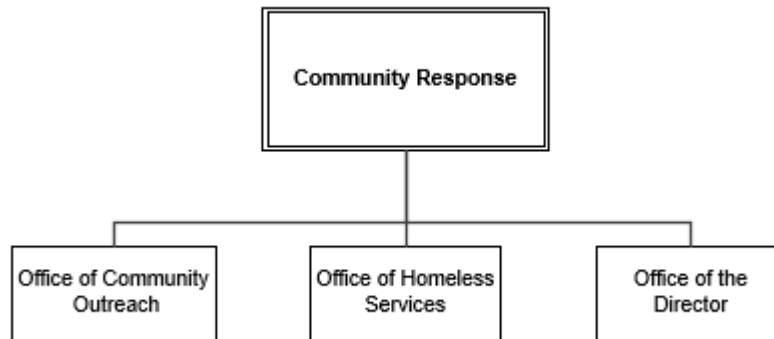
The Planning Division tracks and reports on the time it takes to approve a staff hearing-level review. This review includes a technical analysis of the project to determine compliance with guidelines and standards, is noticed to the public, and is presented in a public hearing to the Zoning Administrator,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

15

SECTION - 15 **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

- DCR opened the Roseville Road Shelter and Service Campus at 3900 Roseville Road in North Sacramento. The new campus features 60 Pallet sleeping cabins built by Pallet LLC and 40 trailers, most of which were provided by the State during the pandemic. The Roseville Road Campus is operational 24/7 with a capacity of up to 240 guests. The site includes permanent, plumbed restrooms and showers for clients to use. The campus also includes a central building for clients to gather for meals, activities, or during inclement weather, and other buildings with office space for service providers including behavioral health specialists coordinated through the City's partnership with the County of Sacramento. In the first two months of operation, 166 people were sheltered at the Campus and six individuals were moved into permanent housing.
- In collaboration with the Police Department, the Fire Department, the Community Development Department, the Youth, Parks, and Community Enrichment Department, and other contracted providers, the Office of Community Outreach (OCO) established the Incident Management Team (IMT). The IMT responds with a collaborative approach to address City code violations, while also connecting unhoused community members to services and access to shelter. In calendar year 2023, the IMT responded to and closed nearly 31,000 calls.
- In calendar year 2023, the OCO responded to over 47,000 calls for service regarding community members experiencing homelessness in partnership with its contracted outreach provider Hope Cooperative, the Sacramento County Homeless Engagement and Response Team, and the Incident Management Team. These calls for service included nearly 16,000 calls for trash removal which resulted in over 10,000,000 pounds of garbage being removed from encampments. Additionally, these teams have enrolled nearly 2,500 people into the Homeless Management Information System (HMIS) and provided 2,447 people with a variety of services.
- The Office of Homeless Services (OHS) conducted Requests for Proposals for Women and Family Shelter Programs, Youth Shelter and Rehousing Services, and the City Motel Shelter Program. OHS entered into agreements with two Women and Family Shelters, four Youth Shelters, and six Motels for shelter.
- In calendar year 2023 City funded shelters provided shelter to 4,380 individuals, including 1,044 children. During calendar year 2023, 3,090 individuals exited City-funded shelters, including 605 (20%) who exited to permanent housing and 662 (21%) who exited to positive temporary housing.

DEPARTMENT EFFICIENCIES

- The Office of Director (OOD) continued to work on strategic planning, management of fiscal/budget, and HR solutions. OOD has refined DCR recruitment, selection, and hiring processes to support all programs and operations. In FY2022/23, DCR

FY2024/25 Proposed Budget

successfully recruited and hired nine Neighborhood Resources Coordinators (NRCs), two Administrative Analysts, an Administrative Assistant, an Administrative Technician, and an Accountant Auditor.

- OCO has focused on creating data driven responses to calls for services involving unhoused community members. Working in collaboration with the Information Technology Department and Sacramento Steps Forward (Coordinated Access System), OCO continued to implement various tools to decrease response times and concentrated resources in the City's most impacted neighborhoods.
- Developed the Weekly IMT Data Report. This report visualizes the impact the Incident Management Team has had since inception in September 2023. The Weekly IMT Data Report was prepared for Council and published by the Sacramento City Express for public consumption.
- Monitored non-profit partners to ensure City funds were not only spent appropriately but also produced a positive impact on the community. OCO relied on weekly reports on availability and services provided to hold partners accountable.
- OHS staff utilized the HMIS to track the performance outcomes of over 20 agreements for City-funded shelters and service programs on a monthly basis and monitored the contracted performance goals of each agreement.

OBJECTIVES FOR FY2024/25

- Collaborate with local partners including the County of Sacramento, Sacramento Steps Forward, the Sacramento Continuum of Care, and the Sacramento Housing and Redevelopment Agency, to execute *All In Sacramento*, Sacramento's Regionally Coordinated Framework and Action Plan to Prevent and End Homelessness.
- Develop possible solutions to address funding issues. Continue to apply for all grant funding available (i.e., Homeless Housing, Assistance and Prevention (HHAP) and Encampment Resolution Funding (ERF)). Create and find efficiencies in the current service delivery model, and/or shift to a different delivery model.
- Partnering with the Information Technology Department and Sacramento 311, DCR will be the first test department for Salesforce 360. This approach will allow community members to report several issues within a single 311 call, reducing the need for constituents to submit several 311 calls related to one location, and reduces the chance of a 311 call being incorrectly categorized.
- 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 Information Technology Department and GIS staff to develop a

FY2024/25 Proposed Budget

public facing dashboard and heatmap for public consumption, which contains only de-identified data.

- Hire all funded Neighborhood Resource Coordinator positions and move toward increased coverage and diversity of response. OCO, when fully hired, will be able to staff the IMT as well as establish more in-depth social service focused response teams. These teams include staffing the Street Overdose Response Team (SORT) in partnership with the Fire Department, as well as establishment of case-carrying work focused on rehousing and resource connection.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Office of the Director	Delete a position (1.0 FTE - Senior Accountant Auditor) and add a new position (1.0 FTE - Accountant Auditor) to align with department current structure.	Measure U	-	(4,971)	-
Office of Community Outreach	Delete a position (1.0 FTE - Staff Aide) and add a new position (1.0 FTE - Program Specialist) to help the implementation of Incident Management Team and to address the growing issue of homelessness.	Measure U	-	(10,372)	-
Office of Community Outreach	Delete a position (1.0 FTE - Program Coordinator in the Office of Director) and add a new position (1.0 FTE - Senior Staff Assistant in Office of Community Outreach) to address the needs of Notice and Demand required by Measure O.	Measure U	-	15,343	-
Total Change			\$ -	\$ -	-

Department Budget Summary

Community Response Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Proposed	Proposed/Amended
Employee Services	\$ 2,624,706	\$ 3,244,449	\$ 4,372,476	\$ 4,372,476	\$ 4,857,915	\$ 485,439
Other Services and Supplies	325,166	464,484	693,409	693,409	682,583	(10,826)
City Property	88,985	11,346	390,856	390,856	322,790	(68,066)
Multi-Year Operating Projects	26,120	-	12,456,279	12,456,279	11,413,712	(1,042,567)
Labor and Supply Offset	(87,602)	-	-	-	-	-
Total	\$ 2,977,374	\$ 3,720,279	\$ 17,913,020	\$ 17,913,020	\$ 17,277,000	\$ (636,020)

Funding Summary by Fund/Special District	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Proposed	Proposed/Amended
Measure U	\$ 2,977,374	\$ 3,720,279	\$ 17,913,020	\$ 17,913,020	\$ 17,277,000	\$ (636,020)
Total	\$ 2,977,374	\$ 3,720,279	\$ 17,913,020	\$ 17,913,020	\$ 17,277,000	\$ (636,020)

FY2024/25 Proposed Budget

Division Budget Summary

Community Response Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Proposed	Proposed/Amended
Office of Director	\$ 813,820	\$ 1,128,301	\$ 1,079,314	\$ 1,079,314	\$ 1,051,342	\$ (27,972)
Office of Community Outreach Division	1,391,639	1,823,302	12,675,912	12,675,912	5,974,092	(6,701,820)
Office of Homeless Services Division	511,267	768,676	4,157,794	4,157,794	10,251,566	6,093,772
Office of Violence Prevention Division	260,647	-	-	-	-	-
Total	\$ 2,977,374	\$ 3,720,279	\$ 17,913,020	\$ 17,913,020	\$ 17,277,000	\$ (636,020)

Staffing Levels

Community Response Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Proposed	Proposed/Amended
Office of Director	8.00	8.00	7.00	7.00	6.00	(1.00)
Office of Community Outreach Division	24.00	24.00	24.00	24.00	25.00	1.00
Office of Homeless Services Division	6.00	6.00	6.00	6.00	6.00	-
Office of Violence Prevention Division	2.00	-	-	-	-	-
Total	40.00	38.00	37.00	37.00	37.00	-

MEASURE U

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

Funding Category	Program Name	FTE	FY2024/25 Proposed
Community Response			
MYOP	Community Outreach	-	9,267,712
Operations	Office of Community Outreach	25.00	3,828,092
	Office of Director	6.00	1,051,342
Homelessness			
MYOP	Homeless Housing Initiative	-	2,146,000
Operations	Office of Homeless Services	6.00	983,854
Grand Total		37.00	\$ 17,277,000

PERFORMANCE MEASURES

Community Response

	FY21	FY22	FY23	FY24	FY25
	Actuals	Actuals	Actuals	Estimate	Target
311 Calls Responded To [1]	n/a	20,768	28,397	64,000	67,000
Unique Clients Services Provided [2]	n/a	n/a	n/a	4,600	5,000
HMIS Enrollments [3]	n/a	n/a	397	4,500	5,000
Rapid Placements [4]	n/a	n/a	621	975	1,000

[1] Refers to the total number of 311 calls responded to and closed by DCR staff, in coordination with the Police Department's IMPACT team, Park Rangers, Hope Cooperative, and Forensiclean. Calls include the following service types: Homeless Encampment Trash, Homeless Encampment Concern, Homeless Encampment 500 Feet from School, Homeless Encampment Blocking Sidewalk, and Unhoused Self-Referral.

[2] Count of unique client services were provided to, in partnership with Sacramento County, Hope Cooperative, and Community Health Works.

[3] Count of individuals enrolled into DCR Partnerships Program or the City of Sacramento – Sacramento County Collaboration program within the Homeless Management Information System.

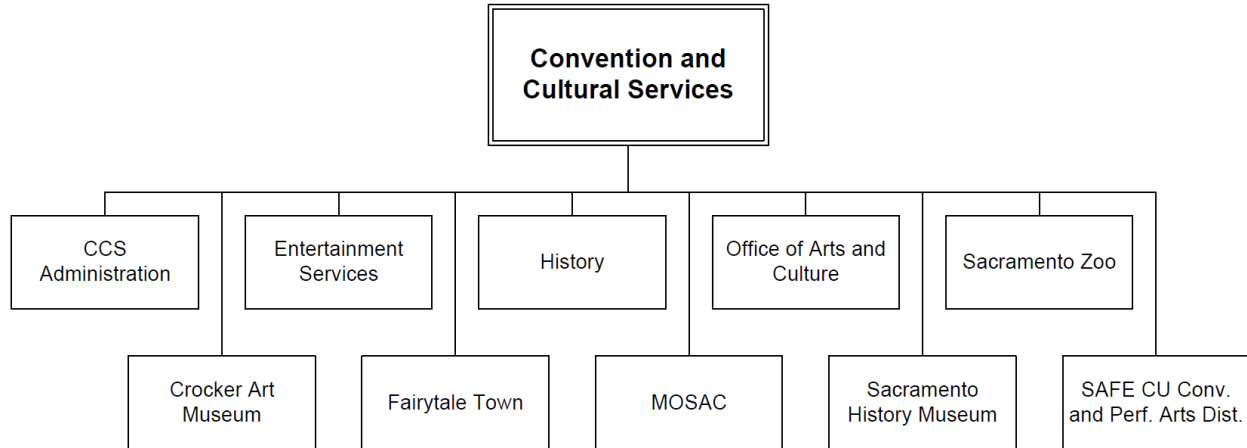
[4] Rapid Placements are placements directly into the Roseville Road Campus (formerly Miller Park until January 2024) and the Outreach and Engagement Center, via DCR Staff and contractors.

16

SECTION - 16 **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.
- **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.

FY2024/25 Proposed Budget

- **Entertainment Services:** The Entertainment Services Division is a new division that will consolidate all entertainment-related permitting (film, special events, and entertainment permits) into a single division. In doing so, the City will create a single point of entry for these services and increase staffing and capacity to support those activities within the City of Sacramento.
- **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.
- **Museum of Science and Curiosity:** The SMUD Museum of Science and Curiosity (MOSAC) is a premier institution for informal science education for people of all ages 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, the arts, and math. The new state-of-the-art exhibits address vital global issues presented through a local lens, with topics relating to sustainability/energy, water, nature, space, design engineering, and early learning. The entertaining science demonstrations bring science to life with live presenters. The digital dome theater screens films and other digital

content, and hosts live star shows created by our planetarium staff. The museum and its ever-changing programming will continually bring new experiences and ideas to the Sacramento region.

- Office of Arts and Culture: The City of Sacramento’s Office of Arts and Culture is the City’s chief point of interface with the creative community. Together with other city and civic partners, the Office of Arts and Culture is working toward development of a vibrant and just creative economy in Sacramento. *Creative Edge: Sacramento’s Arts, Culture and Creative Economy Plan* is its guiding policy framework. The Office of Arts and Culture is responsible for creative economy grantmaking and educational programming as well as the City’s Art in Public Places program and Sacramento Film and Media. The Office of Arts and Culture serves as a source of information on the state and impact of the creative economy.
- Sacramento History Museum: The Sacramento History Museum is dedicated to sharing and making accessible, 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, creating the “indomitable city”. With engaging educational programs serving thousands of students each year, public programming and tours of The Old Sacramento Waterfront District, innovative social media, and immersive exhibits, the Museum brings Sacramento’s people and history to life for over 50,000 visitors each year.
- 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.
- SAFE Credit Union Convention and Performing Arts District: Located in the heart of downtown, the SAFE Credit Union Convention and Performing Arts District includes 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, sporting events, seminars, performing arts, concerts, comedy, commencements, weddings, and galas.

PROGRAMS/SERVICE HIGHLIGHTS

- The SAFE Credit Union Convention Center, SAFE Credit Union Performing Arts Center, and Memorial Auditorium collectively hosted 402 events, served 690,200 attendees, and contributed over \$160 million in economic impact to the Sacramento Region. SodexoLive!, our exclusive in-house food and beverage provider, donated over 17,000 meals to the “Works of Mercy” Homeless Outreach program, which is distributed throughout the Sacramento region.
- The Center for Sacramento History received the Leadership in History Award of Excellence from the American Association for State and Local History for its short film series “Unlocking the Past: A History of Prejudice and Racism in Sacramento.” “Kids Collect,” a temporary exhibition that was a partnership between the Center for Sacramento History, the Office of Arts and Culture, and American Legion High School, was installed in City Hall. A partnership with the nonprofit Sol Collective yielded a Dia de los Muertos (Day of the Dead) celebration in Old Sacramento, and a partnership with the Sacramento County Office of Education served 226 students through the National History Day competition. The annual Archives Crawl invited over 300 attendees to engage with exhibitions of original historical resources.
- The Office of Arts and Culture (OAC) continued its movement to advance the goals of the Creative Edge Plan. OAC awarded \$5,017,000 in grants through the American Rescue Plan Act (ARPA) Arts and Culture Nonprofit Recovery Program and the 2023-2024 California Arts Council Capital Region Creative Corps Program. OAC employed Capitol Region Creative Corps artists to work within five different City of Sacramento agencies, building communications and outreach campaigns concerning critical civic issues. Work continued on the Del Rio Trail artist and wayfinding installations, Florin Community Beautification Project artwork, and Hanami Line artwork design and fabrication. Sacramento Film + Media continued its successful film grant program, partnered on the NorCal Film Expo, and secured a major motion picture that yielded approximately \$900,000 in hotel expenditures, 172 local hires, and \$5.3 million in local spending.
- The City’s nonprofit partners collectively welcomed hundreds of thousands of visitors, supported school outreach and out of school programs for thousands of youth, and developed new programs, exhibits, and activities to make programming more accessible and reflective of the City’s rich diversity of residents.
 - The Crocker Art Museum served over 187,000 people in FY2022/23.

FY2024/25 Proposed Budget

- Fairytale Town welcomed over 200,000 visitors, carried out 85 classroom visits with live animals, hosted 460 birthday parties, and entertained 1,500 summer camp participants.
- SMUD Museum of Science and Curiosity served more than 160,000 visitors and 24,000 school students, opened a new Design Lab with maker workshops for 5th to 8th graders, and created new engineering design challenges.
- Sacramento History Museum engaged in collaborative partnerships with local cultural groups to develop two relevant community-driven museum exhibits that reflect the diversity of the Sacramento region. They also improved accessibility to the Blind and sight-impaired communities with tactile/audio components and exclusive tours.

DEPARTMENT EFFICIENCIES

- CCS Administration was restructured to provide better services to its sister divisions. Financial management and procurement functions were centralized to achieve greater departmental efficiency and effectiveness, while an examination of HR processes and workflows was conducted to ensure compliance with Citywide HR policies. Office of Arts and Culture continued to create more uniform approaches to grant and public art commission processes, such as evaluation rubrics, application advising, and panel review processes. An internal marketing and communications working group has been developed to streamline and support marketing and communications efforts. An annual retreat was conducted, and efforts to document and map administrative, financial, and programmatic processes have begun.
- With just two planetarium staff, SMUD Museum of Science and Curiosity (MOSAC) created all new school planetarium live presenter content, customizing shows to grade levels, aligning closely with NGSS curriculum standards. School bookings increased as a result. An evening Pink Floyd experience (a journey through the history of the space program) was added for eight months without increasing headcount. School attendance grew by more than 70% without increasing headcount.
- The Sacramento History Museum added a dedicated outreach coordinator to bring programs to the schools that cannot otherwise provide field trips for their students. A new water bottle refill station was added inside the History Museum which eliminates the need for plastic bottled water for guests.

OBJECTIVES FOR FY2024/25

- Complete the move of a portion of Crocker Art Museum and Center for Sacramento History collections to a new, more secure, shared use and climate-controlled facility. The new space will give both the Crocker and the Center storage space that is desperately needed for their collections.

FY2024/25 Proposed Budget

- Continue to promote the SAFE Credit Union Convention and Performing Arts District, particularly the Memorial Auditorium and Performing Arts Center, by exploring new business strategies and community partnerships that expand facility usage and contribute to neighborhood vibrancy.
- Continue to advance the goals of the Creative Edge: Arts, Culture, and Creative Economy Plan, implementing American Rescue Plan Act support for the Creative Economy, including projects and initiatives focused on individuals, arts journalism, creative businesses, and youth workforce development. Major projects will continue through Art in Public Places, as will film funding and incentive programs through Sacramento Film + Media.
- Establish a new strategic plan for the Center for Sacramento History and develop a new partnership with the Sacramento History Alliance and shared vision for the Sacramento History Museum.
- Work with our nonprofit partners to advance the City's broader race and cultural equity objectives, streamline their engagement with City offices, and further shared goals.
- Establish a new division that will consolidate permitting functions for entertainment-related activity.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
History	Increase revenue budget for History Division based on FY24 projections and previous years collections.	General	(63,881)	-	-
History	Increase various fees based on CPI: Editorial Use - Electronic/Film Editorial Use - Non-profit non-electronic Non-Editorial Use - Merchandise (Commercial Rate) Non-Editorial Use - Merchandise (Non-profit Rate)	General	(5,100)	-	-
History	Decrease funding to the Sacramento History Alliance based upon City's discretionary authority to adjust operating support provided by the terms of the agreement.	Measure U	-	(87,000)	-
Museum of Science and Curiosity	Decrease funding to the SMUD Museum of Science and Curiosity (MOSAC) based upon City's discretionary authority to adjust operating support provided by the terms of the agreement.	Measure U	-	(87,000)	-
Entertainment Services Division	Create Entertainment Services Division and add 6 positions (1.0 FTE Program Manager, 1.0 FTE Program Specialist, 1.0 FTE Administrative Analyst, and 3.0 FTE Administrative Technician). This division would be the consolidation of the business functions for film, special events and entertainment licenses to help reduce inefficiency and confusion for the public.	Measure U	-	836,940	6.00

FY2024/25 Proposed Budget

BUDGET AND POSITION CHANGES (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
CCS Administration	Delete 1 position (1.0 FTE Administrative Officer) and add 1 new position (1.0 FTE Contracts and Compliance Specialist). This is to help align and centralize our fiscal operations based on the needs for the department.	Community Center	-	(4,734)	-
CCS Administration	Delete 1 position (1.0 FTE Administrative Analyst) and add 1 new position (0.5 FTE Administrative Analyst). This is to resolve discrepancy between Budget and HR systems regarding allocated FTE.	Community Center	-	(63,545)	(0.50)
History	Decrease funding for the credit card fees to eliminate City subsidies of merchant fees for credit card payments and pass those costs onto users.	Measure U	-	(1,000)	-
SAFE Credit Union Convention and Performance Arts District	Decrease funding for the credit card fees to eliminate City subsidies of merchant fees for credit card payments and pass those costs onto users.	Community Center	-	(3,500)	-
Various	Shift of eligible costs for visitor-serving facilities to the Community Center Fund. The shifting of funds allows for CCS to add the new Entertainment Services Division.	Measure U	-	(1,412,829)	-
Various	Shift of eligible costs for visitor-serving facilities to the Community Center Fund.	Community Center	-	1,412,829	-
Total Change			\$ (68,981)	\$ 590,161	5.50

Department Budget Summary

Convention and Cultural Services Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Proposed	Proposed/Amended
Employee Services	\$ 8,861,654	\$ 9,345,950	\$ 12,366,019	\$ 12,366,019	\$ 14,475,003	\$ 2,108,984
Other Services and Supplies	8,565,482	10,379,483	10,326,535	10,333,535	11,433,769	1,100,234
City Property	25,523	77,455	63,000	63,000	69,000	6,000
Multi-Year Operating Projects	-	-	1,614,000	1,614,000	678,000	(936,000)
Transfers	(157,728)	(56,278)	-	-	-	-
Labor and Supply Offset	1,426,226	1,633,936	1,476,355	1,476,355	1,933,084	456,729
Operating Transfers	2,593,005	3,070,274	2,017,300	2,017,300	2,162,500	145,200
Total	\$ 21,314,164	\$ 24,450,820	\$ 27,863,209	\$ 27,870,209	\$ 30,751,356	\$ 2,881,147

Funding Summary by Fund/Special District	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Proposed	Proposed/Amended
General Fund	\$ 8,155,625	\$ (4,799,908)	\$ 727,827	\$ 734,827	\$ 796,808	\$ 61,981
Innovation and Growth	-	-	1,000,000	1,000,000	-	(1,000,000)
Old Sacto Maint Dist	67,190	67,220	66,715	66,715	66,719	4
Measure U	3,951,867	3,653,275	4,833,191	4,833,191	4,167,726	(665,465)
Old Sac Market	63,749	85,219	104,000	104,000	104,000	-
H Street Theater	9,856	65,855	45,000	45,000	45,000	-
Zoo	101,271	84,865	50,000	50,000	50,000	-
Fairytale Town	103,383	84,865	50,000	50,000	50,000	-
Winchester G & Mary Alice Felt	33,704	85,000	110,270	110,270	85,000	(25,270)
Community Center	8,827,520	25,124,428	20,876,206	20,876,206	25,386,103	4,509,897
Total	\$ 21,314,164	\$ 24,450,820	\$ 27,863,209	\$ 27,870,209	\$ 30,751,356	\$ 2,881,147

FY2024/25 Proposed Budget

Division Budget Summary

Convention and Cultural Services Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
CCS Administration Division	\$ 2,112,507	\$ 2,109,695	\$ 1,792,721	\$ 1,792,721	\$ 2,206,286	\$ 413,565
SAFE CU Conv. & Perf. Arts Dist. Division	12,899,148	15,998,198	18,034,613	18,034,613	20,566,413	2,531,800
Crocker Art Museum Division	2,210,358	2,298,352	2,367,211	2,367,211	2,416,567	49,356
Fairytale Town Division	124,301	99,793	62,245	62,245	62,245	-
History Division	2,238,544	2,570,895	2,646,983	2,646,983	2,665,977	18,994
Sacramento Office of Arts and Culture Division	681,938	714,050	2,333,138	2,340,138	1,250,675	(1,089,463)
Powerhouse Science Center Division	238,337	145,337	145,337	145,337	58,337	(87,000)
Sacramento History Museum Division	260,933	143,595	143,528	143,528	143,528	-
Sacramento Zoo Division	548,096	370,906	337,433	337,433	356,393	18,960
Entertainment Services Division	-	-	-	-	1,024,935	1,024,935
Total	\$ 21,314,164	\$ 24,450,820	\$ 27,863,209	\$ 27,870,209	\$ 30,751,356	\$ 2,881,147

Staffing Levels

Convention and Cultural Services Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
CCS Administration Division	8.00	8.00	8.00	8.00	9.50	1.50
SAFE CU Conv. & Perf. Arts Dist. Division	89.30	90.05	86.05	86.05	84.05	(2.00)
Crocker Art Museum Division	6.00	5.00	5.00	5.00	5.00	-
History Division	8.20	8.95	8.95	8.95	8.95	-
Sacramento Office of Arts and Culture Division	9.00	9.00	9.00	9.00	8.00	(1.00)
Sacramento Zoo Division	3.00	2.00	2.00	2.00	2.00	-
Entertainment Services Division	-	-	-	-	7.00	7.00
Total	123.50	123.00	119.00	119.00	124.50	5.50

MEASURE U

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

Funding Category	Program Name	FTE	FY2024/25 Proposed
Arts/Creative Edge			
MYOP	Cultural Arts Awards	-	614,000
Operations	Art in Public Places	3.00	-
	Arts Education and Outreach	1.00	114,686
	Creative Economy and Grants	2.00	218,487
	Crocker Art Museum	5.00	-
	Entertainment Services Division	7.00	1,017,935
	History	8.95	1,552,294
	Office of Arts and Culture - Admin	2.00	303,502
Community Investment			
Operations	Sacramento History Museum	-	127,267
Youth			
Operations	Fairytale Town	-	12,245
	Sacramento Zoo	2.00	207,310
Grand Total		30.95	\$ 4,167,726

PERFORMANCE MEASURES

Convention Center Complex Division

Key Measure	FY21	FY22	FY23	FY24	FY25
	Actuals	Actuals	Actuals	Estimate	Target
Total events and performances	0	174	398	402	420
Number of tickets sold	0	119,624	129,766	120,590	123,760

The SAFE Credit Union Convention and Performing Arts District provides both ticketed and non-ticketed events to the public. It is home to local arts groups Broadway Sacramento, Sacramento Ballet, Sacramento Choral Society and Orchestra, Sacramento Philharmonic and Opera and Sacramento Speaker Series. The Performing Arts Center has played host to touring shows such as Wicked, Frozen and Hadestown; concerts such as Bonnie Raitt and John Mellencamp; comedians such as David Spade, Fortune Feimster, and Brett Goldstein; and speakers such as Malala Yousafzi and Dr. Anthony Fauci.

Key Measure	FY21	FY22	FY23	FY24	FY25
	Actuals	Actuals	Actuals	Estimate	Target
Total revenue of in-house vendors	\$0	\$8,218,022	\$15,320,150	\$15,369,600	\$16,681,100

The SAFE Credit Union Convention Center has followed industry best practices in securing contracts with in-house service providers. Currently, the City has contracts with SodexoLive! as the exclusive food and beverage services provider, Encore as the preferred audio-visual services provider and exclusive rigging services provider and Smart City Networks as the exclusive telecommunications service's provider.

Crocker Art Museum Division

Key Measure	FY21	FY22	FY23	FY24	FY25
	Actuals	Actuals	Actuals	Estimate	Target
Attendance	25,000	147,256	187,324	187,000	200,000
Membership	8,500	12,380	12,253	12,250	12,800

The Crocker Art 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. Attendance figures reflect the exhibition and programmatic schedule. The decrease in attendance and membership figures in FY21 are a direct reflection of the museum being closed to the public because of COVID-19.

Center for Sacramento History Division

Key Measure	FY21	FY22	FY23	FY24	FY25
	Actuals	Actuals	Actuals	Estimate	Target
Number of Researcher Interactions (In Person, Online, By Phone)	N/A	N/A	665	700	725
Number of Users Accessing Online Records	40,000	147,962	207,398	218,000	220,000

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 film and photographic 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. CSH responds to research requests virtually, and in-person research. Thanks to the increase in CSH materials and collection guides available online, our public usage continues to increase.

Key Measure	FY21	FY22	FY23	FY24	FY25
	Actuals	Actuals	Actuals	Estimate	Target
Number of items listed in collection's databases	134,000	130,377	132,515	134,000	137,000

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.

FY2024/25 Proposed Budget

Office of Arts and Culture Division

Public Art Program

Key Measure	FY21	FY22	FY23	FY24	FY25
	Actuals	Actuals	Actuals	Estimate	Target
Number of exhibitions produced	10	4	4	4	4
Number of artworks conserved, maintained, or repaired	15	10	10	10	10
Number of public art projects completed (installed)	10	21	2	20	5
Number of permanent public art projects in progress	30	21	21	10	10
Special events, workshops, lectures (New for FY20)	3	15	10	5	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 vary significantly year-to-year based on funding for new construction. Project timelines are generally multi-year and undergo an extensive public process of artist selection, community input, and oversight by Arts Commission staff. Gallery exhibitions are also produced as part of the program. The City and County public art collection includes more than 675 objects. Public artworks that are maintained or conserved year-to-year may vary due to funding and/or project complexity.

Any Given Child Program

Key Measure	FY21	FY22	FY23	FY24	FY25
	Actuals	Actuals	Actuals	Estimate	Target
Number of arts education school assemblies organized	75	14	50	100	125
Number of participants reached through above events	18,000	4,250	17,500	25,000	32,000
Number of professional development events for artists and classroom teachers	12	4	6	8	10
Number of artists and classroom teachers served in professional development	314	83	61	200	240
Number of students served in six- or 10-week residencies	750	1,200	3,710	4,000	4,000

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

Key Measure	FY21	FY22	FY23	FY24	FY25
	Actuals	Actuals	Actuals	Estimate	Target
Number of Cultural Arts Award (CAA) grantees	0	69	64	64	70
CAA grant allocation	0	\$950,000	\$902,164	\$902,164	\$950,000
In Person Attendance	616,938	1,104,523	Not yet available	Not yet available	Not yet available
Digital Attendance	662,704	658,226	Not yet available	Not yet available	Not yet available
Total Expenditures	\$70,095,306	\$95,450,099	Not yet available	Not yet available	Not yet available
Total Paid Positions (FT, PT, Independent Contractors)	1,767	2,671	Not yet available	Not yet available	Not yet available

The Cultural Arts Awards (CAA) grants program offers general operating support for nonprofit arts and cultural organizations. The CAA grant is funded by both the County and City of Sacramento. Data on in-person attendance, digital attendance, total expenditures and total paid positions comes from SMU Data Arts through the Cultural Data Project profile that organizations complete annually. There is a lag in reporting, which is why for some years data is not yet available.

FY2024/25 Proposed Budget

Film and Media

Key Measure	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Estimate	FY25 Target
Number of Permits Issued	70	82	73	90	100
Number of Film Days	175	176	159	275	350
Total Amount of Production Company Spending in Sacramento	\$1,750,000	\$2,735,645	\$2,005,342	\$8,500,000	\$2,750,000
Number of Local Hires	400	729	411	1,800	800
Number of Hotel Nights	400	637	836	5,500	800

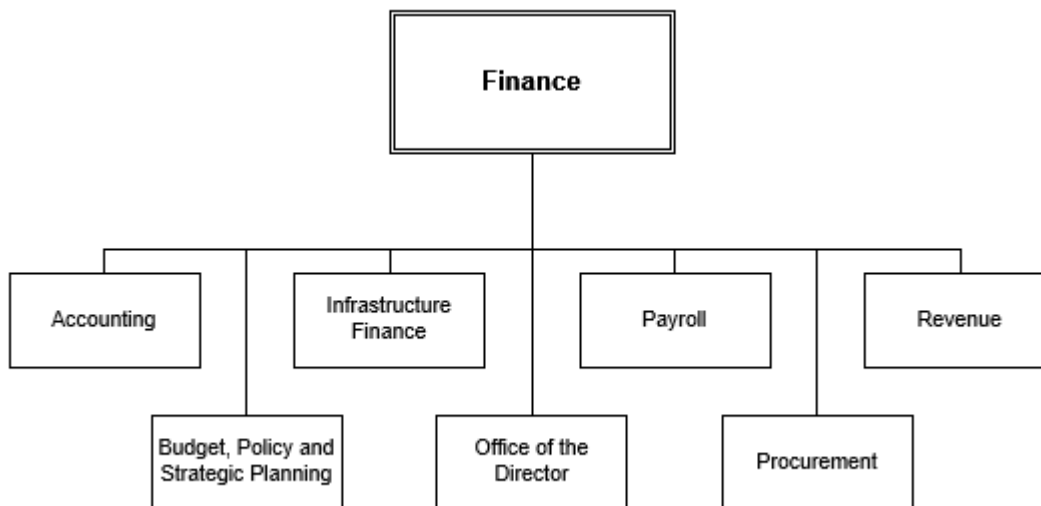
Sacramento Film + Media became part of the City of Sacramento's Office of Arts and Culture in 2019. It carries out film permitting, promotes the City as a filmmaking destination, and serves as a general resource for, and a driver of, film and media industry development in the City of Sacramento. Sacramento 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.

17

SECTION - 17 **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 management of financing plans, assessment districts, tax districts, infrastructure financing 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 SCERS 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.
- Revenue: Responsible for the coordination and collection of citywide citations, fees, permits, and fees and taxes for the administration of the Business Operation Tax (BOT) and special business permit programs for over 22,000 businesses.

PROGRAMS/SERVICE HIGHLIGHTS

- Maintained full functionality and customer service levels, fast turnaround times for purchase order dispatching, and prompt payments to employees and vendors.
- Managed \$57 million of special district revenue to construct and maintain infrastructure, support business districts, and increase tourism within the city.
- 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.
- At the Council's direction, placed a ballot measure for modernization of the City's BOT.
- Successfully updated and implemented a new City-wide cashiering system, which streamlined payment collection processes City-wide and ensured transactions are reported accurately in the City-wide financial system.

DEPARTMENT EFFICIENCIES

- Implementation of an online appointment scheduling application for cashiering appointments and cannabis business tax payments.
- Optimized the use of districts and finance plans to build priority public improvements, fund services, and encourage private investment in the City.

FY2024/25 Proposed Budget

- Streamlined internal procurement processes and procedures using best practices to eliminate redundancies, increase staff effectiveness, and improve transparency.
- Created and distributed a billing and accounts receivable training guide for City staff, resulting in increased efficiency and reduced errors.

OBJECTIVES FOR FY2024/25

- 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 Delta Shores.
- Develop training tools for citywide departments on business operations tax and accounts receivable write off procedures.
- Implement new accounting and financial reporting standards including Governmental Accounting Standards Board (GASB) Statements No. 100 (Accounting Changes and Error Corrections – and amendment of GASB Statement No. 62).
- 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.
- Modernize dated procurement thresholds to lessen administrative workload, institute policies to increase local business participation in City procurements and update the City Code to consolidate procurement rules to increase transparency and public understanding.
- Automate retro pay process in eCAPS HCM to eliminate manual review and process retro pay to employees in a timely manner.
- Conduct a fee study for special business permits managed by the Revenue division to ensure cost recovery.
- Transition from mailing documents such as account statements and invoices to electronic delivery, encouraging sustainability and efficient payment processing.

FY2024/25 Proposed Budget

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Accounting	Increase labor offsets in the Accounting Division for services provided to the Redevelopment Successor Agency (RASA) to account for higher costs.	General	(10,000)	-	-
Accounting	Increase the revenue budget in the Accounting Division by increasing out of date Accounting Services charges to 3rd parties.	General	(35,000)	-	-
Budget Office	Decrease funding related to the budget book contract. This reduction will reduce the number of printed Budget books and Annual Comprehensive Financial Report books.	General	-	(15,000)	-
Infrastructure Finance	Increase reimbursement offsets in the Infrastructure Finance Division to account for the charging of additional approved eligible expenses to bond proceeds.	General	(50,000)	-	-
Infrastructure Finance	Increase reimbursement offsets in the Infrastructure Finance Division to account for the charging of staffing time related to the districts they serve. Match actuals.	General	(30,000)	-	-
Payroll	Decrease funding for mailing checks. The reduction in this expense will result in department contacts picking up on-cycle payroll checks on Tuesday, i.e. the paycheck date.	General	-	(10,000)	-
Procurement	Decrease funding for e-check fees. The Revenue Division is transitioning e-check providers from Authorize.net to Chase. As a result, the City will no longer incur fees related to the transmission of files to Chase. The \$100,000 savings is in Citywide but managed by Finance.	General	-	-	-
Procurement	Increase the revenue budget in the Procurement Division for P-Card Rebates. Adding Dell charges to the p-card program will help create a more efficient payment process and has the potential of generating revenue.	General	(20,406)	-	-
Procurement	Delete a position (1.0 FTE - Program Specialist) and add a new position (1.0 FTE - Program Manager) in the Procurement Division to allow for the department to have the proper staffing needed to oversee projects and duties of other staffing.	General	-	-	-
Revenue	Delete two positions (two 0.45 FTE - Customer Service Representatives) in the Revenue Division. This will result in a lower quality of customer service provided, slower processing times and potential impact to citywide revenues.	General	-	(47,350)	(0.90)
Revenue	Realign and increase revenue budgets in the Revenue Division in order to match with actuals received based on historical data.	General	(94,484)	-	-

FY2024/25 Proposed Budget

BUDGET AND POSITION CHANGES (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Revenue	Increase the revenue budget for late payments penalties in Receivables and Collection. The current late charge fee is \$20 with this change the late fee will be 20% of the balance owed. This change creates more progressive fee structure, and will encourage prompt payment of debts owed to the City.	General	(100,000)	-	-
Revenue	Increase the revenue budget related to several special business permit programs. Many of the permit fees associated with these programs have not been updated since 2007. Since that time, costs to maintain these programs have increased.	General	(100,000)	-	-
Revenue	Decrease funding for mailing of invoices and statements. The Revenue Division will transition to electronic delivery which will reduce the cost of postage and printing services. Additionally, it can potentially speed up payments when documents are delivered electronically.	General	-	(10,000)	-
Total Change \$			(439,890)	\$ (82,350)	(0.90)

Department Budget Summary

Finance Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Proposed	Proposed/Amended
Employee Services	\$ 11,531,915	\$ 12,219,902	\$ 12,353,076	\$ 12,353,076	\$ 13,763,012	\$ 1,409,936
Other Services and Supplies	1,246,829	1,407,754	2,416,870	2,416,870	2,482,016	65,146
City Property	13,548	41,199	44,400	44,400	44,400	-
Multi-Year Operating Projects	-	-	750,000	750,000	2,885,000	2,135,000
Transfers	64,003	61,909	64,003	64,003	64,003	-
Labor and Supply Offset	(1,052,045)	(1,116,172)	(1,211,257)	(1,211,257)	(1,314,101)	(102,844)
Contingency	-	-	(180,035)	(180,035)	-	180,035
Total	\$ 11,804,250	\$ 12,614,592	\$ 14,237,058	\$ 14,237,057	\$ 17,924,330	\$ 3,687,273

Funding Summary by Fund/Special District	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Proposed	Proposed/Amended
General Fund	\$ 7,667,981	\$ 8,224,507	\$ 9,067,363	\$ 9,067,363	\$ 10,315,602	\$ 1,248,239
Interdepartmental Service	2,726,033	2,840,770	2,818,449	2,818,449	2,864,296	45,847
So Natomas Comm Improv	8,742	-	-	-	-	-
So Natomas Facility Benefit	16,353	17,095	-	-	-	-
Innovation and Growth	-	-	(4,463)	(4,463)	175,572	180,035
Power Inn Rd Md 2003-01	3,586	3,565	1,169	1,169	1,179	10
Neighborhood Lighting Dist	10,985	10,869	3,370	3,370	3,455	85
Northside Subdiv Maint Dist	5,318	5,288	1,651	1,651	1,683	32
Subdiv Lndscpng Maint Dist	29,605	28,622	13,827	13,827	14,270	443
Laguna Creek Maint Dist	8,112	8,028	5,862	5,862	6,013	151
12th Street Maint Benefit Area	2,966	2,937	1,693	1,693	1,693	-
Old Sacto Maint Dist	2,870	2,840	3,345	3,345	3,341	(4)
Franklin Blvd PBID	60,298	79,141	-	-	-	-

FY2024/25 Proposed Budget

Department Budget Summary (continued)

Funding Summary by Fund/Special District	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Stockton Blvd BIA	9,330	37,139	-	-	-	-
Oak Park PBID	2,811	2,778	2,741	2,741	2,757	16
Franklin Boulevard PBID	2,769	2,738	2,709	2,709	2,720	11
Del Paso Prop & Business Imprv	2,863	2,828	2,781	2,781	2,804	23
Special District Info/Rpt Sys	4,296	4,336	-	-	-	-
Downtown Management District	3,494	3,450	3,380	3,380	3,418	38
The River District PBID	2,984	2,947	2,879	2,879	2,917	38
N Natomas Transp Mgmt Assoc	45,384	46,381	47,050	47,050	49,137	2,087
Stockton Blvd PBID	6,293	2,779	2,771	2,771	2,792	21
Neighborhood Water Quality Dist	10,532	10,373	4,270	4,270	4,428	158
N Nat Lndscp 99-02	29,234	29,556	20,765	20,764	22,535	1,771
Willow creek Assmnt Md	6,638	6,590	4,080	4,080	4,283	203
Willow creek Lndscpng CFD	5,657	5,733	5,430	5,430	5,645	215
N Natomas Lands CFD 3	54,811	55,672	68,545	68,545	72,136	3,591
Village Garden N.-Mtce Dist #1	7,803	6,663	1,791	1,791	1,880	89
Landscaping and Lighting	344,324	349,857	503,429	503,429	520,361	16,932
Neighborhood Park Maint CFD	45,973	46,996	52,048	52,048	54,883	2,835
Power Inn Area Prop & Business	3,372	3,321	3,194	3,194	3,281	87
Greater Broadway PBID	2,893	2,857	2,839	2,839	2,870	31
Midtown Sacramento PBID	3,685	3,640	3,534	3,534	3,597	63
Del Paso Nuevo Landscaping CFD	3,064	3,086	2,041	2,041	2,057	16
Sutter Business Imprvmt Area	116,079	158,900	200,000	200,000	220,000	20,000
Handle BID No 2011-04	240,210	239,516	230,870	230,870	256,555	25,685
Mack Road PBID	2,787	2,755	2,715	2,715	2,726	11
Sac Tourism Marketing District	130,723	152,197	72,908	72,908	72,908	-
Natomas Crossing CFD 2013-01	476	866	23,576	23,576	2,094	(21,482)
NW Land Park CFD 2013-02	9,796	10,027	5,711	5,711	6,211	500
Township 9 CFD No. 2012-06	9,893	10,143	2,382	2,382	1,751	(631)
Railyards Maint CFD No 2014-04	8,012	8,205	6,539	6,539	5,748	(791)
Parkebridge CFD 2014-07	5,358	9,125	7,238	7,238	5,577	(1,661)
SacMaintCFD2014-04 Annex Areas	13,419	19,300	9,607	9,607	10,855	1,248
SacMaintCFD2014-04 Area 01	10,367	16,820	5,613	5,613	7,775	2,162
Central Midtown Restaurant BID	49,304	70,189	220,233	220,233	244,854	24,621
Curtis Park CFD 2013-03	3,133	3,241	2,039	2,039	2,089	50
16th St PBID	2,719	2,690	2,669	2,669	2,673	4
Sac Services CFD 2018-05	8,664	9,866	7,415	7,415	6,909	(506)
2006 CIRB - Tax Exempt	-	350	-	-	-	-
NNFP Drainage Fee	-	-	325,000	325,000	400,000	75,000
NNFP Public Facilities Fee	-	-	200,000	200,000	150,000	(50,000)
NNFP Transit Fee	-	-	-	-	15,000	15,000
NNFP Public Land Acquisition Fee	-	-	50,000	50,000	90,000	40,000
NNFP Reg Park Land Acquisition	-	-	-	-	15,000	15,000
Downtown Impact Fee	-	-	100,000	100,000	50,000	(50,000)
Railyards Impact Fee	-	-	50,000	50,000	25,000	(25,000)
River District Impact Fee	-	-	25,000	25,000	125,000	100,000
65th Street Area Impact Fee	-	-	-	-	15,000	15,000
Greenbriar Impact Fee	13,252	8,021	-	-	-	-
Delta Shores PF Impact Fee	-	-	-	-	2,000,000	2,000,000
Cty/Cnty Office-Water Planning	39,000	39,000	39,000	39,000	39,000	-
Total	\$ 11,804,250	\$ 12,614,592	\$ 14,237,058	\$ 14,237,057	\$ 17,924,330	\$ 3,687,273

FY2024/25 Proposed Budget

Division Budget Summary

Finance Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Accounting Division	\$ 2,872,114	\$ 2,863,661	\$ 3,183,832	\$ 3,183,831	\$ 3,476,940	\$ 293,109
Budget Office Division	1,503,826	1,559,451	1,563,690	1,563,690	1,663,426	99,736
Office of the Director	781,589	513,592	666,972	666,972	758,000	91,028
Revenue Division	3,197,761	3,717,658	4,185,176	4,185,176	4,672,060	486,884
Payroll Division	1,206,596	1,305,910	1,268,347	1,268,347	1,367,394	99,047
Procurement Division	986,552	1,060,346	1,216,133	1,216,133	1,350,226	134,093
Infrastructure Finance Division	1,255,811	1,593,975	2,152,908	2,152,908	4,636,284	2,483,376
Total	\$ 11,804,250	\$ 12,614,592	\$ 14,237,058	\$ 14,237,057	\$ 17,924,330	\$ 3,687,273

Staffing Levels

Finance Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	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	8.00	8.00	7.00	7.00	7.00	-
Office of the Director	3.00	3.00	3.00	3.00	3.00	-
Revenue Division	40.00	40.90	40.90	40.90	40.00	(0.90)
Payroll Division	8.00	9.00	9.00	9.00	9.00	-
Procurement Division	7.00	7.00	8.00	8.00	8.00	-
Infrastructure Finance Division	6.00	6.00	7.00	7.00	7.00	-
Total	92.00	93.90	94.90	94.90	94.00	(0.90)

PERFORMANCE MEASURES

Accounting Division

Key Measure	FY21	FY22	FY23	FY24	FY25
	Actuals	Actuals	Actuals	Estimate	Target
Percent of vendors paid within 30 days	83%	82%	81%	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	\$114,597	\$82,365	\$112,162	80,000	100,000
"Prompt Payment" discounts lost	\$20,044	\$39,788	\$18,789	30,000	10,000
Percent of discounts taken	89%	69%	88%	73%	90%

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	FY21	FY22	FY23	FY24	FY25
	Actuals	Actuals	Actuals	Estimate	Target
Obtain unmodified audit opinion on Annual Comprehensive Financial Report	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.

FY2024/25 Proposed Budget

Procurement Division

Key Measure	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Estimate	FY25 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 issue of purchase orders is critical to fulfilling the purchasing needs of the City's departments for program and service delivery. In an effort to drive towards the FY17 target, Procurement is identifying the contributors who delay. In the early stages of analysis, most are due to incomplete information submitted by the requestor. To improve the performance, the following steps are in process: improve communication of requirements to the requestor, document the process, and provide documentation, and require consistent location of required information in the requisition.

Revenue Division

Key Measure	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Estimate	FY25 Target
Percent of delinquent receivables collected	50%	50%	50%	50%	50%

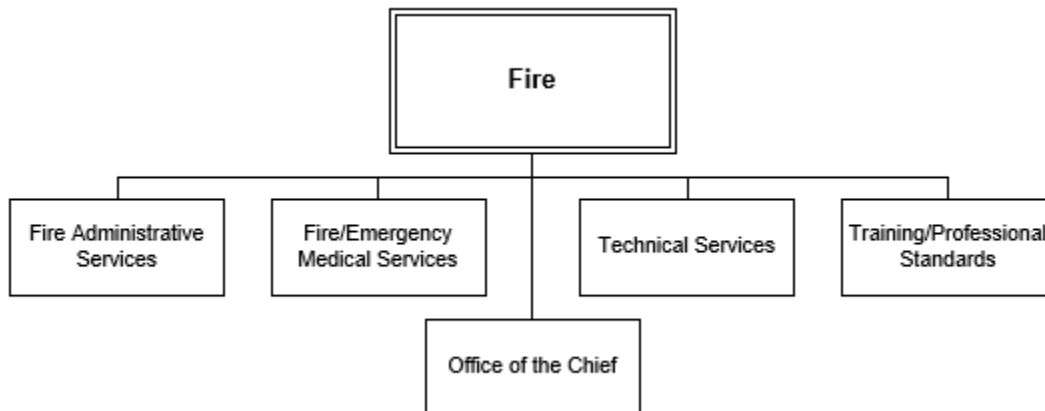
Collection of revenues associated with the provision of specific programs and services reflects prudent financial management and is necessary to achieve the resources included in the City's annual budget. Invoices unpaid for 30 days or longer are considered delinquent. Collection efforts on delinquent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

18

SECTION - 18 **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 the 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 structural collapse), 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, and 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

- The Sacramento Fire Department (SFD) ran 109,507 incidents, a .25% increase in call volume. Over the last five years, the department has experienced a 12.3% increase. The Sacramento Fire Department EMS Division totaled 71,275 incidents in 2023.
- We are keeping the public informed on multiple media platforms, including local media outlets, being responsive to media inquiries and keeping the public informed of emergencies and events within our community.
- Investigated 433 Fires where 42% percent of fires investigated were incendiary in nature, leading to a 28 percent arrest rate.
- Implementation of Image Trend software – Computer-based software to replace our aging Records Management System.
- Through partnership and support from community-based organizations, neighborhood leaders, and organizations, SFD applied for and will receive \$1.27 million in grant funds from the California Employment Development Department.

DEPARTMENT EFFICIENCIES

- The EMS Division consistently fulfills federal, state, and county requirements for reporting, training, education, incident review, and infection control.
- We have collaborated with our regional EMS partners to develop a strategy for managing EMS-related incidents based on urgency and severity.
- The EMS Division implemented the City-wide Telehealth program.
- Continue to collaborate with the fleet division to ensure the management of the fire equipment replacement cycle. At the same time, addressing supply chain and vehicle parts issues.
- Selected and hired a new Health & Well Coordinator to provide ongoing preventative program design and Return-to-Work (RTW) programming for the members of Sacramento Fire.

FY2024/25 Proposed Budget

- The SFD Continues to recruit community members for EMT, while we also have an upgrade program for current EMT's to Paramedic. This upgrade program helps make our program more diverse as well.
- The SFD continues to work closely with the Regional Fire Diversity Advisory Board to establish new methods to connect with community members who have never explored a career in the fire service.
- The SFD chairs the Regional Fire Diversity Advisory Board and continues to develop relationships with learning institutions, community-based organizations, and veterans who may not have traditionally thought of the fire service as a career.

OBJECTIVES FOR FY2024/25

- Implementation of the Fire Service Paramedic and Fire Service EMT Program.
- Explore opportunities to modernize our service delivery and replace aging assets within the divisions.
- Expand the scope of work and staffing of the Health and Wellness Coordinator to provide therapeutic interventions, preventative maintenance & limit workers compensation impacts and loss of duty time.
- Work closely with the Regional Fire Diversity Advisory Board to establish new methods to connect with women who have never explored a career in the fire service.
- Continue to work towards establishing a greater connection with our community-based organizations (CBOs), neighborhood leaders, and organizations to fortify the department with new members from our community interested in a public safety career.
- Continued evaluations of all divisions to determine cost-effective measures to provide good community service.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Emergency Medical Response	Increase revenue and expenditure budget for Fire Emergency Medical Services Division to provide additional ambulance response to the residents of the City through a Public/Private ambulance service contract.	General	(5,500,000)	2,750,000	-
Emergency Medical Response	Increase revenue and expenditure budget for Fire Emergency Medical Services Division to better align revenue and expenditures related to the Plan Provider- Ground Emergency Medical Transport Program (PP-GEMT).	General	(10,000,000)	7,000,000	-
Emergency Medical Response	Utilize the Intergovernmental Transfer Commitment of the General Fund balance to offset six (6) months of labor costs associated with 20.0 FTEs (Sacramento Fire EMT) and 20.0 FTEs (Sacramento Fire Paramedic).	General	(2,322,370)	-	-
Fire Suppression	Increase revenues in the Fire Operations division to better align with actual revenues received in prior years.	General	(900,000)	-	-
Total Change			\$(18,722,370)	\$ 9,750,000	-

FY2024/25 Proposed Budget

Department Budget Summary

Fire Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Proposed	Proposed/Amended
Employee Services	\$ 157,986,266	\$ 168,531,220	\$ 171,455,613	\$ 171,455,613	\$ 187,449,706	\$ 15,994,093
Other Services and Supplies	20,236,451	20,304,862	18,975,503	19,525,503	31,248,463	11,722,960
City Property	474,858	691,349	522,038	522,038	522,038	-
Multi-Year Operating Projects	70,943	4,270	1,664,500	-	1,286,444	1,286,444
Transfers	22,984	(11,733)	-	-	-	-
Labor and Supply Offset	(48,167,385)	(484,008)	(698,277)	(698,277)	(697,636)	641
Total	\$ 130,624,118	\$ 189,035,960	\$ 191,919,377	\$ 190,804,877	\$ 219,809,015	\$ 29,004,138

Funding Summary by Fund/Special District	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Proposed	Proposed/Amended
General Fund	\$ 122,209,256	\$ 179,549,979	\$ 181,296,184	\$ 180,181,684	\$ 208,978,744	\$ 28,797,060
Measure U	7,914,862	8,985,980	10,123,193	10,123,193	10,330,271	207,078
Risk Mgmt	500,000	500,000	500,000	500,000	500,000	-
Total	\$ 130,624,118	\$ 189,035,960	\$ 191,919,377	\$ 190,804,877	\$ 219,809,015	\$ 29,004,138

Division Budget Summary

Fire Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Proposed	Proposed/Amended
Office of the Fire Chief Division	\$ 797,846	\$ 1,363,544	\$ 870,936	\$ 870,936	\$ 900,901	\$ 29,965
Fire Ops/EMS Division	101,549,261	151,922,655	153,559,102	153,181,102	178,585,889	25,404,787
Training/Professional Standards Division	5,183,153	9,027,268	9,178,888	9,178,888	9,767,854	588,966
Tech Services Division	21,719,024	24,797,668	26,362,353	25,625,853	28,395,461	2,769,608
Fire Administrative Services Division	1,374,834	1,924,825	1,948,098	1,948,098	2,158,910	210,812
Total	\$ 130,624,118	\$ 189,035,960	\$ 191,919,377	\$ 190,804,877	\$ 219,809,015	\$ 29,004,138

Staffing Levels

Fire Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Proposed	Proposed/Amended
Office of the Fire Chief Division	3.00	3.00	3.00	3.00	3.00	-
Fire Ops/EMS Division	614.00	615.00	644.00	644.00	644.00	-
Training/Professional Standards Division	35.50	45.50	45.50	45.50	45.50	-
Tech Services Division	51.00	52.00	54.00	54.00	54.00	-
Fire Administrative Services Division	14.00	14.00	14.00	14.00	14.00	-
Total	717.50	729.50	760.50	760.50	760.50	-

MEASURE U

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

Funding Category	Program Name	FTE	FY2024/25 Proposed
Public Safety - Fire Operations	Diversity/Outreach/Recruitment	18.00	3,961,314
	Fire Suppression	-	6,368,957
Grand Total		18.00	\$ 10,330,271

PERFORMANCE MEASURES

Emergency Operations Division

Key Measure	FY21	FY22	FY23	FY24	FY25
	Actuals	Actuals	Actuals	Estimate	Target
Average Response Time	5 minutes 30 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	FY21	FY22	FY23	FY24	FY25
	Actuals	Actuals	Actuals	Estimate	Target
Unit Hour Utilization (UHU)	0.45	0.50	0.45	0.45	0.53

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 amount of hours the medic units are available. For example, a UHU of 0.50 indicates that a unit was utilized 50 percent of the total amount of time available throughout the year. A high UHU means lower availability for calls. Poor availability can negatively affect response times.

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

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

The Fire Department's goal over the next two years is to lower its ambulance UHU to an acceptable level while maximizing efficiency and capturing lost revenue. This will be accomplished by revamping the current emergency medical services (EMS) deployment model and adding needed resources. 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	FY21	FY22	FY23	FY24	FY25
	Actuals	Actuals	Actuals	Estimate	Target
Percent of fire plan reviews completed on time	95%	96.61%	97.44%	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 percent. 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	FY21	FY22	FY23	FY24	FY25
	Actuals	Actuals	Actuals	Estimate	Target
Development Services Fire Inspect conducted	9,800	9,550	6,316	8,000	8,500

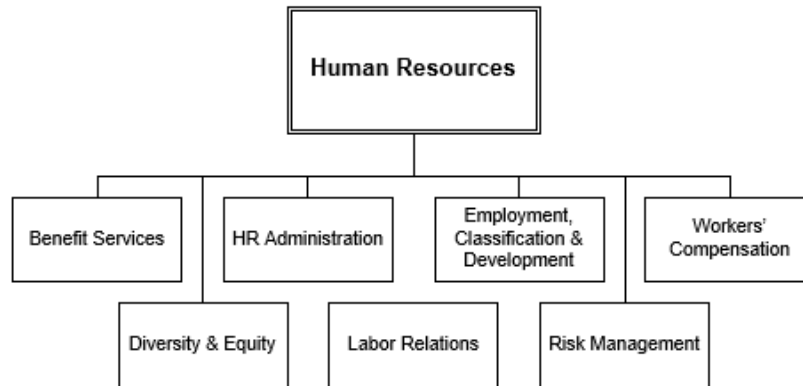
Fire Prevention conducts annual permit inspections as mandated by local and state code. These inspections are estimated to increase over the next year due to the number of new buildings constructed that will require annual fire permits. Due to a shift of personnel to work on development services inspections,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

19

SECTION - 19 **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.

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

PROGRAMS/SERVICE HIGHLIGHTS

- Continued to manage the citywide classification and compensation study to update job descriptions and evaluate compensation.
- Updated Workplace Violence Policy to comply with the Cal/OSHA general industry requirement for employers to establish and implement a Workplace Violence Prevention program and updated the Emergency Action Plans for various City facilities/sites for current protocols for responding to emergencies.
- Workers' Compensation underwent a Review and Audit conducted by the City's excess insurance provider, PRISM. The auditors concluded that the City's self-administered program achieved an overall performance score that "Exceeds Expectations."
- The Department of Workers' Compensation of the Division of Industrial Relations conducted a five-year regulatory compliance audit with the City achieving an exceptionally low passing score (the lower score the better) of 0.30443 for the Profile Audit Review Performance Rating.
- Labor Relations completed labor contract negotiations with all recognized employee organizations.

DEPARTMENT EFFICIENCIES

- Further streamlined the personnel transaction approval process by implementing additional Personnel Action Request submission options and ePARs actions.
- Implemented changes to the job application screening process for minimum qualifications removing barriers for applicants during the recruitment process.
- Implemented the mandatory implicit bias training helping interview panel members recognize and address personal, hidden biases that may interfere with hiring decisions and can potentially lead to illegal, discriminatory behavior.
- Established a comprehensive training matrix identifying specific health and safety trainings required for all classifications enabling mandatory trainings to be quickly assigned for completion.

FY2024/25 Proposed Budget

- Developed a matrix supplementing the recently updated Driver Training Plan to clearly categorize all job classifications into specific groups and identify training requirements.

OBJECTIVES FOR FY2024/25

- 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.
- Design and implement a citywide on-boarding process to engage candidates from time of offer to time of hire to improve the City's reputation as a preferred employer.
- Expand outreach and pipeline efforts to attract and retain employees reflective of the community we serve.
- Complete audit of employee and retiree enrollments in City vision plans.
- Replace two training vehicles and two golf carts to maintain the fleets within the Emergency Vehicle Operations Center training program. Replacement of these vehicles is needed due to increasing maintenance costs. The vehicles are used for behind-the wheel training and the golf carts are used to safely transport staff and participants around the training grounds.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Workers' Compensation	Add 1 position (1.0 FTE - Program Specialist) and delete 1 position (1.0 FTE - Program Manager) for management of the Leave Administration program.	Workers' Compensation	-	-	-
Risk Management	Increase funding for citywide medical services - Employee Assistance Program (EAP).	Risk	-	120,000	-
Risk Management	Replace two vehicles for the Sacramento Driver Training Facility to provide behind the wheel training to city staff. Offset with program revenue.	Risk	(170,000)	170,000	-
Risk Management	Replace two golf carts for instructors to transport participants at the Sacramento Driver Training Facility. Offset with program revenue.	Risk	(25,000)	25,000	-
Risk Management & Workers' Compensation	Decrease funding for the credit card fees to eliminate City subsidies of merchant fees for credit card payments and pass those costs onto users.	Various	-	(11,797)	-
Total Change \$			(195,000)	\$ 303,203	-

FY2024/25 Proposed Budget

Department Budget Summary

Human Resources Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Proposed	Proposed/Amended
Employee Services	\$ 10,827,246	\$ 11,535,813	\$ 12,648,583	\$ 12,648,583	\$ 13,686,828	\$ 1,038,245
Other Services and Supplies	43,999,886	63,501,837	52,104,850	52,600,850	61,274,543	8,673,693
City Property	36,321	67,296	43,200	43,200	43,200	-
Multi-Year Operating Projects	-	-	235,810	102,250	182,250	80,000
Transfers	(68,807)	(82,847)	-	-	-	-
Labor and Supply Offset	5,833,167	3,398,354	1,432,937	1,432,937	1,863,295	430,358
Total	\$ 60,627,813	\$ 78,420,453	\$ 66,465,380	\$ 66,827,820	\$ 77,050,116	\$ 10,222,296

Funding Summary by Fund/Special District	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Proposed	Proposed/Amended
General Fund	\$ 4,090,961	\$ 4,219,935	\$ 5,126,898	\$ 5,126,898	\$ 5,644,088	\$ 517,190
Interdepartmental Service	1,673,537	1,725,737	1,664,044	1,664,044	1,763,967	99,923
Measure U	-	499,655	456,853	456,853	503,266	46,413
Marina	-	-	4,811	4,811	4,000	(811)
Parking	-	-	4,811	4,811	4,000	(811)
Water	57,700	-	-	-	-	-
Wastewater	18,585	-	-	-	-	-
Recycling and Solid Waste	117,545	150,087	152,226	152,226	168,606	16,380
Storm Drainage	45,189	-	-	-	-	-
Fleet Management	59,614	59,614	14,433	14,433	16,000	1,567
Risk Mgmt	40,623,117	25,969,628	42,480,421	42,346,861	50,031,825	7,684,964
Worker's Compensation Fund	13,941,565	45,795,797	16,560,883	17,056,883	18,914,364	1,857,481
Total	\$ 60,627,813	\$ 78,420,453	\$ 66,465,380	\$ 66,827,820	\$ 77,050,116	\$ 10,222,296

Division Budget Summary

Human Resources Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Proposed	Proposed/Amended
HR Administration Division	\$ 1,645,888	\$ 1,619,354	\$ 2,139,897	\$ 2,139,897	\$ 2,338,984	\$ 199,087
Benefit Services Division	1,165,041	1,214,386	1,205,582	1,205,582	1,300,510	94,928
Employment, Classification and Development Division	1,758,658	1,918,039	2,050,864	2,050,864	2,200,337	149,473
Risk Management Administration Division	51,382,963	68,596,996	55,573,571	55,936,011	65,132,457	9,196,446
Workers' Compensation Division	2,958,229	2,855,472	3,183,891	3,183,891	3,520,055	336,164
Labor Relations Division	1,717,034	1,716,481	1,854,722	1,854,722	2,054,507	199,785
Office of Diversity and Equity Division	-	499,725	456,853	456,853	503,266	46,413
Total	\$ 60,627,813	\$ 78,420,453	\$ 66,465,380	\$ 66,827,820	\$ 77,050,116	\$ 10,222,296

Staffing Levels

Human Resources Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Proposed	Proposed/Amended
HR Administration Division	9.00	9.00	9.00	9.00	9.00	-
Benefit Services Division	9.00	9.00	9.00	9.00	9.00	-
Employment, Classification and Development 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	11.00	11.00	11.00	11.00	-
Office of Diversity and Equity Division	-	3.00	3.00	3.00	3.00	-
Total	79.00	83.00	83.00	83.00	83.00	-

MEASURE U

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

Funding Category	Program Name	FTE	FY2024/25 Proposed
Inclusive Economic Development			
Operations	Office of Diversity and Equity	3.00	503,266
Grand Total		3.00	\$ 503,266

PERFORMANCE MEASURES

HR Administration Division

Key Measure	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Estimate	FY25 Target
Percentage of EEO and ADA complaints resolved without resulting in cause and/or monetary settlements	71%	57%	67	70%	65%

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.

Labor Relations Division

Key Measure	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Estimate	FY25 Target
Percentage of grievances that come to the Department and are resolved internally	90%	66%	78%	0%	50%

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

Risk Management Administration Division

Key Measure	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Estimate	FY25 Target
Maintain number of City-owned vehicle related claims filed against the City to under 120.	128	145	132	132	132

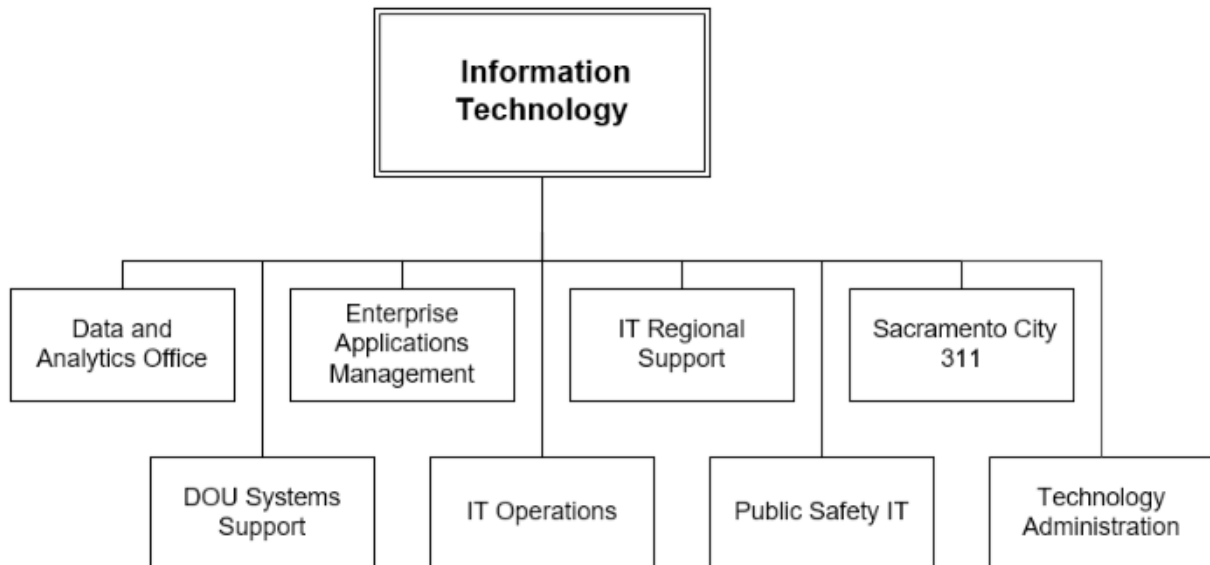
One of the most significant risks of injury to Sacramento citizens and employees is vehicle accidents. With the support of City leadership and effective driver training through the Sacramento Regional Driver Training Facility, the number of City-owned vehicle liability claims have been reduced even as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

20

SECTION - 20 **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 eight areas:

- **Data and Analytics Office:** Responsible for developing a citywide data strategy and governance plan, creating departmental data-driven decision-making processes, providing Business Intelligence analytics and dashboards, and creating an AI strategy.
- **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 all City business, and Public Safety functions.

FY2024/25 Proposed Budget

- IT Regional Support: Responsible for end-user device management, IT Service Desk operations, and end-user technical training.
- Public Safety Information Technology: Responsible for applications development and IT 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.
- Technology Administration: Responsible for strategic planning, fiscal, human capital resources, and administrative management of the Department.

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 2023, 311 answered over 314,000 phone calls of which 45,000 were handled by our virtual agent without any human interaction. 311 also processed a total 504,500 requests which originated through phone, web, mobile app, and email. Among the many challenges the City faced, the 311 team was able to accomplish this important work while working remotely.
- Launched the redesigned City of Sacramento public website to better engage with citizens and fulfill our commitment to digital service and transparency. The new website is designed to provide visitors with an enhanced user experience, mobile-friendly design, improved search capabilities, topic-based navigation, and a fresh, modern look. We have enhanced compliance with the Americans with Disabilities Act and made it easier for visitors to find the information they need. As part of the website launch, we included a domain name change from www.cityofsacramento.org to www.cityofsacramento.gov, with a goal to improve security, credibility, search engine optimization and branding.

DEPARTMENT EFFICIENCIES

- Enhanced the 311 Natural Language Interactive Voice Recognition (IVR) system to autonomously handle complex calls from citizens. Artificial Intelligence feature enables callers to receive services without waiting to speak with a 311 agent. The system efficiently addresses hundreds of daily calls, such as external agency transfers, and schedules junk and appliance pickups. This allows the IVR system to efficiently handle routine tasks, freeing up 311 agents to focus on more complex requests that require human intervention.

FY2024/25 Proposed Budget

- Upgraded the City's Cashiering System from an outdated point-of-sale system to a state-of-the-art cloud-based cashiering solution that accepts payment from a wide range of services, programs, fees, and charges. The new enterprise revenue and cashiering system seamlessly integrates with the City's critical enterprise applications, including the Accela Permitting System, Customer Care and Billing, Business Operation Tax System, and Finance System. This integration enables streamlined automation and enhanced efficiency across different processes.
- Implemented a citywide grants management system to obtain a more comprehensive understanding of grant funding distributed to individuals and organizations within the community, contributing to the advancement of the quality of life for the Sacramento residents. The new system will administer the end-to-end lifecycle of all City grants, both awarded and received, aiming to improve business efficiencies and more effectively manage grants on a citywide scale.
- IT continues to digitize various departmental business processes by incorporating electronic forms, online payments, digital signatures, and business process automation. These initiatives expand digital service delivery, optimize city business processes, enhance user interfaces, and ensure citizens can access essential services remotely. A few examples of initiatives include accepting electronic submittals for planning and building permit requests and establishing electronic approval workflows for purchase requests, badge access, and procurement cards.
- Automated and streamlined internal administrative processes such as the Personnel Action Request (PAR) process used for staff hire and re-hire actions, pay changes, separations, promotions, and transfers. These new online based processes resulted in increased productivity, more accurate information, and improved transparency.
- Expand the use of multi-factor authentication technology on enterprise applications across the organization to reduce the risk of security vulnerabilities and improve the user experience. Single Sign-On simplifies user authentication by allowing users to access multiple applications and services with just one set of credentials, enhancing convenience, productivity, and higher user satisfaction.

OBJECTIVES FOR FY2024/25

- Modernize the Information Technology job classifications and organizational structure under the Citywide Classification Study to reflect the critical work the department performs.
- Implement Customer 360 to enhance the delivery of 311 service requests, improve citizen satisfaction, and streamline business operations. This involves streamlining business processes and workflows to improve overall efficiency in service delivery, integrating data from various internal systems with the 311 systems. The goal is to provide citizens with a clear view of their interactions throughout the service request lifecycle, aiming to improve transparency.

FY2024/25 Proposed Budget

- Enhance and expand the 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.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Technology Administration	Discontinue the Digital Equity Response Program. Eliminating this program will remove the necessary digital resources many households and individuals in Sacramento need for normal access to services and healthcare resources.	Measure U	-	(200,000)	-
Citywide IT Systems	Discontinue the Fiber Optic Infrastructure Program. Eliminating this program will cease to provide the resources needed to maintain and expand the fiber optic infrastructure that is needed to connect remote facilities and industrial assets.	General	-	(200,000)	-
Technology Administration	Discontinue the Student Internship Training Program. Eliminating this program will remove the necessary support needed to accomplish routine tasks that help the department operate more efficiently.	Measure U	-	(120,000)	-
Technology Administration	Delete 1 position (1.0 FTE - Administrative Analyst) in the Technology Administration Division. By eliminating this position, the department will not be able to address inadequacies in providing ongoing support for the software asset management (SAM) program that includes administrative oversight, business analysis, statistical and narrative reporting, and general correspondence.	General	-	(119,578)	(1.00)
IT Regional Support	Delete 2 positions (1.0 FTE - IT Support Specialist I; and 1.0 FTE - IT Support Specialist II) in the IT Regional Support Division. By eliminating these positions, the reduction in service is anticipated to lead to a 10% increase in the time taken for both incident resolution and request fulfillment. Such delays are likely to adversely affect the productivity and overall performance of departments that are reliant on timely incident resolution or request fulfillment.	General	-	(243,172)	(2.00)
Enterprise Applications	Delete 1 position (1.0 FTE - Senior Applications Developer) in the Enterprise Applications Division. The elimination of this position will negatively impact the department's ability to properly maintain and enhance the City's finance and personnel system. This will have a negative impact on business operations and would necessitate manual processes to perform critical business functions.	General	-	(152,941)	(1.00)
Citywide GIS Support	Delete 2 positions (2.0 FTE - GIS Specialist I) in the Citywide GIS Support Division. Eliminating these positions will result in inefficiencies in providing GIS services to internal and external customers related to various services under the Community Development and Public Works Departments.	General	-	(293,775)	(2.00)
Technology Administration	Increase one-time funding to support the information technology training requirements. These resources are necessary for providing continued professional development to ensure staff are trained and prepared to support the City's technical environment and critical business systems. Offset with a transfer from the Digital Strategy Project (A07000700).	General	(250,000)	250,000	-
Citywide IT Maintenance & Support	Increase ongoing funding to support the rising software and hardware maintenance cost that is necessary to support the City's enterprise business systems and technical environment. Software and hardware maintenance provide the latest patches and updates to ensure our systems operate at peak capacity and protect against cyber-attacks, data breaches, and other harmful activities.	General	-	933,394	-
PD Systems Support	Increase one-time funding to replace and migrate the legacy Police Department Human Resource Information System to the City's Finance and Human Resources System (eCAPS). Migrating the legacy system to eCAPS will automate business processes, provide transparency, increase efficiency, and reduce costs. Offset with a transfer from the Digital Strategy Project (A07000700).	General	(350,000)	350,000	-

FY2024/25 Proposed Budget

BUDGET AND POSITION CHANGES (cont.)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
IT Operations	Increase one-time funding to upgrade the core network infrastructure needed to support the City's Data Center Cloud and public safety systems. This initiative will consolidate our physical IT environments and streamline the technical support operations resulting in reduced overall cost to the City. Offset with a transfer from the Digital Strategy Project (A07000700, \$108,889) and Enterprise Funds (\$41,111).	Various*	(150,000)	150,000	-
Citywide IT Systems	Increase one-time funding to create a comprehensive IT Disaster Recovery and Business Continuity Plan. The plan will consolidate data backup solutions using industry best practices and will include a business continuity strategy for backups, restoration, and redundancies for supporting enterprise applications and infrastructure systems. Offset with a transfer from the Digital Strategy Project (A07000700).	General	(68,000)	68,000	-
Citywide IT Maintenance & Support	Increase one-time funding to renew the City's WiFi license that support 265 wireless access points throughout the city. The wireless access points provide staff with secure wireless access to the city's internet, business systems, and data. Additionally, guest Wifi access will be renewed at the Council Chambers, public counters, and other city facilities that will provide wireless internet services for city customers and guests. Offset with a transfer from the Digital Strategy Project (A07000700).	General	(65,000)	65,000	-
IT Operations	Increase one-time funding to replace the legacy citywide document management system (CCM) with a cloud-based solution. The CCM is the City's primary document and records repository that integrates with enterprise business systems. Replacing the onsite CCM with a cloud solution will result in increased efficiency, accessibility, security, and compliance, ultimately contributing to transparency and cost-effectiveness. Offset with a transfer from the Digital Strategy Project (A07000700, \$660,593) and Enterprise Funds (\$249,407).	Various*	(910,000)	910,000	-
Citywide IT Maintenance & Support	Increase ongoing funding for the annual cloud-based software subscription and maintenance for the citywide document management system (CCM).	General	-	125,000	-
IT Operations	Increase one-time funding to renew the city's firewalls appliances, software support and subscription. Firewalls are an essential IT infrastructure component and first line of defense in providing network security to protect the City's critical systems and sensitive data from unauthorized access. Offset with a transfer from the Digital Strategy Project (A07000700, \$725,928) and Enterprise Funds (\$274,072).	Various*	(1,000,000)	1,000,000	-
Total Change			\$ (2,793,000)	\$ 2,521,928	(6.00)

* Various Funds include General, Parking, Water, Wastewater, Solid Waste, Community Center, and Storm Drainage. A full breakdown of the fee increases is listed in the Budget Modification section.

Department Budget Summary

Information Technology Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Proposed	Proposed/Amended
Employee Services	\$ 26,615,158	\$ 29,325,537	\$ 32,189,153	\$ 32,189,153	\$ 34,240,456	\$ 2,051,303
Other Services and Supplies	1,235,156	3,254,048	1,574,895	1,474,895	2,294,813	819,918
City Property	(516,933)	(570,376)	369,195	369,195	369,195	-
Multi-Year Operating Projects	-	-	460,000	460,000	318,000	(142,000)
Transfers	(866,994)	(894,834)	(814,870)	(814,870)	(793,076)	21,794
Labor and Supply Offset	(664,917)	(812,907)	(856,786)	(856,786)	(925,934)	(69,148)
Total	\$ 25,801,469	\$ 30,301,469	\$ 32,921,587	\$ 32,821,587	\$ 35,503,454	\$ 2,681,867

Funding Summary by Fund/Special District	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Proposed	Proposed/Amended
General Fund	\$ 14,147,930	\$ 18,643,125	\$ 21,087,108	\$ 20,987,108	\$ 21,343,821	\$ 356,713
Interdepartmental Service	9,368,683	9,240,302	9,049,522	9,049,522	6,466,909	(2,582,613)
Gas Tax 2016	131,471	163,957	151,414	151,414	188,806	37,392
Measure U	489,277	518,773	709,218	709,218	431,819	(277,399)
START	5,000	5,000	5,000	5,000	5,000	-
Parking	14,000	18,414	17,224	17,224	20,039	2,815
Water	167,311	151,299	210,937	210,937	1,902,449	1,691,512
Wastewater	65,995	62,435	76,878	76,878	1,161,888	1,085,010
Recycling and Solid Waste	1,184,222	1,236,111	1,370,529	1,370,529	2,561,131	1,190,602
Storm Drainage	53,798	82,511	47,756	47,756	1,210,291	1,162,535
4th R Program	16,000	16,000	16,000	16,000	16,000	-
Worker's Compensation Fund	157,782	163,541	180,001	180,001	195,301	15,300
Total	\$ 25,801,469	\$ 30,301,469	\$ 32,921,587	\$ 32,821,587	\$ 35,503,454	\$ 2,681,867

FY2024/25 Proposed Budget

Division Budget Summary

Information Technology Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Citywide GIS Support Division	-	\$ 1,780,237	\$ 2,143,806	\$ 2,143,806	\$ 2,049,563	\$ (94,243)
Data and Analytics Office Division	-	-	-	-	949,248	949,248
DOU Systems Support Division	3,831,630	4,245,422	4,662,925	4,662,925	5,030,709	367,784
Enterprise Applications Management Division	5,292,393	4,120,618	4,869,048	4,869,048	5,540,381	671,333
IT Regional Support Division	2,652,450	2,783,367	2,877,276	2,877,276	2,611,030	(266,246)
Technology Administration Division	1,486,121	3,514,283	3,206,272	3,328,042	3,929,965	601,923
Public Safety IT Division	4,302,089	4,636,419	5,224,697	5,291,897	5,419,433	127,536
Sacramento City 311 Division	3,476,170	3,774,874	4,003,172	4,003,172	4,498,417	495,245
IT Operations Division	4,760,617	5,446,248	5,834,391	5,645,421	5,474,708	(170,713)
Citywide Support Division	-	-	100,000	-	-	-
Total	\$ 25,801,469	\$ 30,301,469	\$ 32,921,587	\$ 32,821,587	\$ 35,503,454	\$ 2,681,867

Staffing Levels

Information Technology Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Citywide GIS Support Division	-	13.00	13.00	13.00	11.00	(2.00)
Data and Analytics Office Division	-	-	-	-	5.00	5.00
DOU Systems Support Division	27.00	27.00	27.00	27.00	27.00	-
Enterprise Applications Management Division	45.00	33.00	36.00	36.00	37.00	1.00
IT Regional Support Division	20.00	20.00	21.00	22.00	16.00	(6.00)
Technology Administration Division	7.00	7.00	8.00	7.00	7.00	-
Public Safety IT Division	30.00	31.00	32.00	32.00	31.00	(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	27.00	(3.00)
Total	200.50	202.50	208.50	208.50	202.50	(6.00)

MEASURE U

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

Funding Category	Program Name	FTE	FY2024/25 Proposed
Community Response			
Operations	Sacramento City 311	-	358,372
Miscellaneous			
Operations	IT Regional Support	-	35,000
	PD Systems Support	-	38,447
Grand Total		-	\$ 431,819

PERFORMANCE MEASURES

IT 311 Division

Key Measure	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Estimate	FY25 Target
Percent of 311 calls that are answered	84%	73%	73.9%	75%	80%

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

FY2024/25 Proposed Budget

IT Regional Support Division

Key Measure	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Estimate	FY25 Target
Respondents rating the quality of IT service as good or excellent	98.3%	99%	98.28%	98%	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

Key Measure	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Estimate	FY25 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.

Key Measure	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Estimate	FY25 Target
Enterprise database system available	99.9%	99.9%	99.9%	99.9%	99.9%

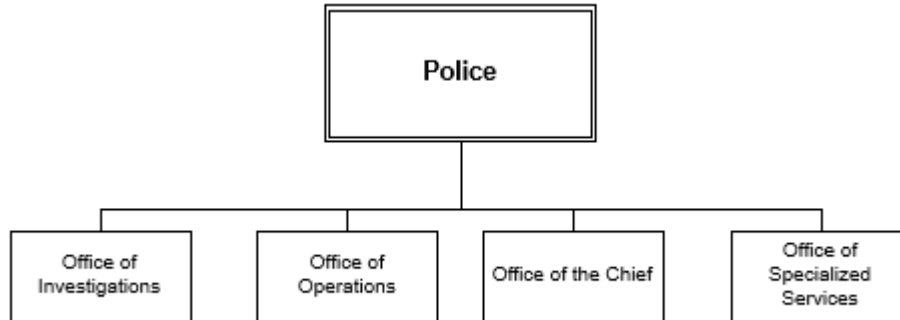
The IT Operations Division manages and maintains a wide variety of data and systems that house critical mission information for City business systems. The performance measure tracks the system uptime/availability percentage rate for the enterprise database systems.

21

SECTION - 21 **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 members of the PD are well-trained law enforcement professionals (735 sworn positions and 384.5 professional staff positions). All Police Department 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 a broad scope of responsibilities to include investigating crimes, maintaining evidence and additional critical city-wide administrative functions. This office encompasses the following divisions: Forensics; Evidence and Property; Office of Violence Prevention; Personnel Services; Recruiting and Backgrounds; 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 specialty units assigned there.
- **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 Transparency, Compliance and Strategy.

- Office of Specialized Services: Responsible for Support Services, Homeland Security, Records; the Communications Division (911 Center); and the Metro Division which includes specialty teams such as the K9, Special Weapons and Tactics (SWAT), and Air Operations.

PROGRAMS/SERVICE HIGHLIGHTS

- In October 2022, the Sacramento Police Department was one of six cities across the country that 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.
- In 2023, the City of Sacramento approved funding for a new Compliance and Strategy Division within the Police Department. It consists of 1.0 FTE Government Affairs Manager, 2.0 FTE Administrative Analyst, and 1.0 FTE Administrative Technician positions to ensure internal and external compliance measures, such as:
 - DOJ Phase I and II recommendations;
 - Sacramento City Council resolutions, including mandatory Use of Force reporting;
 - Office of Public Safety Accountability (OPSA) and Inspector General (IG) recommendations;
 - Sacramento Community Police Review Commission (SCPRC) recommendations;
 - California Commission on Peace Officer Standards and Training (POST) mandates;
 - California legislative mandates (e.g. AB 481-Military Equipment Use (MEU), SB 1421/SB 16, SB 2/AB 89, AB 392, AB 48, AB 958, AB 1238 and AB 953 Racial and Identity Profiling Act (RIPA));
 - National Best Practices for Policing, including proposed national certification standards;
 - Body Worn Camera (BWC) Project (Constitutional Policing and Employee Evaluation Audits);
 - Force Investigations Team (FIT) and Use of Force Review Board (UOFRB) processes;
 - Employee Early Intervention Program (EIP);

FY2024/25 Proposed Budget

- Statutory compliance with the Public Records Act (Release of Records); and
- Armored vehicle deployment.

The creation of the Compliance and Strategy Office furthers the goals of police reform, managing risk and strategic plan implementation, and compliance with local, state, and federal laws and regulations, as well as PD-initiated transparency efforts. The new division will report directly to the Chief of Police, providing an executive level of review with a global perspective, to assist and advise the Chief with issues pertaining to police reform efforts and best practices

- Continued to build community trust through transparency and community engagement. 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. Examples include notification of armored vehicle deployment to the community and Mayor and Council; MEU Purchase notification; and the establishment of a Community Advisory Council and pending Community Policy Advisory Board. SPD will support community engagement efforts to include:
 - Active Shooter Training
 - Shop with a COP
 - National Night Out
 - Polar Plunge
 - MLK March
 - PBID Partnerships
 - Neighborhood Association engagement by all area Commands
 - Oak Park Peace Walks
 - Cops and Coffee
 - Neighborhood Roll Calls
 - Business Walks
- 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 decisions resulting in better outcomes for our community.
- Continued 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 which includes the cadet, student trainee and community service officer programs. The Department has also initiated focused recruiting events at our Communications Center resulting in improved hiring outcomes. In 2023, PD had increased applications for the position of police officers versus prior years. Programs have also included:

- Bootcamp Wednesday
 - Run with a Recruiter
 - Career Fair/Hiring Workshops
 - Youth Academy Experience (IMPACT Sac)
 - Conduct mock orals in preparation for the Oral Assessment
 - The Female Fitness Challenge
- Continued Office of Violence Prevention programs. This office is integral to the City's efforts to curb community violence, which include administering gang prevention and intervention programs and strategies, such as the Gang Prevention & Intervention Task Force (GPIT) and the Evidence-Based Community Violence Interruption, Disruption, and Suppression (EBCVIDS) multi-year operating projects.

DEPARTMENT EFFICIENCIES

- The Department continues to expand and integrate the use of emerging technologies such as Police Observation Devices (PODs), Unmanned Aerial Systems (UAS) and the deployment of smart phones to operations staff to enhance connectivity to essential law enforcement databases. The Department's 146 PODs are strategically located throughout the city and in 2023, they enabled officers to respond to and investigate nearly 1,200 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. Smart phones have been issued to field units to allow for immediate connectivity to law enforcement platforms. These devices also serve to fulfil the electronic citation requirements.
- City Council approved expenditures to expand the capacities of the Real Time Information Center through replacement of the video wall and the initial implementation of FUSUS software. The RTIC allows for the centralization of data from various sources, all of which can be displayed on a video wall system. Information from the RTIC is used to provide real-time information during critical incidents and large-scale events.

FY2024/25 Proposed Budget

- A reorganization of the Department allowed for splitting the East command into two distinct police districts – six and seven. The establishment of a seventh district will allow for a more rapid response to businesses and residences and a geographically distinct area for improved community engagement.
- Additional License Plate Reader (ALPR) technology was added to the Department's technological resources. PD began outfitting patrol vehicles with the new Fleet 3 in-car-camera Technology which is equipped with ALPR technology and captures multiple vehicle lanes and checks vehicle license plates against criminal justice databases.
- A pilot program for video reporting was launched in FY2023/24 and the Department has implemented a technology team for improved online reporting.

OBJECTIVES FOR FY2024/25

In addition to ongoing efforts to improve and measure service delivery and expand on department transparency efforts, for FY2024/25, departmental priorities are:

- Violent Crime Reduction
- Reduce Crime Related to Homelessness
- Community Engagement
- Employee Wellness
- Compliance with Required Mandates
- **Violent Crime Reduction**
 - Continue Violent Crime Reduction with a focus on intelligence-based enforcement;
 - Continue to collaborate with community-based organizations on violence prevention, reduction and intervention through the Office of Violence Prevention;
 - 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;
 - Continued Implementation of the Strategic Intelligence Driven Enforcement (STRIDE) model;
 - Continue to work closely with When Everyone Acts Against Violence (WEAVE), Inc. and the Sacramento Family Justice Center to reduce the incidents of domestic violence in the community and work closely with victims of sex assault and family violence;
 - Continued use of technology, improved crime analysis, and regional intelligence sharing to identify behaviors, locations, and persons involved in violent crime.

- **Reduce and address crimes related to Homelessness**

- Respond to crimes and monitor crime trends that impact and/or involve people experiencing homelessness;
- Support the citywide efforts to reduce the impacts of homelessness as members of the Incident Management Team;
- Work collaboratively with law enforcement partners, social services, and medical experts to improve outcomes for people experiencing homelessness.

- **Community Engagement**

- Continue to partner with Community Based Organizations to include Property Business Improvement Districts, Neighborhood Associations, and Chambers of Commerce;
- Provide outreach and engagement opportunities through programs like the Community Academy Day, Narcan training, DUI Awareness Training, Active Shooter presentations, gang awareness, and the Pubs, Clubs and Bars Training;
- Engage community members directly through programs like adopt-a-school, business walks, National Night Out, Faith in Blue, Shriner's Good night lights, and numerous special events.

- **Employee Wellness**

- The Department will continue to maintain a robust peer program in coordination with trained counselors and subject matter experts;
- Continued development of employees through professional and personal goal setting and mentoring of subordinates;
- The Department will endeavor to provide positive feedback received through a variety of sources including supervisor recognition, auditing, and employee specific feedback from Spidrtech technology platforms.

- **Compliance with Mandates**

- The Department will continue the work to establish a Compliance and Strategy Division tasked with ensuring Department mandates are met and employing risk management techniques;
- All Divisions will conduct established audits;
- The Department will continue 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

FY2024/25 Proposed Budget

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.

- o The addition of the Strategy and Compliance Division will help ensure the Department continues its compliance with legislative, POST, and City Council mandates.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE - Change
Communications	Delete one position (1.0 FTE - Public Safety Communications Manager) in the Communications Center. Management of Communications Center will be re-directed to a Police Captain.	General	-	(290,128)	(1.00)
Evidence & Property	Delete one position (1.0 - FTE Administrative Analyst) and add one position (1.0 FTE - Program Specialist) in the Property Division. This position change aligns the job classification to the job duties being performed.	General	-	36,118	-
Impact Team	Delete one position (1.0 - FTE - Police Social Services Administrator) in the Office of Investigations and add one position (1.0 - FTE Police Lieutenant) in the Impact Team for the City's Incident Management Team (IMT) to respond to homeless complaints. This position will oversee the PD's homeless response teams.	General	-	126,247	-
Internal Affairs	Delete five positions (1.0 FTE - Police Sergeant and 4.0 FTE - Police Officer) in Internal Affairs. This will result in fewer complaints being investigated because the nature of these complaints requires specialized training and can't be absorbed by other units in the Department.	General	-	(957,469)	(5.00)
Office of the Chief	Delete two positions (1.0 FTE - Police Officer and 1.0 FTE - Media Production Specialist II) in the Public Information Office (PIO). This will negatively affect the PIO's ability to share information with the public, respond to media requests, and delay the creation, production, and delivery of videos that satisfy legal mandates.	General	-	(232,183)	(2.00)
Operations	Delete seven positions (7.0 - FTE Police Officer) and add ten positions (10.0 - FTE Community Service Officer III) to provide career-path opportunities for prospective employees interested in law enforcement who do not want to work in a sworn police officer capacity.	General	-	(1,153,292)	(7.00)
Operations	Delete seven positions (7.0 - FTE Police Officer) and add ten positions (10.0 - FTE Community Service Officer III) to provide career-path opportunities for prospective employees interested in law enforcement who do not want to work in a sworn police officer capacity.	Measure U	-	1,054,471	10.00

FY2024/25 Proposed Budget

BUDGET AND POSITION CHANGES (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE - Change
Personnel	Delete one position (1.0 - FTE Senior Personnel Transactions Coordinator) and add one position (1.0 - FTE Senior Staff Assistant) in the Personnel Division. This position change aligns the job classification to the job duties being performed and will allow for a larger candidate pool.	General	-	15,598	-
Professional Standards Unit	Delete two positions (2.0 FTE - Police Records Supervisor) from the Transparency Team. Their work will be redirected to remaining positions, but will result in decreased service levels.	General	-	(239,998)	(2.00)
Public Safety IT	Eliminate cellular connectivity from police vehicle laptop computers. The connectivity is redundant as police vehicles already have cellular connectivity.	General	-	(116,628)	-
Public Safety IT	Decrease funding for IT Critical Infrastructure CIP related to storage. The CA Department of Justice approved the use of the City Cloud storage instead of physical servers that are more expensive.	General	-	(226,000)	-
Public Safety IT	Decrease funding for IT Critical Infrastructure CIP.	General	-	(200,000)	-
Regional Transit	Delete eight positions (8.0 - FTE Police Officer) and corresponding revenue budget for a reduction in the Regional Transit contract.	General	(1,588,939)	(1,588,939)	(8.00)
Reserve Officers	Delete two positions (0.50 - FTE Reserve Police Officer I and 0.16 - FTE Reserve Police Officer II) in the Metro Division. This reduction will create savings to fund other PD proposed position changes to fill holes in necessary areas (i.e. homeless response, Personnel, etc.).	General	-	(79,142)	(0.66)
Various	Decrease funding for the credit card fees to eliminate City subsidies of merchant fees for credit card payments and pass those costs onto users.	General	-	(33,400)	-
Various*	Increase revenue budget for CPI adjustments and misc true-up adjustments.	General	(22,627)	-	-
Total Change			\$ (1,611,566)	\$ (3,884,745)	(15.66)

*A full breakdown of the fee increases is listed in the Budget Modification section.

Department Budget Summary

Police Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Proposed	Proposed/Amended
Employee Services	\$ 202,416,418	\$ 212,238,836	\$ 209,263,182	\$ 209,562,499	\$ 230,834,430	\$ 21,271,931
Other Services and Supplies	13,141,712	13,992,002	13,058,939	13,058,939	13,597,950	539,011
City Property	382,820	445,878	513,119	513,119	513,119	-
Multi-Year Operating Projects	-	6,988	10,331,597	5,116,898	9,279,008	4,162,110
City Debt Service	13,475	-	-	-	-	-
Transfers	(227,150)	(256,811)	-	-	-	-
Labor and Supply Offset	(69,408,714)	(8,068,677)	(5,834,992)	(5,834,992)	(3,364,488)	2,470,504
Total	\$ 146,318,562	\$ 218,358,216	\$ 227,331,845	\$ 222,416,463	\$ 250,860,019	\$ 28,443,556

FY2024/25 Proposed Budget

Department Budget Summary (continued)

Funding Summary by Fund/Special District	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
General Fund	\$ 142,224,982	\$ 211,994,199	\$ 216,860,930	\$ 211,945,548	\$ 238,811,347	\$ 26,865,799
Measure U	3,585,697	5,847,342	9,906,973	9,906,973	11,474,949	1,567,976
Risk Mgmt	507,884	516,675	563,942	563,942	573,723	9,781
Total	\$ 146,318,562	\$ 218,358,216	\$ 227,331,845	\$ 222,416,463	\$ 250,860,019	\$ 28,443,556

Division Budget Summary

Police Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Office of the Chief Division	\$ 14,487,547	\$ 19,395,277	\$ 28,131,810	\$ 23,216,428	\$ 28,737,096	\$ 5,520,668
Office of Investigations Division	35,802,896	49,603,155	59,345,094	59,345,094	64,724,772	5,379,678
Office of Specialized Services Division	29,472,324	41,246,730	42,911,382	42,911,382	46,846,981	3,935,599
Office of Operations Division	66,555,795	108,113,055	96,943,559	96,943,559	110,551,170	13,607,611
Total	\$ 146,318,562	\$ 218,358,216	\$ 227,331,845	\$ 222,416,463	\$ 250,860,019	\$ 28,443,556

Staffing Levels

Police Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Office of the Chief Division	69.80	70.80	81.00	85.00	77.00	(8.00)
Office of Investigations Division	271.50	273.50	326.50	326.50	328.50	2.00
Office of Specialized Services Division	253.66	255.66	263.66	263.66	263.00	(0.66)
Office of Operations Division	532.00	529.00	460.00	460.00	451.00	(9.00)
Total	1,126.96	1,128.96	1,131.16	1,135.16	1,119.50	(15.66)

MEASURE U

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

Funding Category	Program Name	FTE	FY2024/25 Proposed
Public Safety - Police			
Operations	Hiring Pipeline - MU	84.50	7,353,919
Youth			
MYOP	Gang Prevention and Intervention		1,357,065
	Family and Youth Investments		1,300,000
	OVP Disruption, Response, Intervention & Prevention		1,000,000
Operations	Violence Prevention	3.00	463,965
Grand Total		87.50	\$ 11,474,949

PERFORMANCE MEASURES

Department-wide

Key Measure	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Estimate	FY25 Target
Part 1 Crimes Reported per 1,000 Residents	37.88	43.76	37.43	36.06	37.12

Ranking	City	Estimated		Part 1 Crimes
		Population *	Total PIC **	Reported per 1,000 Residents
1	Oakland	419,556	34,444	82.10
2	San Francisco	831,703	53,426	64.24
3	Bakersfield	408,373	18,622	45.60
4	Fresno	543,428	24,000	44.16
5	Sacramento	518,161	21,632	41.75
6	Riverside	313,676	12,189	38.86
7	Los Angeles	3,766,109	136,824	36.33
8	San Jose	959,256	30,585	31.88
9	Long Beach	458,222	13,203	28.81
10	San Diego	1,368,395	31,025	22.67

*<https://dof.ca.gov/forecasting/demographics/estimates-e1/> (as of 1/1/2023)

**<https://openjustice.doj.ca.gov/exploration/crime-statistics/crimes-clearances> (2022)

Key Measure	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Estimate	FY25 Target
Part 1 Crimes Reported per Sworn FTE Position	26.26	29.98	28.80	27.98	28.26

Workload Measure Ranking	City	Filled Sworn *	Estimated Population **	Total PIC ***	Sworn Per 1,000 Residents	Part 1 Crimes per Filled Sworn
1	Oakland	745	419,556	34,444	1.78	46.23
2	Bakerfield	454	408,373	18,622	1.11	41.02
3	Riverside	349	313,676	12,189	1.11	34.93
4	Sacramento	665	518,161	21,632	1.28	32.53
5	San Jose	1,008	959,256	30,585	1.05	30.34
6	San Francisco	1,838	831,703	53,426	2.21	29.07
7	Fresno	853	543,428	24,000	1.57	28.14
8	Long Beach	671	458,222	13,203	1.46	19.68
9	San Diego	1,806	1,368,395	31,025	1.32	17.18
10	Los Angeles	136,824	3,766,109	136,824	2.32	15.67

*<https://post.ca.gov/Agency-Statistics> (retrieved 3/21/2024)

**<https://dof.ca.gov/forecasting/demographics/estimates-e1/> (as of 1/1/2023)

***<https://openjustice.doj.ca.gov/exploration/crime-statistics/crimes-clearances> (2022)

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 totals, as published by the California Department of Justice include: homicide, rape, robbery, aggravated assault, burglary, motor vehicle theft, larceny-theft, and arson.

The above Part 1 crime statistics were retrieved from the California Department of Justice’s Open Justice data portal and contain data of law enforcement agencies throughout the state. Sworn FTE data was retrieved from the California Commission on Peace Officer Standards and Training’s (POST) Agency Statistics portal, accessed on March 21, 2024.

FY2024/25 Proposed Budget

Key Measure	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Estimate	FY25 Target
Percentage sworn SPD employees who are women or minorities	42%	43%	46%	47%	48%
Percentage of new hires into sworn or Hiring Pipeline Program vacancies that are women or minorities	68%	76%	81%	76%	78%

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. Currently, approximately 42 percent of sworn employees are women or minorities. 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	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Estimate	FY25 Target
Key Measure in minutes					
Median response time for priority 2 and 3 calls (mm:ss)	11:36	12:09	12:17	11:56	12:07

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	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Estimate	FY25 Target
Percentage of 911 calls answered within 15 seconds	97%	92%	87%	87%	90%

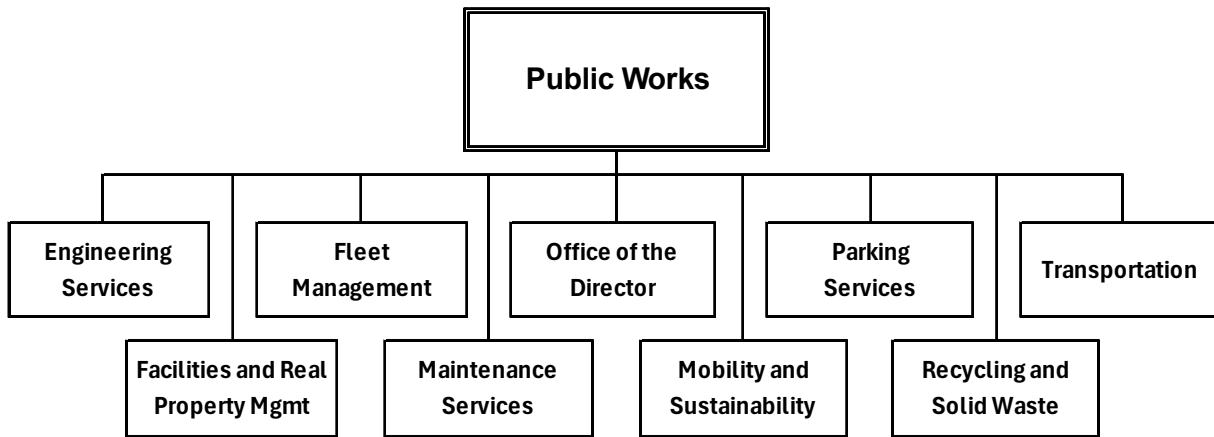
The faster a call to 911 is answered, the faster units can be dispatched and made available at the scene of an emergency. The State of California standard is answering 90% of all 911 calls within 15 seconds. Call answer times are tracked by the Department's Communications Center. The projection for the 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.

22

SECTION - 22 **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.
- **Mobility and Sustainability:** Responsible for city and regional transportation planning and prioritization and coordination, directing key sustainability and mobility initiatives and grant applications, managing and updating mobility and sustainability initiatives, implementing key programs and initiatives, conducting community outreach and engagement, managing transportation assets and data,

FY2024/25 Proposed Budget

and coordinating citywide sustainability and climate related initiatives and programs.

- **Parking Services:** Responsible for curb management, parking enforcement, parking meters, retail lease space, parking garages, parking lots, and operation of the Sacramento Marina.
- **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 active transportation design for traffic safety.

PROGRAMS/SERVICE HIGHLIGHTS

- The Office of Climate Action and Sustainability received notice of recommended awards of over \$11 million from highly competitive grant programs, for planning and implementation of climate-related activities. Funds will increase community wide tree plantings, advance environmental justice initiatives, fund partnership with community-based organizations, increase neighborhood resilience, expand flood protection, enable design and strategies for active transportation in high-need areas, and plan for adaptation needs in transportation infrastructure.
- The Parking Division established permanent programs for Educational Institution Parking Permits and Merchant Parking Permits in August 2023 to support employee parking.
- The Parking Division increased safety and security at the Sacramento Marina by replacing the wood walkway at Gate 3 and permanent fencing at the overflow parking lot.
- To reach the City's new canopy coverage goals, Urban Forestry continues to plant trees within the public right-of-way to replace those that have been removed and add new trees where opportunities exist.
- The Transportation Division conducted extensive community engagement by attending over 50 events to better understand the community needs for improving walking, bicycling and transit access as part of the Streets for People: Sacramento Active Transportation Plan.
- The Transportation Division completed two transportation plans to improve mobility and safety with the Pocket-Greenhaven Transportation Plan and the Airport Road Project Report, collaborating with community partners to identify feasible concepts that have broad support.
- The Transportation Division was awarded \$1.5 million in Caltrans grant funding to

FY2024/25 Proposed Budget

develop the Climate Adaptation Plan for Transportation Infrastructure, Howe Ave Mobility Plan, and Norwood Ave Mobility Plan.

- The Transportation Division installed speed lump treatments on over 30 neighborhood street segments citywide.
- The first City Electric Refuse Truck is ordered and projected to be in service before the end of FY2024.
- The Recycling and Solid Waste Division implemented the Neighborhood Clean-up Grant Program offering up to \$800 to recognized organizations for eligible clean-up programs; 15 projects awarded totaling \$6,150 in granted funds; and acquired the 12-acre North City Substation from SMUD to continue ongoing landfill monitoring and maintenance.
- The Recycling and Solid Waste Division distributed over 20,000 food waste collection pails to City of Sacramento residents to support the City's organics recycling program and over 35,000 since June 2022.
- The Facilities and Real Property Division oversees maintenance for over 400 city facilities. Recent projects include completing water intrusion repairs at the Fairbairn Water Treatment Plant Lab Building; replacing roofs at the Pannell Community Center and the Public Safety and Administration Building; completing HVAC and lighting upgrades at the Convention Center Ballroom B and completing the kitchen remodel of Fire Station 6.
- The Engineering Services Division completed the Downtown Mobility Project, the South Sacramento Parkway West project, and is nearing completion on the Del Rio Trail. The Division also began construction of the Broadway Complete Streets Project and the Two Rivers Trail.

DEPARTMENT EFFICIENCIES

- Implementing assertive recruitment strategies, such as organizing and attending career fairs within the community, partnering with the City's Human Resources department to create continuous hiring lists, and adjusting interview protocols that resulted in the reduction of vacancies in division staffing from 52% in FY2022/23 to 42% in March 2023.
- Upgrading Parking Enforcement handheld technology with integrated software.
- Increased market presence to increase off-street revenues by marketing SacPark reservation system on digital billboards that are now displayed in various locations throughout Sacramento to highlight online parking reservation system for events and daily parking. This is in addition to ads that are already advertised in all playbills for the Sacramento Broadway shows (Music Circus & Broadway on Tour).

FY2024/25 Proposed Budget

- The introduction of standardized Refund Processing Guidelines aims to reduce time spent on incomplete refund requests, create consistency with report reviews, reduce approval process time, and promote staff cross-training.
- The Maintenance Services Division acquired a 4-foot Wirtgen cold milling machine leading to significant reductions in pavement replacement costs per square foot. This investment has also improved productivity, allowing for more lane miles to be resurfaced annually and resulting in improved PCI numbers.
- The Maintenance Services Division successfully reduced vendor costs by \$500,000 by adjusting streetscape maintenance services to once per month.
- Initiated a Governance Study to identify a more effective governance and financing model for the regional Sacramento Valley Station. Efforts to replace ornamental turf in medians with drought-tolerant landscaping is underway to decrease maintenance requirements and enhance water conservation. It is estimated that 10% of all ornamental turf will be removed by the end of the fiscal year. Urban Forestry continues to assist the Maintenance Services Division in sustainably reducing water use around trees while maintaining their health, by providing technical advice and resources.
- The addition of two Operations General Supervisors in the Fleet Management Division has allowed the maintenance shop to implement efficiencies and provide better customer service.
- The Fleet Management Division installed new vehicle lifts to provide a safer and more efficient shop environment; the planning for Advanced Clean Fleet Regulations is underway to reduce emissions by increasing heavy duty electric fleet replacements.
- The Facilities and Real Property Division is evaluating and replacing existing lighting systems with energy efficient LED light sources, saving energy and maintenance costs.
- The Recycling and Solid Waste Division installed a Compressed Natural Gas (CNG) filling station at the Meadowview City Service Center.

OBJECTIVES FOR FY2024/25

- The Parking Division will make a one-time purchase for thirty (30) parking payment machines to add 300 paid on-street spaces in high impact areas.
- The Parking Division will work with the executive team to amend City Code 10.40.010 to expand parking meter zones citywide.
- Complete the Electric Vehicle Blueprint, installing public chargers at key libraries and community centers.

FY2024/25 Proposed Budget

- Implement the Climate Implementation Work Plan and related climate planning efforts, and coordinate for new state and federal funding opportunities.
- Pass an ordinance or resolution to regulate electric vehicle parking, both on street and off-street facilities.
- Enhance customer service and information accessibility by introducing online virtual services at City parking facilities.
- Continue to identify areas where cost-saving measures can be achieved while increasing our pavement quality levels.
- Complete the Urban Forest Plan in connection with the General Plan and the Climate Action Plan. Enhance the proactive grid pruning program to achieve a pruning cycle between 5-7 years, to reduce the number of emergency service calls and reduce the potential for risk claims.
- 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.
- Continue to 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.
- Complete the analysis and start implementation of a plan to adhere to the Advanced Clean Fleet Regulation.
- Complete the design, permitting, and begin construction for the Martin Luther King Jr. Library and the North Sacramento Hagginwood libraries funded through State "Building Forward, Library Infrastructure" Grants.
- Explore efficient and convenient ways to distribute compost from the City's organics recycling program at no cost to City residents to meet Senate Bill 1383 procurement requirements.
- Commence construction to cap and close the final seven acres of the old City landfill site at Sutter's Landing (28th Street) pending final regulatory approval.
- Seek funding solutions to allow the City to commence construction of the I Street Bridge Replacement project.

FY2024/25 Proposed Budget

- Begin construction of the Franklin Boulevard Complete Streets project.
- Complete environmental review of the regional Bus Mobility Center at the Sacramento Valley Station.

REORGANIZATION

- As part of the FY2024/25 Budget, the department established a new division, Mobility and Sustainability. 1.0 FTE Planning Director and 15.0 FTE position moves from various divisions, will provide support for mobility and sustainability efforts.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Engineering Services	Increase the revenue and expenditure budgets for administrative fee associated with the Sacramento Countywide Mitigation Fee Program (SCMFP) for Sacramento Transportation Authority. Cost is fully offset.	General	(30,000)	30,000	-
Engineering Services	Delete 1 position (1.0 FTE - Engineering Technician III) and add 1 new position (1.0 FTE - Senior Engineer). To provide additional resources to address complex private development applications.	General	(89,063)	89,063	-
Facilities and Real Property	Increase the revenue and expense budgets based on actuals related to lease revenue from Sacramento Valley Station and real estate fees.	General	(261,000)	211,000	-
Facilities and Real Property	Delete 1 position (1.0 FTE - Building Inspector III) and add 1 new position (1.0 FTE - Administrative Analyst). To provide additional resources to manage and update Facilities asset database and electric vehicle charging equipment.	General	(13,193)	13,193	-
Facilities and Real Property	Delete 1 position (1.0 FTE - Maintenance Worker) and add 1 new position (1.0 FTE - Building Maintenance Worker). This position will be able to manage building repairs independently and increase productivity.	General	-	17,969	-
Fleet	Add 1 position (1.0 FTE - Administrative Analyst). To provide additional resources to support the administrative requirements associated with state mandated Advanced Clean Fleet (ACF) regulations.	Fleet Management	-	142,593	1.00
Fleet	Increase funding for Fleet Shops CIP (B13000100) to address critical emergency repairs, including vehicle lifts, air conditioning units, parts cleaners, shop vacuums, roll-up garage doors, fall protection, tools, electrical repairs, and paint. Funding is allocated to various funds based on proportion of vehicles in City fleet to be serviced.	General	-	319,968	-
Fleet	Increase funding for Fleet Shops CIP (B13000100) to address critical emergency repairs.	Measure U	-	79,834	-

BUDGET AND POSITION CHANGES (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Fleet	Increase funding for Fleet Shops CIP (B13000100) to address critical emergency repairs.	Community Center	-	141	-
Fleet	Increase funding for Fleet Shops CIP (B13000100) to address critical emergency repairs.	Parking	-	1,714	-
Fleet	Increase funding for Fleet Shops CIP (B13000100) to address critical emergency repairs.	Recycling and Solid Waste	-	217,903	-
Fleet	Increase funding for Fleet Shops CIP (B13000100) to address critical emergency repairs.	Storm Drainage	-	39,491	-
Fleet	Increase funding for Fleet Shops CIP (B13000100) to address critical emergency repairs.	Wastewater	-	37,412	-
Fleet	Increase funding for Fleet Shops CIP (B13000100) to address critical emergency repairs.	Water	-	39,989	-
Fleet	Increase funding for Fleet Shops CIP (B13000100) to address critical emergency repairs.	Risk Management	-	5,455	-
Fleet	Increase funding for Fleet Shops CIP (B13000100) to address critical emergency repairs.	4th R Program	-	59	-
Fleet	Increase funding for Fleet Shops CIP (B13000100) to address critical emergency repairs.	Marina	-	56	-
Fleet	Decrease funding for the credit card fees to eliminate City subsidies of merchant fees for credit card payments and pass those costs onto users.	Fleet Management	-	(815)	-
Maintenance Services	Increase the revenue and expense budget associated with street cut fees, tree permits, and pass-through costs from property owners for sidewalk repairs based on anticipated growth. All costs are fully offset.	General	(1,528,000)	900,000	-
Maintenance Services	Increase revenues for Sidewalk Repair Admin Fee through adjustments to fees and charges	General	(45,290)	-	-
Maintenance Services	Increase revenues for Tree Root Inspection Fee through adjustments to fees and charges.	General	(17,879)	-	-
Maintenance Services	Delete 1 position (1.0 FTE - Senior Accounting Technician) and add 1 new position (1.0 FTE - Administrative Officer). To better manage the ongoing administrative functions for the Division.	New Measure A Maintenance	77,731	-	-
Maintenance Services	Delete 1 position (1.0 FTE - Senior Accounting Technician) and add 1 new position (1.0 FTE - Administrative Officer). To better manage the ongoing administrative functions for the Division.	General	(77,731)	77,731	-
Maintenance Services	Increase funding for Streetscapes Maintenance contracts due to the increase in costs for landscaping and maintenance contracts which is exceeding the Lighting and Landscaping tax revenue increases.	General	-	300,000	-
Maintenance Services	Purchase a trailer to transport heavy machinery needed for the grinder used in the pavement maintenance division.	Gas Tax	-	111,027	-

FY2024/25 Proposed Budget

BUDGET AND POSITION CHANGES (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Maintenance Services	Purchase curb cadet equipment to efficiently install curbs with fewer materials and staff.	Gas Tax	-	128,470	-
Mobility and Sustainability	Create new division to consolidate policy and implementation actions related to evolving mobility options and policies and that promote climate implementation. Delete 1 position (1.0 FTE - Program Manager) and add 1 new position (1.0 FTE - Planning Director).	Gas Tax	286,504	-	-
Mobility and Sustainability	Create new division to consolidate policy and implementation actions related to evolving mobility options and policies and that promote climate implementation. Delete 1 position (1.0 FTE - Program Manager) and add 1 new position (1.0 FTE - Planning Director).	General	-	(230,416)	-
Parking Services	Increase revenue and expense budget for parking citations and parking meter collection based on assumed increases in parking staffing and continued growth in parking demand.	General	(1,388,362)	50,000	-
Parking Services	Decrease funding for the credit card fees to eliminate City subsidies of merchant fees for credit card payments and pass those costs onto users.	General	-	(377,197)	-
Parking Services	Increase revenue budget to increase penalties for parking violations.	General	(719,000)	100,000	-
Parking Services	Increase revenue budget to increase parking meter fees.	General	(123,000)	10,000	-
Parking Services	Create new revenue source from Paid On-street Parking Program. Implementation of paid on-street permit pilot program for new developments where residential permits are not available.	General	(342,000)	1,500	-
Parking Services	Increase revenue and expense budgets by installing 300 new paid on-street parking meters.	General	(285,000)	245,000	-
Parking Services	Increase revenue budget by increasing daily maximum rate in parking garages.	Parking	(205,000)	10,000	-
Parking Services	Increase revenue and expense budgets by including meter operations on Sunday.	General	(575,000)	5,000	-
Parking Services	Increase revenue and expense budgets by adding meter operations on holidays.	General	(131,000)	-	-
Parking Services	Increase revenue and expense budgets by eliminating free on-Street Annual Holiday Parking Program.	General	(240,000)	-	-
Parking Services	Eliminate free electric vehicle charging in City Parking Garages. Charging will cover costs of providing electricity and maintaining chargers.	Parking	(100,000)	-	-
Parking Services	Increase revenue and expenditure due to increases in parking demand and actual revenue received.	Parking	(1,000,000)	250,000	-
Parking Services	Delete 1 position (1.0 FTE - Senior Accountant Auditor) and add 1 new position (1.0 FTE - Administrative Analyst). To provide support for parking fiscal activities	Parking	(3,087)	-	-
Recycling and Solid Waste	Decrease funding for the credit card fees to eliminate City subsidies of merchant fees for credit card payments and pass those costs onto users.	Recycling and Solid Waste	-	(7,500)	-

FY2024/25 Proposed Budget

BUDGET AND POSITION CHANGES (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Recycling and Solid Waste	Increase revenues for Re-inspection fee for Solid Waste materials through adjustments to fees and charges.	General	(110)	-	-
Recycling and Solid Waste	Increase revenues for Commercial Solid Waste Franchise Denial Appeal Fee through adjustments to fees and charges.	General	(2,640)	-	-
Recycling and Solid Waste	Adjust revenue and expenditure budgets for Commercial Waste Compliance Franchise Fees to reflect anticipated revenues with expenses dedicated to commercial waste compliance, illegal dumping, and landfill closures.	General	(1,695,728)	1,240,944	-
Recycling and Solid Waste	Delete 1 position (1.0 FTE - Support Services Manager) and add 1 new position (1.0 FTE - Administrative Officer). To provide oversight for recycling and solid waste administrative activities.	Recycling and Solid Waste	-	(1,901)	-
Transportation	Increase revenue budget associated with average expenses for administration of Caltrans shared expenses according to 1982 agreement, based on actuals.	General	(50,562)	-	-
Transportation	Delete 1 position (1.0 FTE - Assistant Engineer) and add 1 new position (1.0 FTE - Traffic Control & Lighting Technician). To provide additional resources to address backlog of streetlight repairs.	Landscaping and Lighting	123,239	-	-
Transportation	Delete 1 position (1.0 FTE - Assistant Engineer) and add 1 new position (1.0 FTE - Traffic Control & Lighting Technician). To provide additional resources to address backlog of streetlight repairs.	Gas Tax	(133,810)	-	-
Transportation	Delete 1 position (1.0 FTE - Assistant Engineer) and add 1 new position (1.0 FTE - Traffic Control & Lighting Technician). To provide additional resources to address backlog of streetlight repairs.	General	(123,239)	123,239	-
Transportation	Increase expenditure budget for ongoing electrical costs billed by Sacramento Municipal Utilities District (SMUD) for streetlights installed on SMUD poles.	General	-	450,000	-
Transportation	Increase the revenue and expenditure budgets in the Signs and Markings section to cover inflation cost in order to provide the same level of service. Funding will assist with raw materials for street signs including pipe, aluminum blanks, and pipe hardware costs.	Gas Tax	200,000	-	-
Transportation	Increase the revenue and expenditure budgets in the Signs and Markings section to cover inflation cost in order to provide the same level of service. Funding will assist with raw materials for street signs including pipe, aluminum blanks, and pipe hardware costs.	General	(200,000)	200,000	-
Transportation	Purchase new Bucket Truck in order to provide additional resources to address the backlog of streetlight repairs.	Gas Tax	-	233,250	-
Total			(8,692,220)	5,064,172	1.00

FY2024/25 Proposed Budget

Department Budget Summary

Public Works Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Employee Services	\$ 75,278,542	\$ 76,078,697	\$ 89,495,684	\$ 89,496,184	\$ 99,894,207	\$ 10,398,023
Other Services and Supplies	86,163,534	97,011,576	99,056,513	99,056,886	108,014,237	8,957,351
City Property	8,118,718	12,245,053	28,806,486	34,474,380	28,447,183	(6,027,197)
Multi-Year Operating Projects	-	-	14,970,450	3,976,500	17,912,803	13,936,303
Transfers	(116,207)	(174,510)	400,655	400,655	400,655	-
Labor and Supply Offset	(19,717,612)	(19,134,708)	(22,257,164)	(22,257,877)	(26,029,095)	(3,771,218)
Operating Transfers	10,661,178	12,151,077	11,839,500	11,839,500	12,296,500	457,000
Total	\$160,388,152	\$178,177,185	\$222,312,124	\$216,986,228	\$240,936,490	\$ 23,950,262

Funding Summary by Fund/Special District	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
General Fund	\$ 23,757,866	\$ 24,372,911	\$ 23,653,048	\$ 23,266,294	\$ 28,214,908	\$ 4,948,614
Interdepartmental Service	2,331,646	2,388,982	1,664,763	1,664,763	1,901,512	236,749
Gas Tax 2016	7,501,764	5,128,829	7,145,308	4,170,308	11,579,972	7,409,664
Traffic Safety	253,000	253,425	350,000	350,000	306,882	(43,118)
Citation I-5 Maintenance	46,619	43,349	40,000	40,000	40,000	-
New Measure A Maintenance	10,494,214	12,990,297	19,231,429	19,231,429	17,829,804	(1,401,625)
NMA Safety, Streets, Ped, Bic	-	-	5,500	5,500	5,500	-
Power Inn Rd Md 2003-01	9,919	9,920	10,024	10,024	11,732	1,708
Neighborhood Lighting Dist	25,009	25,009	25,009	25,009	27,510	2,501
Northside Subdiv Maint Dist	2,799	2,153	6,500	6,500	6,500	-
Subdiv Lndscpng Maint Dist	330,975	334,410	348,237	348,237	356,147	7,910
Laguna Creek Maint Dist	51,579	51,346	51,580	51,580	51,580	-
12th Street Maint Benefit Area	8,400	9,200	11,500	11,500	19,860	8,360
Neighborhood Water Quality Dist	34,473	34,649	50,980	50,980	63,215	12,235
N Nat Lndscp 99-02	588,937	676,974	655,380	655,380	754,301	98,921
Willow creek Assmnt Md	24,785	16,546	38,000	38,000	38,000	-
Willow creek Lndscpng CFD	124,999	120,000	120,000	120,000	125,000	5,000
N Natomas Lands CFD 3	686,440	732,827	615,000	615,000	733,750	118,750
Village Garden N.-Mtce Dist #1	20,711	25,539	31,924	31,924	41,501	9,577
Landscaping and Lighting	12,753,330	12,564,081	14,931,950	14,324,950	15,239,772	914,822
Del Paso Nuevo Landscaping CFD	19,500	19,500	24,700	24,700	24,700	-
Tow nship 9 CFD No. 2012-06	-	-	2,000	2,000	2,000	-
Railyards Maint CFD No 2014-04	110,705	129,469	157,750	157,750	226,520	68,770
Parkebridge CFD 2014-07	64,001	64,000	73,000	73,000	88,330	15,330
SacMaintCFD2014-04 Annex Areas	35,165	36,758	133,713	133,713	133,713	-
SacMaintCFD2014-04 Area 01	83,266	98,750	98,750	98,750	132,750	34,000
Sac Services CFD 2018-05	-	-	-	-	42,758	42,758
Measure U	(20,550)	-	1,772,299	1,772,299	1,832,464	60,165
Land Park	5,257	3,015	32,850	32,850	32,850	-
Marina	1,124,985	1,013,069	1,060,860	1,060,860	1,142,454	81,594
Cal EPA	128	216	-	-	-	-
Transportation Development Impact Fee	81,407	95,956	-	-	-	-
Parking	(92,642)	6,315,923	7,308,965	7,308,965	8,673,267	1,364,302
Water	-	-	55,849	55,849	55,849	-
Wastewater	-	-	55,850	55,850	55,850	-
Recycling and Solid Waste	57,205,537	62,734,776	80,243,107	73,268,071	84,882,833	11,614,762
Storm Drainage	360,499	406,000	461,850	461,850	461,850	-
Fleet Management	42,363,429	47,479,308	61,844,449	67,462,343	65,800,856	(1,661,487)
Total	\$160,388,152	\$178,177,185	\$222,312,124	\$216,986,228	\$240,936,490	\$ 23,950,262

FY2024/25 Proposed Budget

Division Budget Summary

Public Works Budget Summary	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Approved	FY2023/24 Amended	FY2024/25 Proposed	Change More/(Less) Proposed/Amended
Climate Action and Sustainability Division	-	-	\$ 502,299	\$ 502,299	\$ 562,464	\$ 60,165
Engineering Services Division	(466,105)	(603,446)	(188,074)	(233,074)	35,299	268,373
Office of the Director	2,182,914	2,152,743	2,358,279	2,358,279	2,465,836	107,557
Parking Services Division	18,839,588	20,215,721	24,080,358	23,749,608	26,270,954	2,521,346
Maintenance Services Division	22,406,420	25,003,595	29,156,191	26,362,991	30,887,870	4,524,879
Mobility and Sustainability Division	-	-	-	-	1,535,482	1,535,482
Transportation Division	10,719,362	11,021,150	13,354,067	12,554,067	14,739,580	2,185,513
Fleet Management Division	42,363,429	47,479,308	61,844,449	67,462,343	65,800,856	(1,661,487)
Facilities & Real Property Mgmt Division	5,468,863	8,416,271	6,554,176	6,554,372	7,873,811	1,319,439
Recycling & Solid Waste Division	58,873,680	64,491,844	84,650,379	77,675,343	90,764,338	13,088,995
Total	\$160,388,152	\$178,177,185	\$222,312,124	\$216,986,228	\$240,936,490	\$ 23,950,262

Staffing Levels

Public Works Budget Summary	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Approved	FY2023/24 Amended	FY2024/25 Proposed	Change More/(Less) Proposed/Amended
Climate Action and Sustainability Division	-	-	4.00	4.00	4.00	-
Engineering Services Division	80.00	80.00	79.00	79.00	79.00	-
Office of the Director	12.00	13.00	12.00	12.00	11.00	(1.00)
Parking Services Division	130.85	130.85	132.35	132.35	131.35	(1.00)
Maintenance Services Division	123.00	123.00	124.00	124.00	121.00	(3.00)
Mobility and Sustainability Division	-	-	-	-	12.00	12.00
Transportation Division	72.00	72.00	72.00	72.00	65.00	(7.00)
Fleet Management Division	83.00	83.00	82.00	82.00	83.00	1.00
Facilities & Real Property Mgmt Division	72.00	73.00	72.00	72.00	72.00	-
Recycling & Solid Waste Division	178.30	191.30	191.30	191.30	191.30	-
Total	751.15	766.15	768.65	768.65	769.65	1.00

MEASURE U

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

Funding Category	Program Name	FTE	FY2024/25 Proposed
Climate Action			
MYOP	Sustainability Program	-	300,000
Operations	Climate Action and Sustainability	4.00	562,464
Community Investments			
CIP	City Facility Reinvestment Program	-	2,200,000
	Facility ADA Compliance Program	-	500,000
Community Response			
MYOP	Illegal Dumping	-	970,000
Grand Total		4.00	\$ 4,532,464

PERFORMANCE MEASURES

Facilities & Real Property Management Division

	FY21	FY22	FY23	FY24	FY25
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Percent of all facility work order requests completed within a 30-day performance standard	50%	53%	51%	59%	60%

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

Fleet Management Division

	FY21	FY22	FY23	FY24	FY25
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Percent of City vehicles available at 6:00 AM	93%	92%	92%	91%	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.

	FY21	FY22	FY23	FY24	FY25
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Percent of alternative fuel vehicles purchased	46%	59%	61%	67%	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

	FY21	FY22	FY23	FY24	FY25
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Percentage of roads with a Pavement Condition Index above 70 (good rating)	25%	24%	23%	22%	22%

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 56 (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.

	FY21	FY22	FY23	FY24	FY25
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Percentage of 311 service requests for potholes responded to within 48 hours	91%	92%	93%	95%	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 over 2,000 potholes per month. Our customer commitment is to respond to 311 complaints for potholes within 48 hours of receiving the request.

	FY21	FY22	FY23	FY24	FY25
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Percentage of tree inventory pruned per annual cycle	65%	75%	58%	75%	80%

The City’s Urban Forestry Program maintains, sustains and enhances Sacramento's tree canopy through a variety of programs. Urban Forestry staff (internal and contractors) 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

	FY21	FY22	FY23	FY24	FY25
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Revenue generated per parking meter	\$806*	\$1,317	\$1,600	\$1,732	\$1,905

The Parking Division is responsible for the collection and maintenance of over 5,800 paid on-street parking spaces within the Central City. The division continues to work with downtown and midtown merchants to repurpose metered spaces to accommodate customer

FY2024/25 Proposed Budget

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 lack of on-street parking meter utilization due to the pandemic.

Marina Division

	FY21	FY22	FY23	FY24	FY25
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Marina slips occupancy rate	87%	87%	87%	85%	88%

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 to as low as 44 percent.

Recycling & Solid Waste Division

	FY21	FY22	FY23	FY24	FY25
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Percent of City collected waste diverted from landfill	43%	42%	46%	46%	47%

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 (recycling, organics and household junk) diverted from landfills is below the State threshold (as shown above), as a jurisdiction, the City government collection rate meets the state requirement at 50 percent diversion for Calendar Year 2022, the latest data available. The difference is due to the higher level of waste diversion by the majority of commercial waste haulers, which is not part of the City's residential collection service. The City is also implementing diversion measures to reduce organic waste in landfills in accordance with SB 1383, which has a statewide goal of a 75 percent reduction from 2014 levels. 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.

	FY21	FY22	FY23	FY24	FY25
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Number of complaints of missed pickups (per 1,000 refuse accounts)	15	11	10	10	9

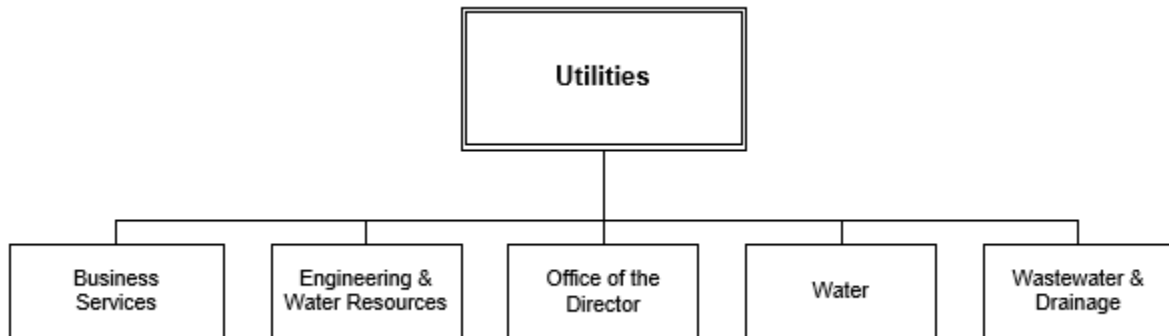
In a given year, City Integrated Waste Equipment Operators service almost 18 million garbage, recycling and yard waste containers. Complaints of missed collections represent the highest volume of solid waste related calls to City 311; however, the actual number of verifiable service misses represents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

23

SECTION - 23 **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 to comply with regulatory requirements.

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, and long-range financial planning; provides utility customers with customer service and billing services.
- **Engineering and Water Resources:** Provides engineering, construction and/or contract support for capital projects; development review; department-wide procurement for goods and services; water conservation program implementation; regional water policy activities; and in collaboration with the Water and Wastewater & Drainage Divisions, ensures compliance with state and federal regulations.

FY2024/25 Proposed Budget

- 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: Provides operations and maintenance (O&M) of the water distribution system, treatment plants, wells, and reservoirs; cross-connection control program; construction coordination with capital improvements for infrastructure upgrades; water quality monitoring and regulatory compliance; research and development into regulatory change, optimization of processes, and water quality issues.
- Wastewater & Drainage: Provides O&M for storm drainage, wastewater, and combined stormwater / wastewater systems, treatment plants, wastewater and storm drainage pumping facilities, levees, and O&M for electrical, instrumentation, supervisory control and data acquisition (SCADA), and for the water, wastewater, and drainage system assets. In addition, oversees citywide Underground Service Alert (USA) program and citywide generator program to ensure operational readiness and regulatory compliance.

DOU also provides administrative and financial support and oversight to the City/County Office of Metropolitan Water Planning (CCOMWP) known as the Water Forum. The Water Forum consists of six (6.0) full-time employees and has two operating funds and one reimbursable fund. The Water Fund provides reimbursements for the City's share of the 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 the Water Forum.

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, wastewater, and storm drainage infrastructure needed for future growth within the City. The fees were implemented in January 2024 with Council approval.
- Shasta Park, the new 4-million-gallon drinking water storage reservoir, two groundwater wells, and associated treatment equipment, was brought online in February 2024 to provide new drinking water capacity in the southern regions of the City improving water quality, pressure, and supply. The total project cost was \$23.5 million.
- 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 City was successful in receiving a judgement that has since been appealed. The Department of Utilities is currently collecting the new fee and is working with the City Attorney's office to determine when funds can be released.
- Finalized the Billing and Disbursement Agreement in accordance with the Master Service Agreement with Sacramento Sewer Area District (formerly Regional Sanitation District) and negotiated additional annual reimbursements for uncollectable accounts and staff time to manage customer accounts for the City's Wastewater fund of approximately \$300,000 annually.
- In FY2023/24, the City Auditor's Office engaged in an independent review of the water and wastewater funds to determine the fiscal stability of the funds. The auditor will provide their findings, best practices, recommendations, and opportunities for cost savings and efficiencies.
- Responded efficiently and effectively to multiple storm events, with above average wind and precipitation, 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 us of areas where we will need to invest in additional standby power units to ensure continuity of service during widespread and prolonged power outages.
- The US Environmental Protection Agency's (EPA) Lead and Copper Rule Revisions (LCRR) requires water systems to prepare and maintain an inventory of service line materials. Initial inventories are required to be submitted to the state by October 16, 2024. DOU is currently developing the customer service line inventory. Investigation methods include researching various documents such as

FY2024/25 Proposed Budget

water system tap records and repair work orders, historical water material documents, meter installation records, and capital improvement plans. For service lines that could not be confirmed using these records, a stratified random sampling is being used to select samples for field verification.

DEPARTMENT EFFICIENCIES

- Coordinated with the City Treasurer's Office to partially refund (refinance) the 2020 Water Bonds and generated approximately \$4 million aggregate cashflow savings between Fiscal Year 2024 –2043.
- The Cross Connection program team is working to contract for new public facing software interface allowing private backflow device owners/testers to purchase tester tags. This action will support the City taking over management of this important program from the Sacramento County Environmental Management Department. The action creates an efficient means to improve follow up communication to private device owners and best supports the City responsibility to ensure that backflow devices are tested annually to ensure safety of water quality.
- Asset Management (AM) Program developed a 5-year AM Strategic Plan. Initiative No. 1 is in progress as we work to develop guidance documents for the program that comply with AM Standards outlined in the ISO 55000, 55001, 55002, and 55010 documents. Current work under this initiative is the development of a Water System Asset Management Plan Initiative No. 2 is also underway as we work towards establishing clear and standardized asset classifications, definitions, and attributes, and revise our asset layers and attribute information in our Geographic Information System (GIS) using these determined standards.

OBJECTIVES FOR FY 2024/25

- Deliver the FY2024/25 CIP Water, Wastewater, and Drainage infrastructure programs on schedule and within budget.
- Develop a request for proposal to hire a consultant for the development of a Water and Wastewater rate adjustment plan for FY28.
- Facilitate, coordinate, and collaborate with operating departments and the City Treasurer's Office to deliver a road map for the development of a department-wide Long Range Financial Plan.
- The Regional Water Authority has dedicated \$55 million in grant funding for regional water agencies to invest in groundwater as part of the Regional/State agreement to seek ecosystem benefits in rivers by enhancing a substitute water supply. DOU will focus efforts on spending the City's awarded \$7 million on

FY2024/25 Proposed Budget

groundwater projects that will improve access to groundwater resources during drier hydrologic conditions.

REORGANIZATION

- The Water Forum consisting of 6.0 FTE positions (2.0 FTE Administrative Analyst, 1.0 FTE Executive Director SAC CCOMWP, 1.0 FTE Program Manager, 1.0 FTE Senior Engineer, and 1.0 FTE Senior Staff Assistant) was moved from Citywide and Community Support to DOU.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Office of Director	Delete 1 position (1.0 FTE - Junior Plant Operator) and add 1 new position (1.0 FTE - Assistant Director) and Reduce Professional Services Operating Budget. The Assistant Director will assist the Director by managing department operations. The Assistant Director will be able to cover a variety of operational and administrative tasks, as well as attending to staff needs on less controversial programs and	Water	-	-	-
Office of Director	Delete 2 positions (0.5 FTE - Administrative Analyst) and add 1 new position (1.0 FTE - Administrative Analyst). This position would increase DOU's emergency preparedness efforts, ultimately making the City of Sacramento more resilient and prepared to respond to crises. The preparation efforts taken by this position can mitigate damage and losses from future emergencies by providing a more prepared community. This request will result in a net-zero FTE and cost savings	Water	-	-	-
Water Division	Delete 1 position (1.0 FTE - Junior Plant Operator) and add 1 new position (1.0 FTE - Plant Operator) and Reduce Professional Services Operating Budget. The Department of Utilities (DOU) is requesting an Add/Delete of 1.0 FTE Plant Operator by deleting a Junior Plant Operator to support the Water Maintenance Program. Current staffing conditions at the reservoirs are inadequate to meet the workload. This position would be placed within the Reservoir Crew to mitigate the	Water	-	-	-
Office of Director	Add 1 position (1.0 FTE - Administrative Technician) by Reducing Professional Services Operating Budget. The addition of an Administrative Technician is needed to support the growing need for procuring parts, equipment, and services in a timely manner to keep The City's water, wastewater, and storm systems operational.	Water	-	-	1.00
Wastewater & Drainage Division	Delete 1 position (1.0 FTE - Personnel Transaction Coordinator) and add 1 new position (1.0 FTE - Administrative Technician) and Reduce Professional Services Operating Budget. Replacing the Personnel Transaction Coordinator with an Administrative Technician would give the program the flexibility to use the position for more complex duties while performing PAR-related tasks as needed. DOU believes that this replacement of the Personnel Transaction Coordinator with an Administrative Technician will provide a larger pool of dynamic and	Wastewater	-	-	-
Office of Director	Decrease funding for the credit card fees to eliminate City subsidies of merchant fees for credit card payments and pass those costs onto users.	Water Wastewater Storm Drainage	-	(78,211)	-
Business Services Division	Decrease funding for the credit card fees to eliminate City subsidies of merchant fees for credit card payments and pass those costs onto	Water	-	(410,000)	-
Total Change \$			-	\$ (488,211)	1.00

FY2024/25 Proposed Budget

Department Budget Summary

Utilities Budget Summary	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Approved	FY2023/24 Amended	FY2024/25 Proposed	Change More/(Less) Proposed/Amended
Employee Services	\$ 67,850,839	\$ 70,773,928	\$ 79,815,683	\$ 79,815,683	\$ 90,438,714	\$ 10,623,031
Other Services and Supplies	35,122,545	38,864,297	44,408,509	44,279,808	48,646,003	4,366,195
City Property	1,610,393	2,250,779	2,237,523	2,237,523	2,213,953	(23,570)
Multi-Year Operating Projects	-	3,791	10,171,120	8,081,120	11,043,308	2,962,188
Transfers	(764,570)	(586,473)	-	-	-	-
Labor and Supply Offset	7,326,065	6,372,813	7,028,804	7,028,804	5,435,426	(1,593,378)
Operating Transfers	24,150,096	23,750,646	26,143,155	26,143,155	25,675,900	(467,255)
Total	\$135,295,368	\$141,429,781	\$169,804,794	\$167,586,093	\$183,453,304	\$ 15,867,211

Funding Summary by Fund/Special District	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Approved	FY2023/24 Amended	FY2024/25 Proposed	Change More/(Less) Proposed/Amended
General Fund	\$ 77,272	\$ 79,642	\$ 79,410	\$ 79,410	\$ 79,410	-
Northside Subdiv Maint Dist	-	-	8,000	8,000	8,000	-
Neighborhood Water Quality Dist	-	-	3,000	3,000	3,000	-
Willow creek Assmnt Md	11,876	25,900	20,774	20,774	20,774	-
N Natomas Lands CFD 3	180,582	258,957	300,000	300,000	300,000	-
Landscaping and Lighting	86,678	64,837	98,000	98,000	98,000	-
Tow nship 9 CFD No. 2012-06	-	-	9,000	9,000	9,000	-
Parkebridge CFD 2014-07	-	-	10,000	10,000	10,000	-
SacMaintCFD2014-04 Annex Areas	-	-	36,500	36,500	36,500	-
SacMaintCFD2014-04 Area 01	-	-	298,120	298,120	298,120	-
Golf	4,045	5,694	8,550	8,550	8,550	-
Parking	11,555	1,906	1,359	1,359	1,359	-
Water	71,640,100	74,934,026	87,168,963	86,401,362	94,942,139	8,540,777
Wastew ater	28,127,263	28,994,642	35,256,313	33,811,313	36,336,537	2,525,224
Recycling and Solid Waste	3,126,181	2,999,667	3,121,424	3,121,424	3,465,053	343,629
Community Center	4,983	4,983	4,983	4,983	4,983	-
Storm Drainage	32,008,827	34,031,131	37,968,348	37,962,248	41,246,423	3,284,175
Storm Drainage Property Fee	-	11,666	5,412,050	5,412,050	5,527,109	115,059
Fleet Management	16,007	16,729	-	-	-	-
Cty/Cnty Office-Water Planning	-	-	-	-	384,566	384,566
Habitat Management Element	-	-	-	-	673,781	673,781
Total	\$135,295,368	\$141,429,781	\$169,804,794	\$167,586,093	\$183,453,304	\$ 15,867,211

Division Budget Summary

Utilities Budget Summary	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Approved	FY2023/24 Amended	FY2024/25 Proposed	Change More/(Less) Proposed/Amended
Business Services Division	\$ 8,660,520	\$ 9,054,326	\$ 9,959,095	\$ 9,959,095	\$ 10,507,374	\$ 548,279
Engineering & Water Resources Division	7,018,439	7,894,696	10,073,051	10,219,583	11,812,620	1,593,037
Office of the Director	49,702,262	49,941,782	66,939,399	65,845,496	69,846,054	4,000,558
Wastew ater & Drainage Ops & Maint. Division	37,551,054	40,075,146	44,377,482	43,281,771	49,255,984	5,974,213
Water Operations & Maintenance Division	32,363,093	34,463,830	38,455,767	38,280,148	42,031,272	3,751,124
Total	\$135,295,368	\$141,429,781	\$169,804,794	\$167,586,093	\$183,453,304	\$ 15,867,211

FY2024/25 Proposed Budget

Staffing Levels

Utilities Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Proposed	Proposed/Amended
Business Services Division	67.00	67.00	68.00	68.00	70.00	2.00
Engineering & Water Resources Division	72.54	77.72	83.00	83.00	83.00	-
Office of the Director	31.18	32.18	34.18	34.18	42.18	8.00
Wastewater & Drainage Ops & Maint Division	228.18	223.00	223.00	223.00	223.00	-
Water Operations & Maintenance Division	173.00	173.00	174.00	174.00	171.00	(3.00)
Total	571.90	572.90	582.18	582.18	589.18	7.00

PERFORMANCE MEASURES

Business Services Division

Key Measure	FY21	FY22	FY23	FY24	FY25
	Actuals	Actuals	Actuals	Estimate	Target
City Manager Goal = 3:00 minutes or less	5:34	8:23	2:02	1:50	3:00

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. 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	FY21	FY22	FY23	FY24	FY25
	Actuals	Actuals	Actuals	Estimate	Target
% water conservation achieved (year-over-year)	26%	33%	38%	35%	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	FY21	FY22	FY23	FY24	FY25
	Actuals	Actuals	Actuals	Estimate	Target
# of sanitary (wastewater) overflows	2.50 per 100 miles	3.00 per 100 miles	3.00 per 100 miles	2.50 per 100 miles	2.50 per 100 miles

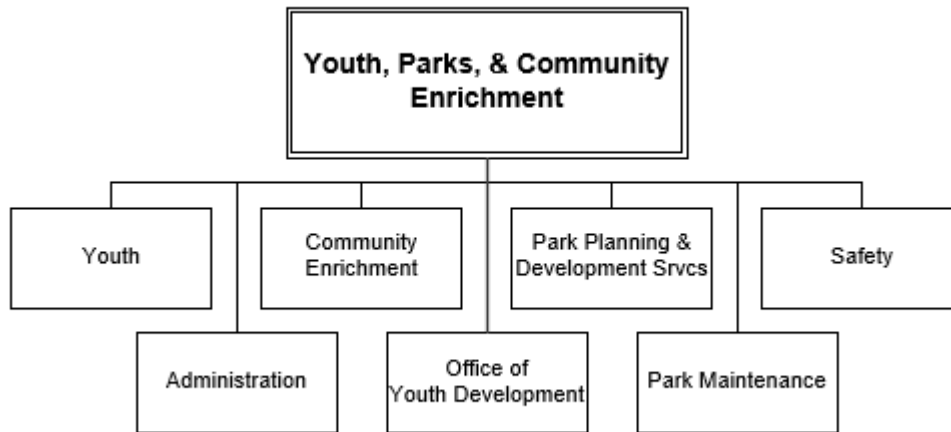
The number of sanitary sewer overflows (SSOs) is measured to ensure regulatory compliance and to gauge the effectiveness of operational activities and capital improvements that have been implemented to achieve this compliance. The primary permit with respect to the separated system is the waste discharge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

24

SECTION - 24 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 citywide programs, and services that navigate critical pathways for youth development, and support lifelong recreation and learning. Program areas support people of all ages and abilities, workforce development, civic engagement, expanded learning, youth and adult enrichment and sports programs, older adult services, aquatics programs, Camp Sacramento, and citywide permitting and special events.
- **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 Community Enrichment Commission and the Ann Land & Bertha Henschel Commission.

FY2024/25 Proposed Budget

- **Community Enrichment:** Responsible for a wide range of facilities that support safe space, community livability, and a high quality of life for all of Sacramento. This includes 14 City-operated Community Centers and Clubhouses, 1 senior center, 17 pools and 1 regional aquatics complex. Provides accessibility to recreation, leisure enrichment and community resources for all ages, including youth, teens, active adults, and senior programs.
 - **Office of Youth Development:** The Office of Youth Development (OYD) is charged with refining, developing, and promoting the City's overall strategic vision to achieve citywide youth development goals in accord with the Youth Plan.
 - **Park Maintenance:** Responsible for daily maintenance of 237 parks, parkways, bike trails, and open space areas spanning over 4,360 acres. Responsibilities include maintenance of turf, landscape, structures, and park amenities citywide. Includes maintenance and operation of the Old City Cemetery, a State historic landmark that offers tours and events throughout the year.
 - **Park Planning & Development Services:** Responsible for park planning, parkland acquisition, park site amenity planning, policy implementation, asset management and the design and development of new and renovations of existing neighborhood, community, and regional parks.
 - **Safety:** Responsible for the public safety, service, and preservation of 237 parks bike trails, aquatics facilities, community centers and open space, spanning across 4,360 acres. Support Incident Management team in citywide response to homelessness.
 - **Youth:** Responsible for citywide programs, and services that navigate critical pathways for youth development, and support lifelong recreation and learning. Program areas support people of all ages and abilities, workforce development, civic engagement, expanded learning, youth and adult enrichment and sports programs, older adult services, aquatics programs, Camp Sacramento, and citywide permitting and special events.
-

PROGRAMS/SERVICE HIGHLIGHTS

- Youth Workforce Development unit provides work-based learning programs and paid work experiences for youth ages 10-18, creating opportunities to gain skills that lead to successful and employable adults. Programs include Young Ladies of Tomorrow, Prime Time Teen, Workforce Innovation and Opportunity Act (WIOA), and Landscape and Learning. Youth Workforce Development provided employment opportunities to 305 youth, completing 44,726 hours of work at various parks, community centers, local business, or schools.
- The Expanded Learning section partnered with Robla School District, Twin Rivers Unified School District and Natomas Unified School District to receive Expanded Learning Opportunity Program funding to support the expansion of existing afterschool programs and to provide out of school time camps. The additional funding and partnerships served almost 800 students in the 2023/24 school year.
- The Aquatics section opened 11 neighborhood pools, 4 standalone wading pools for the 2023 summer season, while also operating the 10-month regional aquatics complex and year-round community center. The season operated safely with zero critical incidents. Core service program participation increased and included the following: Recreation swim provided a safe place to swim for over 100,000 visitors; over 650 aquatic classes were offered that served over 4,800 registrations in programs such as swim lessons, and basic water safety classes for drowning prevention; water aerobics and lap swimming provided health and wellness opportunities to over 14,000 visitors to City run pools. Over \$35,000 in swim safe and lifeguard training scholarships were awarded to youth with financial need to participate in aquatics programs. Additionally, the Aquatics section hosted several special events, including a floating pumpkin patch, an underwater egg hunt, and doggie dip days at City Pools.
- Older Adult Services (OAS) provided respite for 116 family caregivers through the Triple-R Adult Day Program with 5,872 units of service. Financial support to allow respite for family caregivers was provided to 34% of the participants in the Triple-R program. OAS staff answered 5,924 calls or visits for Resource and Referral services at the Hart Senior Center. The Hart Senior Center had 13,084 in-person visits for activities and 5,924 virtual participation visits.
- Community Centers provided programming opportunities and access to safe space for over 14,900 youth and teen visits through in-person afterschool and summer camps, Hot Spots Remix, and Recreation Explorer Camp (R.E.C.), serving youth ages 3-5 in a play-based preschool program. Centers increased program offerings for older adults across the city, serving 13,000 meals in partnership with Meals on Wheels. Centers had over 19,000 senior visits and 20,000 fitness room visits.
- The Reservations office issued over 600 youth and adult sports field permits with over \$4,300 waived through the sports field fee waiver program, and over 1700

FY2024/25 Proposed Budget

picnic reservation permits. Community Centers supported over \$300,000 in fee waivers for community-based organizations to provide programming that supports youth, families, and seniors. Organizations include Senior Link, Agency on Aging, Dignity Health, Project Alpha and more.

- Park Planning and Development Services invested over \$8 million in completed park projects across the city. These included Northlake Community Park, Tyre Nichols Skate Park, Garcia Bend Park pickleball courts, Robla Park shade canopies over playground, Chorley Park disc golf course, Mangan Park improvements, Susan B. Anthony Multi-use courts, and Fong Ranch Park.
- Aquatics section recognized by the American Red Cross as one of the state's top training providers, certifying 225 lifeguards in FY2023/24.
- The OYD team successfully facilitated the funding of over 30 community-based organizations for over \$7 million for FY2023/24. The focus of these funds was, but not limited to, workforce development, capacity building, youth violence prevention, mental health and wellness, and marijuana prevention.

DEPARTMENT EFFICIENCIES

- Park Planning and Development will continue to engage with communities and pursue grant funding to supplement City funding to address deferred maintenance.
- Community Centers continue serving the community, providing critical community resources, programs, services and expanding operation and front counter operations, exceeding pre-pandemic levels. Centers also continue to provide emergency response support through activation of clean air, warming and cooling centers.
- Addressed deferred maintenance issues at several pools including the replacement of the pool heater at Pannell Pool and initiation of resurfacing projects to support safe reopening and operations at Southside Pool and Doyle Pool.
- Community Recreation streamlined operations with the alignment of the Youth and Adult Sports teams and programs. This allowed for better collaboration and increasing staff capacity to support quality youth and adult recreation programs that provided health and wellness opportunities to approximately 1,640 youth (81% increase) and 4,440 adults (17% increase).
- Reservations Office redeveloped and posted to its website updated "Athletic Field Use and Allocation Guidelines" for the 2024 field allocation process. The purpose of the document is to outline the process and procedures for the scheduling of long term and year around sports and occasional or drop-in sports.
- Park Rangers play a key role in the Incident Management Team, working in partnership with staff from several departments to coordinate and improve the citywide response to homelessness. Since implementation in September 2023,

FY2024/25 Proposed Budget

goals and successes of the IMT and rapid response efforts related to parks included addressing long-standing complex encampments in parks, and the coordination of large-scale clean ups in and around parks. The Park Ranger team also implemented-Cite conversion from handwritten tickets to an electronic ticketing system supporting more updated and efficient field operations.

- The Office of Youth Development team provides grant management, data & evaluation, and policy development on city wide initiatives specific to youth programs and the Sacramento Youth Plan. This realignment under the YPCE department ensures that this team has the support to provide streamlined grant management and youth programming.

OBJECTIVES FOR FY2024/25

- Adopt the Parks Plan 2040 in Summer 2024 and begin implementation of the key directions identified in the plan.
- Continue to address deferred maintenance projects citywide, and recruit, hire and train staff to support all YPCE programs and operations.
- OYD team will continue Sacramento Children’s Fund (Measure L) implementation. This work includes planning and oversight commission support, annual report development, program management, and fiscal oversight.
- YPCE launched its new Volunteer in Parks program in January 2024 with the mission of providing volunteer opportunities across the Department’s portfolio of parks and community enriching activities.
- 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.
- Continue to improve and strategically update the new department website to integrate marketing efforts and ensure transparency for all city residents.
- Update performance measures to reflect core services through a diversity and equity lens.

FY2024/25 Proposed Budget

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Administration and Safety	Delete various vacant positions (1.0 FTE Park Safety Ranger, 2 @ 0.25 FTE Building Monitor, 4 @ .10 Recreation Aide, 4 @ .11 Senior Recreation Aide, .13 Youth Aide and 3 @ .06 Youth Aide) and add a position (1.0 FTE Chief Animal Control Officer) in Park Safety. This position will need to change to a Chief Park Safety Ranger once the classification has been created by HR. Any variance will be offset by services and supplies.	Measure U	-	62,585	-
Community Enrichment	Increase revenue budget by increasing special event and block party permit fees by 5%, increasing the permit application fee from \$50 to \$75 and changing the late fee from a \$50 flat fee to \$25 per business day.	General	(19,500)	-	-
Community Enrichment	Increase revenue budget by increasing fees for adult sports field rentals. The fee would increase level I, level II and William Land Regional Park sports field fees for adults by 45%. Level I field fees would increase from \$17 per hour to \$24 per hour and level II field fees would increase from \$18 per hours to \$25 per hour.	General	(90,000)	-	-
Community Enrichment	Increase revenue budget by increasing fees for youth sports field rentals. The fee would increase level I fields from \$2 per hour to \$4 per hour and level II fields from \$3 per hour to \$6 per hour.	General	(321,915)	-	-
Community Enrichment	Increase revenue budget by increasing fees for Trips and Tours program by 35% and increasing the one-time enrollment fee from \$50 to \$125 and changing the minimum days of service from one to two days per week.	General	(190,000)	-	-
Community Enrichment	Decrease funding in Measure U by providing an offset to the Hart Trust MYOP by charging eligible programming costs for Meals on Wheels.	Measure U	(111,196)	-	-
Community Enrichment	Decrease funding for eliminating or exploring alternative options for three major regional camps for adults with physical and intellectual disabilities.	Measure U	-	(10,000)	-
Community Enrichment	Increase revenue budget by increasing fees for rentals, onboarding leisure enrichment providers to provide programming and realigning budget to current revenue obligation.	General	(147,000)	-	-
Community Enrichment	Increase revenue budget by eliminating fee waivers for youth programs that are currently subsidized with free or low costs. Youth programs include Community Center Camp sites, Jr. NBA, Jr. Giants Program and various aquatic programs.	General	(61,030)	-	-
Community Enrichment	Decrease funding for skate park facility, programs and enrichment providers by eliminating camp lunches and shirts and the need for three suppliers.	Measure U	-	(34,750)	-
Community Enrichment	Delete two positions (2 @ 0.25 FTE Recreation Aides) that are difficult to fill in Youth and Adult Sports.	Measure U	-	(18,020)	(0.50)
Community Enrichment	Increase revenue budget by changing revenue split for current leisure enrichment providers. Change the current revenue split from 70%-30% to 65%-35%.	General	(12,318)	-	-
Community Enrichment	Increase revenue budget by adding new leisure enrichment providers. Expand current leisure enrichment offerings by onboarding and expanding the type of classes. This would increase revenues as City would receive 35% of contracted revenue split of 65%-35%.	General	(25,500)	-	-

FY2024/25 Proposed Budget

BUDGET AND POSITION CHANGES (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Community Enrichment	Reduce funding for professional services in Community Centers by cancelling an enrichment contract and reducing amount allocated for special events.	Measure U	-	(75,000)	-
Community Enrichment	Increase revenue budget at Community Centers by increasing program fees, facility and room rental fees and establish a new fee for services previously offered free of charge (examples include youth and teen summer camp).	General	(688,467)	-	-
Community Enrichment	Increase revenue budget by restructuring facility rental fee waiver resolution. Eliminate 100% waiver option with exception of City use of facilities for City functions that operate within normal community center hours. Restructure 50% fee waiver criteria.	General	(118,305)	-	-
Community Enrichment	Increase revenue budget in Community Centers by establishing a fee for senior special events. This is currently free of charge and new fee of \$5 - \$10 per senior special events will be implemented.	General	(3,000)	-	-
Community Enrichment	Decrease funding in food programs for Community Centers due to the elimination of hours in Summer Teen Drop and modification of Teen Scene Summer Program hours from 4 pm - 7 pm to 9 am - 2 pm.	Measure U	-	(13,114)	-
Community Enrichment	Increase revenue budget in Camp Sacramento to align with a previous fee increase. The program has return to full operation with high participation and has produced higher than budgeted revenue.	General	(105,000)	-	-
Community Enrichment	Reduction in the FTE levels of various camp positions (2.05 FTE net change). Reductions do not eliminate the positions. A reduction in the FTE of existing budget Camp Sacramento positions is feasible with minor adjustments to Camp operations.	Measure U	-	(5,084)	(2.05)
Community Enrichment	Increase revenue budget for aquatic programs (swim lessons, swim team, lap swimming, water aerobics) at all city pools and recreational swim fees at North Natomas Aquatics Complex to the higher end of their approved fee range.	General	(255,000)	-	-
Community Enrichment	Reduce the FTE levels of various aquatics positions (without eliminating the positions) to support minor adjustments to the number of days pools are open for recreational swimming and the length of the extended recreational swimming season at Clunie and North Natomas (6.05 FTE net change). Various PT Aquatic positions include Cashiers, Lifeguards and Senior Lifeguards.	Measure U	-	(208,950)	(6.05)
Community Enrichment	Delete a (1.0 FTE Recreation General Supervisor Position) in Permitting and Events as this position is no longer needed in YPCE and duties will transfer over to a new position being added in CCS that will support large scale citywide events	Measure U	-	(160,561)	(1.00)
Community Enrichment	Delete a vacant position (1.0 FTE Customer Service Assistant) in Aquatics to meet the reduction plan. Position could be deleted if duties are shifted to the registration office for support.	Measure U	-	(72,929)	(1.00)
Community Enrichment	Delete various positions and adding lower FTE positions (2.43 FTE total). A reduction in the FTE of existing budget Community Center positions is feasible with minor adjustments to program operations and capacities. Positions reduced in FTE include Recreation Aides.	Measure U	-	(85,581)	(2.43)
Community Enrichment	Decrease funding by eliminating the use of various supplier and vendors for enrichment programming such as Goffland Sunsplash, IFLY Sacramento, Scandia, TopGolf Roseville, etc.	Measure U	-	(98,200)	-

FY2024/25 Proposed Budget

BUDGET AND POSITION CHANGES (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Community Enrichment	Delete two vacant positions (1.0 FTE Program Coordinator and 1.0 FTE Program Supervisor) as part of the reduction plan. The elimination of the two positions will reduce program service levels, facility operations and safe space hours.	Measure U	-	(214,066)	(2.00)
Community Enrichment	Delete a vacant position (0.20 FTE Recreation Aide) in Community Centers to align with program needs.	Measure U	-	(7,322)	(0.20)
Community Enrichment	Delete a position (1.0 FTE Recreation Superintendent) due to a restructure in the management team	Measure U	-	(163,961)	(1.00)
Community Enrichment	Delete a vacant position (1.0 FTE Administrative Analyst) in Recreation Administration to create more efficiency within the department.	Measure U	-	(121,520)	(1.00)
Community Enrichment	Decrease funding for the credit card fees to eliminate City subsidies of merchant fees for credit card payments and pass those costs onto users.	Measure U	-	(18,305)	-
Community Enrichment	Increase revenue budget in various Community Enrichment programs to get a cost recovery based on a CPI of 10.70%*	General	(232,887)	-	-
Community Enrichment	Delete six vacant positions (0.47 FTE Utility Worker, 0.30 FTE Building Monitor, 2 @ 0.20 FTE Recreation Aide, 0.07 and 0.45 FTE Senior Recreation Aide) and add a position (1.0 FTE Custodian II) to support the expanded janitorial support of the North Natomas Community Center. Any variance will be offset by reducing services and supplies.	Measure U	-	-	(0.69)
Community Enrichment	Delete various vacant positions (7.44 FTE total) in Youth, Community Recreation Services, Access Leisure and Community Centers to reallocate funding for maintenance of new parks.	Measure U	-	(220,219)	(3.66)
Community Enrichment	Delete various vacant positions (1.0 FTE Park Safety Ranger, 2 @ 0.25 FTE Building Monitor, 4 @ .10 Recreation Aide, 4 @ .11 Senior Recreation Aide, .13 Youth Aide and 3 @ .06 Youth Aide) and add a position (1.0 FTE Chief Animal Control Officer) in Park Safety. This position will need to change to a Chief Park Safety Ranger once the classification has been created by HR. Any variance will be offset by services and supplies.	Measure U	-	(18,304)	(0.50)
Community Enrichment	Delete a vacant position (1.0 FTE Park Supervisor) and add a position (1.0 FTE Program Supervisor) in Permitting and Events to accurately reflect the job duties and needs of the Department. Any variance will be offset by reducing services and supplies.	Measure U	-	-	-
Community Enrichment	Delete various vacant positions (4.99 FTE total) and add various positions (3.80 FTE total) in Community Centers to provide the needed service levels due to the expanded hours of service in community centers. Any variance will be offset by reducing services and supplies.	Measure U	-	-	(1.19)
Community Enrichment	Delete various vacant positions (2.78 FTE total) and add a position (1.0 FTE Program Supervisor) in Access Leisure and Community Centers in order to ensure program safety and provide direct support to the department and city's inclusion and diversity programs and initiatives. Any variance will be offset by reducing services and supplies.	Measure U	-	-	(1.78)
Park Maintenance and Planning	Reduce the reliance on Measure U by increasing the offset from the Neighborhood Park Maintenance Community Facilities District (CFD). This offset will pay for park maintenance expenses.	Measure U	(75,000)	-	-

FY2024/25 Proposed Budget

BUDGET AND POSITION CHANGES (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Park Maintenance and Planning	Reduce the reliance on Measure U by increasing the offset from the Neighborhood Park Maintenance Community Facilities District (CFD). This offset will pay for park maintenance expenses.	Neighborhood Park Maintenance CFD	75,000	-	-
Park Maintenance and Planning	Decrease funding for utility expenses by irrigating 10% less at ornamental turf within passive recreational park areas.	Measure U	-	(320,000)	-
Park Maintenance and Planning	Increase revenue budget in Park Operations to get a cost recovery based on a CPI of 10.70%*	General	(13,152)	-	-
Park Maintenance and Planning	Delete various vacant positions (7.44 FTE total) in Youth, Community Recreation Services, Access Leisure and Community Centers to reallocate funding for maintenance of new parks.	Measure U	-	387,955	-
Park Maintenance and Planning	Reallocation of FY2024/25 budgeted fleet vehicle replacement funds to purchase other higher priority vehicles and equipment needed.	Measure U	-	-	-
Park Maintenance and Planning	Delete 12 vacant positions (12 @ 0.45 Utility Workers) in Park Operations to reallocate funding for park maintenance contracted services.	Measure U	-	-	(5.40)
Park Maintenance and Planning	Delete a vacant position (1.0 FTE Accounting Technician) in Park Development Services as the position is no longer needed and as been replaced by an Administrative Technician. The offset related to this position has been removed for a cost neutral change.	General	87,302	(87,302)	(1.00)
Youth	Increase revenue budget in Youth Expanded Learning by increasing the fee for Summer Oasis Camp to \$100 per session.	General	(32,000)	-	-
Youth	Increase revenue budget in Youth Expanded Learning by establishing a new fee for Kids Camp Evelyn Moore Summer Camp. The camp is currently free.	General	(12,000)	-	-
Youth	Increase revenue budget in Youth Expanded Learning to account for the additional on-going amount provided by the Twin Rivers Unified School District partnership to provide intersession programming for youth.	General	(80,000)	-	-
Youth	Reduce youth stipends-based programming	Measure U	-	(121,500)	-
Youth	Delete eight positions (0.50 FTE Program Leader, 3 @ 0.38 FTE and 4 @ 0.12 FTE Recreation Aides) that are difficult to fill in summer camps and other Expanded Learning Programs.	Measure U	-	(88,879)	(2.12)
Youth	Delete two positions (2 at 0.10 FTE Recreation Aides) that are difficult to fill that support summer camps and other Expanded Learning Programs.	Measure U	-	(7,206)	(0.20)
Youth	Delete eight vacant positions (3 @ 0.47 FTE and 2 @ 0.25 FTE Public Service Aide, 2 @ 0.22 FTE and 0.40 FTE Recreation Aide) in Youth Employment to better align with program needs.		-	(98,990)	(2.75)
Youth	Delete a position (1.0 FTE Accounting Technician) in Youth Employment to better align with duties.	Measure U	-	(91,294)	(1.00)
Youth	Decrease funding for the credit card fees to eliminate City subsidies of merchant fees for credit card payments and pass those costs onto users.	4th R Program	-	(27,500)	-
Youth	Increase revenue budget in Youth Expanded services to get a cost recovery based on a CPI of 10.70%*	General	(7,200)	-	-
Youth	Delete various vacant positions (7.44 FTE total) in Youth, Community Recreation Services, Access Leisure and Community Centers to reallocate funding for maintenance of new parks.	Measure U	-	(167,736)	(3.78)

FY2024/25 Proposed Budget

BUDGET AND POSITION CHANGES (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Youth	Delete various vacant positions (1.0 FTE Park Safety Ranger, 2 @ 0.25 FTE Building Monitor, 4 @ .10 Recreation Aide, 4 @ .11 Senior Recreation Aide, .13 Youth Aide and 3 @ .06 Youth Aide) and add a position (1.0 FTE Chief Animal Control Officer) in Park Safety. This position will need to change to a Chief Park Safety Ranger once the classification has been created by HR. Any variance will be offset by services and supplies.	Measure U	-	(44,281)	(1.15)
Youth	Delete a vacant position (1.0 FTE Senior Accounting Technician) and add a position (1.0 FTE Accounting Technician) in 4th R to realign with current needed duties to administrative services within the department. Any variance will be offset by reducing services and supplies.	4th R	-	-	-
Youth	Delete two vacant positions (1.0 FTE Recreation General Supervisor and 0.40 FTE Senior Recreation Aide) and add a position (1.0 FTE Recreation Superintendent) in 4th R to align with program oversight and compliance with childcare licensing, ASES grants and ELOP funding enrichment contracts. Any variance will be offset by reducing services and supplies.	4th R	-	-	(0.40)
Total Change			(2,438,168)	(2,150,034)	(42.85)

*A full breakdown of the fee increases is listed in the Budget Modification section.

Department Budget Summary

Youth, Parks, and Community Enrichment Budget Summary	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Approved	FY2023/24 Amended	FY2024/25 Proposed	Change More/(Less) Proposed/Amended
Employee Services	\$ 36,974,487	\$ 38,740,212	\$ 43,718,553	\$ 43,800,656	\$ 45,799,299	\$ 1,998,643
Other Services and Supplies	18,324,379	21,802,005	20,758,746	20,696,643	21,250,683	554,040
City Property	1,145,133	177,358	276,490	276,490	276,490	-
Multi-Year Operating Projects	-	-	2,440,285	606,940	1,208,036	601,096
City Debt Service	900,318	56,556	-	-	-	-
Transfers	171,075	(146,803)	-	-	-	-
Labor and Supply Offset	(2,336,595)	(2,170,445)	(2,444,037)	(2,444,037)	(2,088,984)	355,053
Operating Transfers	(21,602)	(3,976,175)	-	-	-	-
Total	\$ 55,157,195	\$ 54,482,707	\$ 64,750,037	\$ 62,936,692	\$ 66,445,524	\$ 3,508,832

Funding Summary by Fund/Special District	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Approved	FY2023/24 Amended	FY2024/25 Proposed	Change More/(Less) Proposed/Amended
General Fund	\$ 1,455,943	\$ 3,231,429	\$ 3,140,726	\$ 3,140,726	\$ 5,769,896	\$ 2,629,170
Laguna Creek Maint Dist	162,946	150,000	126,000	126,000	129,707	3,707
Neighborhood Water Quality Dist	28,651	30,000	30,000	30,000	31,101	1,101
N Natomas Lands CFD 3	1,578,785	1,644,743	1,815,000	1,815,000	1,890,000	75,000
Landscaping and Lighting	4,100,000	4,200,000	4,300,000	4,300,000	4,440,000	140,000
Neighborhood Park Maint CFD	1,782,000	1,882,000	1,982,000	1,982,000	2,232,000	250,000
NW Land Park CFD 2013-02	85,663	132,068	164,800	184,800	247,022	62,222
Tow nship 9 CFD No. 2012-06	-	175	2,000	2,000	2,000	-
Railyards Maint CFD No 2014-04	-	-	7,500	7,500	7,500	-
Parkebridge CFD 2014-07	-	-	57,000	57,000	57,000	-
SacMaintCFD2014-04 Annex Areas	-	-	1,200	1,200	1,200	-
Sac Services CFD 2018-05	13,418	38,539	150,000	150,000	150,000	-

FY2024/25 Proposed Budget

Department Budget Summary (continued)

Funding Summary by Fund/Special District	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Measure U	37,553,290	39,945,066	46,809,642	44,976,297	44,888,469	(87,828)
START	842,690	870,586	373,847	373,847	386,223	12,376
Land Park	139,000	89,000	89,000	89,000	89,000	-
Quimby Act	5,273	9,886	10,000	10,000	10,000	-
Golf	(80,229)	(97,160)	(115,942)	(115,942)	(78,368)	37,574
Park Development	1,637,548	(3,746,090)	441,860	441,860	823,641	381,781
4th R Program	5,852,218	6,102,465	5,365,404	5,365,404	5,369,133	3,729
Total	\$ 55,157,195	\$ 54,482,707	\$ 64,750,037	\$ 62,936,692	\$ 66,445,524	\$ 3,508,832

Division Budget Summary

Youth, Parks, and Community Enrichment Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Administration & Safety Division	\$ 3,412,114	\$ 3,253,388	\$ 3,351,729	\$ 3,321,729	\$ 3,793,586	\$ 471,857
Community Enrichment Division	17,842,650	19,836,623	24,752,709	24,732,462	24,661,029	(71,433)
Office of Youth Development Division	-	-	865,690	865,690	957,157	91,467
Park Maintenance & Planning Division	23,086,146	19,950,928	24,701,816	22,918,471	26,165,158	3,246,687
Youth Division	10,816,285	11,441,768	11,078,093	11,098,340	10,868,594	(229,746)
Total	\$ 55,157,195	\$ 54,482,707	\$ 64,750,037	\$ 62,936,692	\$ 66,445,524	\$ 3,508,832

Staffing Levels

Youth, Parks, and Community Enrichment Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Administration & Safety Division	22.00	22.00	23.00	23.00	23.00	-
Community Enrichment Division	313.92	309.53	321.10	320.45	296.05	(24.40)
Office of Youth Development Division	-	-	6.00	6.00	6.00	-
Park Maintenance & Planning Division	148.80	150.80	152.80	152.80	146.40	(6.40)
Youth Division	235.50	254.90	246.51	250.47	238.42	(12.05)
Total	720.22	737.23	749.41	752.72	709.87	(42.85)

MEASURE U

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

Funding Category	Program Name	FTE	FY2024/25 Proposed	
Community Investment				
CIP	Fleet Facilities Program	-	79,834	
	Recreation Facility Improvements	-	(21,019)	
MYOP Operations	Fleet Acquisitions	-	623,500	
	Fiscal and Management Services	8.00	1,419,105	
	Golf Admin	-	250,000	
	Historic City Cemetery	3.00	448,301	
	Older Adult Services	29.03	1,933,472	
	Park Operations Administration	130.40	16,298,041	
	Permitting and Events	6.74	699,059	
	Technology Service	-	57,638	
	Public Safety - YPCE			
	Operations	Park Safety Services	15.00	1,973,184
Miscellaneous				
MYOP	Commission Stipends	-	20,600	
Youth				
MYOP Operations	Fleet Acquisitions	-	175,000	
	M/C Econ Dev Priorities	-	300,000	
	Access Leisure	9.48	606,973	
	Aquatics	79.30	5,140,140	
	Camp Sacramento	14.57	189,595	
	Community Centers	133.77	8,072,391	
	Community Recreation Services	13.16	579,051	
	Office of Youth Development	6.00	957,157	
	Recreation Administration	10.00	1,895,024	
	Youth Employment	60.40	3,081,633	
Youth Expanded Learning	29.08	967,105		
Grand Total		547.93	\$ 45,745,784	

PERFORMANCE MEASURES

Park Operations Division

Key Measure	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Estimate	FY25 Target
Park maintenance cost per acre	\$5,736	\$6,446	\$6,139	\$6,496	\$6,230

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.

FY2024/25 Proposed Budget

	FY21	FY22	FY23	FY24	FY25
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Number of developed park acres maintained per FTE	19.70	24.31	19.55	23.71	24.00

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.

	FY21	FY22	FY23	FY24	FY25
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Number of volunteer hours managed per developed park acre	8.43	10.88	8.63	9.5	10.5

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

	FY21	FY22	FY23	FY24	FY25
Key Measure	Actuals	Actuals	Actuals	Estimate	Target
Number of safety calls responded to per Park Ranger	240	284	275	300	450

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.

25

SECTION - 25 **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 (\$7.7 million - \$7.2 million in the General Fund and \$0.5 million in the Measure U [MU] Fund):
 - Employee leave payouts and 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.

- Salary Savings (-\$11.7 million – -\$10.1 million in the General Fund and -\$1.6 million in the MU Fund) – A salary saving factor of 2% has been added to Citywide. This is to recover the savings caused by vacancies and recruitment and will allow the City to incorporate it into other areas. A five-year analysis was conducted on labor to determine the rate. The salary savings rate may change based on updated analysis.
- General Liability & Auto Liability (GL&AL) (\$42.3 million - \$38.0 million in the General Fund and \$4.3 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 (\$9.9 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) (\$11.7 million - \$9.1 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.

FY2024/25 Proposed Budget

- 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 (\$278 million as of June 30, 2023). The balance in the CERBT was approximately \$107.9 million as of March 1, 2024. The annual contribution for the OPEB Trust was eliminated in FY2021/22. Future funding to the Trust will continue to be transferred from year-end budgeted pension savings.
- Sacramento City Employees' Retirement System (SCERS) (\$1.3 million - \$0.9 million in the General Fund) – 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, 2023, the valuation of the fund will require additional contributions for the next four years. There were 774 participants (1 active) as of June 30, 2023.
- California Public Employees' Retirement System (CalPERS) (\$178.7 million - \$144.4 million in the General Fund and \$11.6 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 (\$4.2 million - \$3.9 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 (\$5.4 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 \$5.1 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.

Multi-Year Operating Projects (MYOPs)

Citywide includes \$16.0 million (\$9.7 million in the General Fund and \$6.3 million in the MU Fund) in MYOPs. Of the \$9.7 million in the General Fund, \$9.3 million is the City's

FY2024/25 Proposed Budget

obligation to the Children's Fund as required by Measure L. The other projects support citywide operating activities such as the Sacramento Utility Rate Assistance (SURA) program, litigation, the Powerhouse Science Center, and library maintenance. 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)

Citywide includes \$0.4 million for the OAC, which pays for professional services and commission stipends.

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 \$200,000 in revenue for staff support provided by the City Attorney's Office, Finance, and other departments.

Miscellaneous

- Elections (\$686,100) – 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 (\$508,730) – 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 FY2024/25 citywide revenues and the five-year forecast are included in Section 6 – 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 (\$500,000) represents consultant contracts for providing sales tax and Utility Users Tax revenue estimates.

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)

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. CCOMWP is now managed by the Department of Utilities (DOU). The six positions (6.00 FTEs) and associated budget has moved to DOU.

Property and Business Improvement Districts (PBIDs)

Citywide includes \$16.4 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 \$2.91 million for Visit Sacramento, which includes \$1.76 million from the 10% TOT that is deposited in the Community Center Fund (amount and increases are voter approved) and \$1.14 million from the MU Fund. Of the \$1.14 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. An additional \$75,000 was added to conduct cleaning and maintenance work in the J, K, and L corridors (Clean and Safe Improvements in Central Business District Project).

Greater Sacramento Area Economic Council (GSEC)

Citywide includes an annual contribution of \$ 207,264 to support work conducted at GSEC. Contribution cost based on the per capita rate of \$0.40 and the estimated population of Sacramento (518,160).

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 \$24.3 million, which includes \$14.3 million from the MU Fund and \$10.0 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. Measure B will expire on June 30, 2026, and Measure X on June 30, 2027. 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 City plans to work with the Library this Spring to place a renewal measure on the ballot, which will go to Council for approval.

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 FY2025/26.

FY2024/25 Proposed Budget

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 FY 2023/24, capital needs for the City's libraries amounted to at least \$2 million, primarily for exterior upgrades such as parking lot maintenance and ADA improvements, in addition to other interior maintenance needs. An investment of over \$22.7 million from the City and State is being allocated to the City of Sacramento Library infrastructure. To date, the State of California's "Building Forward: Library Infrastructure Grant Program" has awarded grants totaling approximately \$15.1 million, with a required City match of roughly \$7.6 million, which has already been funded by the City. A significant portion of the grant funds will be allocated for the complete remodel of the Martin Luther King Jr. (MLK) Library, totaling \$8.3 million (\$5.5 million in grant funds and \$2.8 million in City match), and the remodeling of the former Sacramento News and Review Building to accommodate a larger North Sacramento – Hagginwood Library (NSHL), totaling \$10.9 million (\$7.3 million in grant funds and \$3.6 million in City match). The remaining \$3.5 million investment is currently being allocated to the Central Library, Del Paso Heights Library, and Belle Coolidge Library for critical infrastructure upgrades. The grants did not include funds for anything exterior to the building and also Furniture, Fixtures, and Equipment (FF&E) for both the MLK or NSHL Libraries, so this will be needed for project completion. It is estimated that this could cost roughly \$4 million by the time these two projects are complete.

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 Approved 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 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 \$78.2 million on July 1, 2024, which is approximately 10.1% of budgeted FY2023/24 G/MU revenues. Due to the funding gap, the FY2024/25 EUR transfer to the reserve at year-end is one of the reduction strategies. This will cause the EUR balance to be only 9.6% of FY2024/25 revenues and will be below the target by \$3,220,500.

Other Sources and Uses

Other sources and uses in the governmental, enterprise, internal and other governmental funds total \$30 million.

Beginning Fund Balances

Beginning fund balances of the governmental, enterprise, internal, and other governmental funds total \$408 million which represent available resources from the FY2022/23 Annual Comprehensive Financial Report (ACFR) and anticipated activity in FY2023/24. 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 \$387 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	FY2024/25 Proposed
Arts/Creative Edge			
Operations	Arts Stabilization	-	249,458
Community Investment			
MYOP	Utility Rate Assistance Program	-	5,400,000
Inclusive Economic Development			
Operations	Community Programs	-	1,520,388
Library			
MYOP	SPLA Maintenance Program	-	400,000
Operations	Library JPA	-	14,271,661
Miscellaneous			
MYOP	Commission Stipends	-	6,600
Operations	Citywide IT Maintenance and Support	-	289,684
	Employee Development	-	(1,456,728)
	Gen Insurance/Termination	-	4,719,933
	Retired/Transfer Employee Benefits	-	879,378
Youth			
MYOP	Children and Youth Services Program	-	(2)
	Powerhouse Science Center	-	600,000
	Summer Youth and Community Programs	-	(136,453)
Grand Total		-	\$26,743,919

FY2024/25 Proposed Budget

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Citywide Support	Eliminate the Fare Free Transit Program	Measure U	-	(1,000,000)	-
Citywide Support	One-Time Projects Clean Up/Reduction: 2020 SHSGP (G12903300)	General	-	(10,270)	-
Citywide Support	One-Time Projects Clean Up/Reduction: County COVID-19 Testing and Vaccine Project (I12000100)	General	-	(10,057)	-
Citywide Support	One-Time Projects Clean Up/Reduction: Council Chamber/Hearing Room Upgrade Project (A07001000)	General	-	(12,246)	-
Citywide Support	One-Time Projects Clean Up/Reduction: Water Conservation Program (I14120400)	General	-	(97,622)	-
Citywide Support	One-Time Projects Clean Up/Reduction: Children and Youth Services Program (I02001830)	Measure U	-	(2)	-
Citywide Support	One-Time Projects Clean Up/Reduction: Summer Youth and Community Programs (I19141000)	Measure U	-	(136,453)	-
Citywide Support	One-Time Projects Clean Up/Reduction: Youth Sports Field Permit Program (I19143000)	Measure U	-	(200,000)	-
Citywide Support	One-Time Projects Clean Up/Reduction: Oak Park Facility Improvements Project (L19800200)	Measure U	-	(21,019)	-
Community Support	Reduce Arts Stabilization available budget	Measure U	-	(102,100)	-
Major Tax Revenues	Shift CalPERS Annual pre-payment to Monthly	General	-	(1,500,000)	-
Major Tax Revenues	Eliminate e-check fee by transitioning providers	General	-	(100,000)	-
N/A	One-time HHAP funding savings from prior rounds (not HHAP-5)	General	-	(3,800,000)	-
N/A	Suspend FY2024/25 EUR Contribution (estimate)	General	-	(3,379,000)	-
N/A	Suspend FY2024/25 EUR Contribution (estimate)	Measure U	-	(597,000)	-
Total Change \$			-	\$(10,965,769)	-

Department Budget Summary

Citywide and Community Support Budget Summary	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Approved	FY2023/24 Amended	FY2024/25 Proposed	Change More/(Less) Proposed/Amended
Employee Services	\$ 23,966,109	\$ 18,270,106	\$ 19,414,146	\$ 26,811,952	\$ 9,491,135	\$ (17,320,817)
Other Services and Supplies	83,184,569	90,838,470	95,958,556	96,058,556	103,751,589	7,693,033
City Property	497,998	539,285	305,000	305,000	300,000	(5,000)
Multi-Year Operating Projects	-	-	20,485,949	20,485,949	15,980,996	(4,504,953)
Transfers	220,098	261,315	-	-	-	-
Labor and Supply Offset	(31,200)	168,776	54,634	54,634	154,634	100,000
Contingency	-	-	2,000,000	1,988,396	2,000,000	11,604
Operating Transfers	(10,872,097)	(838,984)	(530,755)	(530,755)	-	530,755
Total	\$ 96,965,477	\$ 109,238,969	\$ 137,687,530	\$ 145,173,732	\$ 131,678,354	\$ (13,495,378)

FY2024/25 Proposed Budget

Department Budget Summary (continued)

Funding Summary by Fund/Special District	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Del Paso Prop & Business Imprv	469,590	495,476	522,071	522,071	551,095	29,024
Downtown Management District	3,770,001	3,904,081	3,994,888	3,994,888	4,198,181	203,293
The River District PBID	614,568	671,791	695,255	695,255	751,570	56,315
Natomas Transp Mgmt Assoc	1,600,000	1,740,746	1,890,000	1,890,000	1,970,000	80,000
Stockton Blvd PBID	399,915	408,653	431,933	431,933	447,745	15,812
Power Inn Area Prop & Business	534,502	534,253	588,523	588,523	615,386	26,863
Greater Broadway PBID	328,292	431,474	470,656	470,656	451,101	(19,555)
Midtown Sacramento PBID	1,719,712	1,772,964	1,838,788	1,838,788	1,897,592	58,804
Library Services Parcel Tax	8,776,752	9,200,279	9,642,426	9,642,426	9,989,149	346,723
Mack Road PBID	692,446	684,398	727,419	727,419	752,038	24,619
Sac Tourism Marketing District	6,405,440	7,457,635	3,568,492	3,568,492	3,568,492	-
Sacramento TID	(442,000)	442,000	-	-	-	-
16th St PBID	172,862	185,248	191,675	191,675	194,344	2,669
Measure U	14,454,676	18,862,853	27,554,607	28,011,612	26,743,919	(1,267,693)
START	5,487	5,821	4,623	4,623	4,704	81
Marina	-	-	-	7,508	-	(7,508)
Parking	181,206	159,922	82,165	170,082	88,609	(81,473)
Water	1,086,388	873,095	450,428	797,494	615,515	(181,979)
Wastewater	412,320	300,885	155,295	234,784	202,880	(31,904)
Recycling and Solid Waste	998,334	551,837	387,091	489,708	542,407	52,699
Community Center	1,907,952	1,767,851	1,821,652	1,943,861	1,892,352	(51,509)
Storm Drainage	590,613	361,988	227,905	312,348	292,233	(20,115)
4th R Program	66,507	42,514	25,164	36,019	33,773	(2,246)
Fleet Management	310,156	214,706	130,866	205,053	185,790	(19,263)
Risk Mgmt	38,538	28,562	23,072	32,487	16,293	(16,194)
Worker's Compensation Fund	51,581	34,552	30,932	41,357	36,143	(5,214)
Cty/Onty Office-Water Planning	870,431	481,219	646,680	565,582	1,613	(563,969)
Habitat Management Element	760,572	858,466	526,273	526,273	-	(526,273)
Total	\$ 96,965,477	\$ 109,238,969	\$ 137,687,530	\$ 145,173,732	\$ 131,678,354	\$ (13,495,378)

Division Budget Summary

Citywide and Community Support Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Citywide Support Division	\$ 26,600,140	\$ 40,122,939	\$ 73,216,150	\$ 73,316,150	\$ 66,541,595	\$ (6,774,555)
Community Support Division	37,836,981	39,356,678	44,732,080	44,732,080	44,475,757	(256,323)
County Property Taxes & Charges	2,726,443	2,971,308	4,700,000	4,700,000	5,120,000	420,000
Major Tax Revenues Division	6,830,776	7,938,373	600,000	600,000	500,000	(100,000)
Reserves/Fund Contingency Division	-	-	2,000,000	1,988,396	2,000,000	11,604
Retired/Transfer Emp Benefit 1530	22,971,137	18,849,671	12,439,300	19,837,106	13,041,002	(6,796,104)
Total	\$ 96,965,477	\$ 109,238,969	\$ 137,687,530	\$ 145,173,732	\$ 131,678,354	\$ (13,495,378)

Staffing Levels

Citywide and Community Support Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change
	Actuals	Actuals	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Community Support Division	7.00	7.00	6.00	6.00	-	(6.00)
Total	7.00	7.00	6.00	6.00	-	(6.00)

26

SECTION - 26 **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's Office 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's Office 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 \$808 million in General Fund lease obligations (inclusive of required principal and interest payments) as of June 30, 2024. 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, 2023, the City had no General Fund Obligation Bonds outstanding and had a total debt limit of approximately \$9.96 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 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.
- **2023 Water Revenue Refunding Bonds** – Refinanced a portion of the 2020 Water Revenue Refunding 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.

FY2024/25 Proposed Budget

- **State Revolving Fund Loan (Drinking Water Program) –** Financed the Meter and Pipe Installation Project which benefited numerous areas throughout the city.

BUDGET AND POSITION CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Debt Service	Shift of Innovation and Growth Fund portion of debt service support to transient occupancy tax.	Innovation and Growth	-	(1,100,000)	-
Debt Service	Shift of Innovation and Growth Fund portion of debt service support to transient occupancy tax.	Community Center	-	1,100,000	-
Total Change \$			- \$	-	-

Department Budget Summary

Debt Service Budget Summary	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Approved	FY2023/24 Amended	FY2024/25 Proposed	Change More/(Less) Proposed/Amended
Other Services and Supplies	\$ 30,720	\$ 35,054	-	-	-	-
City Debt Service	101,288,705	100,022,293	105,714,271	105,714,271	105,168,181	(546,090)
Total	101,319,425	100,057,347	105,714,271	105,714,271	105,168,181	(546,090)

Funding Summary by Fund/Special District	FY2021/22 Actuals	FY2022/23 Actuals	FY2023/24 Approved	FY2023/24 Amended	FY2024/25 Proposed	Change More/(Less) Proposed/Amended
General Fund	\$ 16,656,211	\$ 16,871,890	\$ 16,951,355	\$ 16,951,355	\$ 16,578,414	\$ (372,941)
Innovation and Growth	1,100,000	1,100,000	1,100,000	1,100,000	-	(1,100,000)
Sacramento TID	2,743,686	2,721,149	2,740,250	2,740,250	2,742,250	2,000
Golf	441,716	435,367	435,253	435,253	435,087	(166)
Marina	1,120,894	1,151,565	1,182,235	1,182,235	1,207,235	25,000
Willowcreek Fee District	80,762	-	-	-	-	-
NNFP Public Facilities Fee	581,388	585,777	587,443	587,443	573,171	(14,272)
NNFP Public Land Acquisition Fee	3,972,523	-	-	-	-	-
NNFP Reg Park Land Acquisition	837,162	843,481	845,882	845,882	825,331	(20,551)
2006 CIRBs, Series B (CRCIP)	1,506,466	1,737,520	1,201,447	1,201,447	1,512,650	311,203
2006 CIRBs (Refunding), Series E	103,565	257,336	231,365	231,365	231,037	(328)
2015 Golden 1 Center Revenue Bonds	1,857,431	2,214,684	8,589,067	8,589,067	8,889,286	300,219
2015 Refunding Revenue Bond	262	14,127	-	-	-	-
2016 Lease Financing-H Street	672,683	673,618	669,283	669,283	674,515	5,232
Parking	10,976,852	10,279,935	10,076,506	10,076,506	9,780,506	(296,000)
Water	39,016,901	36,049,899	36,015,776	36,015,776	32,677,464	(3,338,312)
Wastewater	3,917,860	3,915,667	3,498,836	3,498,836	3,910,458	411,622
Recycling and Solid Waste	1,677,384	1,677,781	1,676,723	1,676,723	1,674,299	(2,424)
Community Center	20,801,160	19,072,753	19,218,932	19,218,932	20,318,486	1,099,554
Storm Drainage	235,152	235,021	235,205	235,205	232,860	(2,345)
Water Revenue Bonds	8	(5,960)	-	-	2,860,241	2,860,241
Water Revenue Bonds Ser. 2017	3	315	-	-	-	-
Drinking Water SRF Loan	(5,445,851)	-	-	-	-	-
Water Rev Ref Bonds Ser 2020	38	814	-	-	-	-
Wastewater Revenue Bonds	1	(805)	412,563	412,563	-	(412,563)
Wastewater Revenue Bonds 2019	2	199	-	-	-	-
Wastewater Rev Ref Bonds Ser 2020	6	113	-	-	-	-
2018 TOT Revenue Bonds, Tax Exempt	(1,189,895)	37,298	(84,798)	(84,798)	(696,666)	(611,868)
2018 TOT Revenue Bonds, Taxable	(390,679)	119,356	84,875	84,875	696,715	611,840
2019 STID Revenue Bonds	94	22,691	-	-	-	-
Fleet Management	45,638	45,755	46,073	46,073	44,842	(1,231)
Total	\$ 101,319,425	\$ 100,057,347	\$ 105,714,271	\$ 105,714,271	\$ 105,168,181	\$ (546,090)

FY2024/25 Proposed Budget

Division Budget Summary

Debt Service Budget Summary	FY2021/22	FY2022/23	FY2023/24	FY2023/24	FY2024/25	Change More/(Less)
	Actuals	Actuals	Approved	Amended	Proposed	Proposed/Amended
2018 TOT Revenue Bonds	\$ 18,970,586	\$ 18,979,407	\$ 18,969,009	\$ 18,969,009	\$ 18,968,535	\$ (474)
2017 Water Revenue Bonds	3,380,718	3,380,982	3,377,413	3,377,413	3,375,663	(1,750)
2020 Water Revenue Refinance Bonds	6,978,290	6,982,969	6,978,376	6,978,376	5,200,307	(1,778,069)
2023 Water Revenue Refinance Bonds	-	-	-	-	1,259,100	1,259,100
2015 G1C Lease Revenue Bonds Division	12,457,431	12,114,684	18,289,067	18,289,067	18,289,286	219
2015 Refunding Revenue Bonds	19,649,508	9,930,402	9,922,437	9,922,437	9,925,687	3,250
2019 STID Revenue Bonds Division	2,743,781	2,743,839	2,740,250	2,740,250	2,742,250	2,000
2013 Water Revenue Bonds	5,719,606	5,724,694	5,718,875	5,718,875	5,719,500	625
2013 Wastewater Revenue Bonds	823,856	826,789	825,125	825,125	-	(825,125)
2019 Wastewater Revenue Bonds	2,120,006	2,116,289	2,113,875	2,113,875	2,116,375	2,500
2020 Wastewater Revenue Refinance Bonds	928,370	926,341	926,326	926,326	1,749,241	822,915
2006 CIRBs Series B, D, E Division	14,696,667	24,533,572	24,059,420	24,059,420	23,954,435	(104,985)
Miscellaneous Division-Debt Service	12,850,608	11,797,378	11,794,098	11,794,098	11,867,802	73,704
Total	\$101,319,425	\$100,057,347	\$105,714,271	\$105,714,271	\$105,168,181	\$ (546,090)

27

SECTION - 27 **Staffing**

Citywide Staffing Summary

Department	FY2023/24 Amended	FY2024/25 Proposed
Mayor/Council	46.00	46.00
City Auditor	10.00	10.00
City Attorney	64.00	64.00
City Clerk	24.00	24.00
City Manager	66.00	63.00
City Treasurer	14.00	14.00
Community Development	319.00	318.00
Community Response	37.00	37.00
Convention and Cultural Services	119.00	124.50
Finance	94.90	94.00
Fire	760.50	760.50
Human Resources	83.00	83.00
Information Technology	208.50	202.50
Police	1,135.16	1,119.50
Public Works	768.65	769.65
Utilities	582.18	589.18
Youth, Parks, and Community Enrichment	752.72	709.87
Citywide and Community Support	6.00	-
Total	<u>5,090.61</u>	<u>5,028.70</u>

FY2024/25 Proposed Budget

Mayor/Council	FY2023/24	FY2024/25	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 Analyst	2.00	2.00	-
OPS Accountability Inspector General	1.00	1.00	-
OPSA Assistant Director	1.00	1.00	-
OPSA Deputy Inspector General	1.00	1.00	-
OPSA Investigator	4.00	4.00	-
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	46.00	46.00	-

*Three positions in the Office of the Mayor are limited term until 12/30/2024 per Resolution 2022-0365. Funding has been allocated until then and then positions will be removed.

FY2024/25 Proposed Budget

City Attorney	FY2023/24	FY2024/25	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	29.00	29.00	-
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	64.00	64.00	-

FY2024/25 Proposed Budget

City Auditor	FY2023/24	FY2024/25	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 Analyst	1.00	2.00	1.00
Senior Fiscal Policy Analyst	4.00	3.00	(1.00)
Total	10.00	10.00	-

*The Principal Fiscal Policy Analyst and Senior Fiscal Policy Analyst change is due to changes between flex positions.

FY2024/25 Proposed Budget

City Clerk	FY2023/24	FY2024/25	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	8.00	8.00	-
Program Specialist	3.00	3.00	-
Senior Deputy City Clerk	3.00	3.00	-
Staff Assistant-Mayor Council	1.00	1.00	-
Total	24.00	24.00	-

FY2024/25 Proposed Budget

City Manager	FY2023/24	FY2024/25	Change
	Amended	Proposed	
Accountant Auditor	1.00	1.00	-
Administrative Analyst	15.00	15.00	-
Administrative Officer	2.00	2.00	-
Administrative Technician	5.00	4.00	(1.00)
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	3.00	3.00	-
Executive Assistant (CMO)	2.00	1.00	(1.00)
Graphic Designer	1.00	1.00	-
Media and Communications Officer	1.00	1.00	-
Media and Communications Specialist	3.00	2.00	(1.00)
Neighborhood Services Area Manager	1.00	1.00	-
Principal Planner	1.00	-	(1.00)
Program Specialist	3.00	4.00	1.00
Senior Development Project Manager	4.00	4.00	-
Special Projects Manager	2.00	2.00	-
Total	66.00	63.00	(3.00)

FY2024/25 Proposed Budget

City Treasurer	FY2023/24	FY2024/25	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	2.00	2.00	-
Senior Investment Officer	1.00	1.00	-
Treasury Analyst	2.00	2.00	-
Treasury Assistant	1.00	1.00	-
Treasury Manager	1.00	1.00	-
Total	14.00	14.00	-

FY2024/25 Proposed Budget

Community Development	FY2023/24	FY2024/25	Change
	Amended	Proposed	
Account Clerk II	2.00	2.00	-
Accountant Auditor	1.00	1.00	-
Accounting Technician	5.00	5.00	-
Administrative Analyst	9.00	8.00	(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	5.00	4.00	(1.00)
Animal Control Officer II	7.00	8.00	1.00
Animal Services Coordinator	6.00	6.00	-
Assistant Architect	1.00	1.00	-
Assistant Code Enforcement Officer	6.00	6.00	-
Assistant Director	1.00	1.00	-
Assistant Planner	2.00	6.00	4.00
Associate Civil Engineer	3.00	3.00	-
Associate Planner	19.00	18.00	(1.00)
Building Inspector I	20.00	19.00	(1.00)
Building Inspector II	13.00	12.00	(1.00)
Building Inspector III	18.00	20.00	2.00
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	18.00	18.00	-
Customer Service Specialist	8.00	8.00	-
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	6.00	7.00	1.00
Development Services Technician II	4.00	3.00	(1.00)
Development Services Technician III	4.00	4.00	-
Director of Community Development	1.00	1.00	-
Junior Planner	7.00	3.00	(4.00)
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	-
Program Manager	2.00	2.00	-
Program Specialist	7.00	7.00	-
Public Information Coordinator	1.00	1.00	-

FY2024/25 Proposed Budget

Community Development (continued)	FY2023/24	FY2024/25	Change
	Amended	Proposed	
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	11.00	1.00
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	0.50	0.50	-
Zoning Investigator	2.00	2.00	-
Total	319.00	318.00	(1.00)

*The Animal Control Officer I and II change is due to changes between flex positions.

*The Assistant Planner and Junior Planner change is due to changes between flex positions.

*The Building Inspector I, II, and III change is due to changes between flex positions.

*The Development Services Technician I and II change is due to changes between flex positions.

FY2024/25 Proposed Budget

Community Response	FY2023/24	FY2024/25	Change
	Amended	Proposed	
Accountant Auditor	-	1.00	1.00
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	-
Neighborhood Resources Coordinator I	11.00	12.00	1.00
Neighborhood Resources Coordinator II	8.00	7.00	(1.00)
Program Coordinator	1.00	-	(1.00)
Program Manager	2.00	2.00	-
Program Specialist	3.00	4.00	1.00
Senior Accountant Auditor	1.00	-	(1.00)
Senior Staff Assistant	-	1.00	1.00
Staff Aide OFF	1.00	-	(1.00)
Support Services Manager	1.00	1.00	-
Total	37.00	37.00	-

*The Neighborhood Resources Coordinator I and II change is due to changes between flex positions.

FY2024/25 Proposed Budget

Convention and Cultural Services	FY2023/24	FY2024/25	Change
	Amended	Proposed	
Administrative Analyst	4.00	4.50	0.50
Administrative Officer	3.00	2.00	(1.00)
Administrative Technician	2.75	5.75	3.00
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	1.00	1.00	-
Building Maintenance Worker	1.00	1.00	-
City Historian	1.00	1.00	-
Community Center Attendant I	10.00	10.00	-
Community Center Attendant II	6.00	6.00	-
Contract and Compliance Specialist	-	1.00	1.00
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	-
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	-
Marina Aide	1.20	1.20	-
Mechanical Maintenance Supervisor	1.00	1.00	-
Museum Security Supervisor	1.00	1.00	-
Office Specialist	1.00	1.00	-
Program Manager	1.00	2.00	1.00
Program Specialist	1.00	2.00	1.00
Registrar	1.00	1.00	-
Senior Stationary Engineer	2.00	2.00	-
Stagehand I	2.00	2.00	-
Stagehand II	2.00	2.00	-
Stationary Engineer	6.00	6.00	-
Supervising Community Center Attendant	4.00	4.00	-
Ticket Seller (Exempt)	6.25	6.25	-
Zoo Attendant I	2.00	2.00	-
Total	119.00	124.50	5.50

FY2024/25 Proposed Budget

Finance	FY2023/24	FY2024/25	Change
	Amended	Proposed	
Account Clerk II	4.00	4.00	-
Accountant Auditor	1.00	1.00	-
Accounting Technician	3.00	3.00	-
Administrative Analyst	6.00	6.00	-
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	15.00	(0.90)
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 Budget Analyst	3.00	3.00	-
Procurement Services Manager	1.00	1.00	-
Program Manager	3.00	4.00	1.00
Program Specialist	2.00	1.00	(1.00)
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	4.00	4.00	-
Special Districts Manager	1.00	1.00	-
Supervising Financial Analyst	3.00	3.00	-
Total	94.90	94.00	(0.90)

FY2024/25 Proposed Budget

Fire	FY2023/24	FY2024/25	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	9.00	9.00	-
Fire Battalion Chief	12.00	12.00	-
Fire Battalion Chief (Admin)	3.00	3.00	-
Fire Captain	108.00	111.00	3.00
Fire Captain (Admin)	16.00	13.00	(3.00)
Fire Chief	1.00	1.00	-
Fire Engineer	102.00	105.00	3.00
Fire Engineer (Admin)	7.00	4.00	(3.00)
Fire Investigator I	5.00	5.00	-
Fire Investigator II	2.00	2.00	-
Fire Marshal	1.00	1.00	-
Fire Prevention Officer I	2.00	1.00	(1.00)
Fire Prevention Officer II	14.00	13.00	(1.00)
Fire Prevention Officer Trainee	-	2.00	2.00
Fire Recruit	11.50	11.50	-
Fire Service Worker	3.00	3.00	-
Firefighter	348.00	349.00	1.00
Firefighter (Admin)	4.00	3.00	(1.00)
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	-

FY2024/25 Proposed Budget

Fire (continued)	FY2023/24 Amended	FY2024/25 Proposed	Change
Support Services Manager	1.00	1.00	-
Total	760.50	760.50	-

*The Fire Captain and Fire Captain (Admin) change is due to changes between flex positions.

*The Fire Enginner and Fire Enginner (Admin) change is due to changes between flex positions.

*The Fire Prevention Officer I, II and Fire Prevention Officer Trainee change is due to changes between flex positions.

*The Firefighter and Firefighter (Admin) change is due to changes between flex positions.

FY2024/25 Proposed Budget

Human Resources	FY2023/24	FY2024/25	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	-
Labor Relations Adm/EEO Investigator	2.00	2.00	-
Labor Relations Analyst	1.00	1.00	-
Labor Relations Officer	5.00	5.00	-
Personnel Analyst	6.00	6.00	-
Personnel Technician	15.00	15.00	-
Program Manager	1.00	-	(1.00)
Program Specialist	2.00	3.00	1.00
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	-

FY2024/25 Proposed Budget

Information Technology	FY2023/24	FY2024/25	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	4.00	3.00	(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	3.00	3.00	-
Geographic Information Systems Specialist I	3.00	1.00	(2.00)
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	12.00	12.00	-
Information Technology Support Specialist I	7.00	6.00	(1.00)
Information Technology Support Specialist II	13.00	8.00	(5.00)
Information Technology Trainee	13.00	17.00	4.00
Media Production Specialist I	1.00	1.00	-
Media Production Specialist II	1.00	1.00	-
Principal Applications Developer	12.00	12.00	-
Principal Systems Engineer	7.00	7.00	-
Program Manager	3.00	3.00	-
Program Specialist	11.00	11.00	-
Senior Applications Developer	16.00	15.00	(1.00)
Senior Department System Specialist	6.00	6.00	-
Senior Information Technology Support Specialist	2.00	2.00	-
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	208.50	202.50	(6.00)

*The Information Technology Support Specialist II and Information Technology Trainee (4.0 FTE) change is due to changes between flex positions

FY2024/25 Proposed Budget

Police	FY2023/24	FY2024/25	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	32.00	31.00	(1.00)
Administrative Officer	5.00	5.00	-
Administrative Technician	14.00	14.00	-
Community Service Officer II	46.00	46.00	-
Community Service Officer III	-	10.00	10.00
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	11.00	2.00
Dispatcher II	71.00	69.00	(2.00)
Dispatcher III	12.00	12.00	-
Evidence & Property Technician	9.00	9.00	-
Fingerprint Clerk	3.00	3.00	-
Forensic Investigator I	10.00	8.00	(2.00)
Forensic Investigator II	11.00	13.00	2.00
Governmental Affairs Manager	1.00	1.00	-
Media and Communications Specialist	1.00	1.00	-
Media Production Specialist I	1.00	1.00	-
Media Production Specialist II	2.00	1.00	(1.00)
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	25.00	26.00	1.00
Police Officer	619.00	599.00	(20.00)
Police Records Specialist I	20.00	23.00	3.00
Police Records Specialist II	36.00	33.00	(3.00)
Police Records Specialist III	3.00	3.00	-
Police Records Supervisor	9.00	7.00	(2.00)
Police Sergeant	96.00	95.00	(1.00)
Police Social Services Administrator	1.00	-	(1.00)
Program Manager	1.00	1.00	-
Program Specialist	1.00	2.00	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)
Senior Evidence/Property Tech	4.00	4.00	-
Senior Personnel Transaction Coordinator	1.00	-	(1.00)
Senior Police Records Supervisor	3.00	3.00	-
Senior Staff Assistant	1.00	2.00	1.00
Special Projects Manager	1.00	1.00	-
Student Trainee (Most Majors)	28.50	28.50	-
Supervising Dispatcher	3.00	3.00	-

FY2024/25 Proposed Budget

Police (continued)	FY2023/24 Amended	FY2024/25 Proposed	Change
Supervising Forensic Investigator	4.00	4.00	-
Total	1,134.16	1,118.50	(15.66)

*The Dispatcher I and II change is due to changes between flex positions.

*The Forensic Investigator I and II change is due to changes between flex positions.

*The Police Records Specialist I and II change is due to changes between flex positions.

FY2024/25 Proposed Budget

Public Works	FY2023/24	FY2024/25	Change
	Amended	Proposed	
Account Clerk II	3.00	3.00	-
Accountant Auditor	2.00	2.00	-
Accounting Technician	6.00	6.00	-
Administrative Analyst	27.00	30.00	3.00
Administrative Assistant	1.00	1.00	-
Administrative Officer	2.00	4.00	2.00
Administrative Technician	9.00	9.00	-
Arborist/Urban Forester	7.00	7.00	-
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	7.00	(1.00)
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	9.00	1.00
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	9.00	2.00
Construction Inspector III	13.00	11.00	(2.00)
Contract and Compliance Specialist	2.00	2.00	-
Custodian I	4.00	4.00	-
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	2.00	1.00
Director of Public Works	1.00	1.00	-
Electrical Construction Inspector II	2.00	2.00	-
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	6.00	(1.00)
Equipment Maintenance Supervisor	4.00	4.00	-
Equipment Mechanic I	8.00	8.00	-
Equipment Mechanic II	25.00	25.00	-
Equipment Mechanic III	7.00	7.00	-
Equipment Serviceworker	22.00	22.00	-
Facilities and Real Property Superintendent	2.00	2.00	-
Facilities Manager	1.00	1.00	-
Fleet Management Technician	3.00	3.00	-

FY2024/25 Proposed Budget

Public Works (continued)	FY2023/24	FY2024/25	Change
	Amended	Proposed	
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	16.00	(1.00)
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	-
Operations General Supervisor	11.00	11.00	-
Painter	3.00	3.00	-
Parking Enforcement Officer	48.00	48.00	-
Parking Enforcement Supervisor	4.00	4.00	-
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	-
Planning Director	-	1.00	1.00
Plumber	4.00	4.00	-
Plumbing Supervisor	1.00	1.00	-
Principal Planner	2.00	2.00	-
Program Manager	6.00	5.00	(1.00)
Program Specialist	14.00	14.00	-
Real Property Agent II	2.00	2.00	-
Real Property Agent III	2.00	2.00	-
Senior Accountant Auditor	2.00	1.00	(1.00)
Senior Accounting Technician	4.00	3.00	(1.00)
Senior Architect	2.00	2.00	-
Senior Code Enforcement Officer	1.00	1.00	-
Senior Electronic Maintenance Technician	1.00	1.00	-
Senior Engineer	15.00	16.00	1.00
Senior Engineering Technician	2.00	2.00	-
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	5.00	5.00	-

FY2024/25 Proposed Budget

Public Works (continued)	FY2023/24	FY2024/25	Change
	Amended	Proposed	
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	34.00	(3.00)
Street Construction Laborer Trainee	6.00	9.00	3.00
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	3.00	3.00	-
Supervising Engineer	6.00	6.00	-
Supervising Financial Analyst	3.00	3.00	-
Supervising Surveyor	1.00	1.00	-
Support Services Manager	3.00	2.00	(1.00)
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	5.00	(2.00)
Traffic Control and Lighting Technician Trainee	5.00	8.00	3.00
Traffic Investigator I	-	1.00	1.00
Traffic Investigator II	3.00	3.00	-
Traffic Investigator III	3.00	2.00	(1.00)
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	8.00	1.00
Tree Pruner Supervisor	2.00	2.00	-
Tree Pruner Trainee	2.00	2.00	-
Vehicle Service Attendant	2.00	2.00	-
Total	768.65	769.65	1.00

*The Construction II and III change is due to changes between flex positions.

*The Development Services Technician I and II change is due to changes between flex positions.

*The Street Construction Laborer and Trainee change is due to changes between flex positions.

*The Traffic Control and Lighting Technician Trainee and II change is due to changes between flex positions.

*The Traffic Investigator I and III change is due to changes between flex positions.

*The Tree Pruner I and II change is due to changes between flex positions.

FY2024/25 Proposed Budget

Utilities	FY2023/24	FY2024/25	Change
	Amended	Proposed	
Accountant Auditor	1.00	1.00	-
Accounting Technician	5.00	5.00	-
Administrative Analyst	29.00	31.00	2.00
Administrative Assistant	1.00	1.00	-
Administrative Technician	11.00	13.00	2.00
Assistant Civil Engineer	7.00	13.00	6.00
Assistant Director	-	1.00	1.00
Assistant Electrical Engineer	1.00	1.00	-
Assistant Water Cross Connection Control Specialist	4.00	4.00	-
Associate Civil Engineer	14.00	9.00	(5.00)
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	-
Executive Director SAC CCOMWP	-	1.00	1.00
Generator Technician	5.00	5.00	-
Instrument Technician I	-	3.00	3.00
Instrument Technician II	9.00	8.00	(1.00)
Instrument Technician Trainee	2.00	-	(2.00)
Instrumentation Supervisor	1.00	1.00	-
IT Supervisor	2.00	2.00	-
Junior Engineer	3.00	2.00	(1.00)
Junior Plant Operator	13.00	11.00	(2.00)
Machinist	16.00	16.00	-
Machinist Helper	16.00	16.00	-
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	1.00	(1.00)
Plant Operator	34.00	35.00	1.00
Process Control Systems Specialist	7.00	7.00	-
Program Manager	6.00	7.00	1.00
Program Specialist	16.00	16.00	-
Public Information Coordinator	1.00	1.00	-
Senior Accountant Auditor	1.00	1.00	-
Senior Electrician	3.00	3.00	-
Senior Engineer	18.00	19.00	1.00
Senior Engineering Technician	1.00	1.00	-
Senior Generator Technician	2.00	2.00	-

FY2024/25 Proposed Budget

Utilities (continued)	FY2023/24	FY2024/25	Change
	Amended	Proposed	
Senior Maintenance Worker	3.00	3.00	-
Senior Personnel Transaction Coordinator	1.00	1.00	-
Senior Plant Operator	17.00	17.00	-
Senior Staff Assistant	4.00	5.00	1.00
Senior Store Keeper	1.00	1.00	-
Storekeeper	4.00	4.00	-
Stores Administrator	1.00	1.00	-
Student Trainee	0.18	0.18	-
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	89.00	11.00
Utilities Operations and Maintenance Serviceworker Apprentice	15.00	4.00	(11.00)
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	582.18	589.18	7.00

*The Assistant, Associate and Junior Civil Engineer change is due to changes between flex positions.

*The Instrument Technician I, II and Trainee change is due to changes between flex positions.

*The Utilities Operation and Maintenance Apprentice and Serviceworker change is due to changes between flex positions.

FY2024/25 Proposed Budget

Youth, Parks, & Community Enrichment	FY2023/24	FY2024/25	Change
	Amended	Proposed	
Accounting Technician	4.00	2.00	(2.00)
Administrative Analyst	11.00	10.00	(1.00)
Administrative Assistant	1.00	1.00	-
Administrative Officer	4.00	4.00	-
Administrative Technician	4.00	4.00	-
Aquatic Specialist	1.80	1.80	-
Aquatics Recreation Coordinator	4.00	4.00	-
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	14.76	13.96	(0.80)
Camp Aide	6.08	5.00	(1.08)
Camp Caretaker	0.50	0.50	-
Camp Chef	1.50	1.50	-
Camp Host	0.70	0.50	(0.20)
Camp Program Director	1.99	1.99	-
Camp Recreation Leader	2.47	1.70	(0.77)
Camp Sacramento Supervisor	1.00	1.00	-
Cashier (Aquatics)	6.40	5.85	(0.55)
Chief Animal Control Officer	-	1.00	1.00
Community Center Attendant I	2.00	2.00	-
Contract and Compliance Specialist	1.00	1.00	-
Crew Leader (Landscape and Learning)	7.16	6.80	(0.36)
Custodial Supervisor	1.00	1.00	-
Custodian II	15.80	16.60	0.80
Customer Service Assistant	10.30	9.60	(0.70)
Customer Service Representative	10.00	10.00	-
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	1.00	(0.80)
Irrigation Technician	5.00	5.00	-
Junior Landscape Assistant	2.00	2.00	-
Junior Plant Operator	3.00	3.00	-
Lifeguard	21.00	17.40	(3.60)
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	-

FY2024/25 Proposed Budget

Youth, Parks, & Community Enrichment (continued)	FY2023/24 Amended	FY2024/25 Proposed	Change
Park Safety Ranger	11.00	10.00	(1.00)
Park Safety Ranger Assistant	2.00	2.00	-
Park Safety Ranger Supervisor	2.00	2.00	-
Parks Supervisor	8.00	7.00	(1.00)
Plant Operator	1.00	1.00	-
Pool Manager	6.05	6.05	-
Program Coordinator	49.95	48.95	(1.00)
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	11.25	11.95	0.70
Program Manager	1.00	1.00	-
Program Specialist	4.00	4.00	-
Program Supervisor	16.00	17.00	1.00
Program Supervisor (Older Adults)	2.00	2.00	-
Public Service Aide	1.91	-	(1.91)
Recreation Aide	173.76	160.06	(13.70)
Recreation Aide (Older Adults)	7.05	7.05	-
Recreation General Supervisor	5.00	3.00	(2.00)
Recreation Leader (Adaptive Recreation)	5.93	5.48	(0.45)
Recreation Manager	3.00	3.00	-
Recreation Superintendent	4.00	4.00	-
Senior Accountant Auditor	1.00	1.00	-
Senior Accounting Technician	4.00	3.00	(1.00)
Senior Landscape Architect	1.00	1.00	-
Senior Lifeguard	23.60	21.70	(1.90)
Senior Planner	1.00	1.00	-
Senior Recreation Aide	31.57	30.21	(1.36)
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	17.44	11.10	(6.34)
Youth Aide	33.43	30.70	(2.73)
Total	752.72	709.87	(42.85)

FY2024/25 Proposed Budget

Citywide and Community Support	FY2023/24	FY2024/25	Change
	Amended	Proposed	
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)
Citywide and Community Support Total	6.00	-	(6.00)

28

SECTION - 28 **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 FY2024/25 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 April 2024:

Project Description	Project #	Total Budget	Available Budget
General Fund			
2016 AFG Source Capture Grant	G12902500	72,307	16,364
2020 AFG Program	G12903200	35,128	1
2020 SHSGP	G12903300	10,270	10,270
C19-Great Plates Emerg Food	G02610300	108,900	108,900
CalVIP - GPITF	G02000700	124,700	-
CalVIP Cohort 3 Grant 2020-23	G02000710	127,158	69,554
FY2015/16 Adaptive Sports	G19100400	20,922	-
FY2015/16 OHV Grant	G11015100	6,459	-
FY2016/17 OHV Program	G11015118	16,711	-
FY2017/18 State OHMVR Grant	G11015119	14,613	-
FY2018/19 - ASES - SCUSD	G19041290	20,885	-
FY2019/20 S.A.V.E. Program	G11012419	15,404	-
FY2020/21 SAVE Grant	G11012420	17,413	4,360
FY2022/23 SAVE Grant	G11012423	16,787	16,787
HHAP Homeless Grant Program	G02000950	880,000	-
Homeless Motel Voucher Program	G02001700	115,672	-
LGBTQ+ Historic Experience	G21000800	34,400	34,400
River Crossing Art Project	G17605000	62,500	33,083
Youth RIV Grant FY2018/19-23	G02001300	24,570	6,000
General Fund Total		1,724,798	299,719
Measure U Fund			
2016 AFG Source Capture Grant	G12902500	390,000	3,801
C19-CARES Act Program	G02610100	733,275	60,699
CalVIP Cohort 3 Grant 2020-23	G02000710	154,838	60,611
FY2022/23 - SCUSD ASES	G19041340	25,945	1
Measure U Fund Total		1,304,058	125,112
Enterprise Funds			
CY20 Curbside Supplemental Pay	G15312000	177,095	(60,087)
CY21 Curbside Supplemental Pay	G15312100	154,089	154,089
CY22 Curbside Supplemental Pay	G15312200	129,848	129,848
DFERG Prop 1 Round 3	G14220100	550,777	283,730
FY2020/21 City-County Payment	G15302100	125,152	75,152
FY2020/21-22 City-County Payment	G15302200	127,305	37,305
FY2021/22-23 City-County Paymen	G15302300	128,873	1,833
FY2023/24 DOU Operating Grant Program	G14240100	1,846,794	1,757,616
Levee Debris Removal	G14230100	740,890	715,970
RW Efficiency Acceleration GP	G14110200	265,543	-

FY2024/25 Proposed Budget

Project Description	Project #	Total Budget	Available Budget
Enterprise Funds (cont)			
SB1383 LA Grant OWR1 FY2021/22	G15003200	727,761	-
Used Oil Payment Program-OPP11	G15003010	53,594	-
Used Oil Payment Program-OPP12	G15003020	67,200	-
Used Oil Payment Program-OPP13	G15003030	77,563	27,689
Enterprise Funds Total		5,172,484	3,123,145
Other Funds			
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	433
2018 OTS BIKE/PED (PS18013)	G11016300	75,000	3,886
2018 SHSGP Grant	G12902800	83,780	-
2018 Urban Search & Rescue	G12501800	1,277,823	-
2019 OTS STEP (PT19103)	G11016219	403,304	40,483
2019 UASI	G11016919	2,687,737	-
2020 AFG COVID-19 Supplemental	G12903000	467,408	318,270
2020 AFG Program	G12903200	351,273	-
2020 OTS STEP (PT20148)	G11016220	375,000	157,359
2020 SHSGP	G12903300	19,575	-
2020 UASI	G11016920	2,894,500	(12,209)
2020 Urban Search and Rescue	G12502000	1,270,549	(5,021)
2021 CHP Grant	G11017021	1,875,000	1,078,377
2021 SHSGP	G12903400	230,550	11,069
2021 UASI	G11016921	3,097,000	777,975
2021 Urban Search and Rescue	G12502100	1,514,228	116,706
2022 HMEP Grant	G12903700	100,280	100,280
2022 JAG	G11017822	258,140	120,871
2022 SHSGP	G12903600	140,000	1,908
2022 Urban Search and Rescue	G12502200	1,332,150	194,709
2023 Urban Search and Rescue	G12502300	1,422,956	997,025
Annual Funds for CA-TF7, US&R	G12501900	1,236,104	(22,303)
AR Floodplain and Side Channel	G14140400	7,960,103	2,153,101
AR Juvenile Salmonid Habitat	G14140700	1,494,900	251,023
ASPCA Grants	G21002300	12,000	1,433
Broadband Strategic Plan	G07000100	210,300	-
Brownfields Revolving Loan	G02180100	750,000	520,515
BSCC Officer Wellness	G11018700	480,297	480,297
C19-CARES Act Program	G02610100	11,409,040	-
C19-Great Plates Emerg Food	G02610300	19,777,029	629,967
C19-Public Safety	G02610500	2,399,636	-
C19-US DOJ CESF	G02610400	795,286	518,584
CA Creative Corps Program	G17610000	4,750,000	423,567
CA Healthy Rivers Prop 68	G14140800	5,000,000	210,776
CAC State and Local Partnership	G17606000	227,250	98,512
CalCompass Grant	G19090910	350,000	58,699
CalGRIP Safe Comm 4/10-3/12	G11007100	382,639	2,196
California Local Equity Grant	G02420100	1,197,120	12

FY2024/25 Proposed Budget

Project Description	Project #	Total Budget	Available Budget
Other Funds (cont)			
CalVP - GPITF	G02000700	868,700	467,883
CalVP Cohort 3 Grant 2020-23	G02000710	2,718,004	887,993
CERT Support Grant Program	G12903500	15,000	27
Champlain Tower Collapse	G12704800	127,631	-
Citizens Option	G11018100	276,143	12,447
Citizens Option	G11018400	2,395,736	1,047,423
Citizens Option - Growth	G11018500	1,270,655	1,180,840
City/County Fine=Fee Justice	G02002000	50,000	32,129
Citywide Disaster Recovery Pln	G02000800	25,000	-
CNRA - Cmnty Reinvst Proj.	G02000420	20,000,000	20,000,000
Community Benefit Partnership	G02000610	125,000	125,000
DEL ORO - TRIPLE R SUBSIDY	G19090900	6,000	-
ECE Workforce Training Program	G02180340	394,000	373,049
ERA Program	G02610600	52,425,290	43,346
Federal ARPA Program	G02611000	112,313,331	-
FIRE FY05 HomeInd Security2541	G12901000	95,169	1
FitLot AARP Grant	G19090800	11,030	10,544
FY2015/16 Adaptive Sports	G19100400	70,967	-
FY2015/16 OHV Grant	G11015100	24,351	-
FY2016/17 Citizen's Option Growth	G11016700	294,826	527
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	76,109
FY2017/18 JAG (2018-DJ-BX-0855)	G11017500	252,397	7,916
FY2017/18 State OHMVR Grant	G11015119	23,746	612
FY2017/18/19 Citizen's Option Grwth	G11018000	426,297	609
FY2018/19 - ASES - SCUSD	G19041290	139,230	-
FY2018/19 Citizen's Option	G11017300	740,696	12,133
FY2018/19 JAG (2019-DJ-BX-0685)	G11017800	246,833	1,644
FY2019/20 ABC Grant	G11017220	100,000	27,324
FY2019/20 CitzOpt Growth	G11017920	436,881	-
FY2019/20 JAG (2020-DJ-BX-0740)	G11017820	220,111	6,603
FY2019/20 S.A.V.E. Program	G11012419	100,600	15,627
FY2020/21 ABC GRANT	G11017221	64,429	(5,067)
FY2020/21 DBW BSEE	G11018300	22,001	2,299
FY2020/21 Emergency Comms Equipment	G02000810	180,000	6,209
FY2020/21 JAG	G11017821	248,731	(4,000)
FY2020/21 OTS STEP	G11016221	385,000	155,450
FY2020/21 SAVE GRANT	G11012420	174,134	(1,030)
FY2021/22 - EEMI	G02002100	95,000	45,012
FY2021/22 - WIOA	G19090220	83,640	7,972
FY2021/22 ABC Grant	G11017222	97,500	2,150
FY2021/22 DCC Grant	G02420400	5,786,617	4,877,221
FY2021/22 OTS STEP (PT22190)	G11016222	400,000	217,617
FY2021/22 UASI	G11016922	3,097,000	2,859,274
FY2022/23 - SCUSD ASES	G19041340	172,961	(84)
FY2022/23 - WIOA	G19090230	89,216	16,002

FY2024/25 Proposed Budget

Project Description	Project #	Total Budget	Available Budget
Other Funds (cont)			
FY2022/23 ABC	G11017223	75,000	33,379
FY2022/23 Go-Biz Equity Grant	G02420600	1,563,723	1,297,561
FY2022/23 OTS Step (PT23162)	G11016223	390,000	218,476
FY2022/23 SAVE Grant	G11012423	167,870	17,684
FY2023/24 - SCUSD ASES	G19041350	172,961	41,383
FY2023/24 - WIOA	G19090240	222,263	98,486
Gang Violence Supp - Parent	G11017600	1,620,852	617,694
Hawaii Wildfires	G12705600	178,500	38,328
HHAP 2	G02000960	3,246,214	568,043
HHAP 3	G02000970	16,683,570	3,571,436
HHAP 4	G02000980	24,791,417	7,458,163
HHAP Homeless Grant Program	G02000950	14,330,531	59,254
Homeless Emergency Aid Program	G02000820	685,433	60,815
Homeless Motel Voucher Program	G02001700	13,822,694	3,999,412
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 Deployment	G12705200	84,000	5,236
KY Tornados	G12705100	23,206	1
LARCP Cordova Creek FY20	G14140500	335,000	-
LEAP Program	G21001100	750,000	7,318
LGBTQ+ Historic Experience	G21000800	66,667	(63)
Marysville & Grand - EPA Grant	G02180110	800,000	800,000
Meadowview Farmers Market	G02180350	500,000	331,332
More Pets and People Together	G21002523	165,215	165,215
NEA ARP Grant	G17608000	487,500	12,502
NEA Arts Collective Grant	G17607000	75,000	45,000
Neighborhood Equity Initiative	G02180320	300,000	300,000
NLC's Youth Excel Initiative	G19080700	150,000	(2,360)
Northeast Sacramento	G02001200	300,000	6,642
OED ARPA Grant	G17609000	4,200,000	282,886
OTS FY2017/18 STEP (PT18072)	G11016200	567,331	182,357
OTS FY2024 STEP (PT24166)	G11016224	400,000	370,459
Petco Innovation Showdown	G21001800	250,000	51,174
Petco Love 2023	G21002700	75,000	(3,649)
Petco Love 2024	G21002800	80,000	80,000
PS Charities Capacity Building	G21002600	50,000	(297)
Puerto Rico Earthquake	G12704200	34,019	1
REAP 2021	G21001010	600,000	-
River Crossing Art Project	G17605000	150,000	570
Sanitation Grant	G02000900	150,000	-
SB 2 Planning Grant Program	G21001300	1,225	-
SHRA IPA (B - 18-MC-06-0003)	G02180200	60,000	4,700
SLP-23-20672-100	G17606100	70,800	70,800
Solar Permitting Platform	G21008000	100,000	90,000
Street Soccer USA Project	G02000410	800,000	-
SYW_BSCC Prop. 64-2	G19080600	999,555	25,789

FY2024/25 Proposed Budget

Project Description	Project #	Total Budget	Available Budget
Other Funds (cont)			
Tropical Cyclone Dorian	G12704000	623,200	97,086
Tropical Cyclone Douglas	G12704100	525,400	230,093
Tropical Cyclone Ida	G12705000	66,000	36,944
Tropical Cyclone Idalia	G12705700	49,000	31,033
Tropical Cyclone Laura/Marco	G12704400	30,800	162
Tropical Cyclone Zeta	G12704600	15,400	3,289
UASI Hmland Sec 07 11/07-6/10	G11005700	3,336,000	-
UCDavis Grants	G21002500	58,500	36,181
Vermont Flooding	G12705500	49,000	19,869
WPC Augmentation Support	G02001500	-	51,220
Youth RIV Grant FY2018/19-23	G02001300	999,780	3,115
Other Funds Total		391,130,998	63,700,033
Grand Total		399,332,338	67,248,009

FY2024/25 Proposed Budget

EXISTING OPERATING PROJECTS

The following is a list of existing operating projects, the total budget, and available budget based on data available as of April 2024:

Project Description	Project #	Total Budget	Available Budget
General Fund			
21st Century Skills Grant Prog	I01000400	175,460	460
ADA Education & Training	I08000100	575,876	555,535
APP Maintenance	I17000500	1,265,033	883,931
Archives East End Project	I17000100	86,350	11,523
Arts and Cultural Plan	I17000900	110,000	53
Arts Ed and Community Outreach	I17001100	177,536	56,618
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	-
CA Rural Legal Assistance	I02000800	1,300,000	-
Cemetery Facility Improvement	I17000300	13,359	-
Cesar Chavez Park Maintenance	I19101200	105,905	96,865
Citywide Classification Study	I08000400	3,100,000	2,226,585
Citywide Litigation Project	I80310000	6,570,623	1,618,003
Citywide Strategic Plan	I02000400	1,624,493	316,658
Climate Action Initiatives	I02002300	245,000	9,232
Climate Action Initiatives	I15240100	1,948,346	782,939
Comm Outreach & Enhanced Svcs	I02001100	200,000	320
Commercial Waste Compliance	I15220000	6,125,017	6,125,017
Commission Stipends	I04000100	76,450	20,650
Community Capacity	I02002000	350,000	-
Community Investment Program	I02001200	90,000	-
Community Nonprofit Assistance	I02001000	200,000	-
Community Response	I23000100	4,307,106	494,096
CORE	I02420000	4,791,500	954,021
County COVID-19 Testing & Vac	I12000100	10,057	10,057
Creative Edge	I02181100	1,951,857	157,085
Crisis Intervention Training	I11002200	173,002	-
Cultural and Economic Vitality	I17001000	505,540	234,866
Cultural Arts Awards	I17000700	3,050,000	7,845
Curtis Park Village Litigation	I21005400	824,243	74,948
CW Innov. & Efficiency Assesmt	I01002000	268,900	-
CWTP - City Manager	I02002200	200,000	-
Digital Equity	I07001100	400,000	-
Disability Advisory Commission	I15230200	51,400	7,333
Downtown ESC Project	I02000500	288,081	250,000
EBCVIDS (DRIP)	I11003200	200,000	-
Electrical Safety Program	I13000100	830,259	66,292
F.O.C.A.S.	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
Financial Empowerment	I02182000	50,000	-
Fleet - City Manager	I06020000	342,958	93,962
Fleet - Community Development	I06210000	160,630	25,849
Fleet - Fire	I06120000	3,726,484	1,286,781
Fleet - Police	I06110000	18,976,486	7,008,191
Fleet - PW General Fund	I06150000	1,214,850	65,465
Fleet FY2020/21 - YPCE (Parks)	I06190000	792,257	-
Fleet FY2021/22 - IT	I06070000	140,886	(606)
FY2022/23 Affordable Housing	I02189050	12,943,880	3,405,607
Gang Prevention & Intervention	I02000600	3,811,114	177,483
General Plan Update	I22000000	876,671	374,540

FY2024/25 Proposed Budget

Project Description	Project #	Total Budget	Available Budget
General Fund (cont)			
Greater Sac Econ Council	102181000	206,269	(27)
Habitat Project	101000600	30,000	-
Homeless Housing Initiative	102000200	7,396,848	487,456
Illegal Dumping	115200200	1,412,500	-
Impact Teams	111002400	3,991,884	806,000
JFN Emerg. Home Rpr. Pilot	121000700	200,000	-
Justice for Neighbors (JFN)	103000100	2,603,917	1,204,257
Language Access Program	102000410	250,000	250,000
Low Income Spay/Neuter Program	113000600	583,730	37,793
Major League Soccer	180020500	549,000	3,465
Marshall Hotel Hyatt Centric	118000400	3,600,000	-
Mayor's Office LT Positions	101002500	568,720	309,525
McClellan Park Storage	117002000	270,000	270,000
Measure L Youth Funding	180000100	9,241,400	9,241,400
Mental Wellness Program	111002600	568,850	236,088
NBHD Comm & Economic Plans Prg	102001700	354,754	354,754
Nextgen Mobile Computer Repl.	111000100	1,291,292	-
North Sac ED Investment	102180600	900,000	260,001
Northgate Blvd. PBID	102186000	68,000	68,000
Oak Park Clinic Building Maint	119101100	267,580	267,580
Oak Park Community Enhancement	119708000	200,000	17,145
Oak Park Rev. Fund Loan Prog.	102423100	1,100,000	-
OCM - Cannabis Program	106420000	49,104,872	28,754,116
Office of Violence Prevention	111003000	800,000	795,000
Park Safety	119160000	431,529	381,181
Participatory Budget Program	180010000	25,000	-
PDIT Critical Infrastructure	111002700	1,629,309	1,069,109
Police Observation Devices (PODs)	111002300	205,785	36,220
RASA Support	180005010	1,500,000	843,494
Respite Centers Program	123002000	1,433,255	242,441
Sac Zoo Relocation Study	102002100	275,000	35,118
Sacramento Riverfront	102180200	1,330,760	515,388
SEED Corporation	118000200	50,083	-
ShotSpotter	111002500	1,088,092	28,125
Stockton Blvd Housing Dvlpmnt	102189010	5,000,000	-
Summer Night Lights	102000700	300,000	-
Summer Night Lights	111002100	600,000	-
Summer Youth & Community Programs	119141000	221,475	-
Supplemental Waste Programs	115230000	1,745,501	103,376
SVS Operations and Mgmt	115001000	1,356,752	422,644
Thousand Strong (ETP Pilot)	101000300	2,476,000	93,428
Training and Outreach	108000300	3,175,758	2,048,142
Transp Mgmt Plan - Update 2024	115221700	249,999	249,999
Truth, Reform, & Recon Project	101140100	320,000	320,000
UCD Community Garden	119130000	25,000	-
Utility Rate Asst Prgm	114130100	16,366,754	(1)
Water Conservation	114120400	97,622	97,622
Webgrant Restructuring Project	107000900	1,409,558	46,178
Whole Person Care	102000900	47,432	1
Wong Center Senior Housing	102189020	2,796,005	-
Youth Engagement & Summer Program	101000100	400,000	43,848
Youth Pop Up Events	119143100	2,721,000	211,000
Youth Services Program	119140000	25,000	-
General Fund Total		223,447,073	78,008,722
Internal Service Funds			
Citywide Litigation Project	180310000	19,000,000	4,000,000
Fleet - HR Risk Fund	106081000	243,560	243,560
Fleet - PW Fleet Fund	106151000	265,000	166,829
Internal Service Funds Total		19,508,560	4,410,389

FY2024/25 Proposed Budget

Project Description	Project #	Total Budget	Available Budget
Measure U Fund			
Animal Care for the Zoo & FTT	I17005100	1,171,000	-
ARPA Workforce Training	I02612020	785,299	284,854
CARural Legal Assistance	I02000800	1,750,000	-
Children & Youth Services	I19143200	6,926,745	1,005,978
Children & Youth Services Program	I02001830	2	(222,498)
City Manager Youth Programs	I80020800	250,000	157,076
Commission Stipends	I04000100	55,400	29,950
Community Response	I23000100	20,783,654	10,464,569
Creative Edge	I02181100	2,640,000	536,401
Cultural Arts Awards	I17000700	564,000	222,810
Digital Equity	I07001100	400,000	200,000
EBCVIDS (DRIP)	I11003200	1,000,000	225,000
ED Initiatives	I02181000	500,000	200,650
Fare Free Transit for Youth	I02181400	3,750,000	-
Financial Empowerment	I02182000	300,000	-
Fire - DOR Program	I12000200	774,619	774,619
Fleet - CDD Measure U	I06211000	654,487	358,848
Fleet - YPCE Measure U	I06191100	3,327,582	953,236
Fleet FY2021/22 - Fire Measure U	I06121000	347,022	(4,230)
Forgivable Loan Program	I02180400	1,233,990	-
FY2017/18 - Summer at City Hall	I80190600	183,801	1,684
FY2017/18 Police Measure U	I80110600	24,609,871	26,233
FY2019/20 Police Measure U	I80110800	37,158,244	5,554
FY2021/22 M/C City's Racial Equity	I02004000	300,000	300,000
FY2021/22 M/C Econ Dev Priorities	I02180910	9,300,000	4,437,083
FY2022/23 Affordable Housing	I02189050	4,167,500	1,230,318
Gang Prevention & Intervention	I02000600	2,397,037	229,062
Homeless & Community Outreach	I23004000	89,067	89,067
Homeless Housing Initiative	I02000200	19,889,912	4,542,187
Iceland Restoration	I02181600	66,010	10
Illegal Dumping	I15200200	2,910,000	557,536
JFN Emerg. Home Rpr. Pilot	I21000700	304,000	-
K to College Savings Program	I02181300	150,000	-
LGBT Center Relocation	I02181500	750,000	-
M/C Econ Dev Priorities	I19143300	300,000	300,000
Mayor's Comm on Climate Change	I01001000	150,000	-
McClellan Park Storage	I17002000	413,090	413,090
Museum Insurance Reimbursement	I17000100	131,872	131,872
NBHD Comm & Economic Plans Prg	I02001700	34,246	34,246
NDAT	I22000100	4,710,451	3,227,373
NDAT Community Engagement	I02180290	150,000	123,877
North Area Freedom Schools	I02181200	290,000	-
OCM - Cannabis Program	I06420000	-	(71,842)
Office of Violence Prevention	I11003000	2,866,368	473,351
Participatory Budget Program	I80010000	1,225,000	105,757
PDIT Critical Infrastructure	I11002700	1,559,190	-
Police Observation Devices (PODs)	I11002300	187,000	7,971
PW Sustainability Program	I15220300	473,986	236,385
Respite Centers Program	I23002000	7,400,055	-
Riverfront Properties	I02180200	300,000	(42,550)
Sac Municipal Reparatons Comm	I01002100	200,000	200,000
ShotSpotter	I11002500	616,608	-
SPLA Maintenance	I15220100	1,200,000	429,319
Step Up Housing Dev	I02189040	2,925,000	-
Stockton Blvd Anti-Displacement	I02189030	5,000,000	2,958,500
Stockton Blvd Housing Dvlpmnt	I02189010	5,000,000	-
Summer Youth & Community Programs	I19141000	754,353	259,453
Thousand Strong (ETP Pilot)	I01000300	2,661,954	1,631,714
Utility Rate Assistance Program	I14130100	10,072,720	1,203,472
Webgrant Restructuring Project	I07000900	48,525	-
Whole Person Care	I02000900	150	-

FY2024/25 Proposed Budget

Project Description	Project #	Total Budget	Available Budget
Measure U Fund (cont)			
Wong Center Senior Housing	I02189020	703,995	-
Youth & Family Investments	I11003100	2,600,000	186,035
Youth Pop Up Events	I19143100	1,300,000	254,498
Youth Sports Field - Sponsorship	I19143000	210,000	206,657
Measure U Fund Total		202,973,805	38,875,174
Enterprise Funds			
American River Source Water	I14520400	1,592,715	839,304
Arc Flash Hazard Analysis	I14020100	933,344	378,968
Arts and Cultural Plan	I17000900	111,000	100
Asset Management Program	I14010700	707,599	458,202
City of Festivals Program-CCS	I15001211	1,489,000	140,845
Citywide Litigation Project	I80310000	578,826	(3,993)
Climate Action Initiatives	I15240100	106,693	-
Combined Master Plan Program	I14610300	2,335,222	725,372
Comission Stipends	I04000100	4,300	3,250
Condition Assessment Program	I14010800	3,411,772	2,332,215
Conjunctive Use - Groundwater Wells	I14510100	1,907,599	376,689
CSS Management Plan	I14630200	2,081,056	1,535,746
CSS Regulatory Compliance	I14120600	5,384,545	420,823
Cultural Arts Awards	I17000700	500,000	144,316
CWTP - City Manager	I02002200	89,716	1
DOU Arborist Program	I14240100	600,000	600,000
Drainage Master Plan Program	I14710100	930,952	751,082
Electrical Equipment Program	I14050200	136,415	76,415
Energy Efficiency Program	I14040200	293,843	293,843
ESC CTO Propty Transfer Cons	I02000500	47,100	-
Fleet - DOU Sewer Fund	I06146000	6,119,309	3,188,633
Fleet - DOU Storm Drain Fund	I06141000	4,243,412	708,972
Fleet - DOU Water Fund	I06145000	9,352,155	1,501,201
Fleet - PW Solid Waste Fund	I06147000	41,443,621	1,507,379
Flood Control Planning	I14010100	4,330,231	291,970
Flow Monitoring/Hydrology Program	I14610100	1,005,364	250,000
General Plan Update	I22000000	1,855	1,855
Groundwater Abandon/Protect Program	I14520100	565,392	353,098
Information Technology Program	I14040100	1,985,820	1,648,839
Keep Our Waters Clean Outreach	I14520200	45,233	37,374
Legacy Landfill Operations	I14120100	550,000	428,699
NPDES Stormwater Program	I14010200	19,749,524	2,227,330
Sacramento River Source Water	I14520300	1,667,044	626,953
SAFCA Levee Maintenance	I14120300	6,732,552	1,518,289
SCADA Planning Program	I14010900	746,486	205,615
Sewer System Management Plan	I14110100	3,904,202	1,135,022
Solid Waste Outreach	I14120200	5,435,425	884,415
SSMP Eng/Regulatory Support	I14620100	491,500	244,916
Storm Drainage Planning & Mgmt	I14100000	2,950,000	2,950,000
SVS Operations and Mgmt	I15001000	1,305,000	130,201
SW Container Replacement	I14120500	17,493,245	2,093,246
Wastewater Planning Program	I14610200	971,620	630,087
Water Conservation	I14120400	13,869,359	1,085,343
Water Master Plan Program	I14510200	3,858,716	1,847,566
Water Master Planning	I14160100	118,226	118,226
Water Meter Replacement Prgm	I14010500	7,439,234	605,354
Enterprise Funds Total		179,616,223	35,293,758
Other Funds			
2021 CHP Grant	I11002900	4,044,804	2,083,366
65th Street Impact Fee Program	I06000600	993,228	46,228
905 S Street	I21006600	318,975	266,395
Accela Maintenance	I21000800	450,000	450,000
Alchemist CDC Site Acquisition	I02180610	900,000	-
Animal Svcs for Homeless Resp	I21008500	529,520	263,702
APP Maintenance	I17000500	276,462	159,198

FY2024/25 Proposed Budget

Project Description	Project #	Total Budget	Available Budget
Other Funds (cont)			
ARPA Grant Liaison Consulting	I02612060	1,037,695	(2,063)
ARPA Small Business Support	I02612000	7,678,106	3,304,472
ARPA Workforce Training	I02612020	14,010,080	7,486,903
Arts & Creative Economy Program	I17609000	7,750,000	6,249,000
Arts and Cultural Equity Grant	I17000600	500,000	14,988
Arts Ed and Community Outreach	I17001100	310,180	72,380
Basin 6 Drainage	I22200600	6,696,296	69,804
Bonded CFD/AD Applications	I22310100	2,766,652	300,588
BRLF Program Income	I02180800	1,736,063	1,211,951
Busins Complnc Unit Night Team	I21000400	1,473,669	529,917
C19-Economic Relief	I02003000	10,148,449	-
Centene Emp Incentive	I02180100	13,500,000	13,500,000
Central City Fee District	I06132110	225,000	121,660
Children & Youth Services	I19143200	720,000	192,518
City Hall Tech Program	I02001500	750,000	445,803
Citywide Strategic Plan	I02000400	20,000	-
Climate Action Initiatives	I02002300	-	(1)
Code Service Homeless Rsp Team	I21000500	205,683	96,919
College Square Reimbursement	I22310200	30,000	13,800
Commission Stipends	I04000100	9,850	2,651
Community Response	I23000100	8,871,644	4,190,589
CORE	I02420000	-	(720,892)
Council Led Strategic Initiatives	I01002200	550,000	331,380
County COVID-19 Testing & Vac	I12000100	398,363	72,354
Creative Economy Pilot Project	I18000300	500,000	14,431
Creative Edge	I02181100	1,000,000	965,000
CRF/LARP Grants	I19101400	15,650,000	14,110,302
Cultural and Economic Vitality	I17001000	36,000	35,000
Cultural Arts Awards	I17000700	250,000	25,539
Cultural Plan Implementation	I17000900	29,350	-
D1 - Youth Workforce Program	I19142000	244,336	56,710
Delta Shores Fee District	I06132130	1,466,119	461,341
Digital Equity	I07001100	250,000	-
Downtown ESC Project	I02000500	6,078,917	-
ELOP Program	I19150000	1,380,829	1,155,996
Enhanced Infrastructure (EIFD)	I02000520	465,000	270,000
ESC Art Maintenance	I17000400	289,516	210,766
F.O.C.A.S.	I13000400	3,948,070	529,769
Fairytale Town Expansion	I17006100	1,800,000	-
Financial Empowerment	I02182000	2,000,000	378,662
Fire Opioid Settlement	I12000300	1,687,394	1,687,394
Fleet - Community Dev L&L Fund	I06212000	193,294	(20,129)
Fleet - PW Gas Tax Fund	I06152100	9,261,033	1,234,324
Fleet - PW L&L Fund	I06152000	1,904,111	638,680
Fleet - PW Solid Waste Fund	I06147000	200,000	-
Food Security Initiatives Project	I02612070	1,500,000	-
Forgivable Loan Program	I02180400	2,926,000	2,751,250
FY2017/18 - Summer at City Hall	I80190600	11,600	-
FY2022/23 Affordable Housing	I02189050	18,858,713	14,158,713
FY2023/24 ELOP Program	I19150100	1,428,625	1,072,552
Gang Prevention & Intervention	I02000600	1,507,500	947
Gateway Mixed Income Housing	I02189010	15,000,000	15,000,000
General Plan Update	I22000000	21,899,471	6,538,442
Gobler-Park Trust Cold Storage	I17009100	32,500	32,500
Grant HS Quadrangle	I02187000	200,000	200,000
Hart Trust Proj Fund FY2011/12-16	I19120000	-	-
Hart Trust Proj Fund FY2022/23-26	I19122000	871,580	740,552
Health & Wellness Program	I08000200	3,000	3,000
Homeless & Community Outreach	I23004000	5,613,793	5,613,793
Homeless Housing Initiative	I02000200	20,171,964	307,645
Illegal Dumping	I15200200	638,660	-

FY2024/25 Proposed Budget

Project Description	Project #	Total Budget	Available Budget
Other Funds (cont)			
Inclusive Business Assistance	I02612040	3,500,000	-
Inclusive Economic Development	I02180900	2,000,000	1,699,000
JCPA Administrative Ctrl 3131	I22205100	653,869	85,269
Kids Play Mc Kinley-Maint 4711	I19000800	12,870	7,151
LGBT Center - CNRA Grant	I02181510	1,000,000	-
Major League Soccer	I80020500	2,400,000	1,251,102
Marshall Environmental	I18000400	200,000	-
MBI	I02180700	995,400	395,557
MLS - CDD	I21006200	1,140,240	870,400
N Natomas Admin Control	I22000100	17,846,066	2,001,891
Natomas Central CFD 2006-02	I22340000	100,000	55,692
Natomas Landing CFD2008-01	I22310500	64,500	55,221
Natomas Meadows CFD	I22310000	62,000	42,329
Neigh Park Maint CFD 4815	I22300000	598,056	77,300
NN Youth Workforce Dev Prog	I19145000	100,000	100,000
NNAC&CC Feasibility Study Proj	I19000900	158,858	-
Non-Bonded Service Dist Appls	I22300100	803,986	82,713
North Area Economic Recovery	I02612090	4,875,000	4,171,445
Northgate Economic Recovery	I02612080	3,000,000	420,172
NSacto Code Enforce. &Outreach	I21000600	450,000	433,468
Oak Park Broadway	I02180300	1,236,098	1
Oak Park Rev. Fund Loan Prog.	I02423100	1,108,197	1,108,197
Old Sacramento Improvements	I02612030	4,055,403	3,166,663
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	3,319,727	789,043
Railyards Block 48	I21006300	849,461	385,417
Railyards Fee District	I06132100	2,168,000	83,863
Regional Community Policing In	I11001600	49,871	3,545
Respite Centers Program	I23002000	115,397	-
River District Fee District	I06132120	100,000	35,607
Sac Ent. Dev. Academy Ph1	I02183000	1,875,000	1,628,006
Sacramento Canopy Hotel	I21006400	439,890	355,107
Sacramento Econ Gardening 3yr	I02184000	2,835,750	948,560
Sacramento Innovation Grant	I18000100	6,970,709	3,216,205
Sacramento Railyards 2006 FINP	I22208000	740	1
Sacramento Riverfront	I02180200	17,000	4,621
SPD Training Facility 2157	I11002000	46,700	58
Stockton Blvd Anti-Displacement	I02189030	410,000	-
Telegrapher	I21006500	490,445	448,943
TMA Shuttle	I22200700	1,318,200	192,000
Transportation Planning MYOP	I15221700	750,000	576,233
UCD Community Garden	I19130000	25,000	102
Utility Box Artwork Project	I17000800	87,598	28,459
Vaccine Outreach and Education	I02612050	1,000,000	12,248
Wastewater Planning Program	I14610200	29,203	29,203
Water Forum 2.0	I80240100	570,500	-
Water Master Plan Program	I14510200	90,095	27,166
Whole Person Care	I02000900	11,496,413	3,199,874
Willowcreek Fee District	I22206000	3,759,498	456,896
Youth Pop Up Events	I19143100	1,300,000	216,787
Youth Services Program	I19140000	18,300	-
Youth Stipend Program	I19144000	21,900	-
Other Funds Total		312,890,625	137,617,786
Grand Total		938,436,285	294,205,830

FY2024/25 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 April 2024:

Project Description	Project #	Total Budget	Available Budget
General Fund			
Powerhouse Science Center	E18000400	3,160,000	6,659
Railyards Project Management	E02000100	606,853	270,928
General Fund Total		3,766,853	277,587
Internal Service Funds			
Driver Training Academy (SRDTA)	E08000100	1,595,573	469,049
Robla Facility Safety Training	E08000200	1,500	1,500
Internal Service Funds Total		1,597,073	470,549
Measure U Fund			
Powerhouse Science Center	E18000400	1,200,000	600,000
Measure U Fund Total		1,200,000	600,000
Other Funds			
2023/2024 CA-TF7 US&R Mobex	E12000300	519,000	500,387
Academy Activities 7/07-6/11	E11002200	1,003,859	100,599
AM/PM POD	E11007132	15,000	2,544
CA TF7 Mobex 2022	E12000200	150,000	150,000
Clean CA Beautification Rt 99	E17001100	115,100	(7,100)
DMV Anti-Auto Theft	E11005400	3,335,855	620,909
Federal Forfeiture - DOT	E11003200	1,099,987	2,917
Federal Forfeiture - DOT	E11006900	12,243	(4,886)
Federal Forfeiture - Justice	E11008300	61,218	61,218
Federal Forfeiture - Treasury	E11008200	517,609	329,962
FY2014/15 AB109/RCISP	E11006400	147,080	76,115
Hidalgo Bust Restoration	E17001200	28,400	28,400
Los Rios Vocational Training	E11006500	3,583,278	919,501
Phoenix Park PODs	E11007125	36,685	7,328
PODs - Arden Fair Assoc.	E11007118	68,000	4,193
PODs - Beazer Homes & The Cove	E11007129	15,699	2,797
PODs - Housing Authority	E11007127	19,850	7,123
PODs - Jackson Lab	E11007120	48,256	19,367
PODs - MO Florin West	E11007121	9,000	115
PODs - Power Inn Alliance	E11007131	27,996	9,238
PODs - RT	E11007128	37,500	12,221
PODs - Stockton Blvd Prtnshp	E11007119	13,820	1,205
PODs - Stockton Blvd Prtnshp	E11007130	7,340	3,012
PODs - The Cove	E11007124	36,700	8,797
PODs Arden Fair FY2020	E11007122	42,500	42,500
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	6,250,000	399,999
SAR-Smart Growth Program	E01000100	15,000	-
SMAC Galleries	E17000500	176,000	1,000
State Forfeiture - Health & Safety	E11002800	4,415,816	154
State Forfeiture - Health & Safety	E11006718	1,089,722	145
State Forfeiture - Health & Safety	E11008000	2,067,482	1,674,206
State Forfeiture Drug & Gang Prevention	E11006818	160,522	22,892
State Forfeiture Drug & Gang Prevention	E11008100	470,813	459,298
Vocational Ed Training - Fire	E12000100	7,272,041	526,536
Other Funds Total		32,990,740	5,995,033
Grand Total		39,554,666	7,343,169

29

SECTION - 29 **Financial Policies**



Budget Control Policy



Scope: CITYWIDE

Administrative Entity

Department of Finance

(916) 808-5845

Finance@cityofsacramento.org

Table of Contents

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

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Table of Contents

Regulatory References

Council Resolution 2023-0111

Effective Date: May 02, 2023

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 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 seek approval to issue 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 (including debt issued by means of community facilities districts (“CFDs”) and debt the City issues for third parties – conduit financing), the Sacramento City Financing Authority, the Sacramento Public Financing Authority, and the Redevelopment
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Agency Successor Agency (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 (e.g., long-term loans obtained from the State Water Resources Control Board)—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; the financial condition of the assessment fund that secures the repayment of the assessment 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 minus 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) Transient Occupancy Tax 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 the maximum annual debt service for senior bonds and other senior parity obligations and 115% of the maximum annual debt service for all senior bonds, senior parity obligations, subordinate bonds, and subordinate parity 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) Community Facilities Districts (CFD). The debt service coverage ration 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, inclusive of party obligations. The value to lien ratio shall be, at a minimum, three to one (3:1) taking into account all special tax and special assessment liens applicable to the subject property. Value may be established by reference to the assessed value of the subject property as determined by the Sacramento County Assessor's Office or by an appraisal thereof. Appraisals, when used to establish property values, shall be performed by a state certified real estate appraiser, as defined in subdivision © of Section 11340 pf the California Business and Professions Code selected by the City in accordance with the State of California appraisal standards and the Uniform Standards of Professional Appraisal Practice. Such appraiser shall possess a Member of the Appraisal Institute ("MAI") certification and be selected by the City. The definitions, standards and assumptions to be used in such an appraisal shall be the definitions, standards and assumptions set forth in the California Debt and Investment Advisory Commission's "Appraisal Standards for Land-Secured Financing." May, 1994, revised July, 2004.

A market absorption study may be required for projects that entail the following expected land use types:

FY2024/25 Proposed Budget

- Conventional office – non-owner user multi-tenant occupancy over 350,000 sq. ft. in one or more buildings.
- Medical office – non-owner user, multi-tenant occupancy over 250,000 sq. ft. in one or more buildings.
- Retail – anchored or non-anchored retail centers, multi-tenant occupancy over 100,000 sq. ft. in one or more buildings. Regional malls or retail power center are included in this category.
- Mixed-use developments – anchored or non-anchored developments, multi-tenant occupancy over 250,000 sq. ft. in one or more buildings; and
- Corporate campus developments – typically conventional office research and development governmental or industrial. This land use type is predominantly large owner user profile, 250,000 sq. ft. or more in buildings.

The appraisal and/or absorption study shall be coordinated by, under the direction of, and addressed to the City. All costs associated with the preparation of the appraisal report and/or market absorption study shall typically be paid by the project proponent(s).

The City reserves the right to engage an independent licensed civil engineer or other consultants possessing similar expertise to estimate all land improvement (i.e., infrastructure) costs and summarize findings in a report. The independent licensed civil engineer's report shall be coordinated by, under the direction of, and addressed to the City. All costs associated with the preparation of the independent licensed civil engineer's report shall be paid by the project proponent(s).

With respect to any CFD which is formed after April 1, 2023, the following requirements shall apply:

If the portion of the CFD (or improvement area, as applicable) which is undeveloped property (as defined by reference to the rate and method of apportionment of special tax) is responsible for 20 percent or more of the maximum special tax (as defined by reference to the rate and method of apportionment of special tax) levy in the fiscal year following the fiscal year in which the bonds are issued, the value to lien ratio for such undeveloped property. Value may be established by reference to the assessed value of the subject property as determined by the Sacramento County Assessor's Office or by an appraisal thereof. Such appraiser shall possess an MAI certification and be selected by the City.

Of, the value to lien ratio required by the foregoing paragraph is not satisfied, prior to the release of the Preliminary Official Statement for the bonds to investors, the owner or owners of the undeveloped property in the CFD (or

improvement area or tax zone, as applicable), shall deliver to the City or the bond trustee, an irrevocable instrument of credit from a financial institution rated “A” or better or otherwise acceptable to the City (a “security”), or cash in-lieu thereof, in an amount equal to two times the maximum special tax that may be levied on such undeveloped property in the fiscal year following the fiscal year in which the bonds are issued.

The security shall name the City, or its designed as a beneficiary and shall provide that the City, or its designee, may draw an amount equal to any delinquencies in payment of semiannual installments of the special taxes levied on such undeveloped property, The amount drawn on the security shall be applied in the same manner and for the same purposes as the delinquent special taxes would have been applied, provided that the payment of a draw under the security will not be deemed to cure the delinquency in payment of the special taxes. If the City draws upon the letter of credit or other irrevocable instrument of credit, owner or owners of the undeveloped property would be required to replenish the letter of credit to the previous letter of credit amount.

The security shall be released when the foregoing undeveloped property is responsible for less than 20 percent of the maximum special tax levy in the CFD (or improvement area or tax zone, as applicable). In the event the security is not renewed to continue to meet the requirements set forth above, the City may draw upon the full amount of the security. Provided that there are not special tax delinquencies on the undeveloped property to which the security relates, the City will return amounts drawn when the security is renewed, replaced or cash in-lieu thereof is provided as set forth herein if such amount are available in the special tax/redemption fund for the CFD (or improvement area, or tax zone, as applicable).

- (D) 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.

- (E) 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 the 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.

- (F) **City-Issued Conduit Financing.** Occasionally, 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 make its issuance of conduit bonds contingent upon cooperation of the 501(c)(3) corporation and their team with 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.

- (G) **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,

which would not lead to an 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.
 - (7) Lack of clarity regarding when funding for improvements would be needed.
- (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 or on which staff of the City Treasurer's Office may work:
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- (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 issue 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 (certain City Council members and the 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. In the case of transient occupancy tax revenue bonds, such bonds are generally payable from the special tax portion of transient occupancy taxes the City collects less the annual transfer to Visit Sacramento.
 - (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 the financing of 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
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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 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. In such case, the City Treasurer's Office may seek guidance from one of the City's municipal advisors.
- (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 optionally redeemed 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) 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 to achieve 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 will be 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 with input from the City Treasurer's Office as appropriate) 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.

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

* 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.

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.

The security shall be released when the foregoing undeveloped property is responsible for less than 20 percent of the maximum special tax levy in the CFD (or improvement area or tax zone, as applicable). In the event the security is not renewed to continue to meet the requirements set forth above, the City may draw upon the full amount of the security. Provided that there are not special tax delinquencies on the undeveloped property to which the security relates, the City will return amounts drawn when the security is renewed, replaced or cash-in-lieu thereof is provided as set forth herein if such amount are available in the special tax/redemption fund for the CFD (or improvement area, or tax zone, as applicable).

- 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, with a written analysis provided by a municipal advisor, 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 *Federal Income Tax Compliance.* The City Treasurer's Office is responsible for keeping all records needed to comply with federal 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 (or acquisition and construction fund in the case of CFD financing) have been expended; if, however, the proceeds remaining in the project fund (or acquisition and construction fund) are equal to or less than 5% of the proceeds deposited into the project fund, (or acquisition and construction 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 (or acquisition and construction fund) has fallen below 5% of the proceeds deposited, into the project fund (or the acquisition and construction 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 project fund (or acquisition and construction 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 on November 1, 2022, by Resolution No. 2022-0329 and on May 2, 2023 by Resolution No. 2023-0111)



Debt Management Policy - Disclosure

Supplemental Policy on Disclosure

Scope: CITYWIDE

Administrative Entity

Office of the City Treasurer

(916) 808-5168

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Table of Contents

Regulatory References

Council Resolution 2023-0111

Effective Date: May 02, 2023

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, bond issuers, 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 rating agencies, investors, and other stakeholders.
- 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 annual comprehensive 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. The City Treasurer’s Office is responsible for the accuracy and completeness of information filed with EMMA, except with respect to certain information filed by developers and merchant builders or their respective consultants, in accordance with the respective developer’s or merchant builder’s limited scope continuing disclosure requirements for certain special-tax revenue bonds.
- (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 enterprise 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 Council members and City Council members' staff (as determined by the City Treasurer or the Debt Manager), executive management and other employees who may contribute to or have involvement with the City's primary offerings or continuing disclosure obligations, regarding the City's 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 be required to promptly and fully respond 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 their 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.

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

Table of Contents

Purpose

Background

Policy

Management of Activities in Fund 2016

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

Table of Contents

Purpose

Background

Policy

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

December 31, 2022 AB 678-Ground Emergency Medical Transport – Disbanded

January 1, 2023 AB 1705-Plan Provided Ground Emergency Medical Transport

Effective Date: May 16, 2023

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 enacted the Ground Emergency Medical Transport (GEMT) program. It provided for the reimbursement of transports of Medi-Cal patients who were 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) On December 5, 2017, Council approved increased to the ALS fees for service (Resolution 2017-0468) to increase cost recovery to address a portion of the structural variance between the cost of providing services and the revenues collected for those services. The resolution allowed staff yearly to adjust the fees based on a medical Consumer Price Index (CPI).
- f) On December 31, 2022, the Ground Emergency Medical Transport (GEMT) program ended.
- g) On January 1, 2023, The Department of Health Care Services (DHCS) developed the Public Provider Ground Emergency Medical Transport (PP-GEMT) Intergovernmental Transfer Program (IGT), pursuant to AB 1705, to provide increased reimbursements to emergency medical transports provided by eligible public GEMT Providers through application of an add-on increase.
- h) While the City can assure the continuation of fee for service revenues, revenue recovery programs such as GEMT, IGT, and PP-GEMT 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, IGT, and PP-GEMT 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.

2024 Federal Poverty Levels			
Household Size	Poverty Level (100% Waiver)	2X Poverty Level (50% Reduction)	3X Poverty Level (25% Reduction)
1	15,060	30,120	45,180
2	20,440	40,880	61,320
3	25,820	51,640	77,460
4	31,200	62,400	93,600
5	36,580	73,160	109,740
6	41,960	83,920	125,880
7	47,340	94,680	142,020
8	52,720	105,440	158,160

Note: For families/households with more than 8 persons, add \$5,380 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

Table of Contents

1. Purpose
2. Policy
3. Proposition 26

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

(916) 808-5845

Finance@cityofsacramento.org

Table of Contents

1. Purpose
2. Background
3. Policy
 - 3.1 Minimum and Target Reserve Levels
 - 3.2 Methods to Achieve Funding Levels
 - 3.3 Criteria for Expenditure of Reserve Funds
 - 3.4 Timeline for Replenishment of the EUR

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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Finance@cityofsacramento.org

Table of Contents

1. Purpose
2. Background
3. Policy
 - 3.1 Long-term Loans
 - 3.2 Short-term Loans
 - 3.3 Prohibited Uses

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

(916) 808-5845

Finance@cityofsacramento.org

Table of Contents

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

(916) 808-5845

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Table of Contents

1. Purpose
2. Background
3. Policy
 - 3.1 CalPERS ADC
 - 3.2 SCERS ADC
 - 3.3 Transparency and Reporting
 - 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

(916) 808-5845

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Table of Contents

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

FY2024/25 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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Table of Contents

1. Introduction
2. Investment Philosophy
3. Investment Goals and Objectives
4. General Investment Policies
5. Suitable and Authorized Investments
6. Authorized Financial Institutions, Depositories, Broker/Dealer
7. Safekeeping and Custody
8. Reporting
9. Policy Considerations

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 Statement on Standards of Attestation Engagements, No. 18 (SSAE No. 18).

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

FY2024/25 Proposed Budget

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.

30

SECTION - 30 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 FY2024/25 or FY25.

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.

FY2024/25 Proposed Budget

- **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.

FY2024/25 Proposed Budget

- 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

FY2024/25 Proposed Budget

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

FY2024/25 Proposed Budget

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

FY2024/25 Proposed Budget

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

31

SECTION - 31 Resolution

RESOLUTION NO 2024-XXXX

Adopted by the Sacramento City Council

June 11, 2024

**Approving the Fiscal Year 2024/25 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.

FY2024/25 Proposed Budget

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 FY2024/25 Approved 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 2024 to discuss and consider the City's FY2024/25 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 FY2024/25 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 2024-2029 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/or California Society of Municipal Finance Officers budgeting-award requirements into the Approved Operating and CIP Budgets to create the FY2024/25 Approved Budget.

FY2024/25 Proposed Budget

- 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. 2023-0205.

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 FY2024/25 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.

FY2024/25 Proposed Budget

- 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, 2023, the balance of the Risk Fund loan to the Community Center Fund totaled approximately \$4.9 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 FY2024/25.

Section 5. Economic Uncertainty Reserve Policies and Transfers from Contingency and Reserve Funds.

- 5.1. The Council-adopted EUR Policy as amended on June 11, 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

FY2024/25 Proposed Budget

- 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 be changed only by resolution of the Council.
- 5.3. The City Manager is authorized to maintain an EUR reserve below the minimum threshold prescribed in the Council-adopted EUR Policy in FY2024/25 and forgo an FY2024/25 EUR contribution from the G/MU Fund to support the development of a balanced Budget.
- 5.4. 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.
- 5.5. 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.
- 5.6. Transfers must not be made from an available fund balance or Administrative Contingency if the transfer will result in a negative balance.
- 5.7. The City Manager is authorized to release the General Fund (Fund 1001) and Measure U (2401) commitments of fund balance for future budget development as needed to submit a balanced budget.
- 5.8. Use of committed fund balance reserves, except as authorized in section 5.7, 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 FY2023/24, to adjust FY2024/25 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.

FY2024/25 Proposed Budget

- 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:
 - (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 FY2024/25 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.
- 9.6. The City Manager is authorized to adjust General Fund revenues supporting Measure U department operations to actuals received and to adjust the appropriate transfers between the funds.

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:

FY2024/25 Proposed Budget

- (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.
 - (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 FY2024/25 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.

FY2024/25 Proposed Budget

- 10.8. Community/Neighborhood projects and appropriations established with one-time funding sources under Resolution No. 2004-551 (6/29/04) and associated staff report, is 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.
 - (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. 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:

FY2024/25 Proposed Budget

- (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.
- 10.13. Projects funded by reimbursable (grant) funds are included within the Operating and CIP Budgets for planning purposes. 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.
 - (C) For projects in funds 6205, 6206, and 6211 that result from an existing Operations and Maintenance Agreement for facilities maintained by the City but are owned or co-owned with Regional San and Sacramento Area Flood Control Agency, the City Manager or designee is authorized to do the following:
 - (1) Establish and/or adjust revenue and expenditure budgets of up to \$250,000 for any emergency repair or replacement projects; and
 - (2) Adjust revenue and expense budget based on actuals for project closure.
- 10.14. The 2024-2029 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.

- 10.15. 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.

FY2024/25 Proposed Budget

- 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.
 - (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

FY2024/25 Proposed Budget

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.
- 13.13. The City Manager or designated project manager is authorized to administer and manage the Sacramento Utility Rate Assistance (SURA) Program (I14130100) up to the annual budget of \$5.4 million.

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 FY2024/25, 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. If there are forecasted budget deficits in the future fiscal years, the City Manager is authorized to commit non-mandated G/MU Fund revenues and positive net year-end results to future budget development reserves.

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.

FY2024/25 Proposed Budget

- (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 from the commitment of fund balance for the Rental Housing Inspection Program to cover the shortfall.
 - (H) 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.
 - (I) Adjust the Police Department revenue and expenditure budgets based on actual revenues received for mutual aid provided to other jurisdictions.
 - (J) 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.
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FY2024/25 Proposed Budget

- (D) Adjust the Convention and Cultural Services revenue budget for Memorial Auditorium Facility Fee revenues and the Memorial Auditorium 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

FY2024/25 Proposed Budget

at year-end and if the Community Center Fund has positive year-end available fund balance.

- (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

FY2024/25 Proposed Budget

collected and increase the expenditure budget in I06420000 to support enforcement activities based on actual revenues received.

- (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.
 - (F) Transfer expenditure budgets between I06420000 and the Youth Cannabis Outreach & Education program (I06420500) MYOP to support prevention workload in the Office of Youth Development.
- 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 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.
 - (B) Each fiscal year, unobligated G/MU Fund (Fund 1001/2401) appropriations in existence in the Department of Community Response Office of the Director (23001011) on June 30 must be transferred to the Homeless Housing Initiatives (I23001000) MYOP if the Department has positive net year-end results.
 - (C) 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.
 - (D) 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 (I23001000) MYOP if the Department has positive net year-end results.
 - (E) 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. If there is a budgetary surplus in the G/MU Fund and there are forecasted budget deficits in the future fiscal years, the City Manager is authorized to commit non-mandated G/MU Fund revenues and positive net year-end results to future budget development reserves.
- 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 G/MU 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

FY2024/25 Proposed Budget

- not required to balance the budget must be transferred to the City's other post-employment benefit trust.
- 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.
- 18.12. 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.
- 18.16. 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.
- 18.18. Each fiscal year, any unspent appropriations in the Youth Sports Field Permit Program MYOP (I19143000) on June 30 must be transferred to the Measure U Park Improvements (L19706000), to be used to address the backlog of deferred maintenance for sports fields.

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 available fund balances of the respective funds. Any budgetary surplus in the

FY2024/25 Proposed Budget

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 – FY2024/25 Approved Operating Budget
- Exhibit D – 2024-2029 Approved Capital Budget

FY2023/24 BUDGET CHANGES
(will be added after Budget Adoption)

CITYWIDE STAFFING SUMMARY (By Department)

Department	FY2023/24	FY2024/25	FY2024/25	FY2024/25	FY2024/25
	Amended	Re-Org	Add deletes	Augmentation/Reduction	Proposed
Mayor/Council	46.00	-	-	-	46.00
City Auditor	10.00	-	-	-	10.00
City Attorney	64.00	-	-	-	64.00
City Clerk	24.00	-	-	-	24.00
City Manager	66.00	1.00	-	(4.00)	63.00
City Treasurer	14.00	-	-	-	14.00
Community Development	319.00	(1.00)	-	-	318.00
Community Response	37.00	-	-	-	37.00
Convention and Cultural Services	119.00	-	(0.50)	6.00	124.50
Finance	94.90	-	-	(0.90)	94.00
Fire	760.50	-	-	-	760.50
Human Resources	83.00	-	-	-	83.00
Information Technology	208.50	-	-	(6.00)	202.50
Police	1,135.16	-	4.00	(19.66)	1,119.50
Public Works	768.65	-	-	1.00	769.65
Utilities	582.18	6.00	(1.00)	2.00	589.18
Youth, Parks, and Community Enrichment	752.72	-	(16.24)	(26.61)	709.87
Citywide and Community Support	6.00	(6.00)	-	-	-
Total	5,090.61	-	(13.74)	(48.17)	5,028.70

CITYWIDE STAFFING SUMMARY (By Fund)

	FY2023/24 Amended	FY2024/25 Re-Org	FY2024/25 Add/deletes	FY2024/25 Augmentation/Reduction	FY2024/25 Proposed
General Fund					
Mayor/Council	35.00	-	-	-	35.00
City Auditor	10.00	-	-	-	10.00
City Attorney	64.00	-	-	-	64.00
City Clerk	24.00	-	-	-	24.00
City Manager	30.00	1.00	-	(2.00)	29.00
City Treasurer	14.00	-	-	-	14.00
Community Development	197.00	(1.00)	-	-	196.00
Convention and Cultural Services	-	-	-	-	-
Finance	94.90	-	-	(0.90)	94.00
Fire	742.50	-	-	-	742.50
Human Resources	44.00	-	-	-	44.00
Information Technology	208.50	-	-	(6.00)	202.50
Police	1,057.66	-	(6.00)	(19.66)	1,032.00
Public Works	432.00	-	-	-	432.00
Youth, Parks, and Community Enrichment	14.00	-	-	(1.00)	13.00
Citywide and Community Support	-	-	-	-	-
Subtotal General Funds	2,967.56	-	(6.00)	(29.56)	2,932.00
Measure U					
Mayor/Council	11.00	-	-	-	11.00
City Manager	34.00	-	-	(2.00)	32.00
Community Development	122.00	-	-	-	122.00
Community Response	37.00	-	-	-	37.00
Convention and Cultural Services	24.95	-	-	6.00	30.95
Fire	18.00	-	-	-	18.00
Human Resources	3.00	-	-	-	3.00
Police	77.50	-	10.00	-	87.50
Public Works	4.00	-	-	-	4.00
Youth, Parks, and Community Enrichment	589.38	-	(15.84)	(25.61)	547.93
Subtotal General Funds	920.83	-	(5.84)	(21.61)	893.38
Enterprise Funds					
Community Center					
Convention & Cultural Services	94.05	-	(0.50)	-	93.55
Parking					
Public Works	60.75	-	-	-	60.75
Solid Waste					
Public Works	183.30	-	-	-	183.30
Storm Drainage					
Utilities	130.00	(5.00)	-	-	125.00
Wastewater					
Utilities	94.00	-	-	-	94.00
Water					
Utilities	358.18	5.00	(1.00)	2.00	364.18
Subtotal Enterprise Funds	920.28	-	(1.50)	2.00	920.78
Internal Service Funds					
Fleet Management					
Public Works	82.00	-	-	1.00	83.00
Risk Management					
Human Resources	17.00	-	-	-	17.00
Workers' Compensation					
Human Resources	19.00	-	-	-	19.00
Subtotal Internal Service Funds	118.00	-	-	1.00	119.00

CITYWIDE STAFFING SUMMARY (By Fund) (continued)

	FY2023/24 Amended	FY2024/25 Re-Org	FY2024/25 Add/deletes	FY2024/25 Augmentation/Reduction	FY2024/25 Proposed
<u>Other Governmental Funds</u>					
4th R Program					
Youth, Parks, and Community Enrichment	133.10	-	(0.40)	-	132.70
Innovation and Growth					
City Manager	2.00	-	-	-	2.00
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)	-	-	-
Utilities	-	6.00	-	-	6.00
Subtotal Other Governmental Funds	163.94	-	(0.40)	-	163.54
TOTAL	5,090.61	-	(13.74)	(48.17)	5,028.70

FY2024/25 APPROVED OPERATING BUDGET

(will be added after Budget Adoption)

APPROVED 2024-2029 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 518,161.

DARRELL STEINBERG

Mayor

LISA KAPLAN

Councilmember, District 1

SHOUN THAO

Councilmember, District 2

KARINA TALAMANTES

Mayor Pro Tempore, District 3

KATIE VALENZUELA

Councilmember, District 4

CAITY MAPLE

Vice Mayor, District 5

ERIC GUERRA

Councilmember, District 6

RICK JENNINGS, II

Councilmember, District 7

MAI VANG

Councilmember, District 8

