City of Sacramento

Proposed Budget

FISCAL YEAR 2017/18

Sacramento's Future

PROPOSED

CITY OF SACRAMENTO
FISCAL YEAR 2017/18 BUDGET

DARRELL STEINBERG
Mayor

ANGELIQUE ASHBY
Councilmember, District 1

ALLEN WARREN
Councilmember, District 2

JEFF HARRIS
Councilmember, District 3

STEVE HANSEN
Councilmember, District 4

JAY SCHENIRER
Councilmember, District 5

ERIC GUERRA
Councilmember, District 6

RICK JENNINGS, II
Vice Mayor, District 7

LARRY CARR
Councilmember, District 8

HOWARD CHAN
City Manager

JOHN DANGBERG
Assistant City Manager

FRAN HALBAKKEN
Assistant City Manager

ARTURO SANCHEZ
Assistant City Manager

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

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In conjunction with Department Staff

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

City of Sacramento - Organization Chart

(updated 04.5.2017)

MAYOR / CITY COUNCIL

Independent Budget Analyst
John Silva

City Auditor
Jorge Oseguera

Public Safety Accountability
Francine Tournour

City Attorney
Jim Sanchez

- Administration
- Advisory
- Human Resources, Land Use & Special Projects
- Litigation
- Public Safety & Land Use

City Clerk
Shirley Concolino

- Bids & Contracts
- Boards & Commissions
- Elections
- Ethics & Compliance
- Legislative Support
- Records

City Manager
Howard Chan

- Equity / Diversity
- Gang Task Force
- Government Affairs / Public Information
- Homeless Services

City Treasurer
John Colville

- Administration
- Citywide Banking
- Debt Management
- Investments

OPERATIONS

Community Development
Ryan DeVore
Director

- Administrative Services
- Animal Care Services
- Building
- Code Enforcement
- Customer Service
- Planning

Convention & Cultural Services
Jody Ulich
Director

- CCS Administration
- Convention Center Complex
- Crocker Art Museum
- Fairytale Town
- History
- Metro Arts Commission
- Powerhouse Science Center
- Sacramento History Museum
- Sacramento Zoo

Economic Development
John Dangberg
Interim Director

- Citywide Development

Fire
Walt White
Chief

- Office of the Chief
- Human Resources
- Operations
- Resource Management
- Risk Reduction
- Special Projects
- Support Services

Parks & Recreation
Chris Conlin
Director

- Administrative Services
- 4thR
- Neighborhood Services
- Park Operations
- Park Planning & Development Services
- Recreation Services
- START

Police
Brian Louie
Interim Chief

- Office of the Chief
- Office of Investigations
- Office of Specialized Services
- Office of Operations

Public Works
Hector Barron
Interim Director

- Office of the Director
- Engineering Services
- Facilities / Real Property Management
- Fleet Management
- Maintenance Services
- Parking Services
- Recycling & Solid Waste
- Transportation

Utilities
Bill Busath
Director

- Office of the Director
- Business Services
- Engineering & Water Services
- Operations & Maintenance

SUPPORT

Finance
Leyne Milstein
Director

- Accounting
- Budget, Policy and Strategic Planning
- Finance Administration
- Marijuana Policy & Enforcement
- Payroll
- Procurement Services
- Public Improvement Financing
- Revenue

Human Resources
Melissa Chaney
Director

- Benefit Services
- HR Administration
- Human Resources Information Systems
- Labor Relations
- Recruitment & Organizational Development
- Risk Management
- Workers' Compensation

Information Technology
Maria MacGunigal
Director

- Office of CIO
- DOU Systems Support
- Enterprise Applications
- IT Regional Support
- Public Safety
- Sacramento City 311
- Technology Infrastructure

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SECTION – 1
Budget Message

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City of
SACRAMENTO
Office of the City Manager

Howard Chan
City Manager

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

April 24, 2017

Honorable Mayor and City Council
Sacramento, California

Dear Mayor and Members of City Council:

I am pleased to present the fiscal year (FY) 2017/18 Proposed Budget (Budget) totaling $1.0 billion for operations and capital improvement projects. The Budget represents the City's financial plan for the upcoming year and reflects an increase of $56 million, or 5.7% compared to the FY2016/17 Adopted Budget. The operating budget of $949 million for all funds, increased by $42 million, or 4.6% over the prior fiscal year. The total General Fund budget of $449.8 million represents an increase of $11 million, or 2.5% compared to FY2016/17. With very careful management of expenses and robust revenue growth that reflects a stronger economy, this budget is balanced and responsible.

Our key economically sensitive revenue sources (i.e., sales tax, property tax, and transient occupancy tax) continue to experience strong growth, which has allowed the City to build reserves, increase staffing levels, and restore General Fund services over the last several years. However, this year the budget was developed with the goal of limiting the addition of ongoing costs in the General Fund to a bare minimum in light of imminent cost increases related to our pension benefits and the impact of these increases on the long-term stability of the General Fund. As such, the increase in General Fund expenditures is largely due to higher salary and benefit costs for existing positions.

I remain optimistic as the city continues to benefit from a strong economic recovery that I believe is truly at an unprecedented time in its history. Sacramento is in the midst of a dynamic transition and has the potential to reset our economic position and cultural identity in the nation and around the globe. Downtown Sacramento continues to see positive economic growth with the opening of the Golden 1 Center and the surrounding building activity. This activity has led Downtown Sacramento to rank 8th nationally in office vacancy rate decline. Additionally, in 2016 the city experienced its highest building permit valuation ($783 million) since 2007.

Our city was founded on discovery, built on leadership, and fueled by innovation – all of which can still be seen throughout our city today. Sacramento brings together the competitive benefits of an affordable, talented, and quality marketplace. Over the last year, we've seen several technology businesses choose Sacramento to scale their

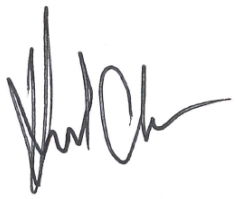
companies, including SupportPay, Parrable, Fantag, Top Grade, and the new McClatchy Video Lab West. The Power Inn area remains a driving force in the city, accounting for nearly 58,000 jobs and $3.2 billion in wages. North Natomas is seeing increased development with over 1,000 new single family homes under construction since April 2015. In the south area, Delta Shores is actively being developed with over $100 million of commercial development currently underway.

As you can see Sacramento continues to be a hub for business and development activity and we aren't stopping there. Over the next year, we will advance opportunities to leverage public investments that promote neighborhood economic vitality, spur job growth, diversify revenue sources for the City, and/or stimulate new investment in businesses and development throughout the city.

Sacramento has worked hard to stabilize our budget and continue providing core services. I'm proud of our fiscal responsibility and the progress we've made as Sacramento continues to live within its means by facing challenges in a responsible and fiscally prudent manner. Even with the progress we've made, significant work toward long-term fiscal sustainability remains and I look forward to working with you as we continue to watch our beautiful city grow and prosper – and to collaboratively address the challenges we have ahead of us.

The delivery of the budget to Council is the culmination of months of work from staff throughout the organization. For me, development of my first budget has truly been a learning experience and I want to thank our department staff, and especially the Budget staff, for the countless hours spent shepherding this document to completion.

Respectfully submitted,



HOWARD CHAN
City Manager

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Operating Budget Excellence Award

California Society of
Municipal Finance Officers

Certificate of Award

Operating Budget Excellence Award
Fiscal Year 2016-2017

Presented to the

City of Sacramento

For meeting the criteria established to achieve the Operating Budget Excellence Award.

January 31, 2017

John Adams
CSMFO President

Craig Boyer, Chair
Professional Standards and Recognition Committee

Dedicated Excellence in Municipal Financial Reporting

The City's FY2016/17 Approved Operating Budget received the Operating Budget Excellence Award from the California Society of Municipal Finance Officers (CSMFO). The award process includes peer reviews of cities' operating budget. Peer review methods are employed to maintain standards, improve performance, and provide credibility.

In preparing the FY2017/18 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 2017/18 Operating Budget Excellence Award.

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SECTION – 2
Budget Overview

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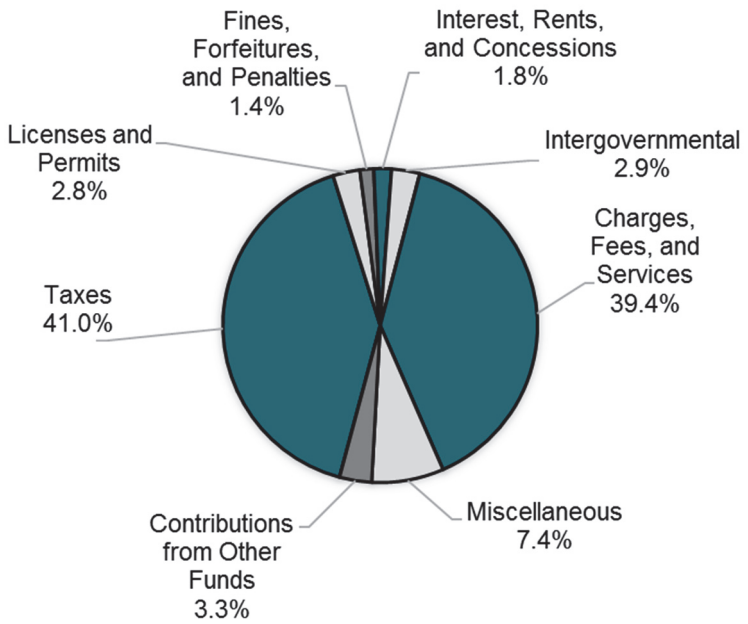
Proposed Budget Overview

INTRODUCTION

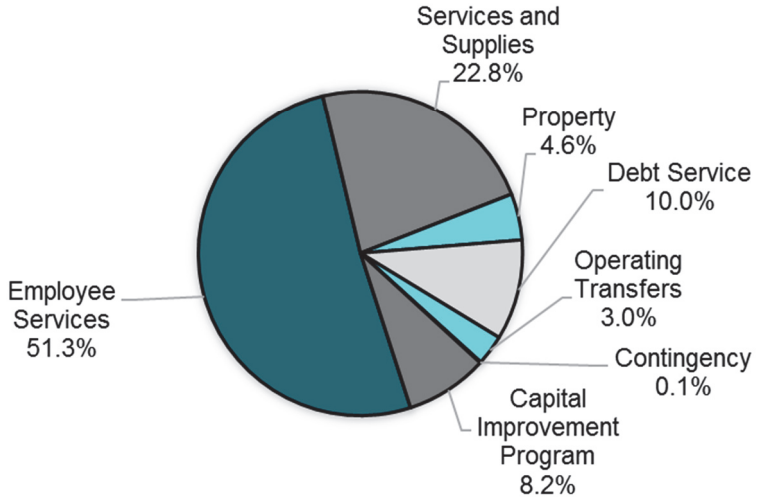
The FY2017/18 Proposed Budget (Budget) is balanced and reflects adopted Council priorities, City policies, goals, and planning/programming guides. The Budget outlines resource allocation recommendations, including those involving staffing, technology, equipment, and program priorities.

The total Budget is $1 billion from all funding sources and supports 4,552.21 full-time equivalent (FTE) positions. This includes $449.8 million for General Fund operations and capital projects, and $584.2 million for operations and capital projects for the City's Enterprise Funds and other fund activities. The following charts provide a summary of the Budget:

Revenues



Expenditures



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

History of the City of Sacramento

The City of Sacramento was established in 1849 and in 1854 became the capital for the State of California. Sacramento also serves as the seat of Sacramento County government. It is the seventh largest populated city in California. The State of California, Department of Finance, estimates the population on January 1, 2016, to be 485,683 for the city and 1,495,297 for the County of Sacramento. Sacramento encompasses approximately 100 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 Councilmembers representing odd numbered districts up for reelection in 2018 and the Mayor Councilmembers representing even numbered districts up for reelection in calendar year 2020. All registered voters in the city vote for the Mayor, while Councilmembers are elected by voters in the specific districts. The Council appoints the City Manager, City Attorney, City Clerk, and the City Treasurer to carry out its adopted policies.

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

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

Budget Presentation

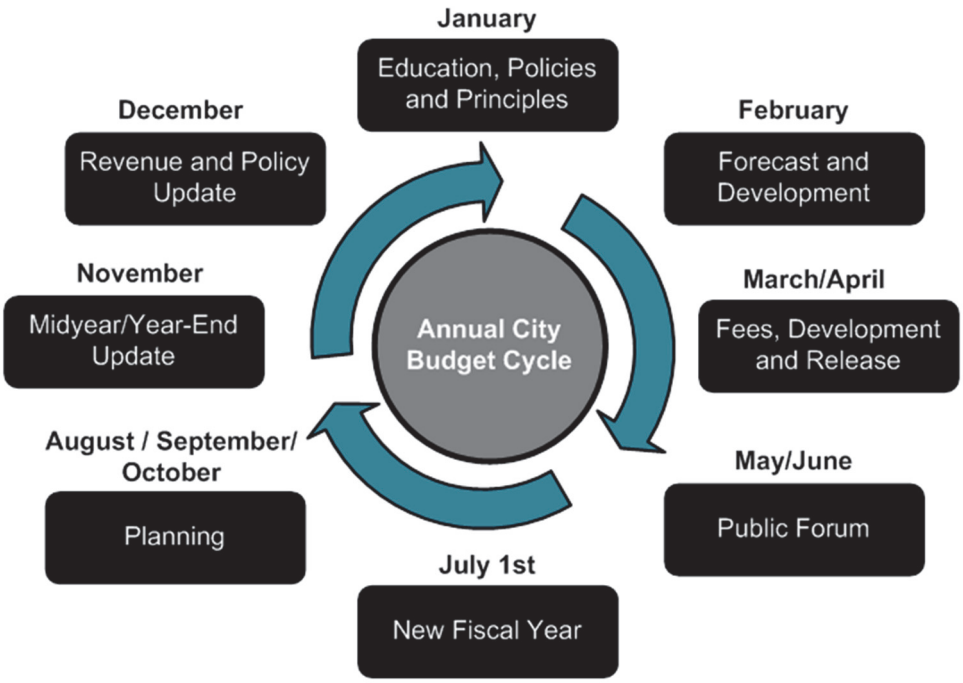
The presentation of the Budget is included in two documents: the FY2017/18 Proposed Operating Budget and the 2017-2022 Proposed Capital Improvement Program, which includes the FY2017/18 Capital Improvement Program (CIP) Budget. The Proposed budget document is available on the City's website at:
www.cityofsacramento.org/finance/budget.

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

section provides a list of authorized positions for each department, by classification, including the additions and/or deletions of FTE.

The Budget Process

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



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

To establish the annual budget, the Budget Division of the Finance Department develops a plan for expenditure of projected available resources for the coming fiscal year. Labor costs are updated to reflect salary and benefit changes called for in union contracts, and estimates for unrepresented employees are also updated. A five-year revenue model is developed based on prior year actual revenue receipts and economic and revenue indicators to determine what resources, tax revenues, and other discretionary revenues will be available to support operating requirements. Similarly, capital improvement programs and projects are identified and funded with available General Funds, Enterprise Funds, Internal Service Funds, grants, transportation, and other funding sources as identified in Schedule 4.

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A base budget is prepared from this information and includes updated costs for maintaining service and staffing levels into the new budget year. It also includes updated estimates of revenues and other financing sources. This base creates the operating and capital budgets.

Financial Management Policies

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

The ongoing core of the Mayor and 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:

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

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

Budget Hearings

Starting on May 4, 2017, the Budget and Audit Committee will hold hearings on the FY2017/18 Proposed Budget. The Council will consider the budget during May and June with adoption scheduled for June 13, 2017. These hearings provide the public an opportunity to provide their input on the Proposed Budget.

Date	Day	Time	Legislative Body	Subject
05/04/17	Thursday	2 p.m.	Budget and Audit Committee	(1) FY2017/18 Proposed Budget Overview
				(2) Changes to Citywide Fees and Charges
05/09/17	Tuesday	6 p.m.	City Council	(1) FY2017/18 Proposed Budget Overview
				(2) FY2017/18 Proposed Budget
05/16/17	Tuesday	2 p.m.	City Council	(1) 2017-2022 Capital Improvement Program (CIP)
				(2) Citywide Fees and Charges
				(3) FY2017/18 Budget and Measure U Update
		6 p.m.	City Council	FY2017/18 Budget and Measure U Update
05/23/17	Tuesday	2 p.m.	City Council	(1) Hold for Budget Discussion
05/23/17	Tuesday	6 p.m.	City Council	(1) Council Discussion on Priorities
06/06/17	Tuesday	2 p.m.	Budget and Audit Committee	Recommendation on Proposed Budget
06/13/17	**Tuesday**	**6 p.m.**	**City Council**	**Adoption of the FY2017/18 Budget**

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

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Mayor and Council Priorities

The annual budget process provides Council the opportunity to review and provide direction on budget development policies and guidelines. This input establishes budget expectations and provides a framework for the development of the Proposed Budget. On February 14, 2017, the Council adopted the following Core Budget Policies and Guidelines (Resolution 2017-0078) for the FY2017/18 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 5-year context, with new revenues not counted or spent until realized. One-time resources should be used for one-time needs, not ongoing expenses.
6. Do not make spending decisions in isolation. Avoid spending money on one-off projects or without looking at the big picture. Understand long-term consequences and opportunity costs.
7. Keep Council informed on the fiscal condition of the city and conduct continuous evaluations for efficiencies and effectiveness.
8. The City must consistently look for opportunities to proactively grow revenues instead of being reactive.
9. Make every effort to identify private financing or federal and state grant opportunities before using City resources. Pursue new and enhance existing revenue sources.
10. Before new expenditures are made, identify return on investments and impacts; fiscal and social benefits.
11. Address unfunded long-term liabilities.
12. Remain a full-service city.

Given the leadership change in late 2016, preliminary discussions on priorities were held by the Budget and Audit Committee on January 24 and February 7, 2017, and then by the Council on February 7 and February 14, 2017. With limited resources and the anticipated challenges facing the General Fund, discussions were focused on the use of one-time FY2015/16 year-end resources ($9.04 million remaining) to address challenges and opportunities in the following key areas:

- Youth
- Neighborhood Services
- Affordable Housing
- Transportation

The budget hearings scheduled in May and June include the opportunity for the Council to continue these discussions and to begin to identify specific programming opportunities for these priorities as well as other citywide priorities.

To provide adequate time for the Council and City Manager to plan, discuss, obtain community input, and adopt citywide priorities to be reflected in the annual budget, staff will work to begin the priority planning discussions in the fall. Earlier discussions on priorities will ensure that the annual budget, dependent on available resources, is reflective of the Council's priorities. This schedule will help during times of positive financial growth or expansion or when the City is faced with a declining economy which may require program and service reductions.

FY2017/18 Program and Service Improvements

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

The following chart details proposed funding and additional cost offsets. A summary of the significant program and service improvements included in the Budget for the General Fund, Measure U Fund, Enterprise Funds, and Internal Service Funds is provided below and additional information is provided in department sections.

General Fund

Department	Request	One-time Change	Ongoing Change	FTE Change
City Manager	Add a position to support the City's Homelessness Task Force, offset by reimbursements from the Homeless Housing Initiative (I02000200) MYOP.	-	-	1.00
City Treasurer	Reduce the revenue budget due to decreased cash in Pool A resulting from the use of significant bond proceeds previously held in Pool A.	-	100,000	-
Community Development	Add positions in Building, Planning (including a position focused on the City's annexation efforts), and Administration to address increased development activity, fully offset by development fees and reductions in services and supplies.	-	-	4.00
Community Development	Add a position to support adoption outreach efforts, fully offset through donations received in the Friends of the City Animal Shelter (F.O.C.A.S.) project (I13000400).	-	-	1.00
Community Development	Add a position in Code Enforcement to address abandoned vehicles citywide, offset by vehicle registration fee recovery through the Sacramento Abandoned Vehicle Service Authority (SAVSA).	-	-	1.00
Finance	Add two positions in Procurement Services to address workload, offset by the elimination of a vacant position and increased revenues.	-	-	1.00

General Fund (continued)

Department	Request	One-time Change	Ongoing Change	FTE Change
Finance	Add a position in Public Improvement Finance to manage workload associated with development activity, fully offset through reimbursements from special districts and development impact fees.	-	-	1.00
Human Resources	Add positions in Labor Relations to address investigations and increased case volume, fully offset through charges to various departments and the elimination of two vacant positions (0.46 FTE each).	-	-	1.08
Human Resources	Reduce the revenue budget due to the change from ICMA to Nationwide retirement planning which resulted in the loss of an administrative fee.	-	72,075	-
Human Resources	Provide funding to address training, outreach (City Management Academy, Supervisory Academies, etc.) and to fund a consultant to evaluate and re-write City exams.	250,000	-	-
Information Technology	Add positions to City's 311 Call Center for increased customer service and dispatching DOU operations after hours, weekends, and holidays, fully offset by the City's parking and utility funds.	-	-	4.50
Information Technology	Add positions to support the Accela Permit system to address customer configurations, new enhancements and system/data reporting, fully offset by development fees.	-	-	2.00
Information Technology	Add positions to oversee the implementation and replacement of DOU business systems, fully offset by the City's utility funds.	-	-	6.00
Parks and Recreation	Add positions in the Older Adult Services Program (four positions at 0.47 FTE each), fully offset through program revenues as a result of increasing enrollment.	-	-	1.88
Parks and Recreation	Add positions to Park Maintenance and fund the purchase of three vehicles for CFD3, including North Natomas Regional Park, fully offset by special district funds.	-	-	5.00
Parks and Recreation	Provide funding to address burrowing pest infestation, eradication, and park repairs.	-	150,000	-
Parks and Recreation	Provide funding for a cemetery management contract focused on establishing rules about upkeep of plots, burials, and records management to ensure compliance of cemetery laws, the Secretary of the Interior's Standards for the treatment of historic properties, as well as the City Code.	-	100,000	-
	Total General Fund	**$ 250,000**	**$ 422,075**	**29.46**

Measure U Fund

Department	Request	One-time Change	Ongoing Change	FTE Change
Community Development	Provide one-time funding for a contract with SPCA for spay/ neuter services.	100,000	-	-
Fire	Provide one-time funding for the purchase of Personal Protective Equipment (PPE) including turnouts to address CalOSHA Title 8 changes.	600,000	-	-
Parks and Recreation	Add positions for Aquatics to enhance youth employment opportunities (four positions at 0.50 each), offset by a reduction in services and supplies.	-	-	2.00
Parks and Recreation	Provide one-time funding for a contract to address pond maintenance.	65,000	-	-

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Measure U Fund (continued)

Department	Request	One-time Change	Ongoing Change	FTE Change
Parks and Recreation	Provide one-time funding to continue supporting summer youth programs.	122,816	-	-
Police	Provide one-time funding for the purchase of Body-Worn Cameras (BWC).	875,701	-	-
Police	Provide one-time funding for increased services and supplies to support the department's Evidence & Property and Investigations teams.	399,382	-	-
Police	Provide one-time funding for the replacement of patrol vehicles (SUVs), allowing older units to be moved to the City's Emergency Vehicle Operations Center (EVOC) for training.	198,165	25,000	-
	Total Measure U Fund	**$2,361,064**	**$ 25,000**	**2.00**

Enterprise and Internal Service Funds

Department	Request	One-time Change	Ongoing Change	FTE Change
Human Resources (Risk Fund)	Add a position in Risk Management to support the Department of Utilities, funded by the City's utility funds.	-	-	1.00
Human Resources (Risk Fund)	Provide funding for pre-employment fingerprinting.	-	40,000	-
Parks and Recreation (L&L Fund)	Provide one-time funding for the purchase of three trucks and trash trailers need for Park Maintenance.	141,744	-	-
Utilities (Storm Drainage Fund)	Add a position to assist with implementing the Security Master Plan.	2,760	108,422	1.00
Utilities (Storm Drainage Fund)	Add a position to support the Floodplain Program and provide technical support over several programs required to maintain compliance with FEMA, U.S. Army Corps of Engineers, and state requirements.	2,760	117,529	1.00
Utilities (Water Fund)	Add positions to assist with increased drinking water regulatory requirements, analysis of water samples for water quality assessment, and to assist with increased bacteriological testing.	11,040	265,542	3.00
Utilities (Water Fund)	Add a position to provide preventative and predictive maintenance, and to keep electrical equipment in reliable and safe working conditions. Add services and supplies for DOU system support.	85,760	90,689	1.00
Utilities (Water Fund)	Add positions to operate and maintain the new solids handling facilities and heavy equipment.	50,000	205,964	3.00
Utilities (Water and Wastewater Funds)	Add positions to manage and maximize grant funding opportunities, and manage the ongoing requirements of the State Revolving Fund (SRF) loan.	5,520	189,155	2.00
Utilities (Utility Funds)	Add limited term positions to support the Customer Information System (CIS) replacement project.	22,080	534,576	7.00
	Total Other Funds	**$ 321,664**	**$ 1,551,877**	**19.00**

2017-2022 CIP

The FY2017/18 CIP Budget totals $85.0 million, funding 105 projects in all program areas in various geographic areas of the city. The General Fund total for capital expenditures in FY2017/18 is $6.1 million. The five-year program totals $315.1 million from all funding sources. The General Fund portion of the five-year program is $32.9 million. The following chart highlights the significant one-time investments included in the FY2017/18 CIP Budget:

General Fund

CIP/MYOP Name (Number)	Description	Budget
Security Camera Replacement Program (C15000400)	Replace or add security cameras for the safety and security of employees and City assets. Locations include the City Hall complex, 300 Richards Boulevard, and the 24th Street Corporation Yard.	225,000
	Total General Fund	**$ 225,000**

Measure U Fund

CIP/MYOP Name (Number)	Description	Budget
City Facility Reinvestment Program (C13900000)	Funding allocated for major repairs at Camp Sacramento ($1 million) and Sacramento Libraries ($1.8 million).	2,752,000
Citywide Park Tree Assessment (L15000100)	Assess City trees in developed parks to identify and address any hazards. This may include ISA (International Society of Arborculture) tree assessments as well as tree work, removal, and replacement.	350,000
Energy Reinvestment Program (C13001900)	Assess City facilities to identify, prioritize, and ensure implementation of energy-reducing and clean energy projects at City-owned facilities.	1,500,000
Fire Station Replacement Program (F13000800)	Provide additional funding to complete the construction of Stations 14 and 15 as the existing facilities have become operationally obsolete. The additional $2.5 million in Measure U Funds will bring the total funding to $17 million.	2,500,000
Fire Apparatus Program (F12000300)	Replacement of: a mobile air compressor, two air compressor trailers, and early replacement of two fire engines.	2,085,700
Measure U Park Maintenance Improvements (L19706000)	Renovate or replace items at Chorley Park ($250,000), the City Cemetery ($650,000), and at various ball fields and sidewalks ($1 million).	1,900,000
	Total Measure U Fund	**$ 11,087,700**

Other Funds

CIP/MYOP Name (Number)	Description	Budget
Citywide Park Tree Assessment (L15000100) (Risk Fund)	Assess City trees in developed parks to identify and address any hazards. This may include ISA tree assessments as well as tree work, removal, and replacement.	10,000
Security Camera Replacement Program (C15000400) (Water, Wastewater and Fleet Funds)	Replace or add security cameras for the safety and security of employees and City assets. Locations include the City Hall complex, 300 Richards Boulevard, and the 24th Street Corporation Yard.	93,550
	Total Other Funds	**$ 103,550**

Performance Measurement

A performance management program is an important aspect of being a well-managed city. It is 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 will be hiring a manager focused on strengthening existing measures and adding measures that are important to the Council, our community, and departments.

On the Horizon – Future Fiscal Challenges

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

Rising Labor Costs

On June 30, 2017, the City's contracts with all but two recognized employee organizations will expire (Sacramento Area Firefighters Local 522 [Local 522] and the Sacramento City Exempt Employees Association [SCXEA] expire in June 2018). While the FY2017/18 Budget is balanced, expenditures are expected to outpace revenue growth in FY2018/19 and over the remainder of the General Fund forecast. The final salary increases approved by Council for existing contracts are included in the FY2017/18 Budget, however, assumptions for future labor cost increases have not been included.

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

The City's required payment to CalPERS for pension contributions in FY2017/18 is $82.7 million from all funds, $71.5 million in the General Fund. The actual City obligation will be reduced through agreements reached with employee groups resulting in the cost sharing of $4.8 million, $4.3 million in the General Fund. Cost sharing agreements have been reached with all employee groups, with non-safety employees paying 1% and safety members paying 3% of salary towards the employer's cost (excluding post-2013 CalPERS members subject to the Public Employees' Pension Reform Act [PEPRA]).

Over the past nine years the City's pension expense has increased by 28% or $14.5 million. Over the next eight years, the City's pension cost is expected to more than double what is currently paid. The expected increase is the result of a decision by the CalPERS Board of Administration to lower the discount rate from 7.5% to 7%, phased in over eight years. The discount rate reduction was approved after review by the Board of the current funding status of the retirement fund, projected investment return rates over the next decade, an overview of CalPERS assets and liabilities, and discussions with stakeholders. The Forecast section of the Budget provides additional information on pension cost increases.

Measure U

Measure U, the City's half-cent transactions and use tax was approved by voters in November 2012 and became effective on April 1, 2013, for a six-year term, expiring on March 31, 2019. Measure U resources are estimated at $46.5 million that allows continued restoration of programs primarily in the Police, Fire, and Parks Departments and provides for significant capital improvements of $11.09 million. Additional detail on Measure U programming is included in the Forecast and department sections of this document.

In February 2017, the Budget and Audit Committee directed staff to begin working on information relative to the impact of the loss of Measure U resources and options relative to the renewal/extension of Measure U in June 2018. This information will include an outline of the programs and services currently funded by Measure U and an approach for phasing reductions with the loss of these revenues. Until there is an affirmative vote to renew/extend this revenue source, staff will continue to provide Council a financial forecast that reflects the expiration of Measure U in March 2019.

It should be noted that based on current fund reserves and planned spending in the current year, there will not be sufficient resources available to fund the reserves to the level outlined in the adopted Measure U Policy. As such, if spending remains at current levels over the term of the measure, transition planning will reflect the depletion of remaining reserves in FY2019/20.

OPEB

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

Several years ago, the Governmental Accounting Standards Board (GASB) set new standards (GASB statement 45, subsequently updated by GASB statements 74 and 75) that required reporting of the cost of the retiree medical benefit on an accrued actuarial basis and to put forward a plan to fund the benefit. At that time, the unfunded accrued liability for retiree benefits was estimated to be $380 million. In an effort to address this liability, the City, for the first time in FY2015/16, began contributing $1 million annually to the City's OPEB Trust (Trust) and adopted the OPEB Funding Policy. This policy directed staff to continue efforts to reduce and eventually eliminate this liability. Council also authorized the transfer of any available resources in the CalPERS budget accounts at the end of each fiscal year to the Trust.

Continuation of this funding is included in the Budget and is assumed in the General Fund five-year forecast. The current estimated OPEB liability is $363 million as of June 30, 2015 and there is currently $25.5 million in the Trust ($1.1 million of this is for a separate trust for Local 522 employees/retirees) to fund this liability.

Transportation Funds

Dedicated transportation funds include state gas tax apportionments and the City's share of countywide transportation sales tax. These are used to sustain operational needs, emergency repairs, comply with regulatory requirements, and where available to

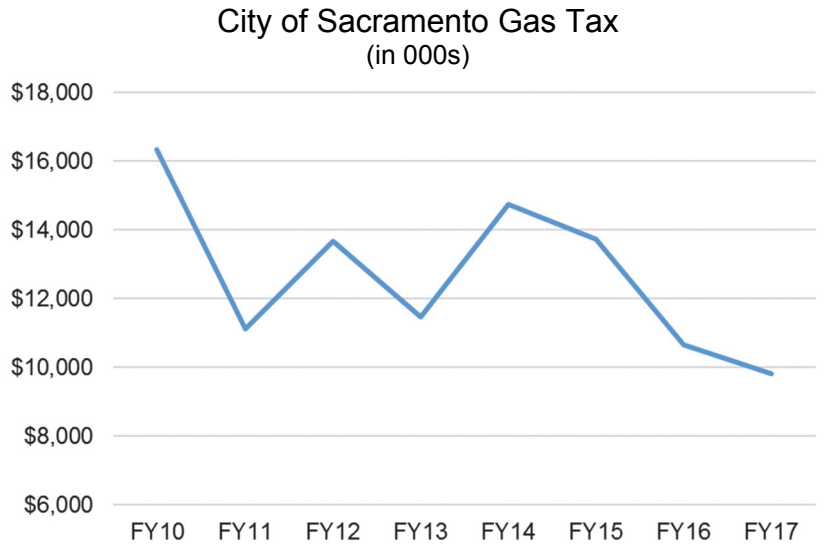
replace and modernize aging infrastructure and equipment. Historically, about 70% of transportation funding has been used to maintain ongoing operations – funding staff, equipment, vehicles, materials, and supplies to maintain the system used by hundreds of thousands of automobiles, trucks, cyclists, buses, and pedestrians daily. With significant decreases in overall transportation funding, this percentage of dedicated transportation funds required just to maintain ongoing operations has been increasing.

The proposed budget focuses on funding critical and mandated day-to-day transportation operations and key priorities.

Gas Tax (Highway Users Tax Account): Revenues from the state gas tax deposited into the Highway Users Tax Account are apportioned to cities and counties on a formula based on population, vehicle registration, and other factors. Gas tax is restricted to specific transportation uses for public roads and associated facilities.

Gas tax has historically been the City's largest single source of transportation funding. Virtually all of it is used to offset operating costs. Gas tax revenues from year to year have been very volatile, dependent on overall gas prices and overall demand. The last change to the base state gas tax rate was in 1993. Since the base rate is a flat 18 cents per gallon, it does not adjust for inflation so has roughly half the spending power it had nearly 25 years ago, when it was last increased. The 2010 "gas tax swap," the actions that repealed the sales tax on gas and replaced it with an adjustable excise tax, resulted in even greater volatility.

Forecasts of future gas taxes are challenging, as unpredictable global oil prices affect gasoline costs that also affect demand. Without any state action, gas tax revenues are likely to continue to drop as overall gasoline use declines with the increase in more fuel efficient and alternative fuel vehicles. This forecast assumes a level of $9.5 million annually to the City over the next five years, the lowest levels recorded in decades.



To maintain minimum levels of service, the budget relies on gas tax reserves banked during years of higher revenue. Under the proposed budget, gas tax reserves will be fully exhausted by 2020.

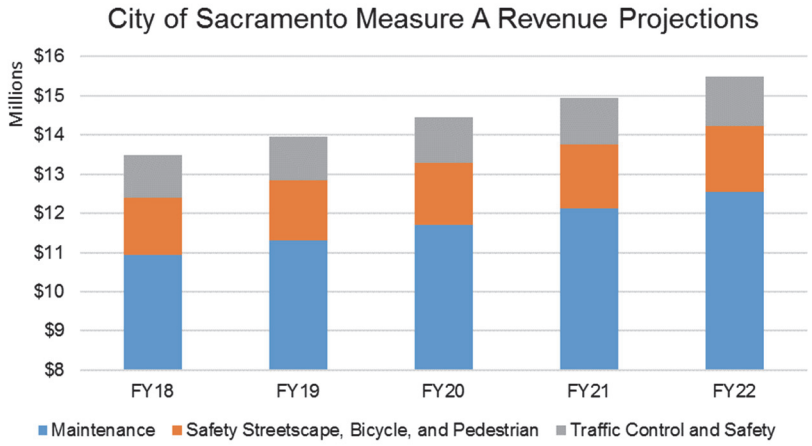
On April 6, 2017, the Legislature approved Senate Bill 1, a transportation funding package that provides additional transportation funding for state highways, local roads, and transit through increases to fuel taxes, vehicle registration fees, and state loan repayments. It also averages out the gas tax swap portion of the tax to eliminate the volatility. This legislation is estimated to result in $8 to $9 million in revenue annually to the City when fully implemented. This level of funding would allow the City to avoid the continued exponential growth in deferred maintenance.

This legislation also restores and expands state funding programs, potentially allowing for more funding for regional programs such as active transportation, local partnership programs (provide funding to match local transportation sales taxes on projects), and restores local/regional funding to the State Transportation Improvement Program (STIP).

The increased gas tax will take effect November 1, 2017, so new revenues will not likely be realized until the second half of the fiscal year. As information becomes available, additional Council action on transportation funding is anticipated before or with the Midyear Review to address and budget for these revenues.

Measure A (Countywide Sales Tax): In the 1980s, Sacramento County voters approved a half-cent transportation sales tax for countywide improvements. On November 2, 2004, voters approved a 30-year extension to the measure. This new measure took effect in 2009. Measure A funds three ongoing transportation programs to the City: Maintenance; Safety, Streetscaping, Bicycle, and Pedestrian; and Traffic Control and Safety.

As a component of sales tax, Measure A revenue is based on overall sales countywide. After a dramatic decline during the recession, sales taxes have shown steady but modest increases. Measure A revenues are anticipated to grow about 3% annually through FY2021/22.



The proposed budget maintains operations to retain staff and ensure that emergency maintenance and ongoing traffic operations are addressed. Operations are funded at a greater level with Measure A sales tax funds, reducing opportunities to use those funds on projects and programs.

Last November, Measure B, which would have provided another half-cent countywide sales tax for transportation purposes, narrowly failed.

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

Currently, there are two existing loans from the Risk Fund, one for capital and one for operations. With interest these loans now total $8.4 million. The capital loan has a current balance of $3.7 million and is being paid from revenues received from Morton Golf. The operating loan has a current balance of $4.7 million and the General Fund is making interest only payments.

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

General Fund Revenues: Options and Opportunities

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

- **Evaluate revenue potential related to the regulation of the marijuana industry:** As the City moves forward with the implementation of regulations on the marijuana industry additional Business Operations Tax (BOT), Sales Tax, and Transactions and Use Tax (Measure U) revenues will be received. Staff will develop a model to estimate potential revenues based on applications received and permits issued for the various types of businesses that will be regulated. Revenue estimates will be provided as information becomes available.

- **Consider changes to the BOT relative to adult use marijuana:** The City's existing BOT rate of 4% applies to the operation of medical marijuana dispensaries and will be applied to the adult use marijuana industry. The City may want to consider a mechanism to increase the BOT related to the sale of adult use marijuana to more than 4%. In 2010 city voters approved a 10% tax on recreational marijuana (2010 Measure C); however, approval of the measure was tied to the failed 2010 state proposal for recreational legalization. Voter approval would be needed to change the BOT rate.

- **Update BOT (requires voter approval) (2018):** In 2010, the national consulting firm Management Partners recommended that the City pursue changes to Sacramento's BOT. BOT rates have not been adjusted since 1991. During the 2010 budget hearings the changes were briefly considered but were subsequently withdrawn from consideration by the Council at the request of the business community. Options include, but are not limited to, providing for a cost-of-living adjustment and resetting the BOT minimums and caps.

- **Direct revenue from redevelopment dissolution to the General Fund:** Council adopted Resolution 2015-0172 directing the revenue resulting from the dissolution of redevelopment to the Innovation and Growth Fund. These are General Fund revenues and could be used to support the City's ongoing programs and services.

- **Support state legislative efforts to maximize sales and property taxes for local government:** The City will continue to oppose legislation that calls for additional unfunded mandates on local governments. Further, the City will support legislation that increases and protects state-shared revenue, expands local opportunities for public-private partnerships, and collection of revenue from non-traditional vendors in the areas of transient occupancy taxes for online travel companies and Utility User Tax (UUT). The City will also advocate for a solution to handicap parking placard abuse to ensure access for those with disabilities and to collect needed meter revenue lost due to ongoing abuse.

Conclusion

Through the leadership of the Council the City has stabilized our budget while continuing providing core services. While revenues continue to experience strong growth, increasing pension costs, labor contract pressures, and the expiration of Measure U will challenge General Fund budget sustainability over the long-term. As such, this year the budget was developed with the goal of limiting the addition of ongoing costs in the General Fund to ensure that we limit ongoing expenditure growth and strategically set aside one-time funding to soften the impact of any necessary transition until structural balance is achieved.

3

SECTION – 3
The Forecast

Financial Forecast

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

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

General Fund Overview

The General Fund budget is balanced. In addition to funding for the coming fiscal year, the budget includes the remaining $9.04 million of one-time funding identified as part of the FY2016/17 Midyear Review to address Council priorities focusing on Youth, Neighborhood Services, Affordable Housing, and Transportation.

As detailed below, General Fund expenditures are expected to be below projected revenues in the budget year. Revenues grew by 7% compared to the FY2016/17 Approved Budget and expenditures increased 2.5% over the prior year. This positive balance is the result of significant growth in major tax revenues, particularly property taxes, described in the General Fund Revenue section.

In June 2017, most of the City's labor contracts will expire, except for Local 522 and SCXEA contracts that expire in June 2018. Existing labor contracts and additional costs for pension benefits added approximately $7.3 million in additional General Fund expenditures in FY2017/18. The proposed budget does not include any additional ongoing funding for labor contracts as based on the current forecast, expenditures will once again outpace revenues beginning in FY2018/19. Additional labor costs will increase the gap between revenues and expenses in future years.

The Five-Year General Fund Forecast

Given the Council's sustainable budget policy, proposed fiscal actions are evaluated in a longer-term context. The five-year forecast is an essential tool in the City's long-range financial planning process providing a multi-year view of revenues and expenditures, allowing an assessment of the fiscal consequences of both prior and current funding decisions in the context of forecasted revenues and expenditures. The forecast is based on the most recent national, state, regional, and local economic data and changes in both economic conditions and anticipated future costs are key components of the long-range forecasting process. The forecast is developed during the annual budget process and updated at midyear based on identified changes to revenue and expenditure indicators.

The five-year forecast allows the City to anticipate potential challenges on the horizon and make course corrections via budget and operational adjustments. While we will

operate with a structurally balanced budget again this year, our five-year budget outlook continues to show that we will face increasing cost pressures going forward that will need to be addressed in future years. The most pressing challenges in the forecast are familiar:

- Escalating CalPERS pension costs of $62.1 million or a 92.5% increase over the next five years ($26.7 million of this increase was assumed in the FY2016/17 five-year forecast).
- Labor contracts with all but two recognized employee organizations expire on June 30, 2017, with the other two expiring in June 2018.
- Increased self-insurance rates over the next five years, the next cost allocation report won't be available until February 2018.
- Rising OPEB costs as the City sees more of the baby boomer generation begin retirement.

Fund balance, while one-time in nature, could provide the City with the opportunity to address projected deficits in FY2018/19 and help in reducing the deficit in FY2019/20.

The FY2016/17 General Fund forecast anticipated a $4.7 million surplus in FY2017/18. However, additional revenue growth, $30.3 million (7%) above the FY2016/17 Approved Budget estimate, the result of a recovering housing market, increased personal spending for goods and vehicles, and continued reductions in unemployment has grown projected revenues substantially. While General Fund labor costs increased by $11 million from the current year, revenues grew by $30 million, providing additional one-time resources in the coming fiscal year. It is important to note that the proposed budget does not include any new ongoing expenditure increases in the General Fund so as not to further impact the projected deficit in the out years of the forecast.

It is essential to understand and evaluate indicators/issues that affect the assumptions included in the forecast. The model used to develop the forecast relies on detailed assumptions related to both revenues and expenditures, distinguishing between ongoing and one-time revenue and costs to further refine the estimates. Details on the basis of the assumptions used to develop the forecast are outlined below.

The following chart reflects the variance between ongoing revenues and ongoing expenditures over the term of the forecast.

FY2017/18 General Fund Forecast

General Fund ($ in 000s)	FY17 Approved	FY18 Projection	FY19 Projection	FY20 Projection	FY21 Projection	FY22 Projection	FY23 Projection
Total Revenues	**433,423**	**463,723**	**470,662**	**479,944**	**488,722**	**497,508**	**506,821**
Operations	412,873	433,663	458,607	474,886	492,168	503,593	515,902
Capital/Multi-year Projects	17,444	15,900	16,045	16,195	16,545	16,981	16,920
Priority Budget Initiatives (1x costs)	8,517	250	-	-	-	-	-
Total Expenditures	**438,834**	**449,813**	**474,652**	**491,081**	**508,713**	**520,574**	**532,822**
Surplus/(Deficit)	**74**	**13,910**	**(3,990)**	**(11,137)**	**(19,991)**	**(23,066)**	**(26,001)**

Consistent with the Council adopted Measure U Policy, the City Manager was directed to prepare a transition plan to address the expiration of the Measure U tax.

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Unfortunately, given the significant growth in General Fund expenditures, adequate resources have not been available to transition Measure U programs to the General Fund except for minor adjustments needed to maintain fiscal balance in Measure U. The following table depicts the current five-year forecast, including the expiration of Measure U in March 2019.

FY2017/18 General Fund Forecast

General Fund ($ in 000s)	FY17 Amended	FY18 Projection	FY19 Projection	FY20 Projection	FY21 Projection	FY22 Projection	FY23 Projection
Beginning Fund Balance	**31,560**	**15,582**	**20,452**	**16,462**	**5,325**		
Revenues	441,778	463,723	470,662	479,944	488,722	497,508	506,821
Total Resources	**473,338**	**479,305**	**491,114**	**496,406**	**494,047**	**497,508**	**506,821**
Operations	412,873	433,413	458,607	474,886	492,168	503,593	515,902
Capital/Multi-year Projects	17,444	16,150	16,045	16,195	16,545	16,981	16,920
Priority Budget Initiatives (1x costs)	25,459	250	-	-	-	-	-
Total Expenditures	**455,776**	**449,813**	**474,652**	**491,081**	**508,713**	**520,574**	**532,822**
Surplus/(Deficit)	**17,562**	**13,910**	**(3,990)**	**(11,137)**	**(19,991)**	**(23,066)**	**(26,001)**
FY2015/16 Council Priorities	(1,980)	(9,040)	-	-	-	-	-
Ending Fund Balance	**15,582**	**20,452**	**16,462**	**5,325**	**(14,666)**	**(23,066)**	**(26,001)**
Loss of Measure U / Measure U Reserve	-	-	-	(43,628)	(50,317)	(50,317)	(50,317)
Ending Fund Balance w/Loss of Measure U	15,582	20,452	16,462	(54,765)	(70,308)	(73,383)	(76,318)

While the City continues to benefit from the economic recovery with revenues growing at a substantial rate, the level of revenue growth forecast for FY2017/18 is unsustainable over the long-term and expenditures are expected to outpace revenues in FY2018/19. Escalating employee salary and benefit costs and the increasing costs of operations and maintenance of aging infrastructure continue to be a challenge.

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

General Fund Expenditures

The single largest expenditure in the General Fund is the cost of our employees who support department operations through the delivery of programs and services to the community. The Budget and forecast include scheduled salary increases based on existing labor agreements. As mentioned above, the forecast does not include future labor cost growth to address upcoming contract negotiations. In FY2017/18 labor costs increased by approximately 2.8% because of approved salary increases, movement of employees through salary steps and increases associated with pension benefits.

CalPERS

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

liabilities, and discussions with stakeholders. The CalPERS Board last lowered the discount rate from 2012 from 7.75% to 7.5%.

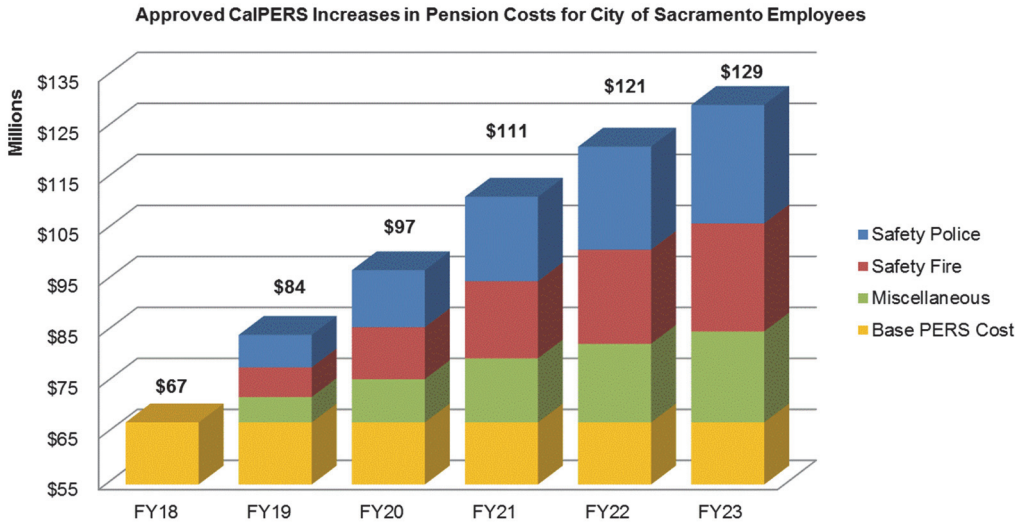
The reduction plan is as follows, with each change phased in over five years:

Discount Rate	Total Change	Phase In
7.375%	-0.125%	FY2018/19 – FY2022/23
7.250%	-0.125%	FY2019/20 – FY2023/24
7.000%	-0.250%	FY2020/21 – FY2024/25
	-0.500%	

The effect of this change will be an increase in employer rates, and associated costs to the City's budget, will be phased in over an eight-year period. CalPERS plans to include an analysis and a forecast of the City's rates (normal cost and unfunded liability) in the next annual valuation report available in summer 2017. Without additional contributions CalPERS will be forced to increase the rate of liquidation of investments to pay benefits ($9 billion in assets are currently being sold annually), further eroding the sustainability of the fund.

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

Approved CalPERS Increases in Pension Costs for City of Sacramento Employees



Based on estimated rate increases provided by CalPERS, the City will experience a $62 million increase in pension costs over the term of the forecast from the $67 million budgeted in the General Fund for the current fiscal year to $129 million in FY2022/23. Given the eight-year phase-in, costs related to this change will continue to grow until FY2024/25 when expected payments to CalPERS could reach $148 million.

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

Employee Services (Labor)

The FY2017/18 Budget provides each department with the budget necessary to pay for the salary and benefits of all authorized positions. In efforts to better refine our labor forecast, this Budget includes the following methodology changes:

- **Workers' Compensation Contributions**: To ensure that the appropriate contributions by fund are budgeted, workers' compensation rates associated with positions are now based on each fund's experience and exposure. Previously, rates were based on classifications. This change resulted in an 8% savings ($827,096) to the General Fund and less than a $12,400 bottom line change for all funds.

- **CalPERS Contributions:** In addition to the discount rate change, CalPERS also implemented a significant change in how employers remit required contributions. Effective this year the City is required to remit the normal cost through payroll, while sending the unfunded liability as a lump sum payment in July. The following explains the two pieces and the change in budgeting.

  - **Normal Cost (NC) Rate**, represents the annual cost associated with service accrual for the upcoming fiscal year, for active employees. This is paid biweekly through payroll based on filled positions:
    - NC rates are 7.803% for non-sworn (miscellaneous) employees and 18.161% for sworn plus any incentives.
    - The FY2017/18 estimated payment for the NC is $36.5 million for all funds, $31.4 million in the General Fund.

  - **CalPERS Contributions - Unfunded Accrued Liability (UAL),** represents the amortized dollar amount needed to fund past service credit earned (or accrued) for members who are currently receiving benefits, active members, and for members entitled to deferred benefits, as of the valuation date. This must be paid in a lump sum either annually or monthly beginning in July 2017.
    - Miscellaneous plan UAL annual contribution requirement is:
      - $16.6 million (if paid monthly)
      - $16.0 million (if paid by July 31, 2017)
    - Safety plan UAL annual contribution requirement is:
      - $26.4 million (if paid monthly)
      - $25.5 million (if paid by July 31, 2017)

    In discussions with the City Treasurer it was determined that there is a financial advantage to the City for making a single lump sum payment. Accordingly, the

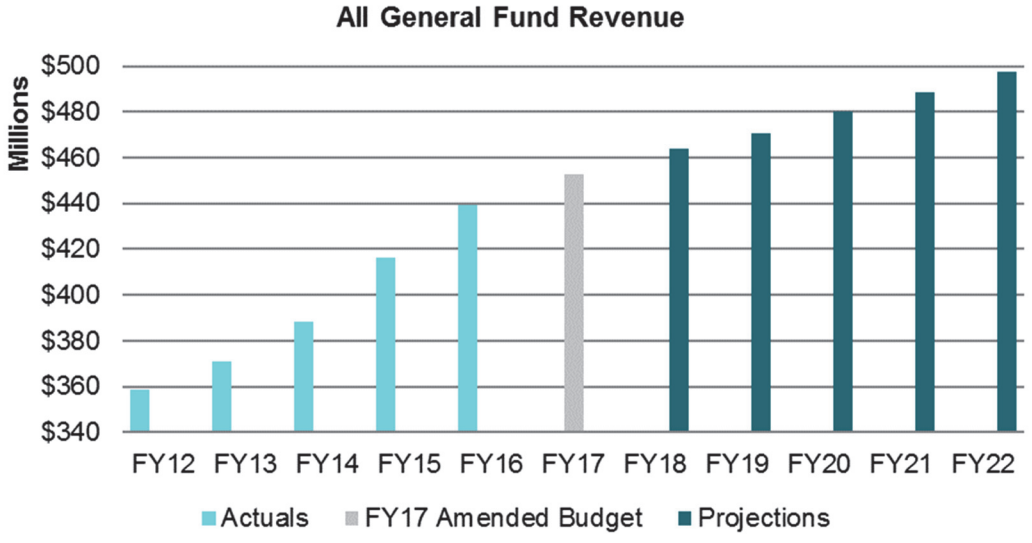
lump sum payment has been included in the proposed budget. This will be evaluated annually as the time will come when there will be insufficient cash available at the beginning of the fiscal year to make the lump sum payment.

Fleet
To mitigate extraordinary maintenance costs for General Fund vehicles, an additional $2 million for vehicle replacement is included in the Budget for replacement of vehicles deemed to be at the end of their useful life. The City will also realize savings through reduced fuel costs with more energy efficient alternatives.

General Liability and Auto Liability Insurance (GLAL)
The City contracts with Bickmore Risk Services (Bickmore) to develop and actuarial estimate the appropriate amount to budget for claim costs and 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 GLAL Funds 80% of the time. Consistent with Council's adopted policy, to maintain this funding level, the General Fund contribution to the Risk Fund was increased from $11.95 million in FY2016/17 to $12.71 million in FY2017/18.

General Fund Revenues

A major highlight in the Budget is that the City's General Fund revenue stream continues to grow across most categories. The two major drivers of the City's improved economic condition continue to be exceptional property and sales tax growth. These two taxes comprise 49% of all General Fund revenue (32% property taxes, 17% from sales taxes) and are anticipated to grow 5% and 5.4%, respectively, in the budget year. Rounding out the top three revenue sources is UUT, at 13%, with estimated growth of just 1.5%. Overall General Fund revenues are projected to grow in FY2017/18 for 7% compared to the FY2016/17 Approved Budget.



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

Revenue Source	FY2017/18 Proposed	FY2018/19 Projected	FY2019/20 Projected	FY2020/21 Projected	FY2021/22 Projected
Property Tax[1]	149,570	153,598	157,982	162,498	167,150
Sales Tax	78,523	81,271	84,035	86,976	89,759
Utility User Tax	61,312	61,619	61,927	62,236	62,548
Other Revenue	174,318	174,174	176,000	177,012	178,051
Total General Fund Revenue	**463,723**	**470,662**	**479,944**	**488,722**	**497,508**

[1]Property tax is defined as current secured, current unsecured, prior secured, prior unsecured, property taxes in-lieu of vehicle license fees, supplemental property taxes and redevelopment pass-through property taxes.

Property Tax

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

According to the Sacramento Business Review, Sacramento is still experiencing moderate and continued growth and absorption across all property types and in many different sectors, with more robust growth in rents and pricing in certain submarkets and property types. The region has benefitted from being one of the last areas in the country to see full recovery, which has kept the region relatively affordable.

Overall Real Estate Prospects for the Sacramento Region

Category	National Ranking
Median Homes Price 2016-2017 % Change	3rd
3 Year Projected Growth	35th
Homebuilding Prospects	38th
Overall Real Estate Prospects	45th
Investor Demand	47th
Development/Redevelopment Opportunities	50th
Data provided by the Urban Land Institute 2017 Emerging Trends in Real Estate	

The opening of the Golden 1 Center has delivered on its promise of bringing more people downtown who are contributing to the new and existing businesses in the area. While these transient visits are helping to boost the economy downtown, Sacramento needs more downtown housing to fully realize the goal of becoming an 18-hour city. Several developers have proposed such projects, and many will likely be realized, but only if rents and sale prices continue to rise.

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

Total assessed value for Sacramento County's 2016-17 secured and unsecured roll surpassed $148 billion, an increase of 5.23% countywide. Additionally, the Sacramento County Assessor's (Assessor) 2016 Annual Report and monthly reports highlighted several positive barometers for the City as follows:

- Total gross assessed value of secured/unsecured properties in the city grew 6% from FY2015/16 to FY2016/17.
- Number of city parcels increased from 152,896 in FY2015/16 to 153,386 in FY2016/17.
- City properties with Proposition 8 assessments (temporary reduction in property taxes due) decreased from 20,330 in March 2016 to 16,161 in March 2017, a 20.5% decrease.

The graph below illustrates the assessed roll value that remains to be restored as a result of the housing crash during the recession. Restoration of Proposition 13 values happens annually, while reductions as the result of a Proposition 8 appeal can be applied to the tax roll at any time during the year. 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
Single-Family Residence	4,131,770,969	5,301,169,861	78%
Commercial	2,344,285,002	3,390,282,480	69%
Multi-Family Residence	1,173,286,440	1,528,840,052	77%
Industrial	417,824,768	579,387,356	72%
Others	176,696,254	275,882,595	64%
City Total	**8,243,863,433**	**11,075,562,344**	**74%**

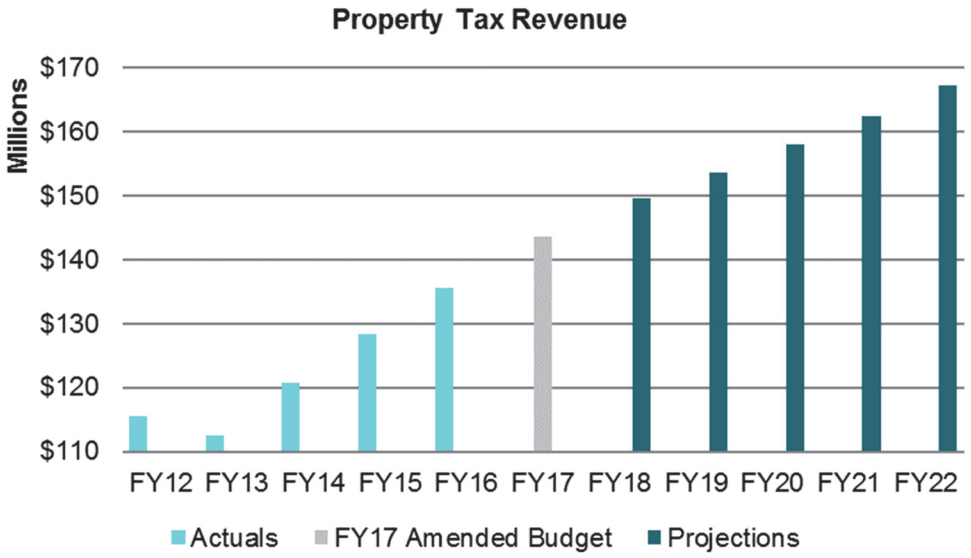
Early indications from the Assessor are once again positive and when the 2017 property tax valuations are finalized in early July the City will continue to see Proposition 8 values increase. Because the Assessor does not complete the work on the tax roll until after the Budget is adopted, the forecast for property tax revenues is based on the Assessor's "work in progress" and will be re-evaluated when final information is received in July. Any significant variance will be reported as part of the FY2017/18 Midyear Review.

Based on the most recent data from the Assessor and the improving economy in the region, the property tax secured forecast for FY2017/18 is 5% higher than the FY2016/17 Amended Budget, and estimates over the term of the forecast include annual growth of 3% assuming the application of the full 2% Proposition 13 growth factor and that Proposition 8 properties will continue to be restored to their Proposition 13 values on the tax roll over time.

The four property tax categories below increased by $13.6 million from the FY2016/17 Approved Budget to the FY2017/18 Proposed Budget. These increases account for 45% of the entire FY2017/18 General Fund revenue growth.

Property Tax Revenue Changes ($ in 000s)

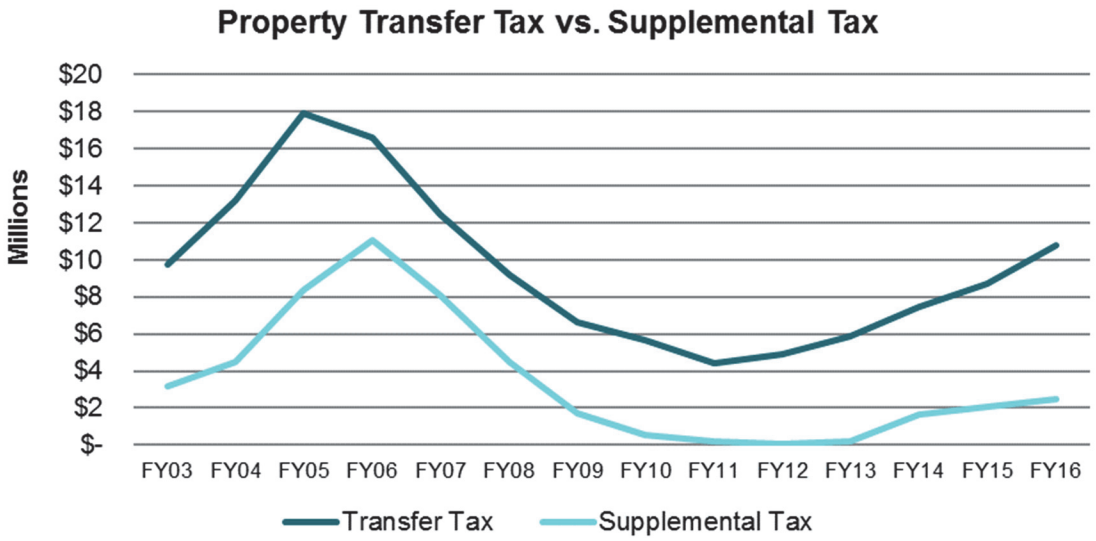
Tax Category	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed
Secured Property Tax	93,857	96,996	101,846
Property Tax In Lieu of Vehicle License Fee	38,169	38,706	39,867
Property Transfer Tax	8,100	11,000	11,500
Supplemental Property Tax	2,000	2,500	2,500
Total Change	**$ 142,126**	**$ 149,202**	**$ 155,713**



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

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

These two sources of revenue can be very volatile, fluctuating with the housing market, reaching a combined high of $27.7 million in FY2005/06 and a low of $4.6 million in FY2010/11. While we remain confident that Property Transfer Tax and Supplemental Property Tax will continue to rebound from their FY2010/11 low points, the volatility of these revenues make them very challenging to forecast. Both revenue streams are experiencing their sixth consecutive year of growth but remain at less than 50% of their highs in FY2005/06. The graph below reflects the significant effect the recession had on these revenue sources and the gradual rebound over the past four years. Given the volatility of these revenues it is especially important to be aware of market trends and make adjustments early should overall sales volume and price decrease dramatically.



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

Over the last four quarters (1st Quarter 2016 – 4th Quarter 2016), the City's sales tax has increased 2.8% compared to the prior four quarters. Statewide sales tax increased by 2.1% during the same period. For the benchmark year ending 4th Quarter 2016, the City has seen its highest level of sales tax receipts compared to the previous seven benchmark years across several economic segments including restaurants, wholesale building materials, miscellaneous retail, food markets, and apparel stores.

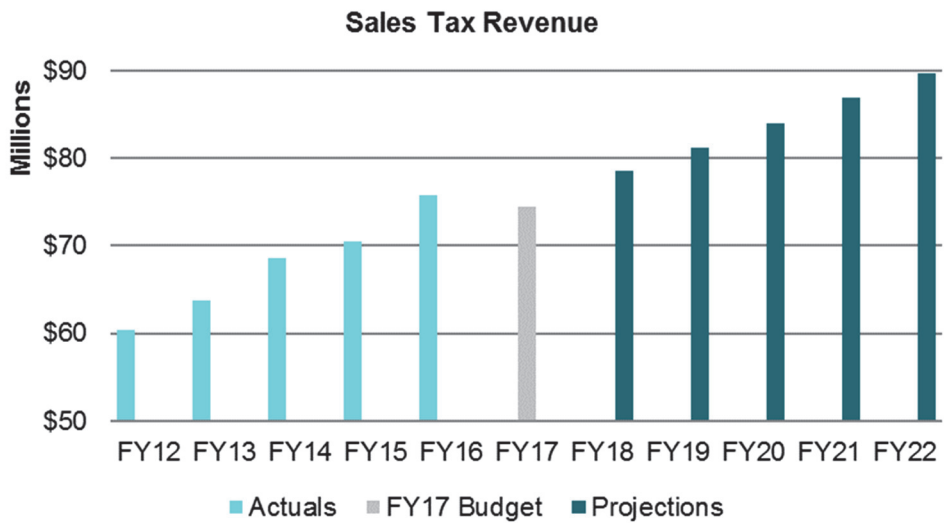
Sales Tax Breakdown by Economic Segment	
General Retail	27.9%
Food Products	22.4%
Transportation	19.1%
Business to Business	14.6%
Construction	13.8%
Miscellaneous	2.2%
Total	**100.0%**

The annual inflation rate (Consumer Price Index [CPI]-U Western Region) in February 2017 increased to 3% versus 2.1% in February 2016, due in large part to higher energy prices. As inflation increases, higher prices are will negatively affect sales tax revenue. Housing prices are up 5.3%, electricity is up 2.2%, medical care is up 1.7% eroding the amount of remaining disposable income available for taxable sales. The annual inflation rate for five of the largest percentage change segments based on data from the Bureau of Labor Statistics are as follows:

Consumer Price Index, West Region

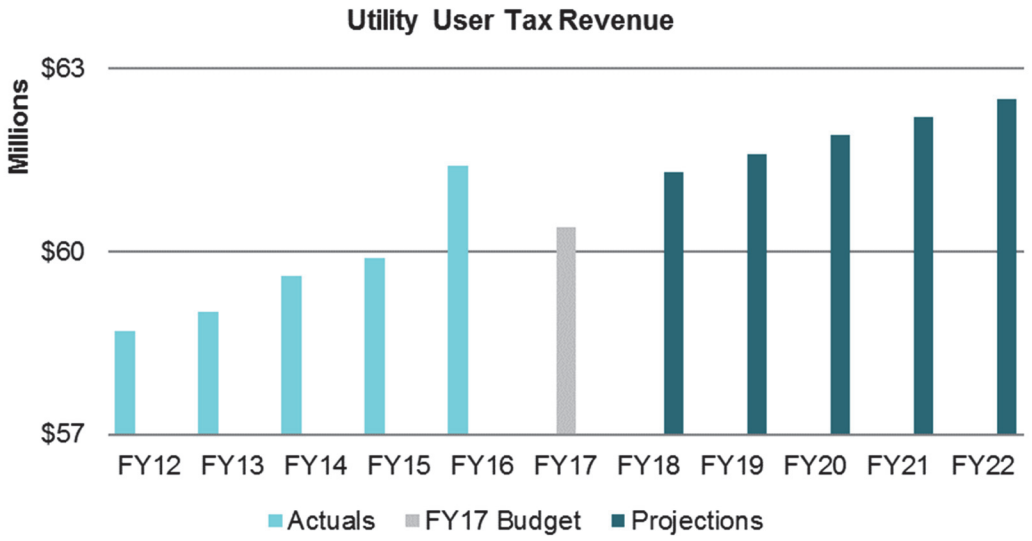
Category	Year/Year % Change
Gasoline	23.10%
Housing	5.30%
Restaurants	3.10%
Electricity	2.20%
Medical Care	1.70%

Based on the most recent information from MuniServices, the City's sales tax consultant, growth projections are estimated at 5.4% in FY2017/18 and 3.2% - 3.5% annually from FY2018/19 to FY2021/22.



Utility User Tax

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



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

Cable Subscriptions – This has been the most reliable component of the UUT revenue stream over the past 13 years however, a recent survey of pay-tv subscribers suggests significant reductions in cable subscriptions in 2016 and beyond. One in five cable subscribers could "cut the cord" in 2016 based on a report by PricewaterhouseCoopers. Streaming services such as Netflix and Hulu, often referred to as over the top television (OTT), continue to gain subscribers and millennials are reluctant to subscribe to cable. Currently, services such as Netflix and Hulu are not subject to the City's UUT. In response, the cable industry has offered video-on-demand that allows programming to be viewed on multiple devices and "bundle slimming" where packages of 10-17 channels are offered at a lower rate. The City's cable revenue has decreased by 6.7%, or $215,000, during the first six months of FY2016/17 versus the same period in FY2015/16.

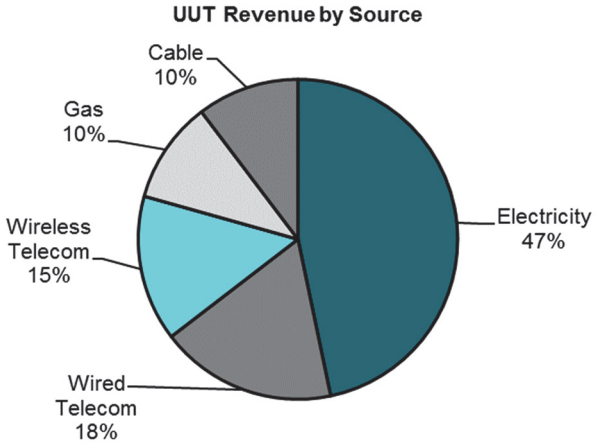
Electricity – According to the latest data from the Energy Information Administration (EIA), the average U.S. retail price of electricity to the residential sector is projected to be 12.5 cents per kilowatt hours (kWh) in 2017. While natural gas prices have seen volatility in the past year, electricity prices have remained largely unchanged from 2015. In 2016, Pacific Gas & Energy Company implemented a new rate structure that includes: (1) the reduction to two tiers from the previous four-tier rate structure (phased into three tiers in 2016 and two tiers in 2017), (2) a surcharge for the highest electricity users, and (3) a "minimum bill" not to exceed $10 is being implemented. Most residential customers in California will see their electricity bills increase under this new rate structure. The new rate structure would impact 75% of California's residential customers. Under the new rate structure, the highest power users will get a break by paying less. Low-usage households will now see a slight increase in their respective power bills. During the first six months of FY2016/17, the City's electricity UUT revenue decreased by 0.7% compared to the same period in FY2015/16. Electricity is the largest component of UUT revenue, accounting for approximately 47% of the revenue stream.

Natural Gas – The EIA forecasts residential natural gas prices to be 11% higher than last year. Although natural gas prices decreased to record levels last year, it did not have a significant impact on the rates charged by the utility providers. According to the EIA, natural gas has surpassed coal as the number one source of fuel generation and will continue to grow in importance. The City's UUT revenue associated with natural gas represents 10% of the total and has increased by 14.8% through the first six months of FY2016/17.

Wired Telecommunications – The wired industry has matured and unless there is a technological or software breakthrough that could change the industry, MuniServices is predicting a stagnating and declining industry for FY2017/18 and beyond. UUT from wired telecommunication services will continue to decline for the foreseeable future as subscription rates and accounts continue to decline. The loss of subscribers appears to be comprised of residential low income households and millennials. Wired UUT revenue accounts for approximately 17% of the total UUT base; however, the revenue stream has decreased by 40% since FY1999/00.

Wireless Telecommunications – Trying to predict the future of the wireless industry has become more complex each year. Subscriber saturation has been hampering the growth of the wireless carriers for the last four years. Without a source for new subscribers and with phone technology stalled, the industry has resorted to lowering plan rates or increasing data allotments to grow their subscriber base. Wireless revenues are predicted to be lower in 2017 because of two factors: cable operators starting to offer wireless services and the consolidation of carriers and media content providers.

Without a source for new subscribers and with phone technology stalled, the industry has resorted to lowering plan rates or increasing data allotments to grow their subscriber base. Wireless UUT continues to be under downward pressure but that could change as Assembly Bill (AB) 1717 went into effect in January 2016. AB 1717 provides a collection mechanism for prepaid (non-contract) wireless services. Once the state program is fully functional there will be an increase in the wireless portion of the UUT revenues. During the first six months of FY2016/17, wireless UUT revenues have increased by 0.6% or $27,000 versus the same period in FY2015/16. While revenues resulting from AB 1717 are now coming in, it's still too early to tell if this will stem the continued decline of this source of UUT revenue.



The five components of UUT revenue have seen minimal growth cumulatively over the past few years as industry trends and regulations have changed. Based on actual revenues collected over the past five years, UUT is projected to grow by 1.5% in FY2017/18 with annual growth projected from FY2018/19 - FY2021/22 forecast at 0.5% annually. However, these projections could change after AB1717 has been in place for an entire fiscal year and direction on the application of local UUT to OTT becomes clear.

Trends affecting the Utility User Tax

Consumers want their TV content anytime, anywhere on all their devices, but they aren't willing to pay for the OTT video experience unless the price is right. And "right" means less than what cable and satellite TV providers charge. Although interest in OTT services is strong, consumer demand is highly price sensitive and falls sharply as the cost increases. Only 20% of U.S. households said they would subscribe to a slimmed-down internet-delivered content package priced at $40 per month or higher. At $30 per month, the potential market increased to 40%.

AT&T's planned DirecTV Now and the Hulu services are the most recent offerings targeted at "cord cutters." These services join similar services such as Sling TV from Dish Network and Sony's PlayStation Vue. Web video services tend to be less expensive than cable television because they piggyback on the wiring installed by cable or internet providers. Current offerings range from $14.99 a month for HBO Now to $11.99 for Netflix's most expensive option. Sling TV offers a package of 25 channels, including TNT and AMC, for $20 a month.

Satellite and cable TV companies, which originally saw OTT alternatives as a way to win back cord cutters, appear to realize that cannibalization is inevitable. Dish TV now markets directly to current pay-TV subscribers. The latest ads ironically criticize everything that consumers dislike about traditional pay-TV services, including long-term contracts, add-on fees, and big bundles.

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

On February 7, 2006 (Resolution 2006-106), the Council formally adopted a citywide Fees and Charges Policy. This policy ensures that fees and charges reflect the Council's direction regarding recovery of costs related to providing programs and services. The policy sets the guidelines for cost recovery goals, determines the categories of cost recovery levels and allows for establishment and modification for fees

and charges. If a fee is not adjusted in the budget process, to the extent feasible and/or appropriate, it should be increased biennially by a CPI factor to keep pace with inflation.

Beginning in FY2014/15 the City used the State of California Department of Industrial Relations CPI, the same index used by the County Assessor to adjust the annual property tax roll for inflation. As part of the annual budget process, the Finance Department takes a report to the Budget and Audit Committee in early May to discuss proposed changes to citywide fees and charges. After the Committee's feedback is incorporated, the report is presented to Council for adoption as part of the budget hearings.

Fees and charges make up approximately 20% of the City's General Fund revenues.

Measure U Fund

Voter approval of the City of Sacramento Essential Services Protection Measure (Measure U) in November 2012 authorized the implementation of a six-year, one-half cent transaction and use tax effective April 1, 2013, which expires on March 31, 2019. A reserve has been established to provide contingency funding to address unanticipated revenue changes and financing for a transition period when Measure U resources are no longer available, providing funding for programs through the end of FY2018/19. Until General Fund revenues grow to a level sufficient to back-fill the loss of Measure U revenues, or the additional tax is extended beyond its current expiration date, ongoing reliance on these temporary resources will create an enormous burden on the General Fund when the tax expires in 2019 as shown in the following chart.

Revenues and Expenditures (in 000s)	2017/18 FTE	FY2016/17 Amended	FY2017/18 Proposed	FY2018/19 Projection	FY2019/20 Projection
BEGINNING FUND BALANCE		**36,938**	**29,806**	**17,372**	**6,689**
Revenues		**43,732**	**46,542**	**37,144**	**-**
Expenditures					
Fire Department	103.00	13,137	13,139	13,857	14,455
Police Department	222.50	20,249	22,263	23,710	25,403
Parks and Recreation Department	137.08	9,200	9,300	9,562	9,757
Miscellaneous Restorations	2.00	795	668	698	702
Total Measure U Expenditures	464.58	43,381	45,370	47,827	50,317
One-time Uses					
Capital Projects		5,309	11,088	-	-
Other One-times		2,174	2,518	-	-
Total Measure U One-time Funding		7,483	13,606	-	-
ENDING FUND BALANCE		**$ 29,806**	**$ 17,372**	**$ 6,689**	**(43,628)**

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

- FY2016/17 – Budget as approved by Council to date
- FY2017/18 – Budget including:

- Revenue growth of 5.6% based on transaction and use tax revenue trends.
- Addition of four 0.5 FTE Student Trainees in Parks and Recreation for the aquatic program.
- Minimal growth in projected labor costs due to a change in methodology on budgeting pension and Workers Compensation costs.
- One-time expenditures totaling $13.6 million for capital needs in city libraries, community centers, parks, and fire stations.

Revenues: Based on the most recent four quarters of receipts, annual revenues of $46.5 million for FY2017/18 are estimated, with FY2018/19 reflecting a prorated revenue amount given the expiration of the tax in March 2019.

Programs and Services: The Budget includes $45.4 million of ongoing funding of the restoration of ongoing programs and services in the Fire, Police, Parks and Recreation, and Community Development Departments as well as to the Sacramento Public Library Authority. An additional $13.6 million in one-time funding has been allocated to the various departments as described below.

Fire Department – $18.3 million

- Resources to staff all companies and retain positions associated with the Staffing for Adequate Fire and Emergency Response (SAFER) grant. The funding also provides the restoration of resources for the coordination of fire prevention services as well as two additional medic units ($13.1 million).

- One-time funding to complete the construction of Fire Stations 14 and 15 ($2.5 million), for the purchase of a mobile air compressor, two air compressor trailers, and the early replacement of two fire engines ($2.1 million), and for the replacement of frontline personal protective equipment (PPE) ($0.6 million).

Police – $23.9 million

- Match/retention funding associated with grant-funded police officer positions and continued funding of the ShotSpotter audio gunfire detection system ($22.3 million).

- One-time funding for the purchase of body-worn cameras (BWC) ($875,701), the replacement of patrol vehicles (SUVs), allowing older units to be moved to the City's Emergency Vehicle Operations Course (EVOC) for officer training ($223,165), and for increase services and supplies to support the department's Evidence & Property and Investigations teams ($399,382).

Parks and Recreation – $13.5 million

- Resources to restore park maintenance operations, operation of 12 City swimming pools and five stand-alone wading pools, children's summer programs, and year-round sports camps, extension of hours, and programs at the City's community centers for youth and older adults ($9.3 million).

- One-time funding for critical capital replacements needed for park improvements including sidewalk repairs, Camp Sacramento, the installation of LED lighting at the community centers and a citywide park tree assessment ($4.0 million) and for summer youth programs ($122,816) and for park pond maintenance ($65,000).

Community Development – $0.3 million

- Resources to address critical animal control challenges including animal bites, animal cruelty, and rabies control ($162,000).

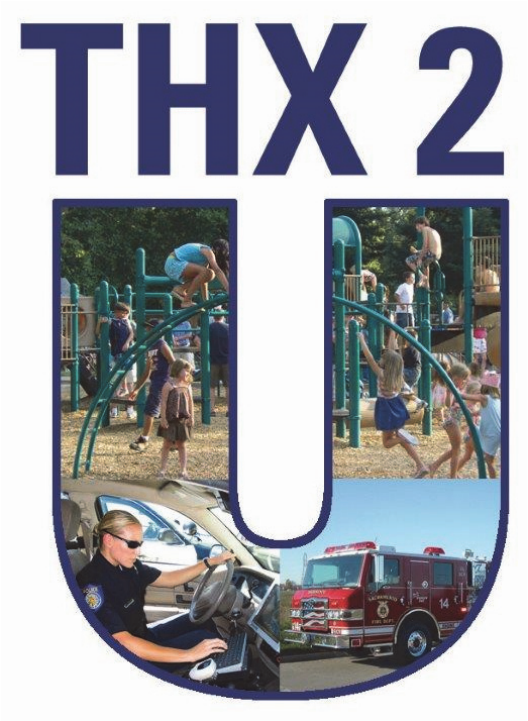
- One-time funding for a contract with the Society for the Prevention of Cruelty to Animals (SPCA) for spray/neuter services ($100,000).

Sacramento Public Library Authority (SPLA) - $3.0 million

- Restoration of the General Fund Maintenance of Effort (MOE) requirement. Additional information on the MOE is provided in the Citywide and Community Support section of the Budget ($506,061).

- One-time funding for critical capital replacements and LED lighting at the libraries ($2.5 million).

- A summary chart of Measure U programs and services is provided on the next page with additional detail available in the department sections of the Budget and in the 2017-2022 CIP.



Measure U Restoration Plan

Revenues and Expenditures (in 000s)	FY18 FTE Proposed	FY2016/17 Amended	FY2017/18 Proposed	FY2018/19 Projection	FY2019/20 Projection
BEGINNING FUND BALANCE		**36,938**	**29,806**	**17,372**	**6,689**
REVENUES		**43,732**	**46,542**	**37,144**	**-**
EXPENDITURES					
Fire Department					
SAFER Grant Retention	27.00	2,803	2,803	2,803	2,803
Fire Company Restorations	63.00	9,417	9,308	9,908	10,362
Two Medic Units - January 2014 *(partially offset by $1.2 million in new revenues)*	12.00	764	875	985	1,121
Fire Prevention	1.00	153	152	161	169
Capital Investment and Equipment	-	-	5,186		
Fire Subtotal	**103.00**	**13,137**	**18,324**	**13,857**	**14,455**
Police Department					
COPS Hiring Program Match and Retention *(CHP and CHRP)*	60.00	5,483	5,483	5,483	5,483
COPS Hiring Program (CHP) Match and Retention FY13 - New in FY15	10.00	775	1,214	1,355	1,436
COPS Hiring Program *(CHP)* Match and Retention FY14 and 15 vehicles in FY16	15.00	1,004	1,134	1,678	1,985
COPS Hiring Program *(CHP)* Match and Retention FY15 and 15 vehicles in FY17	15.00	1,066	1,051	1,211	1,792
Police Officers	15.00	860	1,648	1,773	1,876
Body Worn Cameras (BWC)	2.00	535	1,201	-	-
ShotSpotter	-	210	180	180	180
Public Safety Counter *(Kinney Station)*	3.00	228	247	257	265
Field & Operations *(12.0 new FTE in FY15)*	61.00	8,379	7,901	8,451	8,958
Investigations *(2.0 new FTE in FY15)*	8.00	1,145	1,131	1,198	1,270
Forensics	6.00	606	608	632	651
Communications	4.00	343	359	372	384
Crime Analysis	1.00	109	115	120	123
Hiring Pipeline	22.50	1,000	1,000	1,000	1,000
Summer Night Lights	-	40	-	-	-
Vehicles and Equipment	-	-	622	-	-
Police Subtotal	**222.50**	**21,783**	**23,894**	**23,710**	**25,403**
Public Safety Total	**325.50**	**34,920**	**42,218**	**37,567**	**39,858**
Parks and Recreation Department					
Aquatics	38.85	2,054	2,113	2,129	2,172
Community Centers	22.80	1,484	1,494	1,506	1,536
Park Maintenance *(includes Park Rangers)*	53.00	4,035	4,082	4,114	4,201
Senior Programs	4.48	342	371	374	381
Teen Services	10.20	696	660	665	678
Neighborhood Services *(includes Gang prevention, Hotspots and Summer at City Hall)*	2.50	334	455	459	468
Other Recreation Programs	5.25	554	313	315	321
4th R	-	340	-	-	-
Capital Investment and Equipment	-	5,310	4,021	-	-
Parks and Recreation Subtotal	**137.08**	**15,149**	**13,509**	**9,562**	**9,757**
MISCELLANEOUS RESTORATIONS					
Animal Control Officer	2.00	165	262	192	196
Gang Prevention Task Force	-	124	-	-	-
Library Restoration and Capital Investment	-	506	2,987	506	506
Miscellaneous Subtotal	**2.00**	**795**	**3,249**	**698**	**702**
Total Measure U Restorations	**464.58**	**50,864**	**58,976**	**47,827**	**50,317**
ENDING FUND BALANCE		**$ 29,806**	**$ 17,372**	**$ 6,689**	**$ (43,628)**

Enterprise Funds

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

The following chart provides an overview of the proposed changes included in the FY2017/18 Budget for the Enterprise Funds:

Department	Description	Fund	Revenue/ Offset Change	Expenditure Change	FTE Change
Utilities	Add 1.0 Associate Civil Engineer to provide support to the Floodplain Management Program and add 1.0 Program Analyst to assist with implementing the Security Master Plan.	Storm Drainage	-	231,471	2.00
Utilities	Add staffing to provide preventative and predictive maintenance, assist with drinking water regulatory requirements and bacteriological testing, operate and maintain new solids handling facilities and equipment, and support CIS replacement project.	Water	-	1,460,326	16.00
		Total Change	**-**	**$ 1,691,797**	**18.00**

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

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

Fund	Status
Community Center	Revenues are projected to grow by 3%, primarily due to Transient Occupancy Tax (TOT) growth. Expenditures are continually monitored to ensure prudent use of resources and an appropriate fund balance.
Parking	The fund is balanced over the five-year period based on stable revenue growth due to anticipated efficiency improvements gained from the new Parking Access and Revenue Control System, SacPark reservations and event revenues from the Golden 1 Center. Revenues are projected to steadily grow by 3% in FY2017/18, then 2% annually, and expenditures are projected to grow by approximately 2% annually.
Solid Waste	Three year rate increases approved in FY2015/16 are included in the forecast and will provide revenues sufficient to fund current residential service programs and meet regulatory requirements. However, while organizational and operational efficiencies will continue to generate savings, the forecast does project shortfalls which will require additional revenue to meet capital and operating cost increases as the fund balance is depleted.
Storm Drainage	No rate increase is included in the five-year forecast. As such, the budget continues to rely on the use of reserves to balance. Pursuant to Proposition 218, a voter-approved ballot measure is required to increase rates, which will be necessary in the near future to sustain operational, capital, and regulatory requirements as fund reserves will be depleted.
Wastewater, Water	Rate increases are included in the five-year forecast. Council approved four- year rate increase (10% per year for Water and 9% per year for Wastewater) to provide sufficient resources to continue critical infrastructure repair and rehabilitation, as well as to ensure compliance with state and federal regulations.

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

Community Center Fund

	FY18 Proposed	FY19 Projection	FY20 Projection	FY21 Projection	FY22 Projection
Beginning Fund Balance	4,344	7,149	10,243	14,182	29,177
Revenue	29,487	30,394	31,317	34,273	33,351
Expenditures	26,432	27,050	27,128	19,028	20,300
Other Source/(Use)	(250)	(250)	(250)	(250)	(250)
Ending Funding Balance	**7,149**	**10,243**	**14,182**	**29,177**	**41,978**

Parking Fund

	FY18 Proposed	FY19 Projection	FY20 Projection	FY21 Projection	FY22 Projection
Beginning Fund Balance	3,658	3,228	3,258	3,485	4,332
Revenue	19,818	20,265	20,625	20,992	21,367
Expenditures	20,248	20,235	20,398	20,145	19,397
Other Source/(Use)	-	-	-	-	-
Ending Funding Balance	**3,228**	**3,258**	**3,485**	**4,332**	**6,301**

Solid Waste Fund

	FY18 Proposed	FY19 Projection	FY20 Projection	FY21 Projection	FY22 Projection
Beginning Fund Balance	19,189	15,507	11,385	6,619	1,149
Revenue	63,000	63,628	64,421	65,385	66,526
Expenditures	66,682	67,750	69,188	70,854	74,626
Other Source/(Use)	-	-	-	-	-
Ending Funding Balance	**15,507**	**11,385**	**6,619**	**1,149**	**(6,951)**

Storm Drainage Fund

	FY18 Proposed	FY19 Projection	FY20 Projection	FY21 Projection	FY22 Projection
Beginning Fund Balance	26,693	21,395	19,732	17,062	13,893
Revenue	36,509	36,584	36,659	36,735	36,810
Expenditures	41,807	38,247	39,330	39,904	39,471
Other Source/(Use)	-	-	-	-	-
Ending Funding Balance	**21,395**	**19,732**	**17,062**	**13,893**	**11,232**

Wastewater Fund

	FY18 Proposed	FY19 Projection	FY20 Projection	FY21 Projection	FY22 Projection
Beginning Fund Balance	5,469	7,972	10,582	17,037	17,312
Revenue	37,621	42,022	45,745	45,938	46,030
Expenditures	35,118	39,412	39,290	45,663	43,517
Other Source/(Use)	-	-	-	-	-
Ending Funding Balance	**7,972**	**10,582**	**17,037**	**17,312**	**19,824**

Water Fund

	FY18 Proposed	FY19 Projection	FY20 Projection	FY21 Projection	FY22 Projection
Beginning Fund Balance	59,142	73,273	87,576	115,318	143,162
Revenue	115,811	124,165	135,245	135,524	135,803
Expenditures	101,680	109,862	107,503	107,680	108,397
Other Source/(Use)	-	-	-	-	-
Ending Funding Balance	**73,273**	**87,576**	**115,318**	**143,162**	**170,568**

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Community Center Fund (6010)

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

Over two-thirds of fund revenues are provided by TOT. In FY2015/16, these revenues grew by 8.4% as compared to FY2014/15. While TOT has experienced exceptional performance in recent years, projected revenue growth has been conservatively estimated at 3.4% for FY2017/18 and beyond, a rate that more closely aligns with historical data.

In 1997, to maintain the financial integrity of the Community Center Fund, the Council approved a loan of up to $12 million from the Risk Fund, 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 FY2017/18 with payments continuing in future years. As of the beginning of FY2016/17, there is a remaining balance of approximately $5.8 million.

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

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

	FY17 Approved	FY18 Proposed[1]	FY19 Projection	FY20 Projection	FY21 Projection	FY22 Projection
BEGINNING FUND BALANCE	**7,431**	**4,344**	**7,149**	**10,243**	**14,182**	**29,177**
REVENUES						
TOT	21,821	22,563	23,330	24,123	24,944	25,792
Transfer to Visit Sac	-	(1,415)	(1,464)	(1,516)	(1,568)	(1,624)
Charges, Fees, and/or Services	7,495	7,644	7,797	7,953	8,112	8,274
Interest	200	67	83	102	139	256
Other (Facility Fee)	621	628	648	655	2,646	653
TOTAL REVENUES	**30,137**	**29,487**	**30,394**	**31,317**	**34,273**	**33,351**
EXPENDITURES						
Operating - Employee Services	6,917	7,263	7,626	8,007	8,408	8,828
Operating - Other	8,708	8,955	9,168	9,412	9,663	9,921
Debt Service	8,191	8,179	8,200	8,200	250	250
Capital Improvements[2]	2,988	3,450	3,520	3,025	2,275	2,925
Transfer to Visit Sac	-	(1,415)	(1,464)	(1,516)	(1,568)	(1,624)
TOTAL EXPENDITURES	**26,804**	**26,432**	**27,050**	**27,128**	**19,028**	**20,300**
CURRENT SURPLUS/(DEFICIT)	**3,333**	**3,055**	**3,344**	**4,189**	**15,245**	**13,051**
Other Source/(Use)	(250)	(250)	(250)	(250)	(250)	(250)
Golden 1 Center Liquidity Reserve	(2,000)	-	-	-	-	-
ENDING FUND BALANCE	**$ 8,514**	**$ 7,149**	**$ 10,243**	**$ 14,182**	**$ 29,177**	**$ 41,978**

[1]FY18 beginning fund balance has been adjusted based on audited FY2015/16 year-end results.

[2]Capital expenditures assume current operational formation.

Parking Fund (Fund 6004)

The City operates five parking garages and 31 surface parking lots. These include surface parking lots that are managed for the State of California and numerous private owners to increase parking availability for residents and visitors. The Parking Services Division also manages over 65,000 square feet of retail space within the various City parking structures.

Parking fee revenues are projected to decrease 1% for FY2017/18 compared to FY2016/17 and then increase 2% annually thereafter. The steady increase for FY2018/19 through FY2021/22 is due to expected efficiency improvements from the replacement of the Parking Access and Revenue Control System (PARCS) at all city-owned garages and anticipated revenues from Golden 1 Center events. Rental income is based on current and anticipated leases with no change projected in FY2017/18 but a 15% increase projected in FY2018/19 due to future anticipated leases and CPI increases to current rents, then 1% increases annually thereafter. Expenses are projected to grow at just over 1% in FY2017/18, remain relatively unchanged in FY2018/19, increase 1% in FY2019/20, and then decrease approximately 5% over the following two fiscal years. Debt service costs will remain fairly constant between approximately $7.0 and $7.1 million per year until FY2020/21 when it will begin to decrease as a result of debt retirement. These resources will be redirected to debt service on the Golden1 Center.

The division has completed several projects to modernize the parking facilities including the replacement of the 14-year-old PARCS. The newly installed PARCS has current technology including license plate recognition, new enhanced card reading devices at all garage entrances and exits, faster access in and out of garages, and improved customer service including self-service features to allow customers to manage their accounts online. Additionally, an elevator modernization project was completed at three garages, and Americans with Disabilities Act (ADA) barrier removal and structural upgrades at all city-owned garages.

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

	FY17 Approved	FY18 Proposed	FY19 Projection	FY20 Projection	FY21 Projection	FY22 Projection
BEGINNING FUND BALANCE	3,621	3,658	3,228	3,258	3,485	4,332
REVENUES						
Charges, Fees, and/or Services	18,902	18,545	18,889	19,241	19,600	19,966
Interest	600	600	600	600	600	600
Other (Real Property Rental)	674	673	776	784	792	801
TOTAL REVENUES	**20,176**	**19,818**	**20,265**	**20,625**	**20,992**	**21,367**
EXPENDITURES						
Operating - Employee Services	4,743	4,929	5,003	5,078	5,154	5,231
Operating - Other	5,460	5,092	5,045	5,105	5,174	5,245
Operating - Transfers	2,081	2,063	2,097	2,132	2,168	2,205
Debt Service	7,077	7,073	7,045	7,043	6,609	5,676
Multi-Year Operating Projects	100	100	100	100	100	100
Capital Improvement Project	462	991	945	940	940	940
TOTAL EXPENDITURES	**19,923**	**20,248**	**20,235**	**20,398**	**20,145**	**19,397**
CURRENT SURPLUS/(DEFICIT)	**253**	**(430)**	**30**	**227**	**847**	**1,970**
ENDING FUND BALANCE	**3,874**	**3,228**	**3,258**	**3,485**	**4,332**	**6,301**

Solid Waste Fund (6007)

Revenue generated for the purpose of providing recycling and solid waste services are deposited in the Solid Waste Fund. Ninety-nine percent of Solid Waste Fund revenue is derived from service fees charged to utility rate payers for the activities of collecting garbage, recyclables and yard waste, sweeping streets, removing illegal dumping, post-closure monitoring of landfills, and waste reduction education.

In FY2017/18 Solid Waste revenues are projected to grow by 2% in accordance with the final year of a three-year rate adjustment approved by Council in 2015. However, Solid Waste revenues are not meeting expectations due to slower single family residential growth than originally forecasted in the City's 2035 General Plan. It is anticipated that this slower growth pattern will continue and reduce Solid Waste revenue projections in the out-years of the forecast. Staff will continue to manage expenditure growth and the overall stability of the fund. However, it is already apparent that costs for items vital to providing solid waste services and complying with regulatory mandates continue to exceed expectations over the five-year period. The most significant cost increases are post-closure activities of legacy City landfills, labor, vehicle operations and maintenance and in-region disposal fees. As such, operating resources and fund balance will be depleted over the term of the forecast without an increase in revenues.

Issues facing the Solid Waste Fund include:

- Rising legacy landfill related expenses over the next three to five years as the City implements a compliance plan to address mandated State post-closure regulatory requirements. Over $9 million is included in the forecast to fund these landfill projects.

- Workers' Compensation changes have been implemented in the Budget to ensure that contributions by fund are budgeted based on experience and exposure. This in addition to the physical demands and repetitive nature of the job have resulted in increased workers' compensation costs of approximately $565,000.

- Securing long-term yard waste and organics disposal locations to meet State diversion requirements.

- Providing new funding for the replacement of the City's Utility Billing System and construction of a Compressed Natural Gas (CNG) facility at the Meadowview City Service Complex.

- Establishing interagency partnerships and implementing new collection strategies to address illegal dumping issues.

- Declining reserves, as the existing revenue is not sufficient to cover current operating and capital expenses

While costs in many areas are rising, the Recycle and Solid Waste Division (RSWD) will continue to evaluate opportunities to increase efficiencies and reduce costs, including modifications to daily collection routes and the procurement of CNG vehicles in accordance with the division's seven-year replacement cycle.

The following chart provides a five-year budget forecast for the Solid Waste Fund to address anticipated cost increases, organizational and operational changes, and meet regulatory requirements.

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

	FY17 Approved	FY18 Proposed	FY19 Projection	FY20 Projection	FY21 Projection	FY22 Projection
BEGINNING FUND BALANCE	20,374	19,189	15,507	11,385	6,619	1,149
REVENUES						
Charges, Fees, and/or Services	62,008	62,817	63,445	64,238	65,202	66,343
Interest	-	-	-	-	-	-
Other (Intergovernmental)	39	183	183	183	183	183
TOTAL REVENUES	**62,047**	**63,000**	**63,628**	**64,421**	**65,385**	**66,526**
EXPENDITURES						
Operating - Employee Services	16,914	17,205	18,409	19,514	20,685	21,719
Operating - Other	41,732	42,113	43,619	44,216	45,941	48,715
Debt Service	3,395	2,299	1,732	1,693	1,688	1,677
Multi-Year Operating Projects	2,131	1,025	1,025	1,025	1,025	1,025
Capital Improvements	1,674	4,040	2,965	2,740	1,515	1,490
TOTAL EXPENDITURES	**65,846**	**66,682**	**67,750**	**69,188**	**70,854**	**74,626**
CURRENT SURPLUS/(DEFICIT)	(3,799)	(3,682)	(4,122)	(4,767)	(5,469)	(8,100)
ENDING FUND BALANCE	**16,575**	**15,507**	**11,385**	**6,619**	**1,149**	**(6,951)**

Storm Drainage Fund (Fund 6011)

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

- Declining reserves, as the existing revenue is not sufficient to cover current operating and capital expenses

- Upgrading drainage service to areas outside of the City's Combined Sewer System (CSS) to meet citywide standards

- Improving drainage system reliability and contributing to the combined wastewater system repair, rehabilitation, and improvements

- Maintaining state and federal regulatory compliance, e.g., National Pollution Discharge Elimination System (NPDES), and supporting regional flood control efforts

- Implementing low impact development standards, green infrastructure, to further minimize urban runoff, conserve water, and preserve resources

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

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

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

	FY17 Approved	FY18 Proposed	FY19 Projection	FY20 Projection	FY21 Projection	FY22 Projection
BEGINNING FUND BALANCE	**18,350**	**26,693**	**21,395**	**19,732**	**17,062**	**13,893**
REVENUES						
Charges, Fees, and/or Services	35,705	36,062	36,134	36,206	36,279	36,351
Interest	422	422	425	428	431	434
Other (Intergovernmental)	25	25	25	25	25	25
TOTAL REVENUES	**36,152**	**36,509**	**36,584**	**36,659**	**36,735**	**36,810**
EXPENDITURES						
Operating - Employee Services	14,963	15,438	16,010	16,467	16,974	17,385
Operating - Other	15,954	15,554	16,788	16,866	17,279	19,377
Debt Service	3,658	3,657	3,537	3,536	3,278	271
Multi-Year Operating Projects	1,597	953	1,612	2,059	2,123	2,188
Capital Improvements	525	6,205	300	402	250	250
TOTAL EXPENDITURES	**36,697**	**41,807**	**38,247**	**39,330**	**39,904**	**39,471**
CURRENT SURPLUS/(DEFICIT)	**(545)**	**(5,298)**	**(1,663)**	**(2,670)**	**(3,170)**	**(2,660)**
ENDING FUND BALANCE	**17,805**	**21,395**	**19,732**	**17,062**	**13,893**	**11,232**

Wastewater Fund (Fund 6006)

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

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

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

The Wastewater Fund presents unique challenges due to the system’s growth potential and the age and nature of the system’s infrastructure. On March 29, 2016, Council approved increases to wastewater rates for FY2016/17 through FY2019/20. Issues facing the Wastewater Fund include:

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

- Maintaining the financial strength of the fund for the purpose of raising sufficient capital to finance rehabilitation of the CSS.
- In the past, combined system projects were partially funded by the Storm Drainage Fund. However, as the Storm Drainage Fund has become increasingly underfunded the Wastewater Fund has borne eligible costs, increasing pressure on the Wastewater Fund.
- The following chart provides a five-year forecast for the Wastewater Fund to address anticipated cost increases and meet regulatory requirements, and includes the following assumptions:
    - A State Revolving Fund (SRF) loan continued to be pursued in FY2017/18 to partially finance the CSS improvements for the McKinley project. In the case that the SRF loan is not an option for the City, bond financing will be pursued in FY17/18.
    - The rate adjustments adopted for FY2016/17 through FY2019/20 will allow the City to invest in mandated system improvements as required, and CSS improvements not funded by financing, as well as make progress towards reaching a 100-year replacement schedule for aging pipes.

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

	FY17 Approved	FY18 Proposed	FY19 Projection	FY20 Projection	FY21 Projection	FY22 Projection
BEGINNING FUND BALANCE	**8,264**	**5,469**	**7,972**	**10,582**	**17,037**	**17,312**
REVENUES						
Charges, Fees, and/or Services[1]	33,230	36,216	40,388	43,937	44,091	44,179
Interest	392	392	559	701	707	711
Other (Intergovernmental)	1,012	1,013	1,075	1,107	1,140	1,140
TOTAL REVENUES	**34,634**	**37,621**	**42,022**	**45,745**	**45,938**	**46,030**
EXPENDITURES						
Operating - Employee Services	9,516	9,512	9,866	10,149	10,463	10,717
Operating - Other	14,788	17,428	17,802	17,808	18,973	20,202
Debt Service[2]	3,033	2,880	2,841	2,842	2,753	2,020
Multi-Year Operating Projects	1,919	2,838	3,618	3,824	3,474	3,578
Capital Improvements	9,270	2,460	5,285	4,667	10,000	7,000
TOTAL EXPENDITURES	**38,526**	**35,118**	**39,412**	**39,290**	**45,663**	**43,517**
CURRENT SURPLUS/(DEFICIT)	**(3,892)**	**2,503**	**2,610**	**6,455**	**275**	**2,512**
ENDING FUND BALANCE	**4,372**	**7,972**	**10,582**	**17,037**	**17,312**	**19,824**

[1]City Council Approved 9% rate increases in each of the year from FY 2016/17 throught FY 2019/20

[2]This forecast does not include future debt service needed for investment in capital replacement

Water Fund (Fund 6005)

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

The Water Fund faces significant challenges over the next five years. On March 29, 2016, Council approved increases to water rates for FY2016/17 through FY2019/20. Key issues for the Water Fund over the next five years include the following:

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

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

- Capital spending reflects continued implementation of the mandated water meter program and ongoing infrastructure repair and rehabilitation.
- Financing from the State Revolving Fund loan program and bond proceeds will fund the water meter program. The remaining bond proceeds will fund other needed infrastructure repair and rehabilitation projects, and to smooth the rate increases required to implement these projects. While prior rate adjustments

have helped address operational costs, the water meter retrofit program and some level of capital replacement, they have not provided sufficient resources to fund major necessary capital replacement and upgrade projects. The rate adjustments for FY2016/17 through FY2019/20 will allow the City to continue with the mandated water meter program, as well as make progress towards reaching a 100-year replacement schedule for aging pipes.

- Costs for items that are vital to the collection, purification, and delivery of water, and to meet levels of service, continue to rise. The most significant cost increases are for replacing pipelines and installing water meters.

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

	FY17 Approved	FY18 Proposed	FY19 Projection	FY20 Projection	FY21 Projection	FY22 Projection
BEGINNING FUND BALANCE	**37,389**	**59,142**	**73,273**	**87,576**	**115,318**	**143,162**
REVENUES						
Charges, Fees, and/or Services[1]	105,458	115,226	123,259	133,913	134,181	134,449
Interest	400	400	721	1,147	1,158	1,169
Other (Intergovernmental)	185	185	185	185	185	185
TOTAL REVENUES	**106,043**	**115,811**	**124,165**	**135,245**	**135,524**	**135,803**
EXPENDITURES						
Operating - Employee Services	35,763	38,993	40,421	41,565	42,830	43,858
Operating - Other	27,423	27,318	28,111	28,530	29,370	29,944
Debt Service[2]	26,450	26,445	26,446	26,442	26,424	26,415
Multi-Year Operating Projects	3,078	2,134	2,884	2,966	3,056	3,180
Capital Improvements	8,205	6,790	12,000	8,000	6,000	5,000
TOTAL EXPENDITURES	**100,919**	**101,680**	**109,862**	**107,503**	**107,680**	**108,397**
CURRENT SURPLUS/(DEFICIT)	**5,124**	**14,131**	**14,303**	**27,742**	**27,844**	**27,406**
ENDING FUND BALANCE	**42,513**	**73,273**	**87,576**	**115,318**	**143,162**	**170,568**

[1] City Council approved 10% rate increase in each of the year from FY2016/17 through FY2019/20

[2] This forecast does not include future bond issuance and related debt service needed for investment in capital replacement

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SECTION – 4
How to Read This Document

HOW TO READ THIS DOCUMENT

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

- Department mission statement (if available)
- Proposed budget/staffing changes
- A department level budget summary table showing budget for:
  - FY2014/15 Actuals
  - FY2015/16 Actuals
  - FY2016/17 Approved Budget
  - FY2016/17 Amended Budget (as of February 2017)
  - FY2017/18 Proposed Budget
  - Variance

  The summary table shows for each year:
  - Budgeted expenditures by category
  - Funding sources and amounts
- A division level summary budget table:
  - FY2014/15 Actuals
  - FY2015/16 Actuals
  - FY2016/17 Approved Budget
  - FY2016/17 Amended Budget (as of February 2017)
  - FY2017/18 Proposed Budget
  - Variance
- A division level summary staffing table:
  - FY2014/15 Actuals
  - FY2015/16 Actuals
  - FY2016/17 Approved Budget
  - FY2016/17 Amended Budget (as of February 2017)
  - FY2017/18 Proposed Budget
  - Variance

DEPARTMENT BUDGET SUMMARY TABLE

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

Economic Development Budget Summary	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Employee Services	1,341,190	1,553,138	1,842,627	1,660,895	1,749,836	88,941
Other Services and Supplies	1,153,443	544,132	702,894	702,894	677,894	(25,000)
City Property	3,529	4,275	2,000	2,000	2,000	-
Transfers	21,769	10,961	-	-	-	-
Labor and Supply Offset	(6,797)	1,010	2,856	2,856	2,856	-
Operating Transfers	(159,480)	(142,024)	-	-	-	-
Total	**2,353,654**	**1,971,494**	**2,550,377**	**2,368,645**	**2,432,586**	**63,941**

Funding Summary by Fund/Special District	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
2006 Army Depot TA Fund	-	(1,381,906)	-	-	-	-
2006 Army Depot TE Fund	-	(404,955)	-	-	-	-
General Fund	2,513,134	2,109,116	2,550,377	2,368,645	2,307,586	(61,059)
Innovation and Growth Fund	(159,480)	1,649,238	-	-	125,000	125,000
Total	**2,353,654**	**1,971,494**	**2,550,377**	**2,368,645**	**2,432,586**	**63,941**

Column 1 – FY2014/15 actual expenditures by category and funding amounts by source.

Column 2 – FY2015/16 actual expenditures by category and funding amounts by source.

Column 3 – FY2016/17 Approved Budget by category and funding amounts by source.

Column 4 – FY2016/17 Amended Budget by category and funding amounts by source.

Column 5 – FY2017/18 Proposed Budget by category and funding amounts by source.

Column 6 – The budget change between the FY2017/18 Proposed and the FY2016/17 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:

Economic Development Division Budgets	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Citywide Development Division	1,342,608	830,844	2,550,377	2,368,645	2,432,586	63,941
Downtown Development Division	662,197	718,713	-	-	-	-
Economic Development Admin Division	348,849	421,936	-	-	-	-
Total	**2,353,654**	**1,971,494**	**2,550,377**	**2,368,645**	**2,432,586**	**63,941**

Column 1 - FY2014/15 actual expenditures by division.

Column 2 - FY2015/16 actual expenditures by division.

Column 3 - FY2016/17 Approved Budget by division.

Column 4 - FY2016/17 Amended Budget by division.

Column 5 - FY2017/18 Proposed Budget by division.

Column 6 - The budget change between the FY2017/18 Proposed and the FY2016/17 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:

Economic Development Division Budgets	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Citywide Development Division	5.00	5.00	12.00	11.00	11.00	-
Downtown Development Division	4.00	4.00	-	-	-	-
Economic Development Administration Divisio	2.00	2.00	-	-	-	-
Total	**11.00**	**11.00**	**12.00**	**11.00**	**11.00**	**-**

Column 1 – FTEs by division in FY2014/15.

Column 2 – FTEs by division in FY2015/16.

Column 3 – FTEs by division in the FY2016/17 Approved Budget.

Column 4 – FTEs by division for the FY2016/17 Amended Budget.

Column 5 – FTEs by division as Proposed for FY2017/18.

Column 6 – The budget change in FTEs by division between the FY2017/18 Proposed and the FY2016/17 Amended Budget.

FINANCIAL INFORMATION

Budget Basis

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

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

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

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

Fund Structure

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

- *Governmental Funds* — Account for activities which are primarily supported by taxes or other mandatory payments. Most of the City's basic services are included in governmental funds. There are two categories of Governmental Funds:

    - The General Fund is the primary operating fund of the City and accounts for all financial resources except for those that are required to be accounted for in separate funds. Sources of General Fund revenues include taxes, licenses,

permits, fees, fines, intergovernmental revenues, and charges for services, special assessments, interest income, and other resources available for discretionary funding.

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

  - ✓ The Council-adopted EUR Policy (April 26, 2016 – Motion Order Number 2016-00440) established a minimum reserve level equal to 10% of annual General Fund revenues and a target reserve level equal to two months of regular ongoing General Fund expenditures, including transfers (17% of General Fund expenditures). Resources to fund this reserve will be identified on an ongoing basis and can include positive year-end results or other one-time resources available to the General Fund.

- Other Governmental Funds include:

  - ✓ Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. These funds are generally required by statute, charter, or ordinance to finance specific governmental functions.
  - ✓ Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest, or that are being accumulated for principal and interest maturing in future years.
  - ✓ Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for governmental capital assets.

- *Proprietary Funds* — Account for services for which customer fees are intended to finance the costs of operations. There are two types of Proprietary Funds:

  - Enterprise Funds account for programs and services financed and operated similar to business-type activities which include services rendered to the general public on a fee basis.

    - ✓ Community Center Fund accounts for the operation and maintenance of the City's Community Center, including the theater and exhibit halls.
    - ✓ Parking Fund accounts for the operation and maintenance of five City parking garages and 31 surface parking lots (including lots owned by the State of California and numerous private owners) for a total of over 18,815 parking spaces (4,907 City owned) in the downtown core.

- ✓ Solid Waste Fund accounts for the collection and disposal of refuse throughout the City and for landfill closure.
- ✓ Storm Drainage Fund accounts for the operation and maintenance of the City's surface drainage system.
- ✓ Wastewater accounts for the operation and maintenance of the City's wastewater system.
- ✓ Water Fund accounts for the operation and maintenance of the City's water treatment and water transmission and distribution systems.

- Internal Service Funds, i.e. the City's Fleet Fund and Risk Management Fund, account for the activities that provide services delivered by one department to another department on a cost reimbursement basis.

- *Fiduciary Funds* — Account for activities that most closely resemble not-for-profit organizations, including trusts and agency activities. The City is:

  - ✓ *The* trustee, or *fiduciary*, for its closed (effective January 1977) defined benefit pension plan – Sacramento City Employees' Retirement System (SCERS).
  - ✓ Responsible for other assets, held on behalf of investors, in the City's investment pool and individual investment accounts.
  - ✓ Responsible for the assets received by the Successor Agency from the City's former Assembly Bill X1 26 which dissolved redevelopment agencies in California.
  - ✓ The agent for bonded assessment and community facilities districts and responsible for ensuring the assets reported in these funds are used for their intended purposes.

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

City of Sacramento Budget

Governmental Funds

GENERAL FUND

OTHER GOVERNMENTAL FUNDS

4th R Program
AB 2928
Art In Public Places Projects
Assessment Reg/ SDRIS
Bridge Construction
Cal EPA
CIP Reimbursable
CIRBS
Citation I-5 Improv.
Citation I-5 Main
Citywide Lndscpng&Lghting Dist
Citywide Low Income Housing
Debt Service
Development Services
Downtown Impact Fee
Downtown Sacramento Mgmt Dist
Ethel Macleod Hart Trust
Externally Funded Programs
Fair Share Contributions
Fairytale Town
Federal Capital Grant
Florin Road Storm and Sanitation
Gas Tax
Golden 1 Center
Golf
Innovation and Growth
Jacinto Creek Planning Area
Library Services Parcel Tax
Major Street Construction
Marcy Friedman ESC APP
Marina
Measure A Construction
Measure A Maintenance
Measure U
No Natomas Community Improv
North Natomas Financing Plan
Operating Grants
Other
Other – Cultural Services
Other Capital Grants
Park Development
Park
Private Development
Prop 1B - Local Street & Road
Quimby Act
Railyards Impact Fee
Railyards/Richards/ Downtown Impact A
Redevelopment Bond
River District Impact Fee
Sacramento Museum of History, Science, & Technology
Sacramento Tourism PBID
Sheraton MOPA Project
SHRA CDBG
So Natomas Comm Improv
So Natomas Facility Benefit
So Natomas I-5 Developer Impr
Special Districts
Special Districts - Capital
Special Program Donations
Special Recreation
START
Sports Commission
State Route #160- Relinq
State Route 16 Relinquishment
State Route 275
Street Cut
Street Tree Fee
Sunset, Meadows A/D Maint
Sutter Park Sites
Traffic Safety
Transp Systems Mgmt
Transportation Development
Tree Planting Replacement
Wastewater Development Fees
Water Development Fees
Water Planning
Willowcreek Fee District
Zoo

Proprietary Funds

INTERNAL SERVICE FUNDS

Fleet Management
Risk Management
Workers' Compensation

ENTERPRISE FUNDS

Community Center
Parking
Solid Waste
Storm Drainage
Wastewater
Water

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SECTION – 5
Budget Schedules

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

	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change Amended/ Proposed
General Funds						
General Fund	371,785	389,728	426,706	433,022	443,663	10,641
Subtotal General Funds	**371,785**	**389,728**	**426,706**	**433,022**	**443,663**	**10,641**
Enterprise Funds						
Community Center	24,572	25,419	25,816	25,816	24,397	(1,419)
Parking	19,907	21,247	19,461	19,454	19,258	(197)
Solid Waste	48,121	52,597	64,172	58,197	62,642	4,445
Storm Drainage	32,631	31,488	36,172	35,572	35,602	30
Wastewater	22,093	25,490	29,256	28,426	32,658	4,232
Water	79,421	81,889	92,714	92,314	94,889	2,575
Subtotal Enterprise Funds	**226,744**	**238,129**	**267,590**	**259,779**	**269,445**	**9,666**
Internal Service Funds						
Fleet Management	34,747	31,494	39,019	39,363	49,668	10,305
Risk Management	35,976	31,336	32,069	31,513	33,929	2,416
Subtotal Internal Service Funds	**70,724**	**62,830**	**71,087**	**70,876**	**83,597**	**12,721**
Other Governmental Funds						
4th R Program	5,926	5,632	5,834	5,834	6,084	250
Art In Public Places Projects	-	-	271	271	-	(271)
Assessment Reg and SDRIS	63	63	148	148	148	-
Cal EPA	8	7	-	-	-	-
CIP Reimbursable	15	37	-	-	-	-
Capital Improv. Revenue Bonds	5	2,501	-	-	-	-
Citation I-5 Maintenance	31	27	25	25	25	-
Citywide Low Income Housing	-	699	300	300	300	-
Cultural Services - Other	46	175	322	322	112	(210)
Debt Service	11,644	386,555	16,856	16,856	20,247	3,391
Development Services	(1,475)	(846)	310	310	310	-
Downtown Impact Fee	-	897	50	50	250	200
Downtown Management District	2,609	2,702	2,717	2,950	2,950	-
Ethel Macleod Hart Trust	-	-	825	825	-	(825)
Externally Funded Programs	-	13	-	-	-	-
Fairytale Town	65	62	50	50	50	-
Gas Tax	7,777	8,604	9,747	8,645	10,837	2,192
Golden 1 Center	-	(223,130)	-	-	-	-
Golf	1,409	2,004	1,385	1,385	1,371	(14)
Innovation and Growth	(159)	(851)	200	200	1,325	1,125
Jacinto Creek	45	24	15	15	-	(15)
Land Park	117	148	159	159	192	33
Library Services Parcel Tax	6,860	7,135	7,410	7,410	7,649	239
Landscaping and Lighting	14,845	15,057	14,992	15,132	15,554	422
Marina	1,365	1,428	2,085	2,085	2,058	(26)
Measure A Maintenance	7,834	8,648	8,442	8,442	8,931	488
Measure U	506	506	44,601	41,501	47,888	6,387
Museum of History, Science, & Tech	25	11	-	-	-	-
North Natomas Financing Plan	6,196	6,196	3,302	2,563	2,721	159
Operating Grants	-	22	-	-	0	-
Other	732	172	100	100	100	-
Park Development	645	990	193	173	173	-
Private Development	254	(191)	-	-	-	-
Quimby Act	-	-	10	10	10	-
Redevelopment Bond	-	(1,787)	-	-	-	-
River District Impact Fee	-	(897)	50	50	-	(50)
Sheraton MOPA Project	159	142	-	-	-	-
Special Districts	14,613	15,425	15,553	17,006	17,863	856
Special Districts - Capital	15	928	12	12	12	-
Special Program Donations	-	-	200	200	250	50
Special Recreation	2,657	3,911	-	-	-	-
START	5,652	2,674	3,067	3,067	2,803	(264)
State Route 160	2	2	-	1	-	(1)
State Route 275	125	170	-	14	-	(14)
Street Tree Fee	-	215	-	-	-	-
Traffic Safety	654	670	765	765	858	93
Water Planning	1,391	955	1,551	1,551	1,287	(264)
Zoo	63	60	50	50	50	-
Subtotal Other Governmental Funds	**92,720**	**247,764**	**141,596**	**138,476**	**152,407**	**13,931**
	761,973	**938,452**	**906,980**	**902,154**	**949,112**	**46,958**

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

	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change Amended/ Proposed
Mayor Offices						
Mayor/Council	5,156	5,806	6,112	7,003	7,126	123
Subtotal Mayor Offices	**5,156**	**5,806**	**6,112**	**7,003**	**7,126**	**123**
Charter Offices						
City Attorney	6,756	7,607	7,923	8,652	8,633	(18,268)
City Clerk	1,756	1,872	1,986	2,052	2,543	490,767
City Manager	2,343	2,939	3,384	3,546	3,633	87,079
City Treasurer	2,059	2,100	2,298	2,299	2,479	179,365
Subtotal Charter Offices	**12,913**	**14,517**	**15,592**	**16,549**	**17,288**	**739**
Operating Offices						
Community Development	24,278	25,701	29,946	30,367	32,858	2,491
Convention and Cultural Services	18,086	18,668	18,789	18,735	20,061	1,326
Economic Development	2,354	1,971	2,550	2,369	2,433	64
Finance	8,612	9,519	11,001	10,126	16,144	6,018
Fire	98,847	106,667	109,343	111,776	108,670	(3,106)
Human Resources	35,673	34,084	35,594	35,740	38,035	2,295
Information Technology	9,088	10,174	17,274	17,173	22,252	5,079
Parks and Recreation	37,858	34,554	38,445	37,844	38,393	549
Police	124,408	125,870	132,239	131,827	132,584	757
Public Works	127,670	128,068	150,993	145,576	165,223	19,647
Utilities	99,532	104,153	121,339	119,511	128,210	8,699
Subtotal Operating Offices	**586,405**	**599,430**	**667,515**	**661,044**	**704,863**	**43,819**
Other Offices						
Citywide and Community Support	71,092	81,250	129,969	129,767	136,458	6,690
Debt Service	100,173	249,250	103,405	103,405	103,391	(13)
Non-Appropriated	(13,766)	(11,800)	(15,613)	(15,613)	(20,013)	(4,401)
Subtotal Other Offices	**157,499**	**318,699**	**217,761**	**217,559**	**219,836**	**2,276**
Total	**761,973**	**938,452**	**906,980**	**902,154**	**949,112**	**46,958**

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

	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change Amended/ Proposed
Mayor/Council						
Mayor/Council	35.00	38.00	39.00	45.00	45.00	-
Subtotal Mayor Offices	**35.00**	**38.00**	**39.00**	**45.00**	**45.00**	**-**
Charter Offices						
City Attorney	46.00	47.00	47.00	50.00	50.00	-
City Clerk	15.00	15.00	15.00	17.00	17.00	-
City Manager	12.00	16.00	16.00	15.00	17.00	2.00
City Treasurer	13.00	13.00	13.00	13.00	13.00	-
Subtotal Charter Offices	**86.00**	**91.00**	**91.00**	**95.00**	**97.00**	**2.00**
Operating Departments						
Community Development	172.00	219.00	227.00	239.00	249.00	10.00
Convention and Cultural Services	119.35	119.69	115.69	115.69	115.19	(0.50)
Economic Development	11.00	11.00	12.00	11.00	11.00	-
Finance	84.00	86.00	87.00	89.00	92.00	3.00
Fire	657.00	674.00	678.00	678.00	673.00	(5.00)
General Services	375.00	-	-	-	-	-
Human Resources	71.00	72.00	72.92	73.92	76.00	2.08
Information Technology	54.00	85.00	141.40	141.40	181.90	40.50
Parks and Recreation	570.56	707.92	683.01	689.21	696.41	7.20
Police	989.96	1,049.80	1,052.46	1,058.46	1,040.46	(18.00)
Public Works	415.30	732.05	725.35	725.35	724.35	(1.00)
Utilities	524.40	537.90	527.90	527.90	545.90	18.00
Subtotal Operating Offices	**4,043.57**	**4,294.36**	**4,322.73**	**4,348.93**	**4,405.21**	**56.28**
Other						
Citywide and Community Support	21.00	5.00	5.00	5.00	5.00	-
Subtotal Other Offices	**21.00**	**5.00**	**5.00**	**5.00**	**5.00**	**-**
Total	**4,185.57**	**4,428.36**	**4,457.73**	**4,493.93**	**4,552.21**	**58.28**

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

	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change Amended/ Proposed
General Fund						
General Fund						
Mayor/Council	35.00	38.00	39.00	45.00	45.00	-
City Attorney	46.00	47.00	47.00	50.00	50.00	-
City Clerk	15.00	15.00	15.00	17.00	17.00	-
City Manager	12.00	16.00	16.00	15.00	17.00	2.00
City Treasurer	13.00	13.00	13.00	13.00	13.00	-
Citywide and Community Support	17.00	1.00	1.00	1.00	1.00	-
Community Development	172.00	219.00	227.00	239.00	249.00	10.00
Convention and Cultural Services	26.20	25.20	25.20	25.20	25.20	-
Economic Development	11.00	11.00	12.00	11.00	11.00	-
Finance	84.00	86.00	87.00	89.00	92.00	3.00
Fire	657.00	674.00	678.00	678.00	673.00	(5.00)
General Services	135.00	-	-	-	-	-
Human Resources	31.00	32.00	37.92	38.92	40.00	1.08
Information Technology	54.00	85.00	141.40	141.40	181.90	40.50
Parks and Recreation	323.36	447.91	456.01	462.21	469.41	7.20
Police	989.96	1,049.80	1,052.46	1,058.46	1,040.46	(18.00)
Public Works	347.25	420.00	412.00	411.00	411.00	-
Subtotal General Funds	**2,968.77**	**3,179.91**	**3,259.99**	**3,295.19**	**3,335.97**	**40.78**
Enterprise Funds						
Community Center						
Convention and Cultural Services	93.15	94.49	90.49	90.49	89.99	(0.50)
Parking						
Public Works	60.25	60.25	61.25	61.25	61.25	-
Solid Waste						
General Services	153.00	-	-	-	-	-
Public Works	-	158.00	159.30	160.30	160.30	-
Storm Drainage						
Utilities	205.72	213.72	127.00	127.00	129.00	2.00
Wastewater						
Utilities	72.00	72.00	80.18	80.18	80.18	-
Water						
Utilities	246.68	252.18	320.72	320.72	336.72	16.00
Subtotal Enterprise Funds	**830.80**	**850.64**	**838.94**	**839.94**	**857.44**	**17.50**
Internal Service Funds						
Fleet Management						
General Services	87.00	-	-	-	-	-
Public Works	-	87.00	86.00	86.00	85.00	(1.00)
Risk Management Fund						
Human Resources	20.00	20.00	15.00	15.00	17.00	2.00
Workers' Compensation Fund						
Human Resources	20.00	20.00	20.00	20.00	19.00	(1.00)
Subtotal Internal Service Funds	**127.00**	**127.00**	**121.00**	**121.00**	**121.00**	**0.00**
Other Government Funds						
4th R Program						
Parks and Recreation	103.90	119.02	117.55	117.55	117.55	-
Golf Fund						
Parks and Recreation	1.00	1.00	1.00	1.00	1.00	-
Marina						
Public Works	7.80	6.80	6.80	6.80	6.80	-
START Fund						
Parks and Recreation	142.30	139.99	108.45	108.45	108.45	-
Cty/Cnty Office-Water Planning						
Citywide and Community Support	4.00	4.00	4.00	4.00	4.00	-
Subtotal Other Governmental Funds	**259.00**	**270.81**	**237.80**	**237.80**	**237.80**	**-**
Total	**4,185.57**	**4,428.36**	**4,457.73**	**4,493.93**	**4,552.21**	**58.28**

Schedule 2A

Summary of FY2016/17 Revenues, Appropriations, & Changes in Fund Balance (in 000s)

	General Fund	Enterprise Fund	Internal Service	Other Gov't Funds	Gross Total	Net* Total
Current Resources						
Revenues						
Taxes	322,858	22,560	-	61,831	407,249	407,249
Licenses and Permits	25,865	96	-	1,483	27,444	27,444
Fines, Forfeitures, and Penalties	13,522	3	-	600	14,125	14,125
Interest, Rents, and Concessions	654	3,490	1,029	12,823	17,996	16,967
Intergovernmental	10,990	1,380	-	16,368	28,738	28,738
Charges, Fees, and Services	56,394	276,130	6,629	52,365	391,518	384,889
Contributions from Other Funds	33,286	-	-	-	33,286	33,286
Miscellaneous Revenue	154	-	73,000	383	73,537	537
Total Current Resources	**463,723**	**303,659**	**80,657**	**145,854**	**993,893**	**913,236**
Current Requirements						
Current Operations						
Employee Services	430,627	93,339	12,332	51,890	588,187	575,855
Other Services and Supplies	113,343	72,706	41,500	34,704	262,253	220,753
City Property	12,468	11,786	23,212	292	47,758	24,546
City Debt Service	27,706	50,533	95	25,058	103,391	103,296
Transfers	(1,072)	1,072	-	-	-	-
Labor and Supply Offset	(141,217)	8,483	6,457	41,763	(84,513)	(90,970)
Contingency	1,000	-	-	-	1,000	1,000
Operating Transfers	809	31,525	-	(1,299)	31,035	31,035
Subtotal Current Operations	**443,663**	**269,445**	**83,597**	**152,407**	**949,112**	**865,515**
Capital Improvements	6,149	23,935	445	54,446	84,975	84,531
Total Current Requirements	**449,812**	**293,380**	**84,042**	**206,853**	**1,034,087**	**950,046**
Other Fund Sources (Uses)	(9,040)	(250)	3,628	27,500	21,839	18,211
Total Surplus (Deficit)	**4,871**	**10,029**	**244**	**(33,499)**	**(18,355)**	**(18,599)**
Beginning Fund Balance	15,581	120,183	3	189,040	324,807	324,804
Ending Fund Balance	**20,452**	**130,212**	**247**	**155,541**	**306,451**	**306,204**

* Net Total excludes Internal Service Funds (ISF).

Schedule 2B
Detail of FY2016/17 Revenues, Appropriations, and Changes in Fund Balance (in 000s)

	Resources	Requirements					Fund Balance	
	Total Revenues	Current Operations	CIP	Total	Other Sources (Uses)	Surplus/ (Deficit)	Beginning	Ending
General Fund								
General Fund	463,723	443,663	6,149	449,812	(9,040)	4,871	15,581	20,452
Subtotal General Funds	**463,723**	**443,663**	**6,149**	**449,812**	**(9,040)**	**4,871**	**15,581**	**20,452**
Enterprise Funds								
Community Center	30,902	24,397	3,450	27,847	(250)	2,805	4,344	7,149
Parking	19,818	19,258	991	20,248	-	(430)	3,658	3,228
Solid Waste	63,000	62,642	4,040	66,682	-	(3,683)	19,189	15,506
Storm Drainage	36,509	35,602	6,205	41,807	-	(5,298)	26,694	21,395
Wastewater	37,620	32,658	2,460	35,118	-	2,503	5,818	8,321
Water	115,811	94,889	6,790	101,678	-	14,133	60,480	74,613
Subtotal Enterprise Funds	**303,659**	**269,445**	**23,935**	**293,380**	**(250)**	**10,029**	**120,183**	**130,212**
Internal Service Funds								
Fleet Management	50,346	49,668	435	50,102	-	244	3	247
Risk Management	30,311	33,929	10	33,939	3,628	-	-	-
Subtotal Internal Service Funds	**80,657**	**83,597**	**445**	**84,042**	**3,628**	**244**	**3**	**247**
Other Governmental Funds								
4th R Program	6,084	6,084	-	6,084	-	-	917	917
Art In Public Places Projects	-	-	-	-	-	-	270	270
Assessment Reg and SDRIS	-	148	-	148	-	(148)	243	95
Cal EPA	172	-	-	-	-	172	1,321	1,493
CIP Reimbursable	-	-	-	-	-	-	628	628
Capital Improv. Revenue Bonds	-	-	-	-	-	-	60	60
Citation I-5 Maintenance	-	25	-	25	-	(25)	843	818
Citation I-5 Improvements	-	-	-	-	-	-	385	385
Citywide Low Income Housing	300	300	-	300	-	-	235	235
Cultural Services - Other	118	112	-	112	-	6	1,003	1,009
Debt Service	14,538	20,247	-	20,247	(1,908)	(7,617)	9,632	2,015
Development Services	920	310	610	920	-	-	-	-
Downtown Impact Fee	-	250	-	250	-	(250)	739	489
Downtown Management District	2,950	2,950	-	2,950	-	-	-	-
Ethel Macleod Hart Trust	-	-	-	-	-	-	1,608	1,608
Fair Share Contributions	-	-	-	-	-	-	4,499	4,499
Fairytale Town	50	50	-	50	-	-	3	3
Federal Capital Grant	-	-	29,409	29,409	29,409	-	-	-
Florin Road Storm and San	-	-	-	-	-	-	3	3
Gas Tax	9,625	10,837	1,839	12,676	-	(3,051)	6,519	3,468
Golf	1,480	1,371	15	1,386	-	94	(5,317)	(5,223)
Innovation and Growth	-	1,325	-	1,325	-	(1,325)	14,969	13,644
Jacinto Creek	-	-	-	-	-	-	905	905
Land Park	91	192	-	192	-	(101)	391	290
Library Services Parcel Tax	7,649	7,649	-	7,649	-	-	-	-
Landscaping and Lighting	15,944	15,554	865	16,419	-	(475)	5,075	4,600
Major Street Construction	1,870	-	2,310	2,310	-	(440)	2,475	2,035
Marina	1,377	2,058	60	2,118	-	(742)	(1,483)	(2,225)
Measure A Construction	2,600	-	2,849	2,849	-	(249)	249	-
Measure A Maintenance	10,949	8,931	2,197	11,127	-	(178)	181	3
Measure U	46,542	47,888	11,088	58,976	-	(12,434)	29,806	17,372
Museum of History, Science, & Tech	-	-	-	-	-	-	6	6
North Natomas Financing Plan	-	2,721	12	2,733	-	(2,733)	32,913	30,180
Other	-	100	-	100	-	(100)	5,193	5,093
Park Development	63	173	1,745	1,918	-	(1,855)	11,731	9,876
Quimby Act	100	10	913	923	-	(823)	3,269	2,446
Redevelopment Bond	-	-	-	-	-	-	10,953	10,953
River District Impact Fee	-	-	-	-	-	-	647	647
Sheraton MOPA Project	-	-	-	-	-	-	14,510	14,510
So Natomas Comm Improv	-	-	-	-	-	-	28	28
So Natomas Facility Benefit	-	-	-	-	-	-	1,253	1,253
So Natomas I-5 Developer Impr	-	-	-	-	-	-	570	570
Special Districts	17,359	17,863	-	17,863	-	(503)	5,071	4,568
Special Districts - Capital	-	12	-	12	-	(12)	3,212	3,200
Special Program Donations	250	250	-	250	-	-	117	117

Schedule 2B (continued)
Detail of FY2016/17 Revenues, Appropriations, and Changes in Fund Balance (in 000s)

	Resources	Requirements					Fund Balance	
	Total Revenues	Current Operations	CIP	Total	Other Sources (Uses)	Surplus/ (Deficit)	Beginning	Ending
Other Governmental Funds (continued)								
START	2,635	2,803	-	2,803	-	(168)	165	(3)
State Route 16 Relinquishment	-	-	-	-	-	-	1	1
Street Cut	50	-	165	165	-	(115)	123	8
Sunset, Meadows A/D Maint	-	-	-	-	-	-	14	14
Transportation Development	350	-	350	350	-	-	-	-
Traffic Safety	600	858	-	858	-	(258)	258	-
Transportation System Management	-	-	20	20	-	(20)	131	111
Wastewater Development Fees	-	-	-	-	-	-	2,242	2,242
Water Development Fees	-	-	-	-	-	-	19,706	19,706
Water Planning	1,137	1,287	-	1,287	-	(150)	567	417
Willowcreek Fee District	-	-	-	-	-	-	201	201
Zoo	50	50	-	50	-	-	-	-
Subtotal Other Governmental Funds	**145,854**	**152,407**	**54,446**	**206,853**	**27,500**	**(33,499)**	**189,040**	**155,541**
Total	**993,893**	**949,112**	**84,975**	**1,034,087**	**21,839**	**(18,355)**	**324,807**	**306,451**

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

	FY2014/15 Approved	FY2015/16 Approved	FY2016/17 Approved	FY2017/18 Proposed
General Fund				
Revenues	385,213	399,209	433,423	463,723
Total Resources	**385,213**	**399,209**	**433,423**	**463,723**
Expenses				
Operations	378,039	394,146	426,706	443,663
CIP	5,104	10,004	12,128	6,149
Total Requirements	**383,143**	**404,150**	**438,834**	**449,812**
Other Fund Sources (Uses)	(295)	1,242	5,485	(9,040)
Beginning Fund Balance	**0**	**11,234**	**7,042**	**15,581**
Ending Fund Balance	**1,776**	**7,535**	**7,116**	**20,452**
Enterprise Funds				
Revenues	267,209	270,298	289,188	303,659
Total Resources	**267,209**	**270,298**	**289,188**	**303,659**
Expenses				
Operations	255,392	263,460	267,590	269,445
CIP	14,169	40,901	23,124	23,935
Total Requirements	**269,561**	**304,361**	**290,714**	**293,380**
Other Fund Sources (Uses)	(250)	(250)	(250)	(250)
Beginning Fund Balance	**97,172**	**110,324**	**95,429**	**120,183**
Ending Fund Balance	**94,571**	**76,011**	**93,653**	**130,212**
Other Governmental Funds				
Revenues	132,148	139,392	137,207	145,854
Total Resources	**132,148**	**139,392**	**137,207**	**145,854**
Expenses				
Operations	128,507	131,225	141,596	152,407
CIP	24,957	41,327	35,830	54,446
Total Requirements	**153,463**	**172,552**	**177,426**	**206,853**
Other Fund Sources (Uses)	9,854	15,178	2,256	27,500
Beginning Fund Balance	**117,468**	**140,961**	**184,438**	**189,040**
Ending Fund Balance	**106,007**	**122,979**	**146,474**	**155,541**
Internal Service Funds				
Revenues	62,524	66,129	69,952	80,657
Total Resources	**62,524**	**66,129**	**69,952**	**80,657**
Expenses				
Operations	66,657	69,888	71,087	83,597
CIP	250	653	313	445
Total Requirements	**66,907**	**70,541**	**71,400**	**84,042**
Other Fund Sources (Uses)	4,482	4,547	2,047	3,628
Beginning Fund Balance	**0**	**252**	**2**	**3**
Ending Fund Balance	**100**	**387**	**600**	**247**

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

	Cost Allocation Plan		In-Lieu Property Tax		In-Lieu Franchise Tax		Voter Approved General Tax	
Fund	**FY2016/17**	**FY2017/18**	**FY2016/17**	**FY2017/18**	**FY2016/17**	**FY2017/18**	**FY2016/17**	**FY2017/18**
Enterprise Funds								
Community Center	1,224	1,550	457	457	1,248	1,265	-	-
Parking	903	1,236	243	244	1,838	1,820	-	-
Solid Waste	2,487	3,072	-	-	-	-	6,720	6,815
Storm Drainage	1,990	2,026	-	-	-	-	3,910	3,949
Wastewater	858	2,187	-	-	-	-	3,629	3,957
Water	3,190	4,925	-	-	-	-	11,454	12,529
Total Enterprise Funds	**10,652**	**14,996**	**700**	**701**	**3,086**	**3,085**	**25,713**	**27,250**
Internal Service Funds								
Fleet Management	1,655	1,523	-	-	-	-	-	-
Risk Management	3,307	3,494	-	-	-	-	-	-
Total Internal Service Funds	**4,962**	**5,017**	**-**	**-**	**-**	**-**	**-**	**-**
GRAND TOTAL	**15,614**	**20,013**	**700**	**701**	**3,086**	**3,085**	**25,713**	**27,250**

*The increased charges from the cost allocation plan are primarily attributable to the transfer of IT staff from the various departments/fund to Centralized IT (General Funded Department).

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

		Budget Through 02/2017	FY2017/18	FY2018/19	FY2019/20	FY2020/21	FY2021/22	Total Five-year Funding
1001	General Fund	128,495	6,149	6,294	6,444	6,794	7,230	32,910
2001	Sacto Transp.Sales Tax-Cip.	14,912	-	-	-	-	-	-
2002	Gas Tax 2106	13,834	1,839	520	520	152	142	3,172
2005	Sacto Transp.Sales Tax-Maint.	350	-	-	-	-	-	-
2007	Major Street Construction	26,873	2,310	2,010	2,010	2,010	2,010	10,348
2008	Street Cut	280	165	50	50	50	50	365
2010	State Route 160	182	-	-	-	-	-	-
2011	State Route 275	603	-	-	-	-	-	-
2012	Transportation System Management	549	20	20	20	20	20	100
2013	Transportation Development	757	350	350	350	350	350	1,750
2016	Development Services	8,525	610	610	610	610	610	3,050
2020	So Natomas Comm Improv	2,781	-	-	-	-	-	-
2021	So Natomas Facility Benefit	1,452	-	-	-	-	-	-
2023	New Measure A Specific Project	41,631	-	-	-	-	-	-
2024	Historic Places	50	-	-	-	-	-	-
2025	New Measure A Construction	10,065	2,849	2,690	2,783	2,878	2,979	14,179
2026	New Measure A Maintenance	5,046	2,197	2,197	1,217	1,676	200	7,486
2028	Prop 1B - Local Street & Road	421	-	-	-	-	-	-
2030	Sheraton MOPA Project	1,500	-	-	-	-	-	-
2031	Innovation and Growth	2,500	-	-	-	-	-	-
2032	Fair Share Contributions	763	-	-	-	-	-	-
2034	State Route 16 Relinquishment	450	-	-	-	-	-	-
2220	Sunset, Meadowns A/D Maint	1,600	-	-	-	-	-	-
2230	N Natomas Lands CFD 3	335	-	-	-	-	-	-
2232	Landscaping and Lighting	2,334	865	865	865	865	865	4,325
2235	Florin Road Storm and San	90	-	-	-	-	-	-
2401	Measure U	15,072	11,088	-	-	-	-	11,088
2504	Special Recreation	842	-	-	-	-	-	-
2507	Land Park	118	-	-	-	-	-	-
2508	Quimby Act	8,103	913	-	-	-	-	913
2601	Old Sac Market	30	-	-	-	-	-	-
2603	Golf	198	15	15	15	15	15	75
2605	Zoo	1	-	-	-	-	-	-
2607	Art In Public Places Projects	26	-	-	-	-	-	-
2608	Marina	561	60	60	60	60	60	300
2609	Marcy Friedman ESC APP	1,000	-	-	-	-	-	-
2700	Block Grant/Housing & Redev	3,005	-	-	-	-	-	-
2701	Disaster Relief Act	3	-	-	-	-	-	-
2702	Operating Grants	900	-	-	-	-	-	-
2703	Externally Funded Programs	430	-	-	-	-	-	-
2801	Cal EPA	2,722	-	-	-	-	-	-
3001	1993 Series B Cop	600	-	-	-	-	-	-
3002	2002 Capital Improv. Revenue Bonds	602	-	-	-	-	-	-
3003	2003 Capital Improv. Revenue Bonds	23,088	-	-	-	-	-	-
3004	2006 CIRB - Tax Exempt	10,260	-	-	-	-	-	-
3005	2006 CIRB - Taxable	2,450	-	-	-	-	-	-
3006	2006 CIRBs Ser C Cap Projs	355	-	-	-	-	-	-
3008	Willowcreek Fee District	788	-	-	-	-	-	-
3201	N. Natomas Financial Plan	7,636	-	-	-	-	-	-
3202	Railyards/Richards/Downtown	359	-	-	-	-	-	-
3204	Park Development	14,147	1,745	-	-	-	-	1,745
3206	NNFP Public Facilities Fee	419	12	12	12	12	12	58
3212	River District Impact Fee	350	-	-	-	-	-	-
3311	N Laguna Creek Park CFD	77	-	-	-	-	-	-
3314	N Natomas Drng CFD 97-01	418	-	-	-	-	-	-
3320	NN Westlake CFD 2000-01 Const	200	-	-	-	-	-	-
3323	CFD 97-01 Series C	68	-	-	-	-	-	-
3328	N Natomas Drng 2005 CFD 97-01	551	-	-	-	-	-	-
3333	CFD 97-01 Construction	247	-	-	-	-	-	-
3701	Sacto Housing & Redev Agency	8,900	-	-	-	-	-	-
3702	CIP Reimbursable	15,622	-	-	-	-	-	-
3703	Federal Capital Grant	47,757	29,409	2,627	4,677	77,926	-	114,638
3704	Other Capital Grants	12,396	-	-	-	-	-	-

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

		Budget Through 02/2017	FY2017/18	FY2018/19	FY2019/20	FY2020/21	FY2021/22	Total Five-year Funding
3801	2003 Alkali Flat TE	386	-	-	-	-	-	-
3802	2006 Army Depot TA	1,479	-	-	-	-	-	-
3803	2006 Army Depot TE	715	-	-	-	-	-	-
3804	2006 65th St TA	1,103	-	-	-	-	-	-
3810	2002 ML Downtown TE	2	-	-	-	-	-	-
3811	2005 TAB Downtown CIP TE	27	-	-	-	-	-	-
3812	2005 TAB Downtown CIP TA	78	-	-	-	-	-	-
3818	2006 River Dist TA	600	-	-	-	-	-	-
6001	Water Development Fees	20,352	-	-	-	-	-	-
6002	Wastewater Development Fees	1,289	-	-	-	-	-	-
6004	Parking	67,248	991	945	940	940	940	4,756
6005	Water	68,741	6,790	12,001	8,001	6,001	5,004	37,796
6006	Wastewater	24,942	2,460	5,288	4,670	10,003	7,012	29,432
6007	Recycling and Solid Waste	15,937	4,040	2,965	2,740	1,515	1,490	12,750
6008	Landfill Closure	5,195	-	-	-	-	-	-
6009	Sacramento Marina	874	-	-	-	-	-	-
6010	Community Center	16,203	3,450	3,520	3,025	2,275	2,925	15,195
6011	Storm Drainage	10,141	6,205	300	402	250	250	7,407
6205	Water Grant Reimbursement	4,810	-	-	-	-	-	-
6206	Wastewater Grant Reimbursement	3,085	-	-	-	-	-	-
6207	Solid Waste Grant Reimbursement	771	-	-	-	-	-	-
6211	Storm Drainage Grant Reimbursement	247	-	-	-	-	-	-
6310	Water Revenue Bonds	199,444	-	-	-	-	-	-
6320	Wastewater Revenue Bonds	2,792	-	-	-	-	-	-
6501	Fleet Management	7,788	435	202	202	202	209	1,250
6502	Risk Mgmt	2	10	-	-	-	-	10
	Total	**900,928**	**84,975**	**43,539**	**39,611**	**114,602**	**32,372**	**315,098**

Schedule 5
Article XIIIB Appropriation Limit Calculation (in 000s)

"GANN" Appropriations Limit

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

APPROPRIATION LIMIT (Section 1)	**FY2013/14**	**FY2014/15**	**FY2015/16**	**FY2016/17**	**FY2017/18**
Prior year limit	617,717	653,565	655,648	686,752	728,551
Multiply by:					
Change in CPI or Per Capita Personal Income	1.0512	0.9977	1.0382	1.0537	1.0537
Change in Population	1.0065	1.0055	1.0089	1.0068	1.0068
Total Appropriation Limit	**$653,565**	**$655,648**	**$686,752**	**$728,551**	**$772,895**
PROCEEDS OF TAXES (Section 2)					
Total govermental revenue	508,856	517,361	538,601	570,630	609,580
Add taxes in enterprise funds:					
Transient Occupancy Tax	16,110	17,565	19,407	21,738	22,477
Add user fees in excess of cost:	-	-	-	-	-
Deduct:					
Non-proceeds of tax revenue	(233,192)	(197,149)	(196,873)	(207,715)	(223,264)
General obligation debt svcs	-	-	-	-	-
Qualified capital outlay	(3,433)	(17,671)	(27,266)	(31,653)	(19,410)
Total Proceeds of Taxes	**$288,341**	**$320,106**	**$333,869**	**$353,000**	**$389,383**
APPROPRIATIONS SUBJECT TO LIMIT (Section 3)					
Total Governmental Funds:					
Operating appropriations	485,843	506,546	525,371	568,302	596,070
CIP appropriations	30,198	30,061	51,331	47,958	60,595
Add:					
Enterprise fund tax approp.	16,110	17,565	19,407	21,738	22,477
User fees in excess of cost					
Current proceeds of taxes appropriated to reserves	3,434	18,942	32,656	36,647	33,702
Deduct:					
Non-proceeds of tax revenue	(233,192)	(197,149)	(196,873)	(207,715)	(223,264)
General obligation debt svcs	-	-	-	-	
Qualified capital outlay	(3,433)	(17,671)	(27,266)	(31,653)	(19,410)
Total Appropriations Subject to Limit	**$298,959**	**$358,294**	**$404,626**	**$435,277**	**$470,170**

Schedule 6
FY2016/17 Revenue Budget (in 000s)

	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed
General Fund					
Taxes					
Property Taxes - Current Secured	86,063	90,710	93,857	96,996	101,846
Property Taxes - Current Unsecured	3,626	3,578	4,169	3,669	3,669
Property Taxes - In Lieu VLF	34,821	36,428	38,169	38,706	39,867
Property Taxes - Prior Secured	965	923	814	814	854
Property Taxes - Prior Unsecured	76	84	32	32	33
Property Taxes - Redevelopment Passthrough	773	1,383	470	800	800
Property Taxes - Supplemental	2,035	2,486	2,000	2,500	2,500
Subtotal Property Taxes	**128,358**	**135,590**	**139,512**	**143,517**	**149,570**
Business Operations Taxes	9,991	7,319	8,145	7,145	7,216
General Sales and Use Taxes	53,837	63,386	74,500	74,500	78,523
Medical Marijuana BOT	-	4,234	2,900	4,500	4,725
Property Taxes - In Lieu Sales Tax	16,632	14,387	-	-	-
Property Taxes - Resident Development	291	447	125	475	451
Public Safety Sales Tax	5,039	4,597	4,865	4,865	5,011
Real Property Transfer Taxes	8,672	10,820	8,100	11,000	11,500
Transient Occupancy Tax	3,966	4,326	4,400	4,400	4,550
Transient Occupancy Tax - Prior	52	26	-	-	-
Utility Users Tax - Current	59,940	61,395	60,406	60,406	61,312
Utility Users Tax - Prior	8	10	-	-	-
Subtotal Other Taxes	**158,429**	**170,945**	**163,441**	**167,291**	**173,289**
Total Taxes	**286,788**	**306,535**	**302,953**	**310,808**	**322,858**
Licenses and Permits					
Alley Parking Permits	3	3	7	7	7
Animal Licenses	232	281	498	498	473
Building Trades Certification	-	1	1	1	1
Burglar Alarm Permits	926	1,005	930	930	1,000
Business Permits and Licenses	321	625	536	536	540
Cellular Revocable Permits	1,241	1,373	1,261	1,261	1,663
Construction Permits	6,340	7,614	8,384	8,384	8,857
Dance Permits	26	25	10	10	10
Emergency Permits	6	9	7	7	7
Excavation Permits	52	53	25	25	25
Home Occupation Permits	187	56	80	80	80
Marijuana Cultivation Permit	-	-	-	-	2,904
Marijuana Delivery Permit	-	-	-	-	704
Marijuana Dispensary Permit	-	-	-	-	543
Marijuana Manufacturing Permit	-	-	-	-	695
Marijuana Other Business Permit	-	-	-	-	358
Miscellaneous Licenses and Permits	7	7	-	-	-
Plan Check Fees	3,895	3,385	4,011	4,123	4,396
Public Works Review	5	-	-	-	-
Sign and Billboard Permit	68	67	63	87	87
Sign and Billboard Permits	239	242	240	240	240
Special Event Permits	49	61	394	394	394
Special Use Permits	1,132	1,601	2,073	2,113	2,677
Street Vendor Permits	27	38	19	19	19
Taxi Permits	191	139	142	142	142
Towing Vehicle Permits	48	44	45	45	45
Tree Fee	16	17	-	-	-
Subtotal Licenses and Permits	**15,010**	**16,645**	**18,725**	**18,902**	**25,865**
Fines, Forfeitures, and Penalties					
Delinquency Charges	(2)	(31)	32	32	-
Fines and Penalties	10,815	12,109	13,522	13,522	13,522
Transient Occupancy Tax - Penalty	2	9	-	-	-
Subtotal Fines, Forfeitures, and Penalties	**10,814**	**12,087**	**13,554**	**13,554**	**13,522**

Schedule 6 (continued)
FY2016/17 Revenue Budget (in 000s)

	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed
General Fund (cont.)					
Interest, Rents, and Concessions					
Interest Income - LAIF	-	-	-	-	-
Interest on Investments	269	476	300	300	300
Interest on Receivables	(81)	47	125	125	125
Net Incr/Decr in Fair Value	62	-	-	-	-
Real Property Rental	294	306	229	229	229
Subtotal Interest, Rents, and Concessions	**544**	**829**	**654**	**654**	**654**
Intergovernmental					
Fire District Reimbursement	4,818	6,413	4,370	4,370	4,370
Miscellaneous Governmental Revenue	761	3,589	1,676	3,176	1,666
Miscellaneous Other Federal	1	2,606	-	-	-
Other Agency Payments	1,812	1,596	1,613	1,425	1,425
Other Agency Training Reimbursement	14	-	-	-	-
Other County Payments	345	324	330	330	330
Other Recoveries	435	385	158	158	230
Other State Payments	1,016	1,662	76	1,027	76
P.O.S.T. Reimbursement	235	124	167	167	167
Planning Technology Fee	1,021	946	490	490	490
Redevelopment Agency Services	594	682	518	518	395
Sacramento County Support - Metro Arts	287	345	436	436	-
Sacramento County Support - Museums	369	429	429	429	429
State Homeowners Property Tax	1,131	1,119	1,200	1,200	1,200
State Mandated Reimbursement SB 90	2,545	759	212	212	212
State Motor Vehicle In Lieu Tax	199	194	-	-	-
Subtotal Intergovernmental	**15,580**	**21,173**	**11,674**	**13,938**	**10,990**
Charges, Fees, and Services					
Administrative Fee	28	63	-	-	-
ALS Fees	22,641	18,610	18,186	18,186	18,186
Animal Shelter Fees and Charge	227	226	230	230	230
Appeal Fees	1	1	-	-	-
City Attorney Fees	107	38	-	-	-
Code Enforcement Fee	2,570	2,587	2,764	2,796	2,798
Community Services Fees	207	153	2,232	2,419	2,577
Compliance Fee	(1)	5	5	5	5
Concessions	108	97	173	173	173
Concessions - Golf	1	-	-	-	-
Demolition Charges	418	380	599	599	599
DUI Fees	115	(24)	67	67	67
Facility Use Fees	1,078	1,139	1,131	1,131	1,131
Fire Permit Fees	838	830	800	800	800
Fire Report Fees	5	6	1	1	1
Franchise Fees	6,724	6,810	6,669	7,169	7,313
Housing and Dangerous Buildings	135	123	182	182	182
Jail Booking Fee Recovery	270	247	210	210	210
Miscellaneous Proprietary Revenue	29	50	32	32	32
Non-Subsidized Parent Fees	(4)	-	-	-	-
Other Departmental Service	8,531	9,933	8,817	8,817	10,347
Other Fees	101	(22)	-	-	-
Other General Fees and Charges	77	117	23	23	23
Parking Fees	3	3	-	-	-
Parking Meter Receipts	5,528	7,010	9,191	9,191	9,191
Parking Meter Removal Fees	376	309	282	282	282
Recyclables Sales	4	7	15	15	15
Registration Fees	9	5	27	27	27
Service Fees	259	301	187	107	35
Special Assessments - Administ	175	172	74	74	74
Special Assessments - Business	1	-	-	-	-
Special Assessments - Capital	-	-	-	-	-

Schedule 6 (continued)
FY2016/17 Revenue Budget (in 000s)

	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed
General Fund (cont.)					
Charges, Fees, and Services (cont.)					
Street Sidewalk and Curb Repair	1,821	1,489	1,550	1,550	1,550
Subdivision Map Processing - Planning	-	-	30	30	30
Swimming Pool Fees	104	131	112	112	112
Third Party Recoveries - Property	22	1	-	-	-
Third Party Recoveries - Vehicle	16	117	-	-	-
Tour Fees	-	1	-	-	-
Utility Services Charges	252	48	-	-	-
Vehicle Abatement SAVSA	482	465	300	300	405
Weed Abatement and Lot Cleaning	-	-	-	-	-
Subtotal Charges, Fees, and Services	**53,256**	**51,426**	**53,889**	**54,528**	**56,394**
Contributions from Other Funds					
Enterprise Fund General Tax Co	24,857	24,422	25,713	25,713	27,250
In-Lieu Franchise Fee	2,752	2,949	3,086	3,086	3,085
In-Lieu Property Tax	695	697	700	700	701
Investment Fees	2,200	2,153	2,351	2,351	2,251
Subtotal Contributions from Other Funds	**30,503**	**30,222**	**31,849**	**31,849**	**33,286**
Miscellaneous Revenues					
Escheat	404	223	124	124	154
General Obligation Bonds Iss'd	1	-	-	-	-
Gifts and Donations	13	13	-	-	-
Sale of Real or Personal Property	3,122	22	-	-	-
Subtotal Miscellaneous Revenue	**3,539**	**258**	**124**	**124**	**154**
Total General Fund	**416,035**	**439,175**	**433,423**	**444,358**	**463,723**

Schedule 6 (continued)
FY2016/17 Revenue Budget (in 000s)

	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed
Enterprise Funds					
Community Center					
Box Office Fees	727	847	725	725	740
Catering Fees	951	974	1,115	1,115	1,137
Concessions	1,037	948	685	685	699
Facility Use Fees	3,797	3,956	3,518	3,518	3,588
Insurance Fee	7	9	8	8	8
Interest on Investments	187	197	200	200	200
Miscellaneous Governmental Revenue	102	89	70	70	71
Net Incr/Decr in Fair Value	10	-	-	-	-
Other Fees	614	699	621	621	627
Real Property Rental	873	583	917	917	802
Royalties	-	50	-	-	-
Service Fees	435	422	457	457	466
Transient Occupancy Tax	19,842	21,668	21,738	21,738	22,477
Transient Occupancy Tax - Penalty	8	3	3	3	3
Transient Occupancy Tax - Prior	258	128	80	80	83
Vehicle or Equipment Rental	1	-	-	-	-
Subtotal Community Center	**28,848**	**30,575**	**30,137**	**30,137**	**30,902**
Parking					
Administrative Fee	443	517	525	525	350
Delinquency Charges	6	20	-	-	-
Interest on Investments	255	272	600	600	600
Interest on Receivables	1	2	-	-	-
Miscellaneous Governmental Revenue	2	1	-	-	-
Miscellaneous Proprietary Revenue	85	85	-	-	-
Net Incr/Decr in Fair Value	25	-	-	-	-
Other Bonds Issued	-	6,699	-	-	-
Other General Fees and Charges	(22)	(1)	-	-	-
Parking Fees	15,684	16,466	18,377	18,377	18,195
Real Property Rental	490	653	674	674	674
Subtotal Parking	**16,969**	**24,715**	**20,176**	**20,176**	**19,818**
Solid Waste					
Compost Sales	-	1	-	-	-
Facility Use Fees	338	19	136	136	150
Fines and Penalties	4	2	-	-	-
Fleet Charges Accident Repair	-	391	-	-	-
Interest on Investments	255	358	-	-	-
Interest on Receivables	-	2	-	-	-
Miscellaneous Governmental Revenue	85	81	-	-	-
Miscellaneous Proprietary Revenue	33	28	-	-	-
Other Agency Payments	57	36	39	105	183
Other Recoveries	2	-	-	-	-
Recyclables Sales	422	401	450	450	500
Sale of Real or Personal Property	49	36	-	-	-
Sale of Real or Personal Property-Salvage	(2)	-	-	-	-
Service Fees	63	75	12	12	12
Third Party Recoveries - Vehicle	1	-	-	-	-
Utility Service Extensions	52	48	-	-	-
Utility Services Charges	57,992	59,332	61,410	61,410	62,155
Subtotal Solid Waste	**59,350**	**60,811**	**62,047**	**62,113**	**63,000**
Storm Drainage					
Compliance Fee	45	74	30	30	30
Drainage Impact Fee	-	60	-	-	-
Engineering Fees	-	12	-	-	-
Interest on Investments	287	327	-	-	-
Interest on Receivables	106	97	422	422	422
Miscellaneous Governmental Revenue	25	19	-	-	-
Miscellaneous Proprietary Revenue	13	10	15	15	15
Net Incr/Decr in Fair Value	13	-	-	-	-

Schedule 6 (continued)
FY2016/17 Revenue Budget (in 000s)

	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed
Enterprise Funds (cont.)					
Storm Drainage (cont.)					
Other Agency Payments	27	-	-	-	-
Other Fees	17	22	-	-	-
Other Recoveries	11	29	-	-	-
Plan Check Fees	34	38	25	25	25
Service Fees	22	25	15	15	15
Subdivision Map Processing - Engineering	2	3	-	-	-
Third Party Recoveries - Property	(2)	-	-	-	-
Third Party Recoveries - Vehicle	-	4	-	-	-
Utility Service Extensions	18	15	-	-	-
Utility Services Charges	36,024	36,818	35,646	35,646	36,002
Subtotal Storm Drainage	**36,642**	**37,553**	**36,152**	**36,152**	**36,509**
Wastewater					
Interest on Investments	339	375	-	-	-
Interest on Receivables	21	18	392	392	392
Miscellaneous Governmental Revenue	2	1	-	-	-
Miscellaneous Proprietary Revenue	23	26	23	23	23
Net Incr/Decr in Fair Value	12	-	-	-	-
Regional Sanitation District	1,018	1,030	1,013	1,013	1,013
Service Fees	37	63	-	-	-
Sewer Permits	29	45	-	-	-
Subdivision Map Processing - Engineering	2	3	-	-	-
Third Party Recoveries - Property	(4)	-	-	-	-
Utility Service Extensions	79	72	27	27	27
Utility Services Charges	31,037	30,477	33,180	33,180	36,166
Subtotal Wastewater	**32,593**	**32,109**	**34,634**	**34,634**	**37,620**
Water					
Cellular Revocable Permits	56	69	71	71	71
Fines and Penalties	35	142	-	-	-
Fire Hydrant Use Fee	123	128	79	79	79
Interest Income - LAIF	-	10	-	-	-
Interest on Investments	1,812	1,248	-	-	-
Interest on Receivables	-	-	400	400	400
Miscellaneous Governmental Revenue	91	85	75	75	75
Miscellaneous Proprietary Revenue	37	623	51	51	51
Net Incr/Decr in Fair Value	37	-	-	-	-
Other Agency Payments	65	84	39	39	39
Other General Fees and Charges	5	-	-	-	-
Other Recoveries	159	-	-	-	-
Plan Check Fees	(21)	-	-	-	-
Residential Construction Water	28	93	-	-	-
Service Fees	60	85	70	70	70
Special Item Revenue	4,554	-	-	-	-
Subdivision Map Processing - Engineering	2	3	-	-	-
Third Party Recoveries - Property	11	3	-	-	-
Utility Service Extensions	72	62	36	36	36
Utility Services Charges	99,260	96,584	104,650	104,650	114,418
Utility Shut-Off Fee	61	88	-	-	-
Water Flow Test Fee	97	134	85	85	85
Water Tap Sales	536	776	486	486	486
Subtotal Water	**107,081**	**100,217**	**106,043**	**106,043**	**115,811**
Total Enterprise Funds	**281,484**	**285,981**	**289,188**	**289,254**	**303,659**

Schedule 6 (continued)
FY2016/17 Revenue Budget (in 000s)

	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed
Internal Service Funds					
Fleet Management					
Fleet Charges Accident Repair	608	538	360	360	352
Fleet Charges O & M	16,717	17,275	19,219	19,219	19,932
Fleet Vehicle Revenue	10,067	11,534	12,834	13,179	23,101
Gasoline and Oil Sales	6,378	5,603	6,907	6,907	6,279
Interest on Investments	36	49	-	-	-
Miscellaneous Governmental Revenue	257	22	-	-	-
Miscellaneous Other Federal	16	8	-	-	-
Net Incr/Decr in Fair Value	-	-	-	-	-
Other Agency Payments	18	30	-	-	-
Other Departmental Services	33	-	-	-	-
Other State Payments	18	11	-	-	-
Sale of Real or Personal Property-Salvage	275	312	-	-	154
Third Party Recoveries - Vehicle	(3)	3	-	-	-
Vehicle or Equipment Rental	517	737	608	608	529
Subtotal Fleet Management	**34,938**	**36,122**	**39,928**	**40,272**	**50,346**
Risk Management					
Interest on Investments	882	962	500	500	500
Miscellaneous Governmental Revenue	4	20	-	-	-
Miscellaneous Proprietary Revenue	3,152	-	-	-	-
Net Incr/Decr in Fair Value	12	-	-	-	-
Other Departmental Services	931	951	-	-	-
Risk Fund In-Lieu Insurance	23,405	29,731	29,173	29,173	29,461
Service Fees	-	-	100	-	100
State Mandated Reimbursement SB 90	229	64	-	-	-
Third Party Recoveries - Property	227	265	250	250	250
Third Party Recoveries Workers' Compensation	1	5	-	-	-
Subtotal Risk Management	**28,845**	**31,999**	**30,023**	**29,923**	**30,311**
Total Internal Service Funds	**63,782**	**68,121**	**69,952**	**70,196**	**80,657**

Schedule 6 (continued)
FY2016/17 Revenue Budget (in 000s)

	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed
Other Governmental Funds					
4th R Program	5,992	6,644	5,834	5,834	6,084
Art In Public Places Projects	140	4	-	-	-
Assessment Reg and SDRIS	3	3	-	-	-
Cal EPA	210	226	172	172	172
Capital Improv. Revenue Bonds	224	2,547	-	-	-
CIP Reimbursable	15	37	-	-	-
Citation I-5 Improvements	3	3	-	-	-
Citation I-5 Maintenance	8	8	-	-	-
Citywide Low Income Housing	-	902	300	300	300
Cultural Services - Other	376	422	328	328	118
Debt Service	13,045	421,390	11,872	11,872	14,538
Development Services	1,716	5,326	920	120	920
Downtown Impact Fee	333	78	-	-	-
Downtown Management District	2,620	2,791	2,717	2,950	2,950
Ethel Macleod Hart Trust	149	213	-	-	-
Externally Funded Programs	-	13	-	-	-
Fair Share Contributions	880	430	-	-	-
Fairytale Town	65	62	50	50	50
Florin Road Storm and San	1	1	-	-	-
Gas Tax	13,909	10,719	10,150	10,150	9,625
Golden 1 Center	-	207	-	-	-
Golf	1,471	2,080	1,480	1,480	1,480
Innovation and Growth	14,972	4,296	-	-	-
Jacinto Creek	56	35	-	-	-
Land Park	137	141	91	91	91
Landscaping and Lighting	15,354	15,193	15,109	15,109	15,944
Library Services Parcel Tax	6,866	7,135	7,410	7,410	7,649
Major Street Construction	2,139	2,544	1,637	1,637	1,870
Marcy Friedman ESC APP	-	1,505	-	-	-
Marina	1,334	1,638	1,377	1,377	1,377
Measure A Construction	2,329	2,447	2,516	2,516	2,600
Measure A Maintenance	9,774	10,168	10,579	10,579	10,949
Measure U	43,974	42,635	43,732	43,732	46,542
Museum of History, Science, & Tech	3	3	-	-	-
North Natomas Financing Plan	4,249	8,079	-	-	-
Operating Grants	-	22	-	-	-
Other	857	189	-	-	-
Park Development	3,646	5,145	-	63	63
Private Development	259	59	-	-	-
Prop 1B - Local Street & Road	11	-	-	-	-
Quimby Act	1,281	786	100	100	100
Redevelopment Bond	-	11,910	-	-	-
River District Impact Fee	7	32	-	-	-
Sheraton MOPA Project	159	142	-	-	-
So Natomas Comm Improv	17	13	-	-	-
So Natomas Facility Benefit	25	38	-	-	-
So Natomas I-5 Developer Impr	5	5	-	-	-
Special Districts	14,512	15,701	15,279	16,728	17,359
Special Districts - Capital	97	143	-	-	-
Special Program Donations	-	-	200	-	250
Special Recreation	3,024	3,029	-	-	-
START	4,261	4,176	3,067	3,067	2,635
State Route 16 Relinquishment	-	451	-	-	-
State Route 160	2	1	-	-	-
State Route 275	7	4	-	-	-
Street Cut Fund	164	41	100	100	50
Street Tree Fee	15	2	-	-	-
Sunset, Meadowns A/D Maint	13	14	-	-	-
Traffic Safety	692	599	700	700	600
Transportation Development	4	754	325	325	350
Transportation System Management	4	3	-	-	-
Wastewater Development Fees	904	548	-	-	-
Water Development Fees	1,798	4,349	-	-	-
Water Planning	1,188	1,116	1,112	1,112	1,137
Willowcreek Fee District	7	7	-	-	-
Zoo	63	60	50	50	50
Total Other Governmental Funds	**175,370**	**599,262**	**137,207**	**137,953**	**145,854**

Schedule 7
Operating Grants - $14.9 million

This section provides overview information about significant grant activities that departments conduct with federal, state, and local sponsorship to advance City objectives and supplement City programs. Grant payments for non-labor items are charged directly to the grant fund. Grant payments for labor are noted in the grant fund and also show as a grant recovery in the General Fund or other fund 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 2017-2022 CIP. Significant grant amounts that will benefit FY2017/18 are summarized by department below.

FIRE DEPARTMENT - $1,200,000

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

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

PARKS AND RECREATION DEPARTMENT - $4,322,720

START (Students Today Achieving Results for Tomorrow) $3,153,885

START has funding of $560,250 from the California Department of Education's (DOE's) After School Education and Safety (ASES) grant, $630,744 from a Federal 21st Century Community Learn Center grant administered by the DOE, and $1,962,891 from individual school districts for this after-school literacy and enrichment program that serves over 2,381 elementary school children daily in three school districts.

4th R Program (before and after school licensed childcare) $673,900

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

Workforce Innovation and Opportunity Act (WIOA)/Youth Program Development **$274,935**

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

PASSage and ASES Program **$220,000**

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

POLICE DEPARTMENT - $6,209,070

Citizen's Option for Public Safety Program **$3,099,916**

This program provides funding from the state through Sacramento County to law enforcement jurisdictions to support law enforcement activities. This funding is determined by the City's relative population, which is based on the most recent January estimate by the population research unit of the California Department of Finance.

FY2016 Urban Area Security Initiative **$851,000**

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

Gang Violence Suppression **$615,069**

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

FY15 Community Oriented Policing (COPS) Hiring Program Grant **$427,000**

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

FY14 COPS Hiring Program Grant **$416,670**

This federal program provides funding directly to law enforcement agencies to create and preserve jobs, and to increase community policing capacity and crime-prevention efforts, especially gun violence. The Department is using this grant to hire 15.0 FTE

police officers for the addition of night investigation teams. It funds 75% of entry-level salaries and benefits for the officers over a three-year period, up to $125,000 per position. The grant requires a 25% City match for the three-year grant award period and a one-year retention period, at which time salary and benefit costs will shift to Measure U. Without Measure U funding, the City would be unable to accept the award.

Edward Byrne Memorial Justice Assistance Program $313,678
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. These awards are being used to support the Department's air operations program. Expenses include fuel, regular inspections and repair, and the overhaul and replacement of equipment.

Selective Traffic Enforcement Program $155,700
This state program exists to increase Driving Under the Influence (DUI) surveillance and traffic enforcement activities to reduce alcohol, drug, texting, speed, and aggressive driving related collisions and injuries.

Frontline Intervention Program $139,000
This State grant program will fund a post release community supervision regional mini-team staffed by up to five officers and two sergeants. The team will work in collaboration with other teams throughout the region to identify, monitor, and closely supervise individuals released because of AB 109, who have a high probability of recidivism.

Boating Safety and Enforcement Grant $50,095
This federal pass-through grants funds for boating safety education, assistance, and enforcement activities, and assists local governments in developing, carrying out and financing their recreational boating safety programs.

FY13 COPS Hiring Program Grant $45,000
This federal program provides funding directly to law enforcement agencies to create and preserve jobs, and to increase community policing capacity and crime-prevention efforts, especially gun violence. The Department is using this grant to hire 10.0 FTE police officers. It funds 75% of entry-level salaries and benefits for the officers over a three-year period, up to $125,000 per position. The grant requires a 25% City match for the three-year grant award period and a one-year retention period, at which time salary and benefit costs will shift to Measure U. Without Measure U funding, the City would be unable to accept the award.

FY16 BWC Pilot Implementation Program Grant $40,073
This federal program provides funding directly to law enforcement agencies to design, implement, and enhance BWC policies and procedures and to purchase BWC-related equipment and supplies. The Department is using this grant to purchase BWCs and related equipment/supplies and to partially support the salary and benefit costs of two Information Technology Support Specialist IIs. The grant requires a minimum 50% local match over the two-year award period. The match requirement will be fulfilled by combining resources from the Department's operating budget and Measure U.

Traffic Safety & Education Program **$31,400**
This state program provides funding to implement a program to collaborate with schools and community partners on the importance of bicycle and pedestrian safety, along with expanding Start Smart training for teenage drivers and the local high schools.

Off-Highway Vehicle (OHV) Grant and Cooperative Agreement Program **$24,469**
This state program provides financial assistance to law enforcement agencies to enforce OHV-laws within city limits, provide its citizens educational resources and lawful areas to ride, and to protect environmentally sensitive areas where illegal riding occurs.

UTILITIES DEPARTMENT - $3,170,000

State of California Department of Water Resources (DWR) **$2,500,000**
Water-energy Grant Program
Grant funding provided by the DWR. This program provides assistance to help water loss reduction measures within areas of its service boundary that are considered Disadvantaged Area Communities (DAC's). Under this project, the Department will be first selecting areas of its system that are suitable for analysis under the District Metered Area program. Once selected the analysis will provide guided direction for the leak detection staff to find and isolate leaking areas of the water system for both City-asset and services-side leaks within the DAC areas.

State of California DWR **$110,000**
Regional Water Conservation Measures Project
Grant funding provided by the DWR. This project improves the reliability of water supply systems and meeting water conservation measure goals through the implementation of the advanced customer system, which will take individual household account water use data, organize it in an easy to understand format (online portal) and distribute that information to customers encouraging better management and use of their water.

State of California Health and Human Services Agency **$560,000**
Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002
Grant funding provided by the Department of Health and Human Services Agency. This project will assist in the enhancement of the protection and security of drinking water supplies for both the E.A. Fairbairn Water Treatment Plant and the Sacramento Water Treatment Plant as a component of the City's Water Treatment Plants Rehabilitation Project.

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

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

Department Budgeted Classification	Union (Rep. Unit #)	FTE
City Manager		
Graphic Designer	L39 (17)	1.00
Community Development		
Development Services Technician II	L39 (16)	3.00
Painter	BT (06)	1.00
Convention and Cultural Services		
Administrative Analyst	SCXEA (14)	1.00
Cultural Services Manager	SCXEA (01)	1.00
Metropolitan Arts Manager	SCXEA (01)	1.00
Finance		
Accounting Manager	SCXEA (01)	1.00
Principal Accountant	SCXEA (01)	1.00
Revenue Manager	SCXEA (01)	1.00
Information Technology		
Applications Developer	SCXEA (10)	1.00
GIS Specialist III	L39 (17)	1.00
IT Manager	SCXEA (01)	1.00
Parks and Recreation		
Administrative Analyst	SCXEA (14)	1.00
Customer Service Representative	L39 (16)	1.00
Public Works		
Administrative Analyst	SCXEA (14)	1.00
Central Services Assistant III	L39 (16)	1.00
Office Supervisor	L39 (15)	1.00
Senior Central Services Assistant	L39 (16)	1.00

Union	Employee Groups	Rep. Unit #
BT	Sacramento - Sierra Building and Construction Trades Council	06
L39	Stationary Engineers, Local 39 - General Supervisory	15
L39	Stationary Engineers, Local 39 - Office & Technical	16
L39	Stationary Engineers, Local 39 - Miscellaneous	17
SCXEA	SCXEA - Exempt Management	01
SCXEA	SCXEA - Confidential and Administrative	10
SCXEA	SCXEA - Exempt Management Support	14

Schedule 9
Multi-year Operating Projects (MYOPs)

Project Name	Project Number	Fund Name	Fund #	Total Project Budget as of March 2017	Estimated Balance as of March 2017	FY2017/18 Budget	
Cultural Arts Awards	I17000700	General Fund	1001	-	-	114,000	
Electrical Safety Program	I13000100	General Fund	1001	300,000	32,660	100,000	
Gang Task Prevention	I02000600	General Fund	1001	1,041,136	334,541	1,024,729	1
Training and Outreach	I08000300	General Fund	1001	-	-	250,000	
Homeless Housing Initiative	I02000200	General Fund	1001	3,408,708	862,788	1,458,000	
Marijuana Policy and Enforcement	I06420000	General Fund	1001	-	-	4,271,992	
Summer Night Lights Program	I02000700	General Fund	1001	200,000	200,000	-	
Utility Rate Assistance Program	I14130100	General Fund	1001	3,813,607	2,304,290	2,432,434	
Webgrant Restructuring Program	I07000900	General Fund	1001	389,558	132,991	100,000	
					Subtotal General Funds:	**9,751,155**	
10-year Container Replacement	I14120500	Solid Waste	6007	10,193,245	4,488,569	700,000	
City of Festivals Program	I15001211	Parking	6004	939,000	73,165	100,000	
Driver Training Facility	E08000100	Risk	6502	1,100,000	382,104	100,000	2
Fleet Acquisitions	I06100000	Various Funding Sources		-	-	20,351,118	
F.O.C.A.S.	I13000400	Special Program Donations	2502	1,460,748	87,015	250,000	2
FY2018 Animal Care Measure U	I80210600	Measure U	2401	-	-	261,798	
FY2018 Fire Measure U	I80120600	Measure U	2401	-	-	13,738,427	
FY2018 Parks and Recreation Measure U	I80190600	Measure U	2401	-	-	9,487,828	
FY2018 Police Measure	I80110600	Measure U	2401	-	-	23,893,720	
General Plan Update	I22000000	Development Services	2016	1,888,088	1,419,793	800,000	2
Legacy Landfill Operations	I14120100	Solid Waste	6007	450,000	436,868	50,000	
North Natomas Administrative	I22200100	North Natomas Public Facilities Fee	3206	590,002	144,916	400,000	
Powerhouse Science Center	E18000400	Innovation and Growth	2031	800,000	200,000	200,000	
Rails Grant Program	I18000100	Innovation and Growth	2031	970,709	399,922	1,000,000	
Railyards Fee District	J22010000	Downtown Impact Fee	3210	390,376	171,240	250,000	
Solid Waste Outreach	I14120200	Solid Waste	6007	2,143,834	844,538	275,000	
Storm Drainage Planning and Management	I14100000	Storm Drainage	6011	12,935,091	4,704,545	953,200	
Wastewater Planning and Management	I14600000	Wastewater	6006	12,239,640	8,688,203	2,837,672	
Water Planning and Management	I14400000	Water	6005	16,475,737	11,888,382	2,133,672	
					Subtotal Other Funds:	**77,782,435**	
					Total	**87,533,590**	

[1]Funding for a full-time position to support this effort is included in the City Manager's Office.

[2]These are reimbursable projects and have corresponding revenue budgets.

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

Fund Type	FY2017/18	FY2018/19	FY2019/20	FY2020/21	FY2021/22
General Fund					
General Fund	27,706	27,436	26,815	25,655	22,931
Subtotal General Fund:	**27,706**	**27,436**	**26,815**	**25,655**	**22,931**
Enterprise Funds					
Community Center	8,179	8,170	8,159	8,148	250
Parking	7,073	7,045	7,023	6,609	5,676
Solid Waste	2,299	1,732	1,693	1,688	1,677
Storm Drainage	3,657	3,534	3,509	3,242	235
Wastewater	2,880	2,841	2,827	2,733	1,999
Water	26,445	26,432	26,417	26,395	26,385
Subtotal Enterprise Funds:	**50,533**	**49,754**	**49,629**	**48,814**	**36,223**
Internal Service Funds					
Fleet Management	95	97	67	46	46
Subtotal Internal Service Funds:	**95**	**97**	**67**	**46**	**46**
Other Governmental Funds					
2006 CIRBs, Series B (CRCIP)	312	312	312	312	312
2015 Golden 1 Center Revenue Bonds	5,397	4,696	4,099	4,179	179
Golf	1,168	1,168	1,167	1,166	442
Marina	1,322	1,322	1,172	1,083	1,083
NNFP Public Facilities Fee	1,899	911	708	636	581
NNFP Reg Park Land Acquisition	422	422	422	422	837
Subtotal Other Governmental Funds:	**10,520**	**8,830**	**7,881**	**7,798**	**3,433**
Grand Total:	**88,854**	**86,118**	**84,392**	**82,313**	**62,634**

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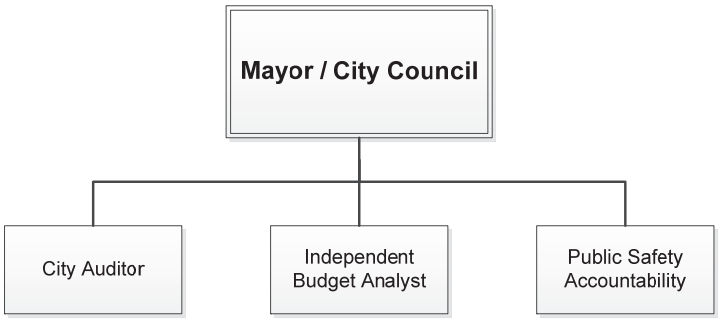
SECTION – 6
Mayor and City Council

Mayor and City Council

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



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

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

PROGRAMS/SERVICE HIGHLIGHTS

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

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

- Transferred the oversight of the Office of Public Safety Accountability from the City Manager's Office to the Council to increase community involvement and improve transparency and accountability.

OBJECTIVES FOR FY2017/18

- Continue providing work experience opportunities (internships) to college and high school students focused on building meaningful skill sets that will aid the student in obtaining full-time employment.

- Continue using electronic communications whenever possible to limit the use of printed materials. However, printed materials will be made available to constituent communities when necessary.

- Continue evaluating new and existing information technology tools to achieve sustainable services and increase transparency.

- Continue using websites and social media to share information and to communicate timely with citizens on issues of interest to the community.

Department Budget Summary

Mayor/Council Budget Summary	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Employee Services	4,415,891	5,079,417	4,712,607	4,989,079	5,742,034	752,955
Other Services and Supplies	663,377	620,032	1,382,379	1,996,601	1,372,043	(624,558)
City Property	12,325	15,664	17,010	17,100	12,100	(5,000)
Labor and Supply Offset	64,893	90,984	-	-	-	-
Total	**5,156,486**	**5,806,097**	**6,111,996**	**7,002,780**	**7,126,177**	**123,397**

Department Budget Summary (continued)

Funding Summary by Fund/Special District	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
General Fund	3,444,062	3,919,103	4,289,430	5,180,214	5,319,107	138,893
Interdepartmental Service	1,378,901	1,470,693	1,535,478	1,535,478	1,700,987	165,509
Risk Mgmt	333,523	354,276	186,392	186,392	-	(186,392)
Storm Drainage	-	13,645	22,153	22,153	23,338	1,185
Wastewater	-	11,785	19,132	19,132	20,156	1,024
Water	-	36,594	59,411	59,411	62,589	3,178
Total	**5,156,486**	**5,806,097**	**6,111,996**	**7,002,780**	**7,126,177**	**123,397**

Division Budget Summary

Mayor/Council Division Budgets	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Office of the Mayor	1,085,983	1,226,163	1,182,818	1,294,368	1,647,200	352,832
City Council District 1	441,132	489,531	433,200	533,128	446,570	(86,558)
City Council District 2	462,857	467,623	433,200	440,765	446,570	5,805
City Council District 3	433,800	374,910	433,200	534,326	446,570	(87,756)
City Council District 4	416,118	420,426	433,200	457,625	446,570	(11,055)
City Council District 5	398,380	427,078	433,200	567,175	446,570	(120,605)
City Council District 6	293,389	342,660	433,200	610,061	446,570	(163,491)
City Council District 7	419,300	447,509	433,200	440,765	446,570	5,805
City Council District 8	370,108	427,333	433,200	476,127	446,570	(29,557)
Independent Budget Analyst Division	20,996	365,826	464,363	465,813	446,765	(19,048)
Office of Public Safety Accountability Division	173,605	192,209	200,458	365,230	624,603	259,373
Office of the City Auditor Division	640,818	624,829	798,757	817,397	835,048	17,651
Total	**5,156,486**	**5,806,097**	**6,111,996**	**7,002,780**	**7,126,177**	**123,397**

Note: The Amended FY2016/17 Budget includes carryover of unspent FY2015/16 Budget and/or transfers to capital projects.

Staffing Levels

Mayor/Council Division Budgets	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Office of the Mayor	7.00	9.00	9.00	12.00	12.00	-
City Council District 1	2.50	2.50	2.50	2.50	2.50	-
City Council District 2	2.50	2.50	2.50	2.50	2.50	-
City Council District 3	2.50	2.50	2.50	2.50	2.50	-
City Council District 4	2.50	2.50	2.50	2.50	2.50	-
City Council District 5	2.50	2.50	2.50	2.50	2.50	-
City Council District 6	2.50	2.50	2.50	2.50	2.50	-
City Council District 7	2.50	2.50	2.50	2.50	2.50	-
City Council District 8	2.50	2.50	2.50	2.50	2.50	-
Independent Budget Analyst Division	3.00	3.00	3.00	3.00	3.00	-
Office of Public Safety Accountability Division	1.00	1.00	1.00	4.00	4.00	-
Office of the City Auditor Division	4.00	5.00	6.00	6.00	6.00	-
Total	**35.00**	**38.00**	**39.00**	**45.00**	**45.00**	**-**

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SECTION – 7
City Attorney

City Attorney

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

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

- Administration: Develop and implement office policies and procedures, monitors overall office performance, prepare and administer the office budget, handle all personnel hiring and other personnel matters, assemble and analyze office productivity data, including production of an annual report, and engages in long-range planning.
- Advisory: Provide strategic support to the Council's policymaking function by providing legal advice to the Council and Charter Officers. Works closely with City Departments on ordinance drafting, contract negotiations, and legal advice regarding a wide range of City issues, including development, finance, utilities, public works projects, elections, and public safety matters.
- Human Resources, Land Use and Special Projects: Provide advisory and litigation support to the Human Resources and Community Development Departments. Defend challenges to city land use and personnel decisions.
- Litigation: Defend and prosecute cases on behalf of the City and its officers and employees acting in the course and scope of employment.

- Public Safety: Work collaboratively with City Departments on code enforcement, social nuisance abatement, public safety issues, including prosecuting code violations through administrative, civil, or criminal proceedings, and social nuisances through civil litigation and training, and advising staff on enforcement matters.

PROGRAMS/SERVICE HIGHLIGHTS

Advisory:

- Worked closely with an inter-departmental team of employees to develop and implement over a dozen marijuana-related ordinances and resolutions, including regulations for cultivation, manufacturing, and testing businesses.
- Defended city water entitlements through the State WaterFix process.
- Provided the Community Development Department with legal services in developing the revised entitlements for the Railyards mixed-use project, approved by the Council in November 2016, which allow for the development of a major-medical facility and a multi-purpose outdoor stadium.
- Assisted the City Treasurer in developing complex financing options to advance city projects, including refinancing Sleep Train Arena, Streetcar Project and Convention Center infrastructure.

Litigation:

- Obtained dismissal of civil rights case against the Sacramento Police Department filed in Federal Court by registered sex offender who claimed he was unlawfully arrested for failing to timely register and that the City had conspired with Loaves and Fishes and its employees to violate his civil rights.
- Successful Motion for Summary Judgment in a dangerous condition of public property case against the Public Works Department involving a bicyclist versus a pothole. Judgment of Dismissal was grated in favor of the City and the City was awarded, and collected, its fees and costs from Plaintiff.
- Successful Motion for Judgment on the pleadings in a dangerous condition of public property case against the Public Works Department involving five plaintiffs in a vehicle struck by a light rail train. Judgment of Dismissal was entered in favor of the City as to all five plaintiffs.
- Successful Motion for Summary Judgment on the pleadings in a declaratory relief action brought by a prisoner against the City's former Police Chief and a Sacramento Police Department Officer seeking a declaration that the Police Department's failure to provide plaintiff with a "receipt" for DNA evidence collected from him at the time of his arrest was a violation of the penal code. Judgment of Dismissal was entered in favor of the former Police Chief and the Officer.

Public Safety:

- Assisted the Council, Manager, and Police Department in developing and implementing greater transparency policies for police operations.
- Worked with the Sacramento Police Department and the Sacramento County District Attorney to abate a Craigslist rental scam in District 1 leading to a civil lawsuit which forced the property owner, CitiMortgage, to sell the property to responsible owners, and led to the arrest of two defendants facing felony prosecution.

Special Projects:

- Successfully defended a federal lawsuit involving the termination of a Council staff member. City was found not liable on all causes of auction by a jury.
- Assisted the Community Development Department in processing numerous complex land use projects, including McKinley Village, Greenbriar and Florin West.
- Assisted the Labor Relations staff in preparing for the upcoming labor negotiations process.

OBJECTIVES FOR FY2017/18

- Bring California Environmental Quality Act (CEQA) litigation in-house.
  - Moving CEQA litigation from an outside counsel firm to an in-house attorney and paralegal will effectively cap the cost of these services each year. With cost prohibitions set aside, the City will be able to meet the growing number of CEQA challenges to projects and lessen the threat of litigation as a consideration when deciding on development proposals.
- Guide departments through the changing laws regarding marijuana.
  - The addition of an attorney specialized in marijuana law will help meet the new challenges facing the City in legislating, regulating, and enforcing the marijuana industry.
- Assist the City Clerk in developing a citywide public records and retention policy compliant with the recent California Supreme Court decision in City of San Jose v. Superior Court.

Department Budget Summary

City Attorney Budget Summary	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Employee Services	6,469,812	7,205,895	7,598,001	7,734,899	8,487,979	753,080
Other Services and Supplies	264,265	395,912	311,505	902,883	319,874	(583,009)
City Property	1,716	11,490	13,750	13,750	13,750	-
Transfers	19,779	19,779	-	-	-	-
Labor and Supply Offset	-	(26,000)	-	-	(188,339)	(188,339)
Total	**6,755,572**	**7,607,076**	**7,923,256**	**8,651,532**	**8,633,264**	**(18,268)**

Department Budget Summary (continued)

Funding Summary by Fund/Special District	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
General Fund	5,308,940	5,308,940	5,387,217	6,115,493	5,753,169	(362,324)
Cty/Cnty Office-Water Planning	10,000	10,000	10,000	10,000	10,000	-
Interdepartmental Service	2,078,045	2,078,045	2,315,948	2,315,948	2,660,004	344,056
Storm Drainage	42,018	42,018	42,018	42,018	42,018	-
Wastewater	42,018	42,018	42,018	42,018	42,018	-
Water	126,055	126,055	126,055	126,055	126,055	-
Total	**7,607,076**	**7,607,076**	**7,923,256**	**8,651,532**	**8,633,264**	**(18,268)**

Division Budget Summary

City Attorney Division Budgets	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
City Attorney Division	6,755,572	7,607,076	7,923,256	8,651,532	8,633,264	(18,268)
Total	**6,755,572**	**7,607,076**	**7,923,256**	**8,651,532**	**8,633,264**	**(18,268)**

Staffing Levels

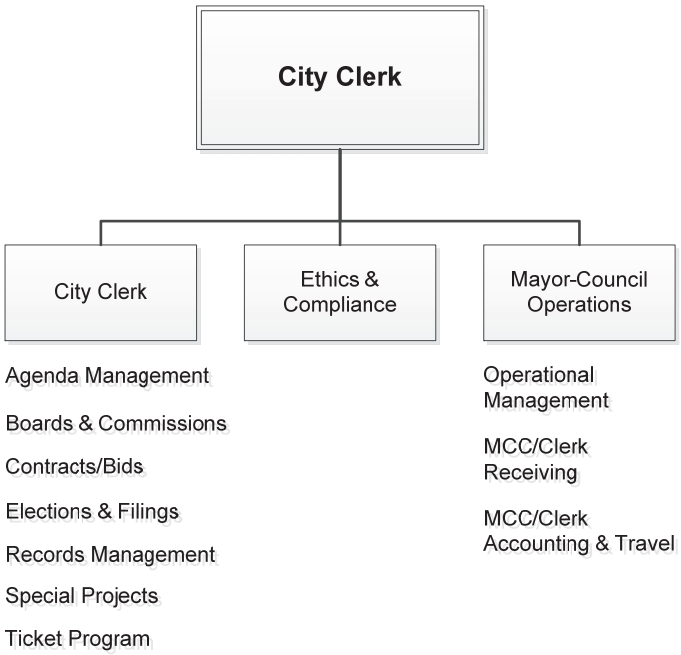
City Attorney Division Budgets	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
City Attorney Division	46.00	47.00	47.00	50.00	50.00	-
Total	**46.00**	**47.00**	**47.00**	**50.00**	**50.00**	**-**

8

SECTION – 8
City Clerk

City Clerk

The mission of the City Clerk's Office is to provide an efficient, supportive, and professionally managed operation for other municipal departments, government agencies, and the public while focusing on service levels of the highest quality and public employees of the highest caliber.



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.

- City Clerk: A service agency and the office through which the Council, City Departments, as well as the public look for general information regarding the City. As the official records keeper for the City, the Clerk is responsible for the coordination and administration of all City records, documents, and public files. The City Clerk manages all public records requests (PRAs), the city ticket policy and regulatory ticket distribution filings, advertises and receives bids, 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, processes passport applications, registers lobbyists, manages online campaign filings and campaign finance submissions, administers City board and commission files, administers oaths of office,

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

- Mayor-Council Operations: Manages the administrative, personnel, and fiscal operations of the Offices of the Mayor and Council, including the City Auditor, Independent Budget Analyst, and Office of Public Safety Accountability.

- 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

- Completed a full review and redesign of the City Clerk's Office intranet pages via the Nexus platform to provide resources and quick access to information for City staff.

- Completed the foundational set up of the Automated Bids Contracts and Digital Signatures (ABCD's) project that enables the definition of user requirements and the automation of digital signatures, contracts, and bid processing.

- Continued the review of operations in the City Clerk's Office and Offices of the Mayor and Council for implementation of "best practices" for a more productive workflow and accurate deliverables.

- Continued utilization of the citywide Content Management System (CCM) as a tool in the implementation of a records management program focused on moving the City toward consistent administration and appropriate handling of the agency's records and provide increased access to agency records to both internal and external customers.

- Continued evaluation of new and existing information technology tools to achieve sustainable services and increase transparency.

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

- Developed an automated disposition workflow for documents stored digitally in the Citywide CCM System.

- Implemented a new and automated PRAs workflow for tracking and managing requests that also provides requestors with on-line submission and status capabilities.

- Implemented a new user-friendly automated agenda workflow system to streamline Council and Standing Committee agenda packets, and provided training for agenda report coordinators and authors citywide.

- Implemented a social media and website archiving tool to capture digital content pertaining to City business that provides requestors with on-line self-service capabilities.

- Implemented the addition of the eComment function to the video streaming service that allows citizens convenient and direct access to the City through the submission of on-line comments for items being considered at Council meetings.

- Provided training opportunities to City staff on procedures and resources associated with the Clerk's Office to maintain institutional knowledge that will be lost as employees leave City service and remaining employees take on new responsibilities.

OBJECTIVES FOR FY2017/18

- Continue providing work experience opportunities (internships) to college and high school students focused on building meaningful skill sets that will aid the student in obtaining full-time employment.

- Continue to utilize social media to communicate timely with citizens on issues managed by the Clerk's Office.

- Implement the ABCD's project, develop training materials and train staff on the use of the program.

- Set up the foundational infrastructure of the Ethics Program.

POSITION CHANGES

- A position was eliminated (1.0 FTE Assistant City Clerk) and the labor budget was converted to fund technology and capital needs.

Department Budget Summary

City Clerk Budget Summary	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Employee Services	1,470,059	1,611,369	1,671,051	1,734,617	1,973,501	238,884
Other Services and Supplies	276,253	239,391	307,828	310,328	559,211	248,883
City Property	1,028	14,647	6,000	6,000	6,000	-
Labor and Supply Offset	8,796	6,239	1,000	1,000	4,000	3,000
Total	**1,756,136**	**1,871,646**	**1,985,879**	**2,051,945**	**2,542,712**	**490,767**

Funding Summary by Fund/Special District	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
General Fund	1,199,798	1,188,568	1,287,453	1,353,519	1,767,974	414,455
Interdepartmental Service	556,338	683,078	698,426	698,426	774,738	76,312
Total	**1,756,136**	**1,871,646**	**1,985,879**	**2,051,945**	**2,542,712**	**490,767**

Division Budget Summary

City Clerk Division Budgets	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
City Clerk Division	1,432,954	1,524,360	1,624,110	1,685,540	1,809,821	124,281
Mayor-Council Operations Division	323,182	347,286	361,769	366,405	382,891	16,486
Office of Ethics & Compliance Division	-	-	-	-	350,000	350,000
Total	**1,756,136**	**1,871,646**	**1,985,879**	**2,051,945**	**2,542,712**	**490,767**

Staffing Levels

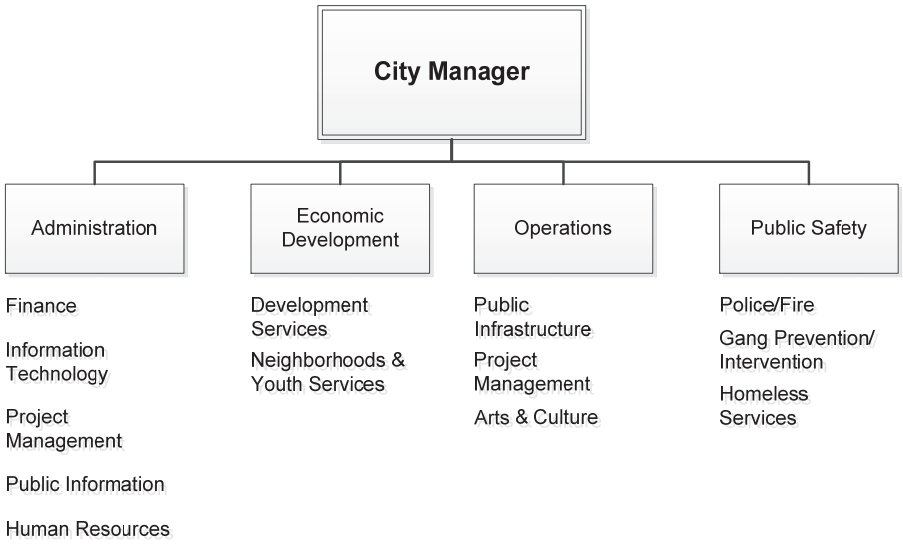
City Clerk Division Budgets	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
City Clerk Division	12.00	12.00	12.00	14.00	13.00	(1.00)
Mayor-Council Operations Division	3.00	3.00	3.00	3.00	3.00	-
Office of Ethics & Compliance Division	-	-	-	-	1.00	1.00
Total	**15.00**	**15.00**	**15.00**	**17.00**	**17.00**	**0.00**

9

SECTION – 9
City Manager

City Manager

The **City Manager's Office** oversees the operation and management of all City Departments. The City Manager is the Chief Executive Officer of the City and provides the leadership and direction for the enforcement of all laws and ordinances, oversight of all municipal programs and services, and making recommendations to the Mayor and Council concerning the operation, annual budget, and future needs of the City. The City Manager's Office facilitates the implementation of the Council's policies and priorities. The office also manages the functions of the City's media and communications team, and coordination of homeless services and gang prevention efforts.



PROGRAMS/SERVICE HIGHLIGHTS

- The Mayor's Gang Prevention and Intervention Task Force is working collaboratively with over 30 multi-disciplinary agencies to invest in promising programs to prevent youth and gang violence. Through the City's new grant program, the Task Force awarded $948,461 to 21 community-based organizations that are providing services that align with the strategic framework approved by Council.

- The City's Homeless Services Coordinator works with City staff to support Sacramento Steps Forward and regional partners to achieve the goal of ending homelessness in the city and region.

- The City's Media & Communications Team provides information citizens need about City services and projects, and works to engage the community. A highlight of the last fiscal year was the team's short-term campaign to prepare the community for the opening of Golden 1 Center in October 2016. The campaign was successful in helping limit traffic congestion and in encouraging travel downtown via multiple ways. The team won public relations organization awards for its creativity and outcome.

- The City Manager's Office is leading the City's efforts on the Community Center Theater (renovation), Memorial Auditorium (remodeling), and the Sacramento Convention Center (expansion) projects.

OBJECTIVES FOR FY2017/18

- Fully implement the City's Performance Management program to infuse accountability for performance into City services at every level of the organization, increase transparency, and support data-based decision-making to serve the City's residents in the most effective and efficient way possible.

- Complete an inventory of the City's surplus properties and develop a disposition strategy for parcels that carry little or no value and/or create ongoing maintenance challenges.

- Appointment of a Police Chief who will build both community trust and ensure public safety while guiding the department through comprehensive and positive changes.

- Appointment of a Diversity and Equity Manager who will develop a citywide diversity and gender equity plan focused on creating a workforce that is reflective of the city residents.

REORGANIZATION

A change in City Manager brought a reorganization to the office. The three Assistant City Managers now oversee the daily operations of City Departments. This structural change has allowed the City Manager to focus his efforts on collaborating with the Mayor and Council to address broader citywide issues/ initiatives.

BUDGET CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Executive Office	Add a position to assist with the Homelessness Task Force (1.0 FTE Program Analyst), offset by reimbursements from the Homeless Housing Initiative (I02000200) MYOP.	General	(108,710)	108,710	1.00
		Total Change	**$ (108,710)**	**$ 108,710**	**1.00**

POSITION CHANGES

- A position was transferred to the City Manager Office from Public Works to support citywide functions (1.0 FTE Graphic Designer).

Department Budget Summary

City Manager Budget Summary	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Employee Services	1,814,917	2,516,467	2,696,452	2,801,283	3,066,547	265,264
Other Services and Supplies	472,655	464,822	669,042	725,797	653,959	(71,838)
City Property	7,060	15,351	14,826	14,826	14,826	-
Transfers	47,443	43,869	-	-	-	-
Labor and Supply Offset	651	(101,956)	4,056	4,056	(102,291)	(106,347)
Total	**2,342,726**	**2,938,553**	**3,384,376**	**3,545,962**	**3,633,041**	**87,079**

Funding Summary by Fund/Special District	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
General Fund	1,270,279	1,730,898	2,215,536	2,377,122	2,210,231	(166,891)
Interdepartmental Service	1,072,447	1,207,655	1,168,840	1,168,840	1,422,810	253,970
Total	**2,342,726**	**2,938,553**	**3,384,376**	**3,545,962**	**3,633,041**	**87,079**

Division Budget Summary

City Manager Division Budgets	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
City Manager Division	2,086,688	2,661,506	3,078,973	3,238,579	3,317,382	78,803
Media & Communications Division	256,038	277,047	305,403	307,383	315,658	8,275
Total	**2,342,726**	**2,938,553**	**3,384,376**	**3,545,962**	**3,633,041**	**87,079**

Staffing Levels

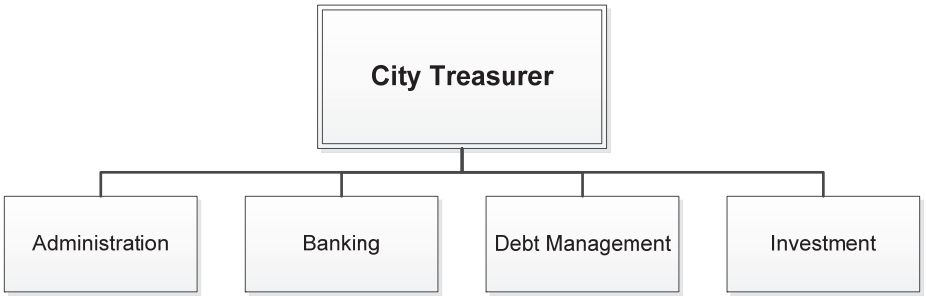
City Manager Division Budgets	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
City Manager Division	10.00	14.00	14.00	13.00	15.00	2.00
Media & Communications Division	2.00	2.00	2.00	2.00	2.00	-
Total	**12.00**	**16.00**	**16.00**	**15.00**	**17.00**	**2.00**

10

SECTION – 10
City Treasurer

City Treasurer

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



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

PROGRAMS/SERVICE HIGHLIGHTS

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

- Managed the cash flow for City, SCERS, SHRA, SPLA, and other trust funds between the bank and the investment pools to both gain interest earnings and provide liquidity.

- Provided banking services for all City Departments, the Sacramento Convention and Visitors Bureau (SCVB), and Gifts to Share.

- Provided debt financing services for the City, which provided funding for facility development, land purchases, improvements, and the acquisition of equipment.

OBJECTIVES FOR FY2017/18

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

- Continue to work with the Utilities Department on obtaining a Drinking Water SRF loan from the State Water Resources Control Board. Such financing, along with any issuance of long-term water system revenue bonds, would enable the City to continue to work towards the best practice of an overall 100-year replacement cycle for water system assets.

- Continue to work with the Utilities Department on obtaining a Clean Water SRF loan from the State Water Resources Control Board. In addition, possibly work on the issuance of long-term wastewater system revenue bonds. Such financings would enable the City to continue to work towards the best practice of an overall 100-year replacement cycle for wastewater system assets.

- Continue to provide training and support to client departments to ensure appropriate cash and non-cash handling controls are in place.

- Continue to analyze banking systems and processes to ensure efficient and cost effective use of available products while maintaining and/or reducing costs.

- Continue to work with client departments to support evolving digital transactions for all City sites accepting payment cards.

- Continue to coordinate and support a self-assessment audit that ensures the city remains compliant with all new and ongoing payment card regulations.

- Continue to support the United Way's efforts to expand banking access for consumers outside the financial mainstream through the Bank On program.

- Continue to work with the Information Technology (IT) Department to implement a viable payment system for the City that would consolidate and streamline the process while enhancing the customer experience.

- Continue to actively manage the SCERS portfolio prudently with the objective to meet or exceed the 6.5% actuarial assumed rate of return. Further the use of equity option strategies to increase the cash yield of the SCERS portfolio while reducing overall volatility.

- Develop and update data tracking mechanisms to ensure proper documentation of existing processes including record-retention, transaction details, and inception-to-date reporting to meet the demands of growing regulatory requirements.

- Employ industry-leading technology to assist the investment staff in making sound, prudent investment decisions. The City's Investment Pool A has consistently been one of the highest yielding municipal investment pools in California.

- Reestablish our commitment to invest Pool A assets in the certificate of deposit programs of local independent banks to facilitate local economic growth.

- Transition the City's investment custody assets from BNY Mellon to JP Morgan Chase to enhance reporting, asset reconciliation and workflow solutions.

- Utilize financial software to develop models used in performing feasibility and sensitivity analyses of active and/or potential projects.

- Utilize a variety of investment information and analytical sites and tools, including Bloomberg terminals, various print and online publications, online research portals, record-keeping programs, and social media sites.

- Work with departments in obtaining cost-effective financing to pay for infrastructure or equipment acquisition costs.

- Work with developers on infill Mello-Roos community facilities districts (CFDs) to pay for the costs of acquiring or reimbursing development infrastructure costs including development-related fees:

    - Creamery CFD
    - Curtis Park CFD
    - Delta Shores CFD
    - Natomas Meadows CFD
    - Railyards CFD

BUDGET CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
City Treasurer	Reduce the revenue budget based on projected cash available for investments.	1001	100,000	-	-
		Total Change	**$ 100,000**	**$ -**	**-**

Department Budget Summary

City Treasurer Budget Summary	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Employee Services	1,805,493	1,820,135	2,004,024	2,004,024	2,168,389	164,365
Other Services and Supplies	251,608	314,832	292,100	292,772	305,272	12,500
City Property	1,691	5,004	2,000	2,000	4,500	2,500
Labor and Supply Offset	174	(39,955)	350	350	350	-
Total	**2,058,966**	**2,100,015**	**2,298,474**	**2,299,146**	**2,478,511**	**179,365**

Funding Summary by Fund/Special District	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
General Fund	1,834,004	1,802,712	2,097,043	2,097,715	2,335,733	238,018
Interdepartmental Service	224,962	297,303	201,431	201,431	142,778	(58,653)
Total	**2,058,966**	**2,100,015**	**2,298,474**	**2,299,146**	**2,478,511**	**179,365**

Division Budget Summary

City Treasurer Division Budgets	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
City Treasurer Division	2,058,966	2,100,015	2,298,474	2,299,146	2,478,511	179,365
Total	**2,058,966**	**2,100,015**	**2,298,474**	**2,299,146**	**2,478,511**	**179,365**

Staffing Levels

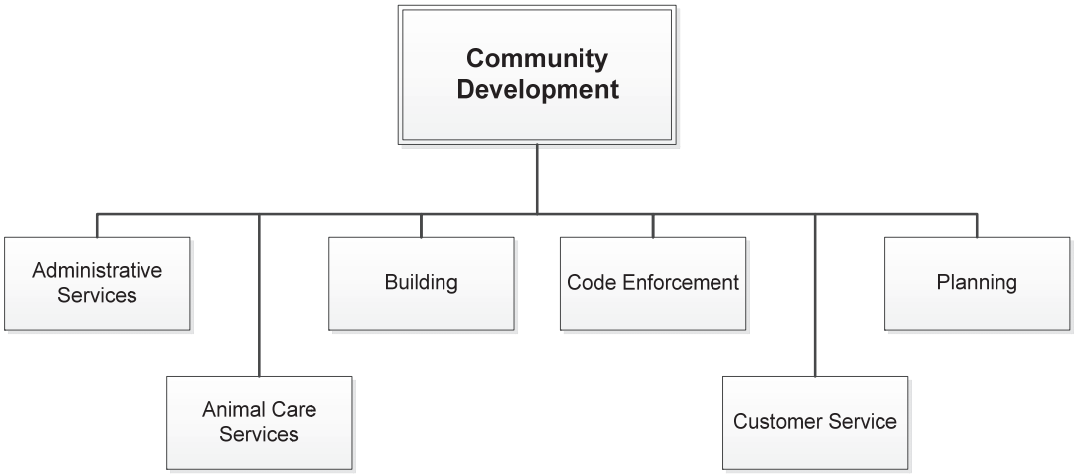
City Treasurer Division Budgets	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
City Treasurer Division	13.00	13.00	13.00	13.00	13.00	-
Total	**13.00**	**13.00**	**13.00**	**13.00**	**13.00**	**-**

11

SECTION – 11
Community Development

Community Development

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



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

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

- Code Enforcement: Promote and maintain a safe and desirable living and working environment in the City through enforcement of City and State codes. Programs and services include neighborhood and business code compliance, graffiti abatement, weed abatement, substandard/dangerous and vacant buildings, and rental housing inspection.

- Customer Service: Provide planning and building permit services and project management services.

- Planning: Provide a vision for a great city by leading the City's planning, development, urban design, and historic preservation efforts. Guide development for public and private sector investment throughout our community.

PROGRAMS/SERVICE HIGHLIGHTS

- Awarded California Building Officials' 2016-2017 Building Department of the Year.

- Began accepting applications for Marijuana Cultivation Conditional Use Permits.

- Began implementing the Citywide Development Impact Fee Program to improve and streamline the process for developers.

- Completed the Golden 1 Center ahead of schedule, with all inspections and 90% of plan check completed in-house.

- Held proactive events to remove abandoned vehicles from city streets, and towed 35 vehicles from streets in the north area and 70 from the south area.

- Inspected 2,587 homes through the Rental Housing Inspection Program.

- Received 95,447 volunteer hours from 1,028 community members, which according to the Independent Sector, is valued at more than $2 million.

- Received a $350,000 grant from the Petco Foundation for emergency and advanced medical care to treat the sick and injured animals entering the shelter.

- Received Council approval on the Sacramento Railyards project, a 244-acre site which will double the size of Downtown Sacramento and is the largest urban infill project in the country.

- Resolved a total of 21,666 neighborhood code cases; 62% were cases regarding abandoned vehicles.

- Saved 9,180 animals at the Front Street Animal Shelter which is the highest save rate in history at 84%.

OBJECTIVES FOR FY2017/18

- Address increased workload on complex and difficult code enforcement cases associated with the Justice for Neighbors Program.

- Conduct a study of mid-century modern historic resources citywide.

- Develop an implementation plan for investment in Sacramento's riverfront.

- Focus planning efforts on the growing Natomas area and reuse of the Sleep Train Arena.

- Improve safety and lifesaving programs at the animal shelter by providing modular trailers to address staffing capacity and operational needs.

- Increase use of technology by implementing electronic plan submittal of planning documents and a web-based zoning lookup tool.

- Prepare and lead consideration of the Downtown Specific Plan while supporting the integration of streetcar-related activities.

- Prevent fires and maintain safety in vacant lots that have dry weeds by enhancing the weed and nuisance abatement program.

- Respond to a significant rise in the number of abandoned vehicles on public property and right-of-ways.

- Respond to increased development activity while maintaining a high level of customer service for plan review, permit issuance, and building inspections.

- Support ongoing spay and neuter efforts through the Sacramento Society for the Prevention of Cruelty to Animals.

BUDGET CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Administrative Services	Add a position to assist with planning, developing, and implementing department initiatives (1.0 FTE Program Specialist), offset by increased revenues in Building and Planning.	General	-	130,150	1.00
Animal Care Services	Add a position to support adoption outreach (1.0 FTE Staff Aide), offset by donations received in the Friends of the City Animal Shelter (F.O.C.A.S., I13000400) project.	General	(77,818)	77,818	1.00
Building	Add a position to address the increased need for plan review (1.0 FTE Supervising Building Inspector), offset by increased revenue.	General	(176,839)	111,764	1.00
Code Enforcement	Add a position to address abandoned vehicles left on public property citywide (1.0 FTE Assistant Code Enforcement Officer), offset by vehicle registration fee recovery through SAVSA.	General	(105,292)	105,292	1.00
Planning	Add positions to address increased workload in historical preservation (1.0 Associate Planner) and to focus on Natomas development, reuse of Sleep Train Arena, and annexations (1.0 FTE Principal Planner), offset by increased revenue.	General	(314,238)	249,163	2.00
		Subtotal General Fund	**$ (674,187)**	**$ 674,187**	**6.00**
Animal Care Services	Provide one-time funding for a contract with SPCA for spay/neuter services (I80210600).	Measure U	-	100,000	-
		Subtotal Measure U	**$ -**	**$ 100,000**	**-**
		Total Change	**$ (674,187)**	**$ 774,187**	**6.00**

Department Budget Summary

Community Development Budget Summary	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Employee Services	18,823,725	22,001,712	24,414,390	24,728,684	26,550,362	1,821,678
Other Services and Supplies	7,011,064	5,429,066	6,711,474	6,817,441	6,793,638	(23,803)
City Property	81,581	278,532	217,828	92,523	1,088,134	995,611
Transfers	(12,963)	(52,482)	-	-	235,014	235,014
Labor and Supply Offset	(1,625,757)	(1,955,531)	(1,397,425)	(1,271,572)	(1,809,556)	(537,984)
Total	**24,277,650**	**25,701,297**	**29,946,267**	**30,367,076**	**32,857,592**	**2,490,516**

Funding Summary by Fund/Special District	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
General Fund	22,523,889	25,821,931	28,986,267	29,407,076	31,847,592	2,440,516
Citywide Low Income Housing	-	698,635	300,000	300,000	300,000	-
Development Services	(1,526,388)	(945,964)	310,000	310,000	310,000	-
Landscaping and Lighting	125,621	126,695	150,000	150,000	150,000	-
Special Program Donations	-	-	200,000	200,000	250,000	50,000
Willowcreek Lndscpng CFD	2,100	-	-	-	-	-
Worker's Compensation	3,152,428	-	-	-	-	-
Total	**24,277,650**	**25,701,297**	**29,946,267**	**30,367,076**	**32,857,592**	**2,490,516**

Division Budget Summary

Community Development Division Budgets	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Administration Division	2,027,206	2,195,994	1,808,509	1,937,840	2,042,770	104,930
Animal Care Services Division	1,691,336	4,321,493	4,622,578	4,627,045	4,787,176	160,131
Building Division	7,747,752	5,493,370	7,108,505	7,156,037	7,892,744	736,707
Code Enforcement Division	7,529,628	7,405,339	8,396,718	8,481,225	9,171,741	690,516
Customer Service Division	1,151,942	2,008,607	2,799,705	2,799,705	2,990,092	190,387
Planning Division	4,129,786	4,276,493	5,210,252	5,365,224	5,973,068	607,844
Total	**24,277,650**	**25,701,297**	**29,946,267**	**30,367,076**	**32,857,592**	**2,490,516**

Staffing Levels

Community Development Division Budgets	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Administration Division	19.00	19.00	13.00	13.00	13.00	-
Animal Care Services Division	-	42.00	45.00	45.00	47.00	2.00
Building Division	33.00	37.00	41.00	43.00	44.00	1.00
Code Enforcement Division	65.00	59.00	63.00	70.00	73.00	3.00
Customer Service Division	14.00	21.00	25.00	25.00	26.00	1.00
Planning Division	41.00	41.00	40.00	43.00	46.00	3.00
Total	**172.00**	**219.00**	**227.00**	**239.00**	**249.00**	**10.00**

PERFORMANCE MEASURES

Animal Care Services Division

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Percent of animals that are adopted, transferred, sent to rescue, or returned to owner (live release rate)	70%	73%	76%	85%	85%

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

Building Division

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Percent of development inspections completed on time	98%	98%	97%	98%	98%

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

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Percentage of residential building permits issued within two calendar days	N/A	91%	86%	90%	90%

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

Code Enforcement Division

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Vehicle cases closed within 15 days	N/A	62%	52%	60%	70%

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 (3) days to remove the vehicle or it may be towed.

Customer Service Division

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Percentage of respondents rating the public counter permitting process as good or excellent	N/A	N/A	98%	98%	98%

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

Planning Division

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Complete staff hearing-level reviews within 90 days	N/A	N/A	54%	55%	60%

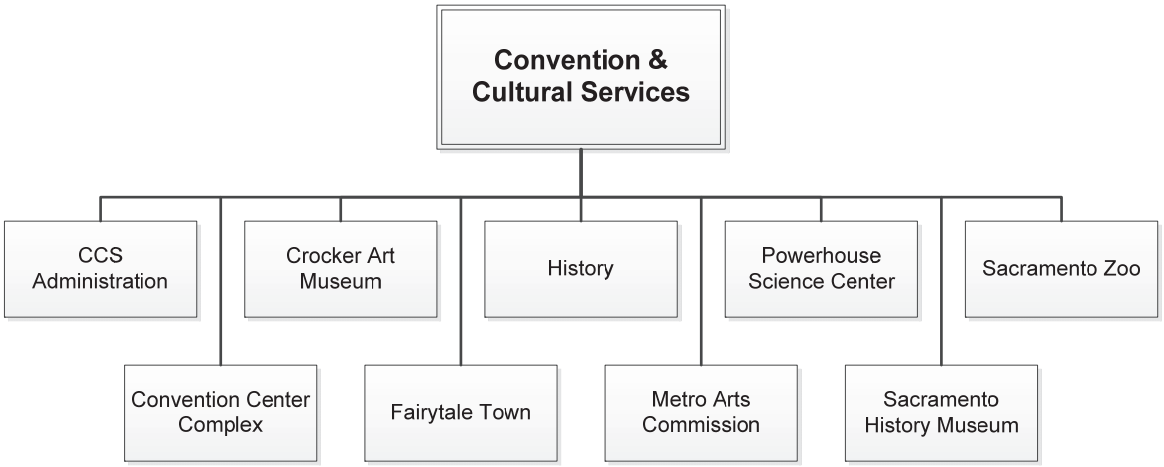
The Planning Division tracks and reports on the time it takes to approve a staff hearing-level review. This review includes a technical analysis of the project to determine compliance with guidelines and standards, is noticed to the public, and is presented in a public hearing to the Zoning Administrator,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

12

SECTION – 12
Convention and Cultural Services

Convention and Cultural Services

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



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

- CCS Administration: Provides overall department policy, oversees department financial transactions, and assists divisions with human resources functions.

- Convention Center Complex: Consists of the Convention Center, Community Center Theater, and Memorial Auditorium. The complex is the venue for a variety of events including major conventions, trade shows, performing arts, concerts, sporting events, seminars, weddings, banquets, and high school graduations.

- Crocker Art Museum: One of the nation's premier collections of art from the Golden State, plus European, Asian, African, and Oceanic works, international ceramics, and one of the America's finest early collections of European master drawings. Programmed to engage, entertain, and inspire, the Crocker brings art to life with tours and talks, films and concerts,

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

- Fairytale Town: Fairytale Town has offered children and families a safe place to imagine, play, and learn for over 50 years. It is a nonprofit children's storybook park and education center dedicated to promoting the imagination, creativity, and education of children.

- History: The Center for Sacramento History, the official repository for the City's archives, was established to educate and enrich the public. Through collecting, preserving, and making accessible the region's vast cultural heritage the public, academics, students, genealogists, and filmmakers all may utilize the Center's rich collections. This division also serves as the administrator for the Old Sacramento Historic District, which is the City's largest tourist attraction.

- Metro Arts Commission: The Sacramento Metropolitan Arts Commission is devoted to supporting, promoting, and advocating for the arts in the Sacramento region through grants, arts education, and public art opportunities.

- Powerhouse Science Center: Formerly part of the Sacramento Museum of History, Science, and Technology, the Powerhouse Science Center focuses on natural, physical, space, and laboratory sciences. The Center features temporary exhibits, a nature discovery center, planetarium, and the Challenger Learning Center – space simulation program modeled after the Space Shuttle.

- Sacramento History Museum: The Sacramento History Museum is dedicated to Sacramento's rich and diverse history. The museum's galleries and exhibits explore the history and stories of the area's first inhabitants, the pioneers who settled here, life on the farm, and more. The museum's extensive school programs serve thousands of students each year. In addition, the museum offers tours of Old Sacramento for school groups and adults.

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

PROGRAMS/SERVICE HIGHLIGHTS

- Added 28 names of fallen heroes who served in Desert Storm to the granite plaques at the Memorial Hall inside the Memorial Auditorium.

- Continued to support the arts community by streamlining arts education offerings, produced a free artist speaker series, and installed nationally recognized public art pieces.

- Created a new Old Sacramento Historic District guidebook and a self-guided tour application for smart phones.

- Developed a signage program for the Old Sacramento Historic District to provide better wayfinding and interpretive signage that will help to guide visitors and better promote the area.

- Granted over $1 million to Sacramento nonprofit arts organizations. It is estimated that nonprofit grantees generated over $2 million in local government revenue and providing over 1,700 full-time equivalent jobs in the region.

- Hosted the Sacramento Archives Crawl in October, two annual speaker series, and co-sponsored Sacramento County's History Day with the Sacramento County Office of Education.

- Hosted over 400 events and served over 940,000 attendees in FY2015/16 at the Convention Center Complex and were able to accept credit cards as a form of payment at these events.

- Hosted several on-site special events at the Sacramento Zoo, including Star Wars Day, Wine & Brew at the Zoo, Ice Cream Safari, Boo at the Zoo, and Wild Affair, for 24,828 individuals.

- Offered the award winning "Underground Tours" and the "Underground After Dark" tours in Old Sacramento.

- Participated in the Empty Bowls event, which raises funds for the Sacramento Food Bank as well as the Garden of Hope project at St. Hope Academy.

- Progressed on the Convention Center Complex renovation (Community Center Theater Renovation, Memorial Auditorium Upgrade, and Convention Center Expansion).

- Reaccredited by the American Alliance of Museums, the Crocker is in the beginning stages of developing the adjacent Crocker Park.

- Sponsored the First Annual Sacramento Walk of Stars Gala at the Memorial Auditorium.

- Welcomed 532,322 visitors who spent time with family and friends and connected with wildlife and nature on the Sacramento Zoo's tree-lined campus.

OBJECTIVES FOR FY2017/18

- Connect people through history by promoting heritage tourism, academic study, and public access utilizing the City's rich historical collections.

- Continue the upgrades to the waterfront boardwalk.

- Continue the development of Crocker Park into a thriving civic amenity.

- Continue work on the Convention Center Complex renovation and provide a clean, well-maintained facility to ensure the public's comfort and enjoyment during their visit.

- Expand the cultural vitality of the Sacramento region through diverse arts, art education programming, and community outreach.

REORGANIZATIONS

The Metro Arts Commission budget was consolidated by moving the funding for Arts Stabilization to the Convention and Cultural Services Department. This consolidation provides a clearer representation of the Metro Arts Commission budget.

POSITION CHANGES

- Reduce a vacant position (0.50 FTE Stagehand 1) and use the budgetary savings for the increased costs of departmental reclassifications.

Department Budget Summary

Convention and Cultural Services Budget Summary	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Employee Services	7,932,398	8,492,265	9,194,380	9,197,676	9,609,007	411,331
Other Services and Supplies	6,876,236	7,281,154	6,939,435	6,939,435	7,340,817	401,382
City Property	122,599	126,718	187,000	142,000	140,000	(2,000)
City Debt Service	250,000	-	-	-	-	-
Transfers	(9,658)	(64,724)	-	-	-	-
Labor and Supply Offset	1,249,702	1,097,651	763,872	751,372	1,249,726	498,354
Operating Transfers	1,664,464	1,734,892	1,704,800	1,704,800	1,721,900	17,100
Total	**18,085,741**	**18,667,956**	**18,789,487**	**18,735,283**	**20,061,450**	**1,326,167**

Funding Summary by Fund/Special District	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	More/(Less) Proposed/Amended
General Fund	4,553,202	4,550,724	4,739,936	4,685,732	5,022,588	336,856
Community Center	13,274,861	13,745,126	13,669,620	13,669,620	14,661,419	991,799
Fairytale Town	65,370	61,905	50,000	50,000	50,000	-
H Street Theater	6,818	96,889	45,000	45,000	45,000	-
Old Sac Market	39,049	77,884	67,000	67,000	67,000	-
Old Sacto Maint Dist	66,961	67,926	67,931	67,931	65,443	(2,488)
Winchester G & Mary Alice Felt	16,307	7,888	100,000	100,000	100,000	-
Zoo	63,173	59,614	50,000	50,000	50,000	-
Total	**18,085,741**	**18,667,956**	**18,789,487**	**18,735,283**	**20,061,450**	**1,326,167**

Division Budget Summary

Convention and Cultural Services Division Budgets	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
CCS Administration Division	1,364,490	1,548,207	1,463,802	1,467,098	1,875,163	408,065
Convention Center Complex Division	11,636,348	11,872,105	11,753,346	11,753,346	12,333,784	580,438
Crocker Art Museum Division	1,959,777	1,879,268	1,972,185	1,972,185	1,987,088	14,903
Fairytale Town Division	77,615	75,010	62,245	62,245	62,245	-
History Division	1,649,408	1,797,282	2,055,478	2,010,478	2,031,097	20,619
Metro Arts Commission Division	399,804	468,349	454,953	442,453	740,835	298,382
Powerhouse Science Center Division	238,337	239,276	238,337	238,337	238,337	-
Sacramento History Museum Division	236,529	251,528	251,528	251,528	251,528	-
Sacramento Zoo Division	523,433	536,931	537,613	537,613	541,373	3,760
Total	**18,085,741**	**18,667,956**	**18,789,487**	**18,735,283**	**20,061,450**	**1,326,167**

Staffing Levels

Convention and Cultural Services Division Budgets	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
CCS Administration Division	10.00	10.00	8.00	8.00	8.00	-
Convention Center Complex Division	83.15	84.49	82.49	82.49	81.99	(0.50)
Crocker Art Museum Division	6.00	6.00	6.00	6.00	6.00	-
History Division	7.20	6.20	6.20	6.20	6.20	-
Metro Arts Commission Division	8.00	8.00	8.00	8.00	8.00	-
Sacramento Zoo Division	5.00	5.00	5.00	5.00	5.00	-
Total	**119.35**	**119.69**	**115.69**	**115.69**	**115.19**	**(0.50)**

PERFORMANCE MEASURES

Convention Center Complex Division

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Total events and performances	474	523	501	455	460
Number of tickets sold	291,433	297,166	300,926	260,000	285,000

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

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Total revenue of in-house vendors	8,756,000	10,511,167	9,412,249	10,690,000	10,903,800

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

Crocker Art Museum Division

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Attendance	218,649	257,633	277,178	225,000	225,000
Membership	11,607	12,874	11,877	12,000	12,000

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

History Division

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Number of researchers assisted	7,141	7,095	14,440	21,000	30,000

The Center for Sacramento History is an important source of accurate information about Sacramento and its past. The Archives Office continues to respond to increasing research requests and anticipates those requests will grow due to exposure from events and recent projects the Center has been involved in. By providing prompt and accurate research, Sacramento history is featured in film, news reporting, academic papers, and photographs, raising the profile of the city both nationally and internationally. Recent productions that were provided materials from the Center include Replacing the Past: Sacramento's Redevelopment History (2016, a documentary film by Chris Lango) seen nationally on KVIE's Viewfinder series.

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Number of items and collections in inventory	78,511	84,595	95,636	105,000	115,000

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

Metro Arts Commission Division

Public Art Program

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Number of exhibitions produced	10	10	12	12	12
Number of artworks conserved, maintained, or repaired	8	11	10	10	15
Number of public art projects completed (installed)	3	6	10	9	6
National recognition	5	9	2	8	2
Number of permanent public art projects in progress	27	25	36	80	33

The Art in Public Places program is funded through an ordinance that requires 2% 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 and funded by the City, County, and the Sacramento Municipal Utilities District (SMUD). The City and County public art collection includes more than 675 objects. Public artworks that are maintained or conserved year-to-year may vary due to funding and/or project complexity.

Any Given Child Program

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Number of arts education school assembly, workshop, and field trip events organized	114	74	68	100	120
Number of participants reached through above events	22,922	20,672	20,400	25,000	30,000
Number of professional development events for artists and classroom teachers	10	15	12	12	12
Number of artists and classroom teachers served in professional development	212	235	145	230	240
Number of students served in five- or ten-week residencies	750	945	1,020	1,200	1,350

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

Cultural Arts Awards (CAA) Program

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Number of Cultural Arts Award (CAA) grantees	54	54	53	53	60
CAA grant allocation	$310,676	$421,676	$439,724	$450,000	$450,000
Grantee operating budgets (CAA)	$41,648,869	$43,565,428	$52,108,754	$53,000,000	$55,000,000
CAA grantee audiences' served	N/A	4,262,143	5,250,116	5,700,000	6,000,000
Number of Artist in the Community grants	N/A	14	7	15	N/A
Artists in the Community grant allocation	N/A	$27,196	$22,800	Grant ended	Grant ended
Artists in the Community participants served	N/A	357	245	Grant ended	Grant ended
Number of Cultural Equity Grant grantees	N/A	N/A	23	15	15
Cultural Equity Grant allocation	N/A	N/A	$245,741	$128,000	$123,000
Grantee operating budgets (cultural equity)	N/A	N/A	$1,662,751	$900,000	$850,000
Cultural Equity grantee audiences' served	N/A	N/A	183,935	100,000	185,000

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

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

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

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

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

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Number of items and collections in inventory	78,511	84,595	95,636	105,000	115,000

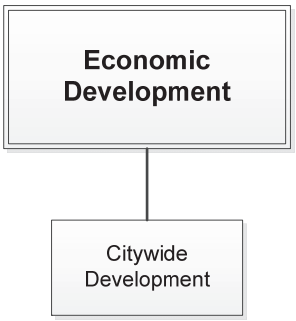
The inventory in the Center for Sacramento History consists of the following catalogued items: artifacts; photographs; government, business, and organizational records; personal and family manuscripts; and library books. Adding to the inventory every year will make these items more accessible to the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

13

SECTION – 13
Economic Development

Economic Development

Building on Our History – Creating "The Place to Be"



The role of the **Economic Development Department** is to retain, attract, grow, and scale new businesses and encourage job growth and investment in the city of Sacramento. The Department also facilitates development opportunities within the city to revitalize targeted commercial areas. It is essential to retain, attract, and scale new businesses and jobs to drive the city's economic growth.

The Department implements the key components of the Council-adopted Economic Development Strategy (2013) and the RASA Long Range Property Management Plan (2014) through:

- Supporting innovation and entrepreneurship;
- Business recruitment, retention, and expansion;
- International trade investments;
- Local business assistance;
- Creating or promoting economically-supportive policy and legislation; and
- Revitalization of targeted commercial areas.

PROGRAMS/SERVICE HIGHLIGHTS

- Attracted (in partnership with the Greater Sacramento Economic Council) four new technology businesses: SupportPay, Parrable, Fantag, and the new McClatchy Video Lab West.
- Attracted (in partnership with UC Davis Health Services) Top Grade, a China-based medical technology company, to locate the UC Davis Med-Center.

- Awarded 15 Rapid Acceleration, Innovation and Leadership in Sacramento (RAILS) grants to support and catalyze innovation and entrepreneurship in Sacramento.

- Broke ground on the new B Street Children's Theatre. In its new location, the facility will be a 45,000-square-foot theater complex.

- Hosted the first annual BizX event with over 130 attendees. BizX is an inspirational storytelling event designed to energize, motivate and give entrepreneurs the tips needed to create a thriving business.

OBJECTIVES FOR FY2017/18

- Encourage entrepreneurship by launching efforts to create, foster, and promote a climate that supports entrepreneurial start-ups, innovation, and our creative economy.

- Make Sacramento a preferred location for business by coordinating with the Community Development Department to implement policies and processes that reduce economic and regulatory barriers.

- Seek opportunities to leverage public investments that either promote economic vitality, promote job growth, diversify revenue sources for the City, and/or stimulate new investment in local businesses and development throughout the city.

- Strengthen Sacramento's competitiveness by supporting initiatives that encourage business investments and support amenities sought by the community, visitors, and existing and prospective employment talent.

- Work with multiple local business service providers to continue the implementation of the business assistance fee-for-service program, which delivers resources and support services to businesses that demonstrate local economic growth.

Department Budget Summary

Economic Development Budget Summary	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Employee Services	1,341,190	1,553,138	1,842,627	1,660,895	1,749,836	88,941
Other Services and Supplies	1,153,443	544,132	702,894	702,894	677,894	(25,000)
City Property	3,529	4,275	2,000	2,000	2,000	-
Transfers	21,769	10,961	-	-	-	-
Labor and Supply Offset	(6,797)	1,010	2,856	2,856	2,856	-
Operating Transfers	(159,480)	(142,024)	-	-	-	-
Total	**2,353,654**	**1,971,494**	**2,550,377**	**2,368,645**	**2,432,586**	**63,941**

Department Budget Summary (continued)

Funding Summary by Fund/Special District	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
General Fund	2,513,134	2,109,116	2,550,377	2,368,645	2,307,586	(61,059)
2006 Army Depot TA	-	(1,381,906)	-	-	-	-
2006 Army Depot TE	-	(404,955)	-	-	-	-
Innovation and Growth	(159,480)	1,649,238	-	-	125,000	125,000
Total	**2,353,654**	**1,971,494**	**2,550,377**	**2,368,645**	**2,432,586**	**63,941**

Division Budget Summary

Economic Development Division Budgets	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Citywide Development Division	1,342,608	830,844	2,550,377	2,368,645	2,432,586	63,941
Downtown Development Division	662,197	718,713	-	-	-	-
Economic Development Admin Division	348,849	421,936	-	-	-	-
Total	**2,353,654**	**1,971,494**	**2,550,377**	**2,368,645**	**2,432,586**	**63,941**

Staffing Levels

Economic Development Division Budgets	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Citywide Development Division	5.00	5.00	12.00	11.00	11.00	-
Downtown Development Division	4.00	4.00	-	-	-	-
Economic Development Admin Division	2.00	2.00	-	-	-	-
Total	**11.00**	**11.00**	**12.00**	**11.00**	**11.00**	**-**

PERFORMANCE MEASURES

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Number of businesses in the city*	33,620	19,787	20,389	20,491	20,696

The Economic Development Department 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**

	FY14	FY15	FY16	FY17	FY18
Number of jobs in the city	314,373	288,509	285,704	287,132	290,003

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**

	FY14	FY15	FY16	FY17	FY18
Employment rate	92.3%	93.7%	93.7%	94.2%	94.6%

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

	FY14	FY15	FY16	FY17	FY18
Total investments made in Sacramento, by building permit valuation	$362.1 million	$546 million	$783 million	$822 million	$963 million

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

** Number of businesses in the city could be tracked by new versus renewal, gross receipts, and gross payroll if the City's BOT processing system and software is updated.*

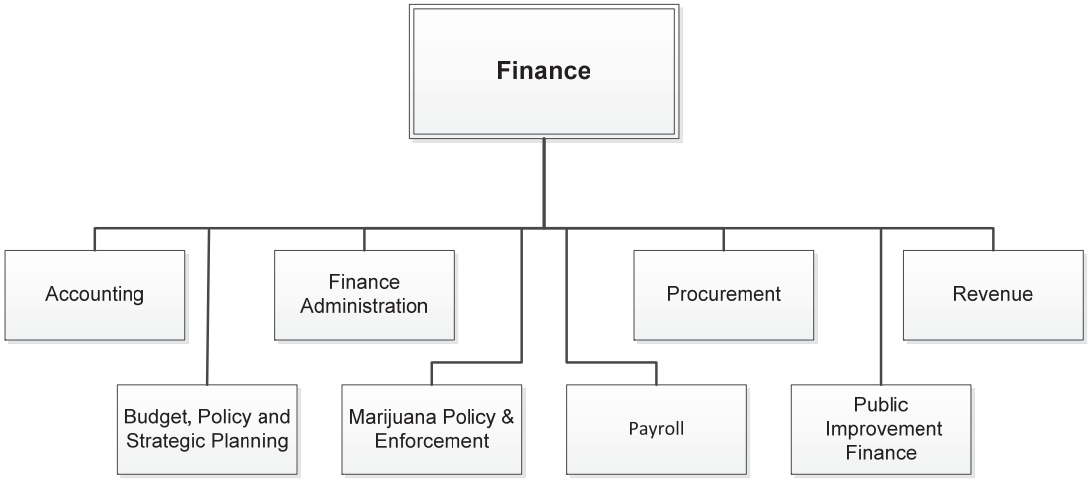
***ERSI is an international supplier of geographic information software system, geodatabase management, and business analytics data. ERSI extracts its business data from Dunn & Bradstreet.*

14

SECTION – 14
Finance

Finance

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



The **Finance Department** is responsible for overseeing the financial management of the City. The Finance Department currently provides accounting, budgeting, payroll, public improvement financing, procurement, billing, collection, parking citation, revenue collection, and marijuana policy and enforcement 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 and quarterly financial reports. Supports the Council, charter offices, and operating departments with budgeting, financial support, forecasting, analysis on special projects, and labor negotiations.
- Finance Administration: Responsible for enhancing and maintaining the fiscal stability of the City.
- Marijuana Policy and Enforcement: Responsible for the development and implementation of the City's marijuana related policies and regulations.

- Payroll: Responsible for maintaining and monitoring internal controls to ensure transactions comply with labor agreements, polices, rules, and regulations.
- Procurement Services: Responsible for the development and implementation of citywide policies for the purchase of supplies and services through competitive bidding, as well as contract administration.
- Public Improvement Finance: Responsible for the formation and administration of financing plans, assessment districts, tax districts and fee districts for development and the continuance of services in support of goals to achieve sustainability and enhance livability.
- Revenue: Responsible for the coordination and collection of major taxes, fees, and citations citywide, as well as management of business permits.

PROGRAMS/SERVICE HIGHLIGHTS

- Assisted departments with establishing, adjusting, and managing operating and capital improvement program budgets.
- Assisted the City Manager, City Treasurer, Council, and departments with capital project financing, debt management, and long-term asset acquisition.
- Assisted with citywide special projects and assignments.
- Audited and enforced a variety of City codes to ensure compliance.
- Completed the annual district budget process and levied taxes and assessments efficiently and effectively.
- Continued tax and assessment audits and other quality controls for all Mello-Roos, assessment, and fee districts.
- Coordinated and prepared the City's quarterly financial reports.
- Coordinated the activities of an interdepartmental team involved with the issuance of land use and business permits, enforcement of City codes,

eradication of the black market, and outreach to stakeholders and the public related to the marijuana industry.

- Coordinated with departments to close the City's financial books and produced the Comprehensive Annual Financial Report and Single Audit Reports.

- Formed new special districts to implement financing plans, fund maintenance services throughout the City, and finance public improvements.

- Implemented delinquent collection tools on bills owed to the City.

- Implemented the ability for web payments for parking citations.

- Looked for ways to optimize the use of districts and finance plans to build priority public improvements, fund services, and encourage private investment in the City.

- Maintained and monitored internal controls to ensure transactions comply with rules, regulations, and policies.

- Managed all finance plans and districts to ensure best management practices.

- Processed and issued 24,562 business operations tax certificates and 1,856 permits.

- Processed over 4,600 City employee paychecks bi-weekly and over 1,100 SCERS retiree paychecks monthly.

- Processed payments to vendors for various goods and services and reimbursements to City employees for work-related expenses daily.

- Provided customer service to employees at all levels of the City.

OBJECTIVES FOR FY2017/18

- Complete and update financing plans for high priority development areas – Downtown Specific Plan Area, The Railyards, Delta Shores, Greenbriar, Panhandle, North Natomas and others.

- Complete Mello-Roos formation, bond issuance, and associated agreements to facilitate development projects – The Creamery, Crocker Village, Delta Shores, The Railyards, Natomas Meadows, and others.

- Develop strong partnership with various community groups to create positive impact for the program and address the stigma associated with marijuana.

- Ensure a smooth and efficient application process for all marijuana-related businesses by encouraging the use of an online application system, making information available through the City's website, and providing outstanding customer service to applicants.

- Implement new accounting and financial reporting standards including GASB Statement #75 addressing accounting and financial reporting for postemployment benefits other than pensions.

- Manage the implementation of the City's policies and regulations for all marijuana-related businesses, which currently include dispensaries, cultivation, manufacturing and testing laboratories.

- Monitor marijuana-related regulations at the different levels of government and collaborate with outside agencies to ensure a compliant and equitable local regulatory system.

- Provide departments and fund managers with the tools necessary to forecast labor growth especially as it relates to costs for retirement and other post-employment benefits.

- Provide fiscal support for contract negotiations with recognized labor groups including forecasting the current and future costs of proposals.

- Work closely with the Council in developing sound and balanced regulations for other marijuana-related businesses which include distribution, transport and delivery.

BUDGET CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Procurement Services	Add positions to address workload (2.0 FTE Administrative Technicians), offset by the elimination of a vacant position (1.0 Administrative Analyst) and increased revenues.	General	(29,533)	29,533	1.00
Public Improvement Finance	Add a position to manage workload associated with development activity (1.0 FTE Program Specialist), offset by reimbursements from special district and development impact fees.	General	(125,338)	125,338	1.00
		Total Change	**$ (154,871)**	**$ 154,871**	**2.00**

Department Budget Summary

Finance Budget Summary	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Employee Services	7,678,137	7,998,851	8,819,620	8,843,068	9,611,571	768,503
Other Services and Supplies	1,913,405	2,616,497	2,940,157	2,276,370	7,415,890	5,139,520
City Property	37,493	49,121	44,400	44,400	44,400	-
Transfers	(57,255)	-	121,242	121,242	121,242	-
Labor and Supply Offset	(959,625)	(1,145,090)	(924,036)	(924,036)	(1,049,374)	(125,338)
Operating Transfers	-	-	-	(234,940)	-	234,940
Total	**8,612,155**	**9,519,380**	**11,001,383**	**10,126,104**	**16,143,729**	**6,017,625**

Funding Summary by Fund/Special District	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
General Fund	4,518,034	4,586,208	5,927,257	5,743,765	11,222,557	5,478,792
12th Street Maint Benefit Area	3,187	2,136	1,934	1,934	3,194	1,260
Cty/Cnty Office-Water Planning	39,000	39,000	39,000	39,000	39,000	-
Del Paso Nuevo Landscaping CFD	2,195	3,165	2,089	2,089	3,740	1,651
Del Paso PBID	33,904	32,565	-	-	-	-
Del Paso Prop & Business Imprv	2,805	1,331	1,331	5,261	5,261	-
Downtown Impact Fee	-	-	50,000	50,000	250,000	200,000
Downtown Management District	4,180	1,440	1,440	9,439	9,439	-
Downtown Plaza PBID	51,745	33,949	-	-	-	-
Franklin Blvd PBID	55,349	56,873	-	-	-	-
Franklin Boulevard PBID	1,593	2,912	2,912	1,470	1,470	-
Greater Broadway PBID	1,365	1,372	1,372	1,119	1,119	-
Handle BID No 2011-04	247,322	248,953	175,000	200,000	200,000	-
Interdepartmental Service	2,670,844	2,792,360	2,827,077	2,827,077	2,929,058	101,981
Jacinto Creek	-	-	15,000	15,000	-	(15,000)
Laguna Creek Maint Dist	11,645	13,255	9,910	9,910	13,511	3,601
Landscaping and Lighting	229,672	254,370	233,049	233,049	311,073	78,024
Mack Road PBID	3,730	1,247	1,247	3,985	3,985	-
Midtown Sacramento PBID	4,409	2,912	2,912	1,960	1,960	-
N Nat Lndscp 99-02	24,637	21,619	13,596	13,596	17,614	4,018
N Natomas Lands CFD 3	35,153	28,077	22,739	22,739	38,478	15,739
N Natomas Transp Mgmt Assoc	17,040	19,483	19,698	19,698	28,322	8,624
Natomas Central CFD 2006-02	15,239	11,735	11,735	11,735	11,735	-
Neighborhood Lighting Dist	20,206	14,462	12,987	12,987	15,927	2,940
Neighborhood Park Maint CFD	27,517	18,988	16,759	16,759	24,796	8,037
Neighborhood Water Quality Dist	6,866	9,862	9,588	9,588	12,613	3,025
NNFP Drainage Fee	-	738,993	738,993	-	-	-
NNFP Public Facilities Fee	-	-	250,000	250,000	400,000	150,000
Northside Subdiv Maint Dist	3,837	5,289	4,617	4,617	5,098	481
NW Land Park CFD 2013-02	-	-	4,119	4,119	4,569	450
Oak Park PBID	1,932	2,017	2,017	2,171	2,171	-
Old Sacramento PBID	163,543	146,947	-	-	-	-
Old Sacto Maint Dist	3,099	2,134	2,129	2,129	4,617	2,488
Parking	-	-	93,333	93,333	93,333	-
Power Inn Area Prop & Business	3,579	2,487	2,487	3,908	3,908	-
Power Inn Rd Md 2003-01	3,554	5,047	3,114	3,114	4,446	1,332
Railyards Maint CFD No 2014-04	-	3,180	1,504	1,504	1,578	74
River District Impact Fee	-	-	50,000	50,000	-	(50,000)
Sac Tourism Marketing District	104,224	114,006	103,600	114,000	114,000	-
SacMaintCFD2014-04 Annex Areas	-	-	-	-	3,425	3,425
SacMaintCFD2014-04 Area 01	-	-	-	-	6,109	6,109
Special District Info/Rpt Sys	63,075	63,474	147,993	147,993	147,993	-
Stockton Blvd BIA	54,969	45,164	-	-	-	-
Stockton Blvd PBID	1,315	1,315	1,315	1,084	1,084	-
Subdiv Lndscpng Maint Dist	35,076	30,527	23,451	23,451	31,422	7,971
Sutter Business Imprvmt Area	127,863	137,079	150,000	150,000	150,000	-
The River District PBID	2,479	3,259	3,259	1,701	1,701	-
Township 9 CFD No. 2012-06	1,179	1,179	1,208	1,208	1,434	226
Village Garden N.-Mtce Dist #1	4,853	8,177	9,853	9,853	10,291	438
Willowcreek Assmnt Md	7,991	7,200	7,432	7,432	9,009	1,577
Willowcreek Lndscpng CFD	1,950	3,631	2,327	2,327	2,689	362
Total	**8,612,155**	**9,519,380**	**11,001,383**	**10,126,104**	**16,143,729**	**6,017,625**

Division Budget Summary

Finance Division Budgets	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Accounting Division	2,784,038	2,705,689	3,148,345	3,175,374	2,654,414	(520,960)
Budget Office Division	868,302	924,296	1,173,886	1,191,824	1,267,846	76,022
Finance Administration Division	539,218	592,581	641,467	646,977	660,780	13,803
Marijuana Policy & Enforcement Division	-	-	-	-	5,203,482	5,203,482
Payroll Division	-	-	-	-	744,736	744,736
Procurement Division	710,824	820,470	702,629	702,629	752,934	50,305
Public Improvement Finance Division	991,138	1,719,869	1,957,596	1,021,440	1,662,775	641,335
Revenue Division	2,718,635	2,756,473	3,377,460	3,387,860	3,196,761	(191,099)
Total	**8,612,155**	**9,519,380**	**11,001,383**	**10,126,104**	**16,143,729**	**6,017,625**

Staffing Levels

Finance Division Budgets	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Accounting Division	25.00	26.00	26.00	26.00	19.00	(7.00)
Budget Office Division	6.00	7.00	7.00	7.00	7.00	-
Finance Administration Division	3.00	3.00	3.00	3.00	3.00	-
Marijuana Policy & Enforcement Division	-	-	-	2.00	4.00	2.00
Payroll Division	-	-	-	-	7.00	7.00
Procurement Division	6.00	6.00	6.00	6.00	7.00	1.00
Public Improvement Finance Division	6.00	6.00	5.00	5.00	6.00	1.00
Revenue Division	38.00	38.00	40.00	40.00	39.00	(1.00)
Total	**84.00**	**86.00**	**87.00**	**89.00**	**92.00**	**3.00**

PERFORMANCE MEASURES

Accounting Division

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Percent of vendors paid within 30 days	67%	71%	70%	85%	90%
Number of days for Accounting to review and approve a vendor invoice and process a payment	5	5	4	4	4
"Prompt Payment" discounts taken	$111,000	$71,000	$197,000	$215,000	$235,000
"Prompt Payment" discounts lost	$45,000	$61,000	$73,000	$60,000	$5,000
Percent of discounts taken	71%	54%	74%	78%	98%

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

Finance Administration Division

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Obtain unmodified audit opinion on CAFR	Yes	Yes	Yes	Yes	Yes
Obtain GFOA Certificate of Achievement for CAFR	Yes	Yes	Yes	Yes	Yes
Proposed balanced budget presented to City Council 60 days prior to the beginning of the fiscal year	Yes	Yes	Yes	Yes	Yes
Obtain CSMFO Capital Budgeting Award	Yes	Yes	Yes	Yes	Yes

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

Procurement Division

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Number of days for Procurement Services to review a requisition and issue a purchase order	4	4	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	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Percent of delinquent receivables collected	54%	51%	50%	52%	55%

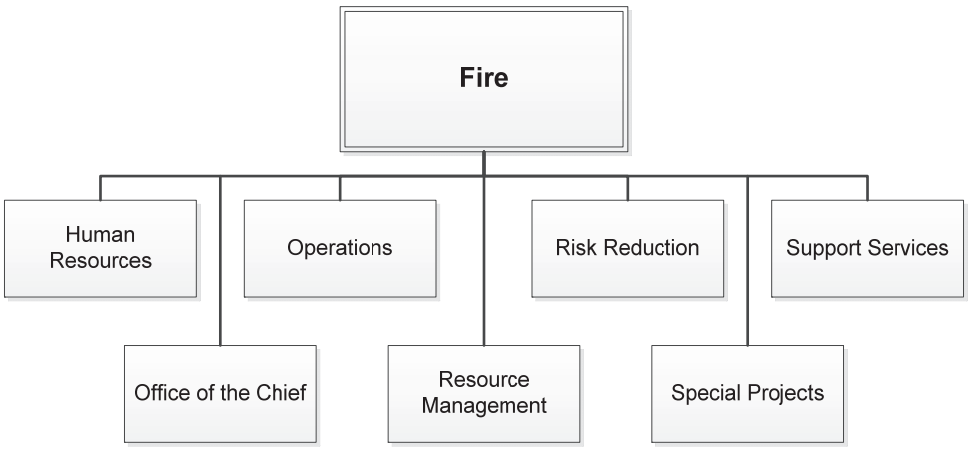
Collection of revenues associated with the provision of specific programs and services reflects prudent financial management and is necessary to achieve the resources included in the City's annual budget. Invoices unpaid for 30 days or longer are considered delinquent. Collection efforts on delinquent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

15

SECTION – 15
Fire

Fire

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



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

- Human Resources: Provides human resources functions including hiring, payroll, worker's compensations, testing, and outreach/recruitment.
- Office of the Chief: Responsible for developing and providing direction of the Fire Department.
- Operations: Provides response to all fires, technical rescues, hazardous materials incidents, wildland fire, and other emergencies, provides training for fire recruits and response personnel.
- Resource Management: Provides essential support functions to all divisions, which includes acquisition and repairs of necessary equipment, communications, information technology; coordination of all facilities maintenance, repairs, and construction; and fleet maintenance, repairs, and acquisition.
- Risk Reduction: Provides Emergency Medical Services including advanced life support and transportation, adopts and enforces codes and ordinances relative 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.
• Special Projects:	Provides oversight on special projects including master planning and performance measures.
• Support Services:	Provides support to other divisions and is responsible for budget, revenues, payables, procurement, contracts and grants.

PROGRAMS/SERVICE HIGHLIGHTS

- Accelerated the purchased of 14 gasoline powered Advanced Life Support Medic Units to replace diesel powered vehicles which have had higher repair costs than the gasoline powered vehicles.

- Completed bid and groundbreaking for the rebuild of Fire Station 15.

- Completed the formalization of the Accountability Council for Equity and Diversity (ACED) to help enhance recruitment and retention efforts and to provide a pipeline for local high school students and young adults into the fire service. The committee's focus is on mentoring, career development, training, and preparation necessary to become a qualified candidate.

- Purchased new patient care tablets for all medic units, engines and trucks to meet January 2017 data collection and reporting required by the Emergency Medical Services Authority (EMSA). In addition, the new hardware allows Fire Department personnel to utilize a bar code scanner to scan narcotics, bolstering current inventory control. In addition, the new hardware allows Fire Department company officers to transfer relevant information to the medic units when medic personnel arrive on scene sharing life-saving diagnostic information with on-scene crews.

OBJECTIVES FOR FY2017/18

- Break ground and begin construction for the rebuild of Fire Station 14.

- Complete construction of the rebuild of Fire Station 15.

- Reduce the time it takes to process and deliver Patient Care Reports to the biller from 21 days to 72 hours.

- Replace one-third of the frontline PPE to begin the process for compliance with the California Division of Occupational Safety and Health (Cal/OSHA) Title 8 by 2021.

- Work with Fleet to replace a mobile air compressor that will allow provide full functionality with the new self-contained breathing apparatus (SCBAs).

- Work with Fleet to replace two engines that will provide more efficient frontline response vehicle and smoothing of the apparatus cycle.

BUDGET CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Resource Management	Provide one-time funding for the purchase of Personal Protective Equipment (PPE) including turnouts to address Cal OSHA Title 8 requirements.	Measure U	-	600,000	-
		Total Change	**$ -**	**$ 600,000**	**-**

POSITION CHANGES

- Public Safety IT positions were transferred to IT (5.0 FTE), completing the final phase of the citywide IT consolidation.

- A vacant position was eliminated and the labor budget was converted to services and supplies for contract services associated with development plan review (1.0 FTE Assistant Civil Engineer).

Department Budget Summary

Fire Budget Summary	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Employee Services	96,814,700	105,585,792	109,007,194	111,419,529	108,256,134	(3,163,395)
Other Services and Supplies	12,358,493	12,456,420	12,333,198	12,444,667	12,665,701	221,034
City Property	524,697	482,500	1,340,713	1,249,713	1,469,113	219,400
City Debt Service	-	241	-	-	-	-
Transfers	379,899	352,580	272,360	272,360	-	(272,360)
Labor and Supply Offset	(11,231,152)	(12,210,146)	(13,610,724)	(13,610,724)	(13,721,120)	(110,396)
Total	**98,846,637**	**106,667,388**	**109,342,741**	**111,775,545**	**108,669,828**	**(3,105,717)**

Funding Summary by Fund/Special District	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
General Fund	98,346,617	106,167,388	108,842,741	111,275,545	108,169,828	(3,105,717)
Risk Mgmt	500,020	500,000	500,000	500,000	500,000	-
Total	**98,846,637**	**106,667,388**	**109,342,741**	**111,775,545**	**108,669,828**	**(3,105,717)**

Division Budget Summary

Fire Division Budgets	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Human Resources Divsion	498,525	631,994	723,470	723,470	725,938	2,468
Office of the Fire Chief Division	569,271	926,938	781,583	785,845	799,510	13,665
Operations Division	69,352,823	75,257,369	71,774,405	74,138,716	71,812,561	(2,326,155)
Resource Management Division	10,262,169	11,268,259	13,816,344	13,757,068	13,527,440	(229,628)
Risk Reduction Division	17,517,859	17,887,136	21,199,125	21,239,232	20,713,538	(525,694)
Special Projects Divison	220,540	217,510	242,958	242,958	246,137	3,179
Support Services Division	425,450	478,182	804,856	888,256	844,703	(43,553)
Total	**98,846,637**	**106,667,388**	**109,342,741**	**111,775,545**	**108,669,828**	**(3,105,717)**

Staffing Levels

Fire Division Budgets	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Human Resources Divsion	5.00	5.00	4.00	4.00	4.00	-
Office of the Fire Chief Division	3.00	3.00	3.00	3.00	3.00	-
Operations Division	492.00	507.00	507.00	507.00	507.00	-
Resource Management Division	9.00	10.00	13.00	13.00	10.00	(3.00)
Risk Reduction Division	139.00	139.00	141.00	141.00	139.00	(2.00)
Special Projects Divison	2.00	2.00	2.00	2.00	2.00	-
Support Services Division	7.00	8.00	8.00	8.00	8.00	-
Total	**657.00**	**674.00**	**678.00**	**678.00**	**673.00**	**(5.00)**

PERFORMANCE MEASURES

Emergency Operations Division

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Average Response Time	5 minutes 14 seconds	5 minutes 14 seconds	5 minutes 17 seconds	5 minutes 15 seconds	5 minutes 0 seconds

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

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Unit Hour Utilization (UHU)	0.55	0.47	.56	.56	.50

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

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

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

The Fire Department's goal over the next two years is to lower its ambulance UHU to an acceptable level while maximizing efficiency and capturing lost revenue. This will be accomplished by revamping the current emergency medical services (EMS) deployment model and capturing additional revenues. 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	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Percent of fire plan reviews completed on time	95.36%	95.53%	93%	94%	95%

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

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Annual Fire Permit Inspections conducted	7,300	8,713	7,689	7,700	8,000

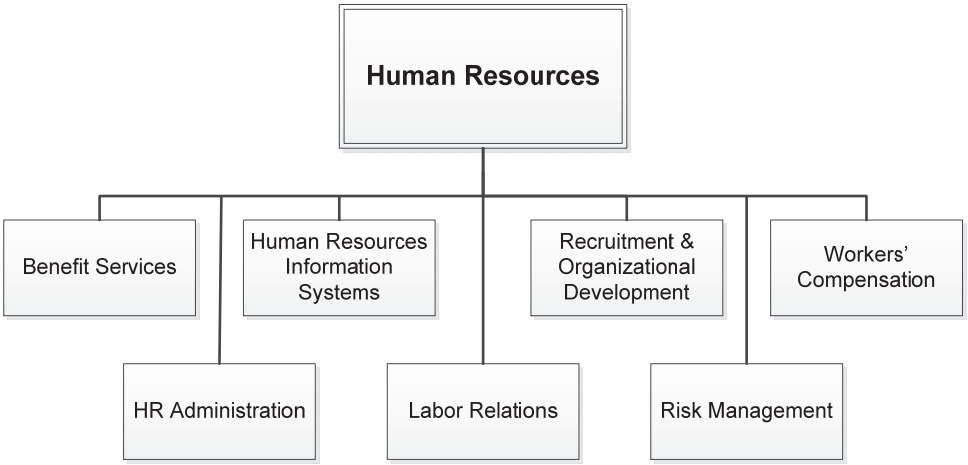
The Fire Prevention Division is responsible for inspecting new construction and tenant improvement projects. This year the Department is projected to increase the amount of inspections conducted as the construction forecast continues to accelerate. By 2018, the Division is projected to have higher inspection numbers due to the volume of new construction projects and the improved local economy.

16

SECTION – 16
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 a full range of comprehensive human resources services and programs to enhance efficiency and effectiveness of the organization.

- Benefits Services: Benefit enrollment changes and questions, retirement services, and new hire orientations.
- HR Administration: Policy, legislative support, budgeting, special projects, and department-wide support. Policy and Procedure development and maintenance and the City's Volunteer Program.
- HR Information Systems (HRIS): All technological aspects of recordkeeping, database management, and monitoring employees.
- Labor Relations: Employee contract negotiation, implementation of labor agreements, discipline, grievance administration, citywide leave policies, equal employment opportunity, and ADA coordination.
- Recruitment/Organizational Development: Recruiting, testing, classification, compensation, and Citywide volunteer coordination.
- Risk Management/ Workers' Compensation: Safety, loss prevention, DMV pull notice, employee assistance program, and workers' compensation.

PROGRAMS/SERVICE HIGHLIGHTS

- Centralized leave administration and ADA functions to streamline processes and improve customer service.
- Created and distributed a Nepotism Policy.
- Improved outreach to community organizations to increase recruitment applicant pools.
- Organized an annual health fair for all City employees.
- Reinstated a citywide training program.
- Reinstated the Organizational Development unit to provide career development for employees.
- Updated the Equal Employment Opportunity Policy and posted it in English and Spanish on the city's website www.cityofsacramento.org/HR/Divisions/Office-of-Civil-Rights/EEO.

OBJECTIVES FOR FY2017/18

- Allow the City to remain a foremost public employer by developing and retaining a skilled, diverse, and service-oriented workforce.
- Increase the efforts to attract and retain historically underrepresented groups, as well as other diverse groups, through the following initiatives:
    - Improve the representation of diversity at all levels of the organization and integrate the LGBTQ community, people with disabilities, and veterans by driving talent acquisition and management practices to achieve results;
    - Create an inclusive work environment that fosters creativity and innovation and promotes colleague engagement through awareness and inclusive leadership skills training, promoting work-life flexibility, and supporting employee resource groups;
    - Eliminate wage gaps for women and minority employees;
    - Respect the individual character, personal beliefs, differences, and privacy and other rights of all City employees;
    - Ensure that diversity, equity and inclusion initiatives, actions, and results are transparent to all key stakeholders; and
    - Monitor the impact of these practices to improve and strengthen them over time.

- Provide access to a spectrum of professional development and training opportunities for all employees.

- Update the City's policies and procedures to ensure policies maintain compliance with federal/state employee safety mandates.

- Utilize online systems to automate and streamline business processes for employee orientations and benefit processing.

BUDGET CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Administration	Reduce the revenue budget related to the change from ICMA to Nationwide retirement planning which resulted in the loss of the administrative fee.	General	72,075	-	-
Labor Relations	Add positions to address increased case volume (2.0 FTE Investigators), offset by reimbursement from the utility funds and the elimination of vacant positions (two 0.46 FTE).	General	(105,166)	105,166	1.08
Recruitment/ Organizational Development	Provide one-time funding to address training, outreach (City Management Academy, Supervisory Academies, etc.) and to fund a consultant to evaluate and re-write City exams.	General	-	250,000	-
		Subtotal General Fund	**$ (33,091)**	**$ 355,166**	**1.08**
Risk Management Administration	Add a position to support the Department of Utilities (1.0 FTE Environmental Health & Safety Specialist), offset by utility funds.	Risk	(120,076)	120,076	1.00
Risk Management Administration	Establish a budget for pre-employment fingerprinting.	Risk	-	40,000	-
		Subtotal Other Funds	**$ (120,076)**	**$ 160,076**	**1.00**
		Total Change	**$ (153,167)**	**$ 515,242**	**2.08**

POSITION CHANGES

- A position was added to focus on citywide employee/retiree benefit audits (1.0 Personnel Technician), offset by the elimination of a vacant position (1.0 Staff Assistant).

Department Budget Summary

Human Resources Budget Summary	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Employee Services	7,411,879	7,705,430	8,829,189	9,015,667	9,513,348	497,681
Other Services and Supplies	24,672,963	23,114,935	23,419,162	23,440,490	25,050,886	1,610,396
City Property	56,362	39,663	100,000	38,000	39,500	1,500
Transfers	(60,352)	(68,180)	-	-	-	-
Labor and Supply Offset	3,591,947	3,292,259	3,245,696	3,245,696	3,431,560	185,864
Total	**35,672,799**	**34,084,106**	**35,594,047**	**35,739,853**	**38,035,294**	**2,295,441**

Department Budget Summary (continued)

Funding Summary by Fund/Special District	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
General Fund	2,700,684	2,594,234	3,022,239	3,230,045	3,824,789	594,744
Fleet Management	31,354	31,354	59,614	59,614	59,614	-
Interdepartmental Service	1,285,038	1,339,935	1,471,678	1,471,678	1,071,544	(400,134)
Recycling and Solid Waste	96,901	96,901	117,545	117,545	117,545	-
Risk Mgmt	21,213,454	19,006,909	18,062,932	18,000,932	20,118,976	2,118,044
Storm Drainage	41,706	41,706	45,189	45,189	45,189	-
Wastewater	17,153	17,153	18,585	18,585	18,585	-
Water	53,253	53,253	57,700	57,700	57,700	-
Worker's Compensation	10,233,256	10,902,661	12,738,565	12,738,565	12,721,352	(17,213)
Total	**35,672,799**	**34,084,106**	**35,594,047**	**35,739,853**	**38,035,294**	**2,295,441**

Division Budget Summary

Human Resources Division Budgets	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Benefits Services Division	-	-	-	-	843,969	843,969
HR Administration Division	3,276,810	3,254,807	4,206,143	4,347,277	1,992,041	(2,355,236)
HRIS Division	-	-	-	-	370,761	370,761
Labor Relations Division	646,110	616,250	749,933	816,605	1,109,178	292,573
Recruitment/Organizational Dev. Divison	-	-	-	-	1,047,908	1,047,908
Risk Management Administration Division	29,485,152	27,956,779	27,930,696	27,868,696	30,105,340	2,236,644
Workers' Compensation Division	2,264,727	2,256,271	2,707,275	2,707,275	2,566,097	(141,178)
Total	**35,672,799**	**34,084,106**	**35,594,047**	**35,739,853**	**38,035,294**	**2,295,441**

Staffing Levels

Human Resources Division Budgets	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Benefits Services Division	-	-	-	-	8.00	8.00
HR Administration Division	26.00	27.00	32.00	33.00	11.00	(22.00)
HRIS Division	-	-	-	-	3.00	3.00
Labor Relations Division	5.00	5.00	5.92	5.92	9.00	3.08
Recruitment/Organizational Dev. Divison	-	-	-	-	9.00	9.00
Risk Management Administration Division	20.00	20.00	15.00	15.00	17.00	2.00
Workers' Compensation Division	20.00	20.00	20.00	20.00	19.00	(1.00)
Total	**71.00**	**72.00**	**72.92**	**73.92**	**76.00**	**2.08**

PERFORMANCE MEASURES

HR Administration Division

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Percentage of EEO and ADA complaints resolved without resulting in cause and/or monetary settlements	86%	93%	80%	90%	90%

The percentage of Equal Employment Opportunity (EEO) or 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.

Labor Relations Division

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Percentage of grievances that come to the Department and are resolved internally	100%	90%	100%	100%	95%

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

Risk Management Administration Division

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Maintain number of City-owned vehicle related claims filed against the City to under 110.	97	105	94	107	107

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.

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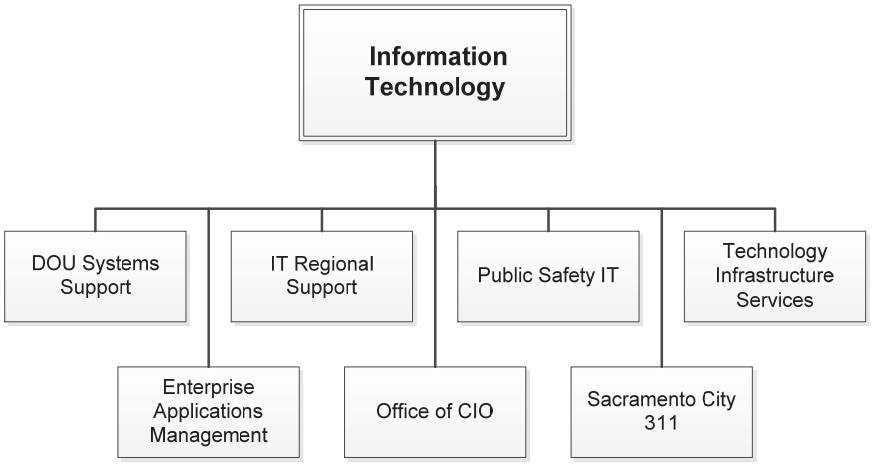
SECTION – 17
Information Technology

Information Technology

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



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

The IT Department is divided into seven areas:

- Office of the Chief Information Officer: Responsible for the fiscal, human capital resources, and administrative management of the IT Department. Provides general administrative support to the other divisions of IT and ensures budgetary items align with the Digital Strategy. This section also provides financial management, customer-service advocacy, human resources administration, enterprise software management, administration of the telecommunications billing operations, vendor contracts, staff reports, and Citywide IT Maintenance and Support fund, which includes centralized purchasing of all enterprise computer-related equipment and software.

- Department of Utilities IT Systems Division: Responsible for the development, management, and technical consulting services which support all aspects of the Water, Wastewater and Drainage business for the City. This includes Software, hardware, network, Geographic Information Systems (GIS) and database

	services, and supports Departmental Operations and Maintenance, Finance, Engineering and Administration.
• Enterprise Applications Management Division:	Responsible for the management of enterprise wide applications that support all City Departments, and some departmental business systems. Provides technical and advisory services pertaining to enterprise software applications, including project management, software development life cycle management, database management services, GIS, and web development. Responsible for the coordination and collaboration between departmental stakeholders to ensure that delivered business application solutions are flexible, scalable and can be used to support multiple business functions across the organization.
• IT Regional Support Division:	The City's single point of contact for service requests and to report IT related incidents for all non-public safety departments. Responsible for managing centralized IT Helpdesk and Desktop support operations, security cameras and card key systems, IT hardware asset management, citywide mobility, and telecommunications services. Provides 24/7 technical support for departmental business systems, networks, and applications, and provides project management support for emerging technologies.
• Public Safety Information Technology Division:	Responsible for providing applications development, network and infrastructure, and help desk and desktop support for the Sacramento Police and Fire Departments. Supports the mission critical Police Computer Aided Dispatch system, Police and Fire Records Management Systems, Police and Fire Mobile Data Computer systems, Fire Automated Staffing system, Police Real Time Crime Center, Fire Station Alerting system, and Fire Health EMS system. Supports a wide variety of smaller scale systems to streamline and assist public safety operations in accomplishing department goals, citywide goals, and government mandates.

- Sacramento City 311: Responsible for assisting the public with all non-public safety service requests, and questions regarding City services and policies. Provides dispatching services for Solid Waste, Parking Enforcement, Animal Care, Utilities, and on-call support for most other City Departments. The Division receives requests from citizens through a variety of channels, including telephone, email, online and smartphone apps 24 hours a day, 365 days a year.

- Technical Infrastructure Services Division: Delivers core IT infrastructure services that support City enterprise business applications and departmental resources; manages and automates the functions related to Human Resources, Finance, and Budget with an integrated enterprise resource planning (ERP) system; and is responsible for the development and delivery of a comprehensive information security program for the City of Sacramento. This division is responsible for the configuration, support and management of the following: consolidated voice and data network, wireless network, VoIP phones and voicemail system, a regional 800 MHz Radio system, City fiber infrastructure, data and telecommunications connectivity, physical server hardware, virtual servers, a large storage area network, enterprise messaging, Active Directory authentication and data backup and recovery. Because the City is a Payment Card Industry level II merchant, a major function of the security team is continual PCI-DSS compliance.

PROGRAMS/SERVICE HIGHLIGHTS

The IT Digital Strategy (https://www.cityofsacramento.org/Information-Technology), a prioritized multi-year action plan, is continuing to be implemented. It provides the framework for delivering innovation and technology services that are streamlined, effective, secure, and easily accessible by all. Recent highlights and accomplishments:

- Conducted a technical assessment of the Police Department's network and provided recommendations to enhance the overall IT security posture of the Police Department.

- Enhanced the City's website (www.cityofsacramento.org) promotes openness, transparency, and accountability and with a click of a button, citizens can access meaningful City data through the Open Data Portal to create reports and download information.

- Established a partnership with the 311 Division to expand parking dispatch services resulting in improved response times, reduced operating costs, and streamlined parking dispatch operations.

- Established a partnership with the State resulting in fiber and internet connectivity savings by connecting six State buildings to the State network using the City's underutilized fiber and conduit assets. In exchange, the State provided high speed internet (ISP) and security services to the City through 2026 that resulted in third party vendor cost savings, extra bandwidth needed to support cloud and mobile technologies, and improved IT security services that identify and stop malicious internet activity before it reaches the City networks.

- Hosted the 2nd Annual Sacramento DigiGirlz Camp event that took place in March 2017, on the campus of California State University Sacramento (CSUS). DigiGirlz, a Microsoft YouthSpark program, gives middle and high school girls opportunities to learn about careers in technology, connect with City and Microsoft employees, and participate in hands-on computer and technology workshops.

- Implemented a new Citywide AP Invoice Automation System that automated the vendor invoice processing procedures throughout the City by utilizing existing IT business systems to capture invoice images, electronically create and route payment vouchers for approval, issue vendor payments, and file related documentation in CCM.

- Recognized as one of the Public Technology Institute's Citizen-Engaged Communities for 2014-2016 to acknowledge excellence in multi-channel contact centers and best practices for the use of CRM/311 systems and services, web portal technology, and telephony systems.

- Recognized by e.Republic's Center for Digital Government as a 2016 "Top 10 Cities" in its population class for enhancing the public's online access to information and services.

- Upgraded the City's core network backbone infrastructure providing system redundancy and ensuring a more robust and reliable data network to support all applications and communications between devices (computer to server) and people (email, phones, etc.).

- Upgraded the CRM/311 system to allow for expanded access to information, improved automation, and increased efficiency to better process service requests and inquiries from residents, visitors, and employees.

OBJECTIVES FOR FY2017/18

- Continue training efforts to address the growing knowledge, skills and ability requirements necessary to support the City's technical environment and critical business systems.

- Enhance the Permitting Process – Additional technical resources will be added to enhance the City's permitting, plan checking, and building inspection program which is currently underutilized. These resources will address system backlog issues, provide recommendations for implementing new system modules, and support other system expansion opportunities including the marijuana permitting process, code inspections, and other system consolidation efforts.

- Expand and enhance the City's data storage to address increased complexity, security and storage needs citywide.

- Expand Wi-Fi services in City facilities improving connectivity and helping to bridge digital divide by ensuring that our communities have access to information.

- Implement a Citywide Software Management System (CSMS) – The City currently has hundreds of software tools used daily by staff and most are directly or indirectly relied upon by the public for hundreds of thousands of transactions daily. Implementing a CSMS will develop consistent principles, process and procedures for the complete software license lifecycle management.

- Implement Artificial Intelligence and Chatbot Technology (AICT) – a program that simulates human conversation or chat providing additional communication options for residents to communicate with the City and create 311 requests using multiple messaging channels, including mobile phone text messaging, chat, and other social media platforms.

- Maintain the student intern program that provides valuable hands on experience for the student, while allowing the City to benefit from added resources.

- Replace the City's Utility Customer Information System which is obsolete, no longer supported, and incompatible with new hardware and software.

- Smart Cities Initiatives – Teamed up with City Departments and other technology service providers to identify creative and innovative solutions that will utilize existing IT infrastructure and emerging technology to enhance the quality of life for Sacramento residents.

REORGANIZATIONS

The first phase of the IT consolidation and reorganization took effect on July 1, 2016, and included all departments except for Fire and Police Departments (Public Safety) IT. As part of the FY2017/18 Budget, 29.0 FTE IT positions from Public Safety IT (24.0 FTE from Police and 5.0 FTE from Fire) were moved to the IT Department, completing the final phase of this initiative. This will improve service delivery and help to raise accountability and responsibility for IT strategic direction and decision making to a citywide perspective while still supporting public safety in their need to provide services.

BUDGET CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
DOU Systems Support	Add positions to oversee the implementation and replacement of several core business systems that provide utility billing services (1.0 FTE IT Manager, 2.0 FTE Senior Applications Developer [one limited term], 2.0 FTE limited term Senior Department Systems Specialists, and 1.0 FTE IT Support Specialist II), offset by utility funds.	General	(688,736)	688,736	6.00
Enterprise Applications Management	Add positions to support the Accela permitting system (1.0 FTE Applications Developer and 1.0 FTE Principal Applications Developer).	General	(246,014)	246,014	2.00
Office of the CIO	Fund the student internship and IT training programs with a transfer from the Digital Strategy project (A07000700).	General	(195,000)	195,000	-
Sacramento City 311	Add positions to City's 311 call center for increased customer service and dispatching DOU operations after hours, weekends, and holidays, fully offset by the City's parking and utility funds (2.5 FTE 311 Customer Service Agents and 2.0 FTE 311 Customer Service Specialists), offset by utility funds.	General	(310,099)	310,099	4.50
		Total General Fund	**$ (1,439,849)**	**$ 1,439,849**	**12.50**

POSITION CHANGES

- A position transferred as part of the citywide IT consolidation was transferred back to the Department of Utilities (1.0 FTE Senior Engineering Technician) based on a review of the position duties.

Department Budget Summary

Information Technology Budget Summary	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Employee Services	8,337,717	9,495,478	16,717,141	16,741,317	21,967,181	5,225,864
Other Services and Supplies	679,763	615,737	638,931	638,931	977,324	338,393
City Property	62,150	123,408	369,195	369,195	369,195	-
Transfers	(19,635)	(60,407)	(121,242)	(121,242)	(356,256)	(235,014)
Labor and Supply Offset	28,378	62	(329,550)	(455,403)	(705,414)	(250,011)
Total	**9,088,373**	**10,174,278**	**17,274,475**	**17,172,798**	**22,252,030**	**5,079,232**

Funding Summary by Fund/Special District	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
General Fund	5,704,025	6,622,449	10,072,034	9,970,357	13,867,533	3,897,176
4th R Program	-	-	16,000	16,000	16,000	-
Community Center	796	774	431,732	431,732	925	(430,807)
Fleet Management	-	-	76,176	76,176	-	(76,176)
Gas Tax 2106	91,318	100,248	99,214	99,214	91,874	(7,340)
Interdepartmental Service	1,871,835	2,017,366	1,901,387	1,901,387	6,063,484	4,162,097
Parking	36,273	28,368	149,795	149,795	155,627	5,832
Recycling and Solid Waste	752,941	874,882	1,249,773	1,249,773	1,128,280	(121,493)
START	-	-	40,000	40,000	40,000	-
Storm Drainage	130,349	102,576	613,311	613,311	168,538	(444,773)
Wastewater	138,924	123,405	1,313,011	1,313,011	259,493	(1,053,518)
Water	361,912	304,210	1,312,042	1,312,042	460,276	(851,766)
Total	**9,088,373**	**10,174,278**	**17,274,475**	**17,172,798**	**22,252,030**	**5,079,232**

Division Budget Summary

Information Technology Division Budgets	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
DOU Systems Support Division	-	-	-	-	3,665,542	3,665,542
Enterprise Applications Management Division	1,927,640	2,208,135	3,516,939	3,391,086	3,527,267	136,181
IT Regional Support Division	853,912	919,023	3,721,036	3,721,036	3,048,948	(672,088)
Office of CIO Division	2,145,051	2,544,822	5,323,494	5,347,670	1,926,582	(3,421,088)
Public Safety IT Division	-	-	-	-	3,615,528	3,615,528
Sacramento City 311 Division	1,945,493	2,234,776	2,142,137	2,142,137	2,541,851	399,714
Technology Infrastructure Services Division	2,216,277	2,267,523	2,570,869	2,570,869	3,926,312	1,355,443
Total	**9,088,373**	**10,174,278**	**17,274,475**	**17,172,798**	**22,252,030**	**5,079,232**

Staffing Levels

Information Technology Division Budgets	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
DOU Systems Support Division	-	-	-	-	30.00	30.00
Enterprise Applications Management Division	15.00	18.00	28.40	28.40	30.40	2.00
IT Regional Support Division	7.00	7.00	30.00	30.00	24.00	(6.00)
Office of CIO Division	15.00	15.00	33.00	33.00	6.00	(27.00)
Public Safety IT Division	-	-	-	-	29.00	29.00
Sacramento City 311 Division	-	26.00	31.00	31.00	35.50	4.50
Technology Infrastructure Services Division	17.00	19.00	19.00	19.00	27.00	8.00
Total	**54.00**	**85.00**	**141.40**	**141.40**	**181.90**	**40.50**

PERFORMANCE MEASURES

IT 311 Division

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Percent of 311 calls that are answered	79.8%	80.3%	80%	72%	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. In FY2013/14, the 311 web/smartphone app diverted 29,000 requests (8.5%) from the phone lines, 37,000 requests (10.3%) in FY2014/15, and is on pace to divert 40,000 (10.7%) in FY2015/16. Additionally, the 311-automated phone system was updated in September 2013 to offer answers to common questions. In FY2013/14 the automated phone system handled 84,000 calls, 130,000 calls in FY2014/15, and is on pace to answer 145,000 in FY2015/16. Even with these increases in self-service, the 311 Call Center had an increase in calls for FY2014/15 of 18,500 to 388,000 calls due to new programs offered and increased awareness of the 311 program. The division is on pace to receive 386,000 calls in FY2015/16 due to more automated requests going through the 311-smartphone application. The Division is replacing the 311 CRM software to improve 311 Agent efficiency, reduce calls for status, and automate more requests.

IT Regional Support Division

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Respondents rating the quality of IT service as good or excellent	95%	99%	98.5%	98%	98%

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

Technology Infrastructure Services Division

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Network services available					
Public Safety systems	100%	100%	99.69%	99%	100%
All other systems	100%	100%	99.84%	99%	99%

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

Enterprise Applications Management Division

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Data published on OpenData	53	72	79	79	79

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

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Enterprise database system available	97%	99%	99.9%	99.9%	100%

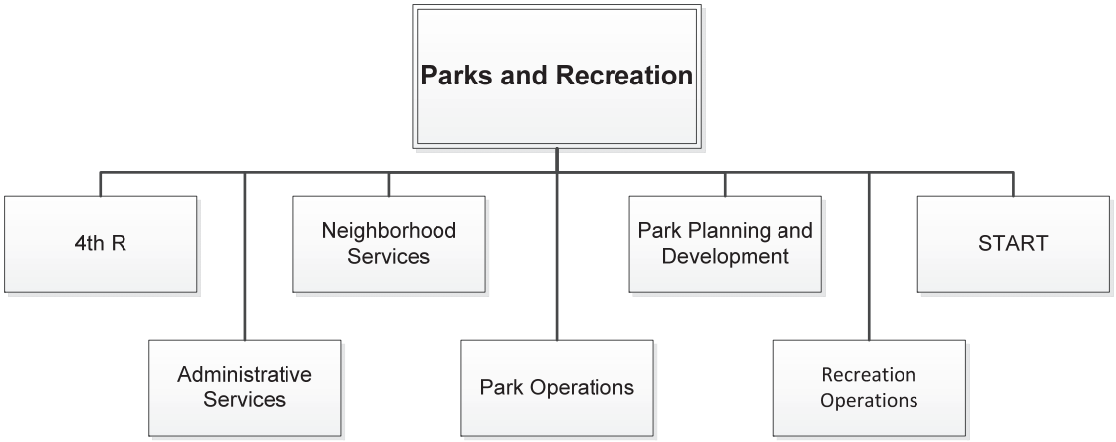
The Enterprise Applications Management Division manages and maintains a wide variety of data and systems that house critical mission information for City business systems. This performance measure tracks the system uptime/availability percentage rate for the enterprise database systems.

18

SECTION – 18
Parks and Recreation

Parks and Recreation

To provide parks, programs, and facilities and preserve open space to optimize the experience of living.



Sacramento's parks and recreation system provides the City of Sacramento's residents and visitors with significant personal, social, environmental, and economic benefits. Directed by the Council through the approval of the *Parks and Recreation Master Plan,* program development, and service delivery for the **Parks and Recreation Department** are guided by the following primary themes: protecting the City's green infrastructure and optimizing the experience of living through people, parks, and programs.

Department services are structured as listed below.

- 4th R: Responsible for year-round child care for kindergarten through 6th grade.
- Administrative Services: Responsible for department-wide support of budget management and administrative operations; management of community center and golf course leases, grant management and commission administration.
- Neighborhood Services: Responsible for community and neighborhood outreach, administering the Sacramento Youth Commission, providing high school (Summer at City Hall) & college internship programs, school based Hot Spots programs, and the City Management Academy.
- Park Operations: Responsible for providing routine maintenance services to parks, maintaining more than 3,400 acres of open space, turf, landscape,

structures, and park amenities citywide. Services provided by this division include mowing, weeding, litter removal, playground inspections, irrigation repair, and restroom cleaning. They also organize community gardens and volunteer activities.

- Park Planning and Development: Responsible for providing park planning, parkland acquisition, park master planning, and the design and development of new or renovation of existing neighborhood, community and regional parks.

- Recreation Operations: Responsible for providing Recreation programs, classes and services for residents. Programs support grade school children to active older adults. This includes operating over 30 aquatic facilities, Camp Sacramento, five community centers that offer numerous enrichment programs (youth through older adults), facility rentals, operate Hot Spot programming at three community centers, provide programming for youth job readiness and employment services (L & L, WIOA, Young Leaders of Tomorrow, Prime Time Teen, and Jr. Rec. Aide Program).

- START: Responsible for before and after school programing which focuses on academic assistance, fitness & nutrition education, STEM (science, technology, engineering and math), and structured recreation activities to help students grow socially, emotionally, physically, and mentally.

PROGRAMS/SERVICE HIGHLIGHTS

- Engaged external funding partners help deliver services primarily for youth and older adults. Dozens of volunteer park groups are dedicated to improving their parks with the additional benefits of promoting public use, safety, supporting property values, and building community spirit.

- Maintained 227 parks and bike trails (located in the parks/parkways).

- Continued to address challenges from drought conditions, such as water use reduction concerns, tree canopy maintenance, and removing rodent infestation.

- Provided programs, rental uses, and leisure enrichment classes at over 30 aquatic facilities, community centers, and clubhouses.

OBJECTIVES FOR FY2017/18

- Continue to advocate the importance of parks and recreation to the quality of life in Sacramento, and to the health and well-being of citizens.

- Maximize services by partnering with school districts, other governmental agencies, foundations, community-based organizations, the business community, neighborhood groups, and individual citizens.

- Provide programs, rentals, and leisure enrichment classes at over 30 facilities citywide.

REORGANIZATION

The Department is undergoing a Council directed reorganization to align all youth-centric programs within a single division dedicated to youth development. As currently configured, the Department dedicates over two-thirds of its staff, and 45% of its budget in support of 26 youth development programs that are organized in several different divisions – Neighborhood Services, Community Centers, Teen Services and Youth Employment, and After School Programs. The Department has assembled a team to assess its current organizational structure and evaluate essential services. During the budget hearings, the Department will present additional information to the Council detailing an operating structure and departmental name change that reflects its commitment to leading and aligning youth development opportunities in Sacramento.

BUDGET CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Park Operations	Add positions in Park Maintenance to address enhanced maintenance, offset by Special District Funds (CFD 3) (4.0 FTE Park Maintenance Workers [PMW] and 1.0 FTE PMW II.	General	(250,214)	250,214	5.00
Park Operations	Provide funding for a professional cemetery management contract.	General	-	100,000	-
Park Operations	Eradicate burrowing pest infestation and perform park repairs related to the infestation.	General	-	150,000	-
Recreation Operations	Add positions in the Older Adult Services Program (four 0.47 FTE Recreation Aides), offset by revenues from increased.	General	(57,700)	57,700	1.88
		Subtotal General Fund	**$ (307,914)**	**$ 557,914**	**6.88**

BUDGET CHANGES (continued)

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Park Operations	Add 3 trucks and trash trailers needed for the increased Park Maintenance staff.	Landscaping and Lighting	-	141,744	-
		Subtotal L&L	**$ -**	**$ 141,744**	**-**
Park Operations	Provide one-time funding for a pond maintenance contract.	Measure U	-	65,000	-
Recreation Operations	Add four Student Trainees at 0.50 each to enhance youth opportunities. Costs are offset by a reduction in service and supplies.	Measure U	-	-	2.00
Recreation Operations	Provide one-time funding to continue summer youth programs.	Measure U	-	122,816	-
		Subtotal Measure U	**$ -**	**$ 187,816**	**2.00**
		Total Change	**$ (307,914)**	**$ 887,474**	**8.88**

POSITION CHANGES

- Eliminate vacant positions in Park Maintenance (1.0 FTE PMW and 0.96 FTE Youth Aide) to fund a position (1.0 Arborist/Urban Forester) in Public Works to oversee tree maintenance in City parks.

- The Department evaluated and realigned vacant positions resulting in an increase of 0.28 FTE.

Department Budget Summary

Parks and Recreation Budget Summary	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Employee Services	29,752,325	31,295,486	36,004,321	36,022,397	35,414,857	(607,540)
Other Services and Supplies	12,910,619	10,009,568	11,748,516	11,715,103	11,267,683	(447,420)
City Property	210,271	134,915	670,317	130,517	1,397,761	1,267,244
City Debt Service	471,184	835,578	-	-	-	-
Transfers	(65,494)	(48,089)	-	-	-	-
Labor and Supply Offset	(5,420,556)	(7,673,329)	(9,638,458)	(10,024,121)	(9,687,026)	337,095
Operating Transfers	-	-	(340,000)	-	-	-
Total	**37,858,349**	**34,554,129**	**38,444,696**	**37,843,896**	**38,393,275**	**549,379**

Department Budget Summary (continued)

Funding Summary by Fund/Special District	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
General Fund	16,797,528	15,294,555	22,174,177	21,593,140	22,395,361	802,221
4th R Program	5,905,719	5,623,574	5,776,309	5,776,309	6,026,309	250,000
Ethel Macleod Hart Trust	-	-	825,000	825,000	-	(825,000)
Golf	220,777	175,376	208,682	208,682	194,346	(14,336)
Laguna Creek Maint Dist	125,282	100,000	133,375	133,375	145,000	11,625
Land Park	105,956	87,029	139,000	139,000	139,000	-
Landscaping and Lighting	3,465,000	3,431,116	3,250,000	3,250,000	3,548,744	298,744
N Natomas Lands CFD 3	1,207,078	1,099,488	1,487,667	1,487,667	1,737,881	250,214
Neighborhood Park Maint CFD	1,081,500	1,150,000	1,200,000	1,200,000	1,245,000	45,000
Neighborhood Water Quality Dist	15,354	24,000	24,000	24,000	24,000	-
Park Development	644,786	989,793	192,600	172,837	172,837	-
Quimby Act	-	-	10,000	10,000	10,000	-
Railyards Maint CFD No 2014-04	-	-	5,000	5,000	-	(5,000)
Special Recreation	2,641,640	3,910,896	-	-	-	-
START	5,647,729	2,668,302	3,018,886	3,018,886	2,754,796	(264,090)
Total	**37,858,349**	**34,554,129**	**38,444,696**	**37,843,896**	**38,393,275**	**549,379**

Division Budget Summary

Parks and Recreation Division Budgets	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
4th R Division	5,905,719	5,627,574	6,486,288	6,486,288	6,026,309	(459,979)
Administrative Services Division	2,962,268	1,614,259	1,366,549	1,366,549	1,357,560	(8,989)
Neighborhood Services Division	-	731,665	705,839	765,839	706,243	(59,596)
Park Operations Division	11,528,629	11,609,368	13,245,848	12,814,048	14,601,766	1,787,718
Park Planning and Development Division	405,215	700,429	41,574	41,574	(38,762)	(80,336)
Recreation Operations Division	10,862,775	9,779,829	12,870,365	12,641,365	12,685,825	44,460
START Division	6,193,743	4,491,004	3,728,233	3,728,233	3,054,333	(673,900)
Total	**37,858,349**	**34,554,129**	**38,444,696**	**37,843,896**	**38,393,275**	**549,379**

Staffing Levels

Parks and Recreation Division Budgets	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
4th R Division	103.90	119.02	117.55	117.55	117.55	-
Administrative Services Division	11.40	11.40	10.00	11.00	11.00	-
Neighborhood Services Division	-	8.52	8.52	10.47	9.45	(1.02)
Park Operations Division	105.85	141.34	144.84	144.84	148.84	4.00
Park Planning and Development Division	8.00	8.00	9.00	9.00	9.00	-
Recreation Operations Division	199.11	279.65	284.65	287.90	292.12	4.22
START Division	142.30	139.99	108.45	108.45	108.45	-
Total	**570.56**	**707.92**	**683.01**	**689.21**	**696.41**	**7.20**

PERFORMANCE MEASURES

Park Operations Division

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Park maintenance cost per acre	N/A	N/A	$5,137	$5,137	$5,137

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

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Number of developed park acres maintained per FTE	N/A	N/A	23.18	21.92	21.92

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 fulltime equivalent staff's service area is approximately 26 acres. Any increase to park acreage, given existing staffing, has a direct negative impact on service levels.

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Number of volunteer hours managed per developed park acre	N/A	N/A	.88	1.0	1.0

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.

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Number of safety calls responded to per Park Ranger	N/A	N/A	486	324	324

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 regarding vagrancy, homeless camping, suspicious criminal activity, and emergency assistance within city park areas. As we add more staff, it will help distribute the workload.

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Number of irrigation service requests responded to per irrigation FTE	N/A	N/A	12.91	10	10

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

Recreation Operations Division

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Percent of respondents rating the quality of Measure U funded Middle School Intramural Sports Programs as good or excellent	N/A	N/A	97%	99%	99%

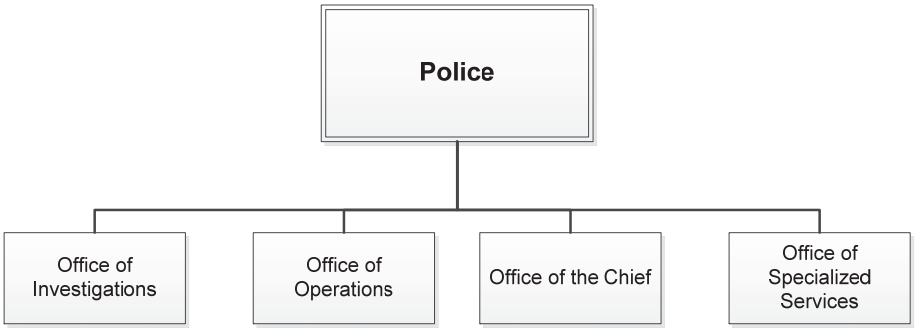
Funded by Measure U, the Intramural Sports Program offers students in grades 6-8 opportunities to engage in instructional sports clinics and leagues involving a variety of team sports. Sports such as flag football, basketball, tennis, kickball, ultimate Frisbee, volleyball and dodge ball are provided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

19

SECTION – 19
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** is dedicated to the philosophy and principles of community policing and endeavors to build public trust with all members of the community, including children, youth, and adults. The Department is committed to transparency, fairness, and impartiality and supports accountability at all levels of the organization. The men and women of the Police Department are a professional, well-trained, and educated police force (761 sworn positions and 279 civilian positions) that value the diversity of the public which they serve and strive to provide a strong fabric of public safety through the implementation of best practices and dedicated service.

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

PROGRAMS/SERVICE HIGHLIGHTS

- Completed expansion of ShotSpotter in the south area of the City. ShotSpotter is a gun fire detection system able to pinpoint the location of a gunshot. This information is relayed to the Communications Center and all patrol units within the district in less than 60 seconds. This significantly increases the ability of the Department to respond to gunshots in a timely manner, solve the crime that has been committed, and recover the firearm. The Department is also using the ShotSpotter notifications to engage neighborhoods impacted by often unreported crimes involving guns.

- Completed the BWC pilot program, The Department anticipates completing the deployment of cameras by the fall of 2017.

- Completed the development of a Real-Time Crime Center (RTCC). The RTCC allows for the centralization of real time information including Police Observation Device (POD) camera feeds, crime patterns and activity, intelligence data, social media and maps to share with field officers and detectives during developing situations. Information from the RTCC will be used to assist in emerging critical incidents and large planned and unplanned events. The availability of real time data analysis will allow for improved decisions making, more efficient and effective investigative follow up and crime prevention.

- Completed three significant technology projects at the Communications Center. These projects included the 911 telephone upgrade, where old, non-supported telephone equipment was replaced with next generation capable equipment; the Radio and Telephone Recording Replacement project where aging equipment was replaced to ensure that radio and telephone traffic would be reliably recorded; and the Uninterrupted Power Supply Battery Replacement which corrected a previous equipment failure test by upgrading batteries to ensure functionality during power outages.

- Continued the implementation of geographic policing. The Department furthered the implementation of community policing philosophy by matching policing strategies with the specific characteristics of 21 geographical areas within the City.

- Continued to expand the Hiring Pipeline Program to help transition young adults from, including but not limited to, the Criminal Justice Magnet Academy, Police Cadet Program, local junior colleges, and local universities, into careers in law enforcement.

- Continued to expand the use of video technology to prevent and solve crimes. (PODs) equipped with a combination of surveillance cameras and license plate readers have been affixed to city street light standards at various locations across the City. The primary goal of these devices is to serve as a highly visible

crime deterrent, but recorded video can also be reviewed for potential evidence if a crime occurs.

- Continued to partner with local Community Based Organizations (CBOs) to provide training and mentoring, known as Links for Law Enforcement, to potential law enforcement applicants. The training encompasses multi-week sessions geared for a wide variety of targeted demographics. After the sessions, the graduates have a better understanding of the entire hiring process, as well as having acquired skills to assist with their ability to be a viable law enforcement candidate.

- Doubled the size of the Traffic Section. The addition of traffic officers provided for more traffic coverage throughout the week by responding to citizen complaints, addressing high collision data, and conducting education and enforcement. The expanded Traffic Section continually utilized speed signs and speed trailers throughout the city as well as supported the pre- and post-event traffic management surrounding the Golden 1 Center.

- Ensured a successful opening and operation of the new Golden 1 Center. The Department and a Citywide team, through strong partnerships, planning, and implementation of resources and strategies, successfully completed this multi-year project. The Citywide team worked together on traffic planning, security, media outreach, parking, enforcement strategies, transportation, and staffing planning to support the opening of the new downtown arena.

- Expanded connections with the community through a reinvigorated Neighborhood Watch program. A dedicated coordinator was assigned to the program, the Department developed a strong partnership with NextDoor.com, and all patrol personnel actively participate in community meetings, neighborhood associations and support the many community events that occur through the year.

- Expanded homeless team healthcare partnerships. Through the Impact Team's outreach efforts, it was recognized that individuals experiencing homelessness, along with their pets, needed medical care but not always able to get the treatment needed. The Department formed partnerships with veterinarian Dr. James Reynolds and Elica Heath Centers. Treating people and animals in the field has proved to be an effective way to connect with this community and further connect individuals to wrap around services.

- Expanded the use of two training simulators. The simulators use the latest technology to provide interactive training in a 180-degree virtual environment. The simulators assist both new and in-service personnel in developing the application of proper tactics, communication, and sound judgment in a variety of situations. The simulators are also used as an opportunity to educate members of the public on the unique challenges faced by law enforcement.

- Implemented Crisis Intervention Training (CIT) program. All sworn staff will participate in a 40-hour Police Officers Standards and Training (POST) certified course, widely accepted as the "gold standard," that will increase the likelihood of a positive outcome in responding to calls involving individuals experiencing crisis. In addition, this training will ensure officers meet and exceed state standards for mental health training. The Department anticipates training all officers and front line supervisors in CIT by the end of the calendar year.

- Partnered with CSUS to start the Law Enforcement Candidates Scholar (LECS) program. A select group of CSUS students passed a rigorous application process and began the program. The program involves various educational and occupational training classes related to law enforcement and working with the community. The initial cohort is expected to complete the program requirements in the Spring of 2018 and be placed in the police academy in July of that year.

- Reinstituted the Problem Oriented Policing (POP) teams throughout the city. The teams, which had been extremely successful in both community engagement and enforcement functions, were disbanded during the recession. Existing personnel assigned to other units were repurposed to mitigate the effect on patrol staffing. Although the POP teams are not as robust as they were before, the teams will provide the basic framework of the POP philosophy for city residents and assist patrol in working with the community.

- Tested and deployed enduro-type electric motorcycles. In response to the changing landscape of the urban center, zero-emission motorcycles were tested and deployed. This new generation of specialty motorcycles are lighter and more maneuverable than traditional enforcement motorcycles. This clean technology has connected the Department to the community while improving traffic safety.

- Volunteers in Police Services (VIPS) provided over 9,000 volunteer hours to the City and their communities. VIPS participated in 21 DUI checkpoints, 64 special events and multiple training sessions, patrolled neighborhoods and shopping centers, assisted with traffic control, helped search for missing persons and towed abandoned vehicles.

OBJECTIVES FOR FY2017/18

- Build morale by valuing employees and providing the best possible training, resources, and leadership.
  - Establish formal promotional preparation and mentoring.
  - Identify and promote employee appreciation and recognition opportunities.
  - Identify opportunities to better share information.
  - Include Department personnel in idea-generation and collaboration.
  - Provide mentoring for employees at all levels of the organization.

- Build public trust and ensure police accountability through transparency.
  - Deploy BWCs.
  - Establish a transparency website to allow anyone to easily access public data.
  - Provide easy-to-understand information on the public records request process, streamline access to commonly requested information, and directly link users to the City's website.
  - Provide information on officer-involved shootings and death-in-custody incidents via the internet to include case updates and digital audio and video recordings.
  - Publish general orders and manuals online.
- Collaborate with all segments of the community, especially the youth, to make Sacramento safer.
  - Collaborate with community on deployment of PODs and ShotSpotter.
  - Connect the public to resources in their communities.
  - Continue ongoing efforts and established programs in the communities.
  - Create a new Community Outreach Unit.
  - Establish the POD program.
  - Expand events for CORE (Community Outreach and Resident Engagement) in all areas of the city.
  - Expand homeless outreach and engagement.
  - Expand neighborhood watch and utilization of Nextdoor.com.
  - Expand volunteerism/community involvement.
  - Expand the Cops & Clergy program.
  - Utilize and grow social media presence.
- Diversify the Department so that is representative of the community it serves.
  - Continue to expand Hiring Pipeline program through the addition of Student Trainees, pre-hire Police Recruits and reserve Community Service Officers.
  - Expand partnerships with community-based organizations and CSUS to provide training and mentoring to potential law enforcement applicants through the Links to Law Enforcement and LECS programs.
  - Increase outreach to elementary and middle schools.
  - Provide continued support for the Police Cadet program as well as the Criminal Justice Magnet Academies.
  - Partner with Council, City Departments, and local CBOs to recruit into the Department.

BUDGET CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Office of Investigations	Provide one-time funds to support the use of electronic tracking services to efficiently identify violent offenders. This technology includes E911 pings to determine cell phone locations and pen registers to track incoming and outgoing phone calls and text messages.	Measure U	-	98,500	-
Office of Operations	Provide one-time funds to finalize the implementation of the BWC program as well as video evidence storage and technology staff to administer the program.	Measure U	-	875,701	-
Office of Operations	Provide one-time funds to purchase critical safety equipment, including ballistic vests, protective gas masks, field drug test kits, and consumables such as evidence packing containers, gloves and weapons boxes.	Measure U	-	300,882	-
Office of Operations	Replace five vehicles at the Emergency Vehicles Operators Course with new patrol utility vehicles for training ($198,165 for vehicles and $25,000 for ongoing operations and maintenance cost).	Measure U	-	223,165	-
		Total Change	**$ -**	**$ 1,498,248**	**-**

POSITION CHANGES

- Public Safety IT position were transferred to IT (24.0 FTE), completing the final phase of the citywide IT consolidation. These positions are partially offset by Measure U and grant funds.

Department Budget Summary

Police Budget Summary	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Employee Services	129,008,428	136,260,665	144,411,596	145,833,667	145,615,530	(218,137)
Other Services and Supplies	12,470,650	10,220,937	11,010,355	10,940,496	10,509,326	(431,170)
City Property	529,018	575,609	2,022,743	258,743	3,463,743	3,205,000
City Debt Service	-	1,683	-	-	-	-
Transfers	(494,891)	(453,700)	(272,360)	(272,360)	-	272,360
Labor and Supply Offset	(17,105,293)	(20,735,454)	(24,933,390)	(24,933,390)	(27,004,626)	(2,071,236)
Total	**124,407,912**	**125,869,741**	**132,238,944**	**131,827,156**	**132,583,973**	**756,817**

Funding Summary by Fund/Special District	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
General Fund	123,785,845	125,241,183	131,505,596	131,093,808	131,866,832	773,024
Interdepartmental Service	113,594	117,423	187,037	187,037	170,014	(17,023)
Risk Mgmt	508,473	511,135	546,311	546,311	547,127	816
Total	**124,407,912**	**125,869,741**	**132,238,944**	**131,827,156**	**132,583,973**	**756,817**

Division Budget Summary

Police Division Budgets	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Office of Investigations Division	30,719,227	28,947,402	32,179,005	32,506,622	28,775,422	(3,731,200)
Office of Operations Division	57,882,779	58,581,424	63,214,642	63,834,650	64,383,235	548,585
Office of Specialized Services Division	23,840,582	26,905,147	23,149,198	23,534,675	22,630,914	(903,761)
Office of the Chief Division	11,965,324	11,435,768	13,696,099	11,951,209	16,794,403	4,843,194
Total	**124,407,912**	**125,869,741**	**132,238,944**	**131,827,156**	**132,583,973**	**756,817**

Staffing Levels

Police Division Budgets	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Office of Investigations Division	239.00	247.00	236.00	238.00	212.50	(25.50)
Office of Operations Division	558.00	588.50	601.50	604.50	609.50	5.00
Office of Specialized Services Division	139.66	160.00	160.66	161.66	156.66	(5.00)
Office of the Chief Division	53.30	54.30	54.30	54.30	61.80	7.50
Total	**989.96**	**1,049.80**	**1,052.46**	**1,058.46**	**1,040.46**	**(18.00)**

* The Office of Operations FTE count is over by 50.5 FTE because it includes positions that cross divisions. The positions are kept where they are for tracking purposes. The 50.5 FTE split to the other divisions as follows: 22.0 FTE to the Office of Investigations, 27.5 FTE to the Office of Specialized Services, and 1.0 FTE to the Office of the Chief.

PERFORMANCE MEASURES

Department-wide

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Part 1 Crimes Reported per 1,000 Residents	41.5	39.2	30.3	38.9	38

Ranking*	City	Part 1 Crimes Reported per 1,000 Residents
1	San Diego	12.5
2	San Jose	12.9
3	Los Angeles	15.6
4	Anaheim	16.5
5	Long Beach	17.4
6	**Sacramento**	**19.6**
7	Fresno	22.9
8	Bakersfield	24.5
9	San Francisco	29.8
10	Oakland	34.3

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

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Part 1 Crimes Reported per Sworn FTE Position	29	31.7	22.6	28.6	28

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Part 1 Crimes Reported per Sworn FTE Position	29	31.7	22.6	28.6	28

Workload Measure Ranking*	City	Part 1 Crimes Reported per Sworn FTE	Sworn FTE per 1,000 Residents
1	Los Angeles	6.3	2.5
2	San Diego	9.3	1.3
3	Long Beach	10.8	1.6
4	San Francisco	11.5	2.6
5	San Jose	14.3	0.9
6	Anaheim	14.5	1.1
7	**Sacramento**	**14.9**	**1.3**
8	Fresno	17.0	1.3
9	Oakland	19.6	1.7
10	Bakersfield	23.7	1

*Population based on Semiannual Preliminary UCR Population Data

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

The Part 1 crimes per thousand residents' calculation include total reported Part 1 crimes and population statistics provided annually through the UCR system. The Part 1 crimes per 1,000 residents ranking is based on 2015 calendar year data. The Part 1 crime per sworn position measure is based on fiscal year Part 1 crime data and authorized position counts. The Part 1 crime per sworn FTE ranking is based on 2015 calendar year data. The ranking of Part 1 crime reported per sworn FTE and sworn FTE per 1,000 residents can be used as a workload measure comparison.

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Percentage sworn SPD employees who are women or minorities	39%	39%	39%	39%	40%
Percentage of new hires into sworn or Hiring Pipeline Program vacancies that are women or minorities	43%	46%	64%	60%	61%

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

Field Services Division

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Key Measure in minutes					
Average response time for priority calls (In Minutes)	11.88	11.88	12.83	13.17	13.00

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 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 Communications Center. The projections for the remainder of FY2016/17 and FY2017/18 are based on current trends. The Department anticipates that response times will be reduced in future years as sworn vacancies are filled and new police officers are trained. Comparable

jurisdictional data is not available as each agency uses different criteria and policies governing the definition of priority calls for service.

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Number of 911 calls answered within 15 seconds	75%	75%	83%	83%	83%

The faster a call to 911 is answered has an impact on the outcome of the life of the person calling 911. If calls are delayed during the initial call answering stage, lifesaving interventions and deployment of resources are also delayed.

The industry standard is 95% of all incoming 911 calls shall be answered within 15 seconds. Call answer times are tracked by the Department Communications Center and the State of California 911 Office for compliance with the adopted standard. The projection for the remainder of FY2016/17 is based on prior month averages and is not expected to meet the standard. The projection for FY2017/18 is based on past monthly averages and anticipated call volumes. Actual results will vary depending on the call volume and available staffing.

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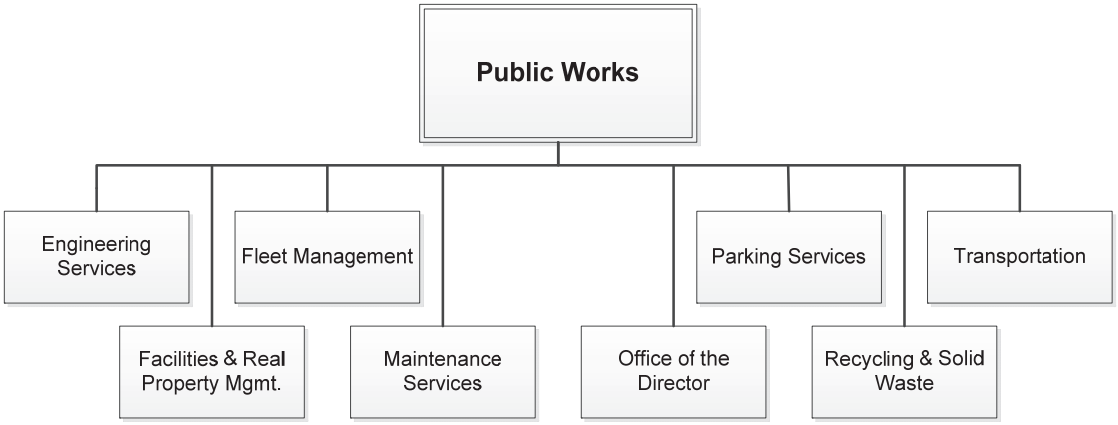
SECTION – 20
Public Works

Public Works

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



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

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

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

PROGRAMS/SERVICE HIGHLIGHTS

- Adopted a new citywide Transportation Development Impact Fee to help offset the impacts of new development on the City's transportation system.

- Adopted a new, comprehensive tree ordinance establishing effective citywide urban forestry policies. Since its adoption an expanded permitting program and tree-planting fund has been implemented.

- Awarded $4.4 million from the Sacramento Area Council of Governments Active Transportation Program for new bikeway and pedestrian projects: the Broadway Complete Street Phase 1 project received $2.6 million and the Northwood School and Transit Access Improvements received $1.8 million.

- Awarded $9.1 million from the Highway Safety Improvement Program for five projects that will be used to improve pedestrian crossing safety along several major roadways throughout the City and improve intersection signal operations.

- Completed $2 million in roofing projects, and a $3.2 million elevator renovation and modernization project for the City's parking facilities in conjunction with the Golden 1 Center grand opening.

- Completed $1 million in accessibility projects at City Hall, Sierra 2 Community Center, China Town Mall, and the Animal Shelter by removing access barriers and providing code compliant pathways.

- Completed a citywide recycling and solid waste routing optimization review to assess operational efficiency and plan for customer growth and implemented a functional dashboard of key operational data for recycling and solid waste management and supervisorial staff to make informed and timely decisions to improve customer service.

- Completed the 2016 City Bicycle Master Plan aimed at establishing a framework for an improved bicycle environment throughout the City and adopted a Bicycles on Sidewalks Ordinance to provide better clarity and considerations for safety in the urban environment.

- Completed the Cosumnes River Boulevard Extension and Interchange project, which initiated the beginning of the Delta Shores Development with approximately 600 acres of land, connecting three major freeways.

- Completed the Roseville Road Bridge Replacement project, which replaced the two-lane bridge on Roseville Road over Arcade Creek with a new bridge that meets current design standards, is compatible with future improvements, and will accommodate existing and future bicycle traffic.

- Completed the Freeport Boulevard Bike Lanes project, which includes new bike lanes along Freeport Boulevard from 4th Avenue to Sutterville Road.

- Coordinated with the Sacramento Police Department and key stakeholders to develop and implement a transportation management plan and related improvements for events at the Golden 1 Center.

- Expanded alternative fuel/advanced technology vehicle purchases by working with manufacturers and local dealers to identify vehicles with leading edge technology to incorporate into the City's fleet, including one electric refuse truck, four electric motorcycles, and two hydrogen fuel cell passenger vehicle leases.

- Implemented a new citywide vehicle replacement plan leading toward long-term savings, which includes a weighted point ranking system based on vehicle age, usage, and ongoing maintenance cost.

- Implemented significant bikeway improvements that included the City College bicycle and pedestrian bridge and 65th Street bike lanes.

- Improved bicycle awareness and education through development of a Bikeway User Map and Urban Bicycling Class, which is provided free to City of Sacramento residents.

- Launched a new website and smartphone application "SacPark," which allows drivers to find available parking near their destinations, pre-pay or reserve off-street parking for events, and provide navigation to their parking destination. Developed a new tiered-based pricing model to allow motorists to park at a meter beyond the posted time-limit.

- Launched the City's Vision Zero initiative to eliminate traffic fatalities and serious injuries by 2027.

- Maintained and repaired 3,065 lane miles of paved roadway, curbs, and gutters, 2,300 miles of sidewalk, 500 acres of landscaped medians and rights-of-way, and promoted the safety, health, and sustainability of the City's urban forest of over 100,000 trees.

- Replaced obsolete PARCS in all the City-owned parking garages with a new advanced management system and completed infrastructure improvements at three garages, which included elevator upgrades and ADA barrier removal for improved accessibility in facilities.

OBJECTIVES FOR FY2017/18

- Add parking meters in core areas and review tier-based pricing options to promote turnover of parking spaces in support of business.

- Adopt a Vision Zero Action Plan toward eliminating traffic related fatalities and severe injuries by 2027.

- Adopt the City's first Intelligent Transportation Systems Master Plan, which will allow better management of traffic signals, reduce congestion and greenhouse gas emissions, and add infrastructure for autonomous vehicles.

- Complete a joint needs assessment with Sacramento County for regional organics/green waste disposal options.

- Create a new solid waste customer welcome packet, including an improved dump coupon distribution process that increases customer utilization.

- Develop a comprehensive landfill management plan that integrates City owned parcels to the west of the 28th Street Landfill and achieves sustained landfill regulatory compliance.

- Develop a new Urban Forestry Master Plan that will employ sound forestry principles to increase efficiency and cost effectiveness in the proactive management of the City's urban forest.

- Establish an inspection and maintenance program for the City floodgates maintained and operated by the Department.

- Pilot a Pedestrian Count Program to evaluate pedestrian activity and assess needs.

- Provide support and advocacy for transportation funding solutions at the federal, state, and local levels, to provide sufficient resources for ongoing maintenance, operations, and modernization of transportation infrastructure and services in the city.

- Modernize parking enforcement handheld units and citation processing to increase efficiency.

- Review and update specific Title 10 codes related to parking and all current policies and procedures.

- Complete the grant funded CNG fuel station at the South Area Corporation Yard.

- Begin the process of obtaining approvals and funding to construct a CNG fuel station at the Meadowview City Service Complex.

- Complete the Facilities Planning Guide, which provides information, transparency, and a listing of planned projects for capital reinvestment. Note: Involves all funds.

- Complete a facility assessment, and establish a capital replacement priority list to be utilized for planning and programing.

- Construct energy efficiency retrofits for community centers and libraries.

POSITION CHANGES

- Add a position to oversee the maintenance of trees in City parks (1.0 FTE Arborist/Urban Forester), offset by the reduction of two vacant positions in Parks and Recreation and increased funding for tree maintenance from the William Land Park Fund.

- Add a position to maintain HVAC systems in new or expanded City facilities (1.0 FTE) HVAC Systems Mechanic and a vehicle, offset by the reduction of a vacant position (1.0 FTE Administrative Analyst).

- A position was transferred to the City Manager Office from Public Works to support citywide functions (1.0 FTE Graphic Designer).

- A vacant position was eliminated (1.0 FTE Security Officer) and the labor budget was transferred to Citywide and Community Support, providing resources for multi-tenant facility security contracts.

Department Budget Summary

Public Works Budget Summary	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Employee Services	60,226,730	62,796,047	69,369,707	69,376,163	70,622,231	1,246,068
Other Services and Supplies	63,870,436	65,814,207	69,872,591	70,858,673	69,452,335	(1,406,338)
City Property	10,212,321	6,538,232	20,361,046	13,811,394	33,061,097	19,249,703
City Debt Service	348	-	-	-	-	-
Transfers	189,249	211,697	-	-	-	-
Labor and Supply Offset	(17,059,523)	(15,985,695)	(17,410,519)	(17,410,269)	(16,790,878)	619,391
Operating Transfers	8,348,860	8,693,047	8,800,500	8,940,500	8,878,200	(62,300)
Total	**125,788,421**	**128,067,535**	**150,993,325**	**145,576,461**	**165,222,985**	**19,646,524**

Funding Summary by Fund/Special District	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
General Fund	9,846,779	10,174,838	11,050,024	10,130,164	12,096,327	1,966,163
12th Street Maint Benefit Area	10,358	16,464	13,100	13,100	8,669	(4,431)
Cal EPA	7,882	6,626	-	-	-	-
Citation I-5 Maintenance	31,180	27,338	25,000	25,000	25,000	-
Del Paso Nuevo Landscaping CFD	15,074	13,979	14,350	14,350	14,891	541
Fleet Management	34,301,419	31,093,226	38,179,419	38,523,559	48,904,458	10,380,899
Gas Tax 2106	7,681,715	8,500,750	9,507,347	10,492,859	10,745,399	252,540
Interdepartmental Service	1,891,737	2,225,126	2,101,794	2,101,794	1,524,163	(577,631)
Laguna Creek Maint Dist	47,626	48,266	43,200	43,200	43,200	-
Land Park	10,919	60,484	20,000	20,000	52,850	32,850
Landscaping and Lighting	10,398,650	10,089,042	10,738,768	10,878,768	11,504,174	625,406
Marina	704,728	767,640	762,861	762,861	736,414	(26,447)
N Nat Lndscp 99-02	350,087	363,722	336,263	336,263	336,263	-
N Natomas Lands CFD 3	446,000	398,271	410,500	410,500	410,500	-
Neighborhood Lighting Dist	20,860	20,860	20,860	20,860	25,009	4,149
Neighborhood Water Quality Dist	41,666	33,567	24,995	24,995	26,592	1,597
New Measure A Maintenance	7,834,214	8,648,189	8,442,429	8,442,429	8,930,697	488,268
Northside Subdiv Maint Dist	3,533	3,065	4,075	4,075	4,075	-
Parking	10,989,706	11,114,137	11,872,203	11,865,703	11,666,544	(199,159)
Power Inn Rd Md 2003-01	8,283	6,386	5,313	5,313	5,725	412
Railyards Maint CFD No 2014-04	-	8,783	48,440	48,440	39,617	(8,823)
Recycling and Solid Waste	39,786,250	42,828,204	56,053,287	50,078,643	56,577,763	6,499,120
SacMaintCFD2014-04 Annex Areas	-	-	-	-	32,928	32,928
SacMaintCFD2014-04 Area 01	-	-	-	-	41,710	41,710
State Route 160	1,781	2,103	-	690	-	(690)
State Route 275	125,289	169,984	-	13,798	-	(13,798)
Storm Drainage	195,000	195,000	195,000	195,000	195,000	-
Street Tree Fee	-	215,161	-	-	-	-
Subdiv Lndscpng Maint Dist	281,712	257,101	254,738	254,738	296,107	41,369
Traffic Safety	654,027	670,200	764,629	764,629	857,821	93,192
Village Garden N.-Mtce Dist #1	16,518	17,365	14,454	14,454	26,786	12,332
Water	-	147	-	-	-	-
Willowcreek Assmnt Md	6,371	15,473	11,600	11,600	11,600	-
Willowcreek Lndscpng CFD	79,057	76,037	78,676	78,676	82,703	4,027
Total	**125,788,421**	**128,067,535**	**150,993,325**	**145,576,461**	**165,222,985**	**19,646,524**

Division Budget Summary

Public Works Division Budgets	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Engineering Services Division	(1,079,277)	(518,571)	(221,129)	(249,129)	(12,229)	236,900
Facilities & Real Property Mgmt Division	4,935,889	4,613,525	4,684,741	4,607,741	5,205,656	597,915
Fleet Management Division	34,301,419	31,093,226	38,179,419	38,523,559	48,904,458	10,380,899
Maintenance Services Division	18,481,159	19,192,152	19,914,624	20,569,624	21,988,119	1,418,495
Office of the Director	2,394,792	2,531,711	2,752,078	2,644,618	2,358,882	(285,736)
Parking Services Division	17,759,044	18,804,273	20,224,859	20,110,359	20,516,312	405,953
Recycling & Solid Waste Division	40,367,540	43,489,797	56,688,887	50,714,243	57,213,363	6,499,120
Transportation Division	8,627,855	8,861,421	8,769,846	8,655,446	9,048,423	392,977
Total	**125,788,421**	**128,067,535**	**150,993,325**	**145,576,461**	**165,222,985**	**19,646,524**

Staffing Levels

Public Works Division Budgets	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Engineering Services Division - Public Works	80.00	77.00	76.00	75.00	75.00	-
Facilities & Real Property Mgmt Division	-	66.00	65.00	65.00	67.00	2.00
Fleet Management Division	-	87.00	86.00	86.00	85.00	(1.00)
Maintenance Services Division	125.25	125.00	123.00	123.00	124.00	1.00
Office of the Director	10.00	20.00	17.00	17.00	14.00	(3.00)
Parking Services Division	130.05	129.05	130.05	130.05	130.05	-
Recycling & Solid Waste Division	-	158.00	159.30	160.30	160.30	-
Transportation Division	70.00	70.00	69.00	69.00	69.00	-
Total	**415.30**	**732.05**	**725.35**	**725.35**	**724.35**	**(1.00)**

PERFORMANCE MEASURES

Facilities & Real Property Management Division

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Percent of all facility work order requests completed within the performance standard	N/A	40%	44%	65%	65%

The facility maintenance staff has been working with limited staffing levels since the downturn of the economy in 2008. This makes it difficult to complete work orders within the established performance standards. Work order categories include 'emergency' with a one-day performance standard, 'priority' with a seven-day performance standard, and 'standard' with a 30-day performance standard.

Fleet Management Division

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Percent of City vehicles available at 6 AM	93%	94.8%	96%	97%	97%

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

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Percent of fleet that uses alternative fuels	20%	21.2%	49%	50%	55%

The California Global Warming Solutions Act of 2006 (Assembly Bill 32) requires California to reduce its GHG emissions to 1990 levels by 2020. From 2005 to 2013, through multiple sustainability initiatives, the City's Fleet Management Division reduced GHG emissions by 36 percent. The Division has a goal to increase zero emission vehicles in the City fleet by three percentage points each year and procure alternative fuel vehicles where feasible.

Maintenance Services Division

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Percentage of roads with a Pavement Quality Index above 70 (good rating)	41.5%	41%	41%	41%	41%

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

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Percentage of 311 service requests for potholes responded to within 48 hours	N/A	44%	69%	80%	85%

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

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Percentage of tree inventory pruned per annual cycle	N/A	125%	84%	90%	95%

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

Parking Services Division

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Revenue generated per parking meter	$699	$953	$1,210	$1,511	$1,550

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

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Marina slips occupancy rate	60%	59%	71%	80%	83%

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

Recycling & Solid Waste Division

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Percent of City collected waste diverted from landfill	40%	44.2%	41%	42%	43%

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

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Number of complaints of missed pickups (per 10,000 containers)	7.31	6.98	7.27	7.00	6.90

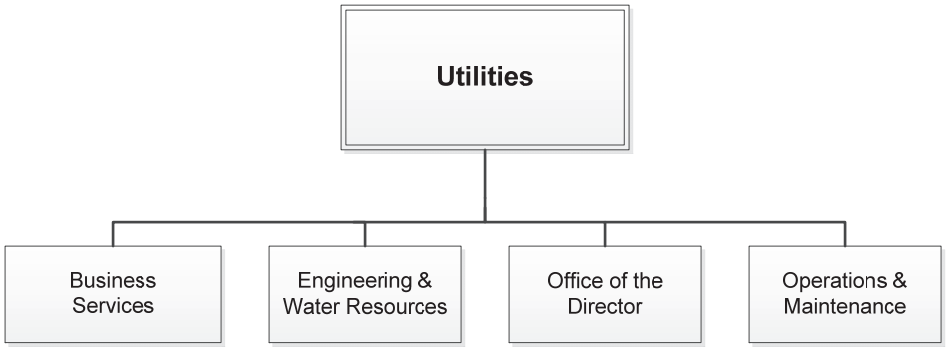
In a given year, City Integrated Waste Equipment Operators service almost 17 million garbage, recycling, and yard waste containers. Complaints of missed collections represent the highest volume of solid waste related calls to City 311; however, the actual number of verifiable service misses represents only a fraction of one percent of the total containers collected annually. The total number of complaints of missed pickups per 10,000 containers serviced spiked in FY2013/14 due to changes in service implemented in July 2013. Missed pickups continue to decline as understanding of the revised residential collection programs improves.

21

SECTION – 21
Utilities

Utilities

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



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

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

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

- Operations and Maintenance: Operates and maintains facilities for water production, wastewater and storm drainage pumping, wet weather combined wastewater treatment, water distribution system, and wastewater and storm drainage collection systems.

PROGRAMS/SERVICE HIGHLIGHTS

- Assisted divisions with delivery of services within approved operating budget.
- Developed Enterprise Fund rates and long-term financing strategies.
- Ensured compliance with drinking water regulations.
- Maintained electrical and mechanical systems for water, wastewater, and storm drainage pump stations, wells, reservoirs and treatment plants.
- Maintained timely and accurate customer service charges.
- Maintained timely customer call wait times.
- Managed and oversaw compliance with regulatory programs.
- Managed capital projects effectively and efficiently.
- Planned long-range growth and maintenance of City infrastructure.
- Provided reliable water, wastewater, and storm drainage services to its customers.
- Provided timely emergency and non-emergency response during business hours and/or after hours.
- Reviewed private development projects to assure consistency with City standards and compliance with federal, state, and local codes.

OBJECTIVES FOR FY2017/18

- Invest in the long-term strategy approved by the Council in 2012 focusing on:
  - Compliance with legislative and regulatory mandates and regulations.
  - Delivering the FY2017/18 CIP.

- Ensuring environmental and regulatory compliance.
- Improving customer service through training, recognition and measuring customer satisfaction.
- Maintaining reliable and high quality utility services.
- Moving the City toward industry best practices for infrastructure replacement and maintenance.
- Using performance measures to track and improve effectiveness and efficiency.
- Updating the City's water and wastewater capital infrastructure.

BUDGET CHANGES

Division	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Business Services	Add positions to support the Customer Information System (CIS) replacement project (3.0 FTE limited term Customer Service Representatives, 1.0 FTE Customer Service Specialist, 1.0 FTE Customer Service Supervisor, and 2.0 FTE Administrative Analysts).	Water	-	556,656	7.00
Engineering & Water Services	Add a position to provide support to the Floodplain Program management and provide technical support over several programs required to maintain compliance with FEMA, U.S. Army Corps of Engineers, and State requirements (1.0 FTE Civil Engineer).	Storm Drainage	-	120,289	1.00
Engineering & Water Services	Add positions to assist with increased drinking water regulatory requirements, analysis of water samples for water quality assessment, and to assist with increased bacteriological testing (1.0 FTE Program Analyst, 1.0 FTE Water Quality Chemist, and 1.0 FTE Water Quality Laboratory Technician.	Water	-	276,582	3.00
Engineering & Water Services	Add a position to provide preventative and predictive maintenance to keep electrical equipment in reliable and safe working condition for the Arc Flash Program. Add services and supplies for DOU system support (1.0 FTE Electrician).	Water	-	176,449	1.00
Operations & Maintenance	Add a position to assist with implementing the Security Master Plan (1.0 FTE Program Analyst).	Storm Drainage	-	111,182	1.00
Operations & Maintenance	Add positions to operate and maintain the new solids handling facilities and heavy equipment (1.0 FTE Plant Operator and 2.0 FTE Senior Maintenance Worker).	Water	-	255,964	3.00
Operations & Maintenance	Add positions to manage and maximize grant funding opportunities and manage ongoing requirements for water system SRF loans' (1.0 Program Analyst and 1.0 Administrative Technician).	Water	-	194,675	2.00
		Total Change	**$ -**	**$ 1,691,797**	**18.00**

POSITION CHANGES

- A position transferred as part of the citywide IT consolidation was transferred back to the Department of Utilities (1.0 FTE Senior Engineering Technician) based on a review of the position duties.

Department Budget Summary

Utilities Budget Summary	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Employee Services	52,719,357	55,319,646	58,051,300	58,053,160	61,642,197	3,589,037
Other Services and Supplies	28,132,870	30,519,248	40,347,264	40,347,264	38,192,876	(2,154,388)
City Property	997,389	831,531	3,400,372	1,570,372	5,412,831	3,842,459
Transfers	(2,066,333)	(604,595)	-	-	-	-
Labor and Supply Offset	787,356	(303,352)	66,440	66,440	2,036,875	1,970,435
Operating Transfers	18,961,076	18,390,141	19,473,508	19,473,508	20,925,330	1,451,822
Total	**99,531,715**	**104,152,619**	**121,338,884**	**119,510,744**	**128,210,109**	**8,699,365**

Funding Summary by Fund/Special District	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
General Fund	74,946	67,408	122,410	124,270	122,410	(1,860)
Community Center	4,983	4,983	4,983	4,983	4,983	-
Fleet Management	180,374	172,122	147,729	147,729	147,729	-
Golf	4,940	3,795	8,550	8,550	8,550	-
Landscaping and Lighting	40,880	23,706	40,000	40,000	40,000	-
N Natomas Lands CFD 3	185,121	255,141	300,000	300,000	300,000	-
Neighborhood Water Quality Dist	211	5,947	3,000	3,000	3,000	-
Northside Subdiv Maint Dist	-	-	8,000	8,000	8,000	-
Parking	1,359	1,359	1,359	1,359	1,359	-
Recycling and Solid Waste	1,823,235	1,810,706	1,737,768	1,737,768	901,223	(836,545)
SacMaintCFD2014-04 Area 01	-	-	-	-	298,120	298,120
Storm Drainage	27,973,640	26,796,541	31,023,966	30,423,966	30,899,003	475,037
Township 9 CFD No. 2012-06	-	-	-	-	9,000	9,000
Wastewater	18,977,080	21,865,046	24,406,122	23,576,122	29,013,246	5,437,124
Water	50,246,901	53,122,621	63,514,997	63,114,997	66,433,485	3,318,488
Willowcreek Assmnt Md	18,045	23,246	20,000	20,000	20,000	-
Total	**99,531,715**	**104,152,619**	**121,338,884**	**119,510,744**	**128,210,109**	**8,699,365**

Division Budget Summary

Utilities Division Budgets	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Business Services Division	7,159,915	8,014,021	7,990,033	7,990,033	7,106,781	(883,252)
Engineering & Water Services Division	11,713,286	12,255,230	12,789,208	12,759,208	14,586,674	1,827,466
Office of the Director - DOU	29,519,312	29,836,582	41,004,659	41,006,519	44,448,615	3,442,096
Operations & Maintenance Division	51,139,202	54,046,785	59,554,984	57,754,984	62,068,039	4,313,055
Total	**99,531,715**	**104,152,619**	**121,338,884**	**119,510,744**	**128,210,109**	**8,699,365**

Staffing Levels

Utilities Division Budgets	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Business Services Division	72.18	71.18	63.18	64.18	70.18	6.00
Engineering & Water Services Division	115.72	125.72	114.72	114.72	120.72	6.00
Office of the Director - DOU	9.00	9.00	9.00	8.00	8.00	-
Operations & Maintenance Division	327.50	332.00	341.00	341.00	347.00	6.00
Total	**524.40**	**537.90**	**527.90**	**527.90**	**545.90**	**18.00**

PERFORMANCE MEASURES

Engineering & Water Services Division

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Number water meters installed/year	2,781	6,900	15,200	2,800	25,000

*Implementation of the accelerated water meter program is contingent upon proposed rate adjustments to be approved by Council. Upon rate adoption, the FY17 goal will be 25,000.

The number of water meters installed is monitored to gauge the City's progress toward meeting the State mandate that all water utility customers have meters installed no later than 2025. In February 2015 Council approved an acceleration of the City's meter program, which is expected to result in the City meeting the State mandate by December 2021. Water meter installation supports the City's Sustainability Master Plan by improving water conservation awareness through metered billing with a monthly statement of water usage to customers, enhances leak detection and furthers the City's progress toward implementing the CA Urban Water Conservation Council Best Management Practices.

Office of the Director Division

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
% water conservation achieved (year-over-year)	6%	22%	27	20	20

*The drought and state reporting purposes the City measures conservation achieved on a calendar year basis. For calendar year 2014, 18.8% water conservation when measured against calendar year 2013.

**From March2015 to February 2016, the City was mandated to achieve 28% water conservation. The City achieved over 28% water conservation for the same period.

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

Operations & Maintenance Division

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Estimate	FY18 Target
Number of sanitary sewer (wastewater) overflows	3.71 per 100 miles	2.76 per 100 miles	1.66 per 100 miles	1.66 per 100 miles	1.66 per 100 miles

*The terms of the consent decree described below require the City to reduce its SSO's to 5 per 100 miles of pipe by FY17.

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

22

SECTION – 22
Citywide and Community Support

Citywide and Community Support

Citywide Support

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

Employee Benefits and Insurance

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

- GLAL - $12.7 million: The City contracts with Bickmore Risk Services (Bickmore), to estimate the annual budget needed to cover claim costs and expenses that will occur in the coming fiscal year and the program's liability for outstanding claims. Bickmore utilizes historical City loss data to forecast the upcoming fiscal year's cost of claims and expenses at various confidence levels. The City utilizes the actuary's forecast at the recommended 80% confidence level when budgeting for claim costs and expenses. The General Fund contribution for GLAL is budgeted in this Division, while contributions from the other funds are budgeted in the managing department's section (e.g., Solid Waste Fund contributions are in Public Works). Consistent with Council's adopted policy, to maintain this funding level, the Budget includes the required contributions for all funds.

- Employee Benefits: In the General Fund vacation and sick termination payoffs are budgeted at an estimated level. At year-end, funds are transferred from this program to reimburse actual costs incurred by departments (on a proportional basis if actual expenditures exceed the budget).
    - $1.4 million to cover the cost of employee vacation/sick leave termination, leave payouts authorized by labor contracts, and unrepresented employee labor adjustments.
    - $0.5 million to address the impact of the minimum wage increase from $10.50 to $11.00 per hour effective January 1, 2018.

Citywide Maintenance Contracts and Utilities

- Information Technology Maintenance and Support Contracts ($2.1 million): Funds major contracts and support for the City's human resources, financial and budgeting systems. The non-General Fund costs associated with these services are recovered through the cost allocation plan. Based on a review of prior year actuals and anticipated needs in FY2017/18 the budget was increased by approximately $200,000.

- Multi-tenant City-owned Buildings ($2.8 million): This budget pays for utilities at the various City-owned buildings. The costs for non-General Fund operations are recovered through the City's cost allocation plan. Based on a review of prior year actuals, no changes are recommended.

Multi-Year Operating Projects (MYOP)

Funding for these programs are moved into specific projects after the budget is approved. ($54 million, $5.4 million in the General Fund): These projects support operating activities that cross fiscal years (fleet acquisitions, utility rate assistance program, Measure U programs, studies, etc.) and are detailed on Schedule 9. Additional information on MYOP programming is included in the various department sections.

Miscellaneous

- Elections ($300,000) – The elections budget is used to fund the cost of regular and special elections, as well as increased costs associated with special ballot measures and petition verification. Based on a review of prior year actuals, no change to this budget is recommended.

- Litigation ($60,000) – The litigation budget covers the cost of citywide litigation, used annually as necessary.

- RASA ($50,000) – In response to AB 26, the City became the recognized RASA effective February 1, 2012, for all non-housing functions and obligations. As the RASA, the City is entitled to be reimbursed for administrative costs associated with managing the transfer of non-housing assets, legal concerns, cash and debt management, and other administrative obligations. Under AB 26, the administrative budget to pay for staff costs to perform RASA duties is limited to 3% of the property tax allocated to the RASA. The City receives $250,000 in revenue for staff support provided by the City Attorney's Office, Finance, and other departments.

Transient Occupancy Tax (TOT):

The City's TOT rate is currently 12%. The General Fund receives 2% of the 12% tax rate ($4.5 million in FY2017/18); the balance goes to the Community Center Fund. A portion of these revenues are used to support the Sacramento Metropolitan Arts Commission (SMAC) and the SCVB as detailed below, the remainder are used to offset the increased cost of providing public services to local tourists.

Community Support

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

City/County

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

Local Partners

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

- Property and Business Improvement Districts (PBIDs) - $14.8 million: PBIDs were created as a financing mechanism where property owners approve a special assessment to improve their commercial districts. The City currently collects and remits the assessments for 17 different PBIDs throughout the City.

- SCVB - $1.9 million: The SCVB receives $1.4 million from the 10 percent TOT that is deposited in the Community Center Fund (amount and increases are voter approved) and $473,248 from the two percent TOT allocated to the General Fund.

- SMAC County Funding Match - $150,000: The Citywide and Community Support budget includes funding to match County of Sacramento funding for administrative support. When agreements for the County funding are brought forward to the Council for approval this funding will be provided as a match. The remainder of funding to SMAC, from the two percent TOT allocated to the General Fund, is contained in the Convention and Cultural Services Department section.

- SPLA - $16,534,579: The City has 12 libraries located within the boundaries of the City which are operated by the SPLA under a Joint Powers Agreement (JPA).

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

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

- Measure B, approved by a margin of 73.01% on June 3, 2014.
    - Measure B was designed to stabilize and sustain library operations in the 12 City libraries.
- Measure X, previously approved in 1996 and 2004, was renewed by a margin of 79.12% on June 7, 2016.
    - Measure X was very specific in that it could only be used for added services, staff and technology and provided approximately 33% of the City's contribution for library services and currently bears the burden of operating the three new City libraries.
    - The renewed measure provides more flexibility in that it allows the funds to be used to maintain and add services, staff and technology.

These parcel taxes combined, provide approximately $7.65 million, an increase of over $200,000 from FY2016/17. Both measures include a MOE provision that requires prior-year reductions to General Fund operating revenue to be restored if the City provides additional funding to its non-public safety programs.

Despite these victories at the ballot box, the Library continues to lose money because the General Fund contribution has not been fully restored to pre-recession levels. The Library uses funds from its reserves to become whole and operate the City's libraries. The SPLA General Fund reserves are so low that in FY2016/17 the Library Authority Board waived the requirement to maintain the 10% Economic Uncertainty Reserve (*separate from the City's General Fund EUR*) established for City library operations.

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

The City has been working with Library staff to understand the long-term financial needs and challenges they are facing. For the first time since the recession the General Fund contribution to the library is being increased by $1.25 million in FY2017/18, for a total contribution of $8.38 million. While this increase is significant, the City's General Fund contribution is still almost 11% lower than when there were only nine City libraries.

The five-year forecast includes increases over the term restoring the General Fund contribution to the pre-recession level by FY2022/23. Staff are working together to evaluate the library funding needs given the changes approved for Measure X and the increased contributions included in the budget and five-year forecast. Additional

information on the libraries funding needs will be provided in the Midyear Review and/or the FY2018/19 budget.

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

County Property Taxes and Charges

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

Fund Contingency (Reserves)

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

Economic Uncertainty Reserve (EUR)
The EUR was established in FY1983/84 and in June 2011 the Council adopted a goal of having 10% of annual General Fund revenues in the EUR. On April 26, 2016, the Council adopted an 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 two months of regular ongoing General Fund expenditures (approximately 17% of General Fund revenues) in the reserve.

The EUR balance is estimated to be $46.95 million on July 1, 2016, which is approximately 10.1% of estimated FY2017/18 General Fund revenues.

Other Sources and Uses
Other sources and uses in the General, Enterprise, Internal and Other Governmental Funds total $21.8 million. The $9.04 million in the General Fund represents FY2015/16 year-end resources discussed during the Midyear Review for the following priority programs:

- Affordable Housing
- Neighborhood Services
- Transportation
- Youth

Additional information and discussion related to Council priorities will be provided during the budget hearings.

Beginning Fund Balances

Beginning Fund balances of the General, Enterprise, Internal, and Other Governmental Funds total $324.8 million which represent available resources from the FY2015/16CAFR and anticipated activity in FY2016/17. Beginning balance by fund is included in the Budget Schedules section (Schedules 2A-2C). In the General Fund the beginning fund balance is the result of significant revenue increases approved in the FY2016/17 Midyear Review and unallocated FY2015/16 year-end results ($9.04 million).

Ending Fund Balances

Projected ending fund balances of the General, Enterprise, Internal, and Other Governmental Funds total $306.45 million. Ending balance by fund is included in the Budget Schedules section (Schedules 2A-2C). The available balance of Enterprise and Internal Service Funds may only be used for the specific purpose of the individual fund.

Major Tax Revenues

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

Retired/Transfer Employee Benefits

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

- OPEB - $10.8 million ($9 million General Funds): The cost of retiree/beneficiary health and dental insurance premiums for approximately 2,000 retirees.

- SCERS - $8.6 million ($5.9 million General Funds): The required contribution ($8.3 million) to ensure the continued stability of the program plus the required repayment ($315,000) to the SCERS trust fund related to errors in benefit payments identified in the 2015 actuarial pension calculation review. Based on this repayment plan, the SCERS trust fund will be fully repaid within nine years. As of June 30, 2016, there were 1,138 participants (16 active) in SCERS.

- OPEB Trust - $1.5 million ($1.3 million General Funds) contribution: This represents funding to address the City's OPEB liability (estimated at $363 million as of June 30, 2015) and includes $306,194 for the City's contribution to the Fire Department OPEB Trust.

Citywide and Community Support Budget Summary

Citywide and Community Support Budget Summary	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Employee Services	22,305,795	27,506,598	65,300,660	64,918,295	66,196,471	1,278,176
Other Services and Supplies	50,223,446	53,987,310	63,147,361	62,536,255	68,698,535	6,162,280
City Property	36,591	1,385	649,400	300,931	1,219,115	918,184
Transfers	32,778	-	-	-	-	-
Labor and Supply Offset	(1,702,136)	83,658	12,110	12,110	(166,514)	(178,624)
Contingency	-	-	1,000,000	2,620,000	1,000,000	(1,620,000)
Operating Transfers	195,367	(329,370)	(140,374)	(620,374)	(490,030)	130,344
Total	**71,091,841**	**81,249,581**	**129,969,157**	**129,767,217**	**136,457,577**	**6,690,360**

Funding Summary by Fund/Special District	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
General Fund	43,240,761	49,918,845	55,168,657	59,008,442	55,828,243	(3,180,199)
4th R Program	15,885	13,255	41,731	41,731	41,731	-
Art In Public Places Projects	-	-	271,000	271,000	-	(271,000)
Community Center	1,342,829	1,473,343	1,518,945	1,518,945	1,550,451	31,506
Crocker Master Tr-General	-	-	210,000	210,000	-	(210,000)
Cty/Cnty Office-Water Planning	437,013	405,612	1,056,764	1,056,764	782,961	(273,803)
Del Paso PBID	-	-	35,000	33,000	33,000	-
Del Paso Prop & Business Imprv	365,988	461,195	478,465	474,535	474,535	-
Development Services	55,297	99,554	-	-	-	-
Downtown Management District	2,604,960	2,700,454	2,715,203	2,940,474	2,940,474	-
Downtown Plaza PBID	-	-	33,205	42,653	42,653	-
Fleet Management	154,803	152,072	460,847	460,847	460,847	-
Franklin Blvd PBID	-	-	58,578	38,495	38,495	-
Franklin Boulevard PBID	139,681	138,362	138,362	139,804	139,804	-
Gas Tax 2106	-	-	140,000	(1,947,067)	-	1,947,067
Greater Broadway PBID	261,090	278,457	276,095	276,348	276,348	-
Habitat Management Element	905,379	500,571	445,003	445,003	455,170	10,167
Innovation and Growth	-	-	200,000	200,000	1,200,000	1,000,000
Interdepartmental Service	1,209,802	1,432,376	1,203,793	1,203,793	1,553,854	350,061
Kings-Arco Arena Acquisition	-	1,640,000	-	-	-	-
Library Services Parcel Tax	6,860,277	7,134,579	7,410,344	7,410,344	7,648,979	238,635
Mack Road PBID	408,082	633,894	648,374	645,636	645,636	-
Measure U	506,061	506,061	44,601,149	41,500,560	47,887,834	6,387,274
Midtown Sacramento PBID	659,071	655,465	680,467	1,524,256	1,524,256	-
N Natomas Transp Mgmt Assoc	1,090,628	1,113,674	1,200,000	1,200,000	1,250,000	50,000
Oak Park PBID	232,920	223,094	238,327	317,724	317,724	-
Old Sacramento PBID	-	-	166,000	156,505	156,505	-
Parking	151,583	271,066	267,168	267,168	267,168	-
Power Inn Area Prop & Business	494,688	515,338	526,028	515,267	515,267	-
Private Development	44,390	67,085	-	-	-	-
Recycling and Solid Waste	1,596,068	1,587,128	1,618,443	1,618,443	1,618,443	-
Risk Mgmt	13,500	16,218	16,294	(476,858)	16,294	493,152
Sac Tourism Marketing District	5,106,961	5,586,303	5,076,400	5,586,000	5,586,000	-
Sheraton MOPA Project	159,480	142,024	-	-	-	-
START	4,724	5,543	8,612	8,612	8,612	-
Stockton Blvd BIA	-	-	61,838	45,869	45,869	-
Stockton Blvd PBID	310,947	320,779	320,779	330,448	330,448	-
Storm Drainage	584,586	725,757	572,103	572,103	572,103	-
The River District PBID	442,243	461,829	469,415	494,605	494,605	-
Wastewater	439,676	459,969	423,920	423,920	423,920	-
Water	1,233,661	1,558,463	1,193,808	1,193,808	1,303,808	110,000
Worker's Compensation	18,807	51,215	18,040	18,040	25,540	7,500
Total	**71,091,841**	**81,249,581**	**129,969,157**	**129,767,217**	**136,457,577**	**6,690,360**

Division Budget Summary

Citywide and Community Support Division Budgets	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Citywide Support Division	15,787,846	20,087,315	70,345,800	68,599,777	76,100,782	7,501,005
Community Support Division	26,134,374	26,117,295	33,203,659	34,842,742	35,575,089	732,347
County Property Taxes & Charges	2,363,239	2,154,863	2,480,000	2,405,000	2,444,500	39,500
Fund Contingency Division	500,000	-	1,000,000	980,000	1,000,000	20,000
Major Tax Revenues Division	6,219,511	5,945,013	400,000	400,000	375,000	(25,000)
Retired/Transfer Emp Benefit 1530 Division	20,086,871	26,945,096	22,539,698	22,539,698	20,962,206	(1,577,492)
Total	**71,091,841**	**81,249,581**	**129,969,157**	**129,767,217**	**136,457,577**	**6,690,360**

Staffing Levels

Citywide and Community Support Division Budgets	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Community Support Division	21.00	5.00	5.00	5.00	5.00	-
Total	**21.00**	**5.00**	**5.00**	**5.00**	**5.00**	**-**

Debt Service

The **Debt Service Program** finances the cost of capital improvements through revenue bonds, capital leases, notes payable, special tax bonds, or advances from other funds. Debt service payments are generally made in semi-annual installments. This budget contains debt service payments for all funds. A five-year projection on net debt service by fund is included in the Budget Schedules section (Schedule 10).

Central to debt management is ensuring the City's compliance with Federal, State and local regulations. Other duties of this function include bond payments, maintenance of credit ratings, facilitating project fund draws to ensure spend down in accordance with expenditure requirements mandated by the Internal Revenue Services (IRS), meeting the reporting requirements of the Municipal Securities Rulemaking Board and the IRS and the California Debt and Investment Advisory Commission, and determining annual assessment levies.

The City Treasurer (a Charter Officer) is responsible for issuing debt on behalf of City Departments, City agencies, assessment districts, community facilities districts and other qualified entities. Additionally, the City Treasurer's office provides support to the City Finance and Economic Development Departments on the maintenance of redevelopment-related debt. Typical debt structures include revenue bonds, lease revenue bonds, land-based financings, notes, and small-equipment leases (direct placement loans). Debt may be issued with fixed or variable rate interest structures.

Debt Limit

The City had approximately $1.4 billion in General Fund lease obligations ($577.5 million net of offsets) as of June 30, 2016. 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, 2016, the City had no General Fund Obligation Bonds outstanding and had a total debt limit of $6.1 billion associated with general obligation debt.

Summary of the City and Related Agencies Outstanding Debt

The following summarizes what is included in the Debt Service Divisions:

- **2006 Capital Improvement Revenue Bonds (CIRBs), Series B, D and E** - included General Fund backed lease revenue bonds for CRCIP projects supporting community non-profit organizations *(Crocker Art Museum Association, B Street Theater, Sacramento Performing Arts, community non-profit organizations for the arts and youth)* which included loan agreements for some of the borrowed debt, and (2) refinancing of remaining debt associated with the 2001 CIRBs *(water and golf capital improvement projects [CIPs])*, 2002 CIRBs *(Civic Center, SHRA projects and other CIPs)*, and the 2003 CIRB *(911 call center and other CIPs)*.
    - Consistent with prior Council direction, approximately $312,000 in revenues from the land sale of property at the auto dealership sites on Fulton Avenue have been appropriated to reduce General Fund debt

service associated with the 2006 Series B Capital Improvement Revenue Bonds (CIRBs).

- **2013 Wastewater Revenue Bonds** - Financed the electrical rehabilitation and reconstruction of wastewater sumps and motor-control centers, replacement of aging infrastructure and Combined Sewer System pipelines and addition of a regional storage facility.
- **2013 Water Revenue Bonds** - Financed the rehabilitation of significant components of the City's water treatment plants, acquisition and installation of water meters, replacement of aging pipelines, rehabilitation of groundwater wells and other miscellaneous projects.
- **2015 Golden 1 Center (G1C) Lease Revenue Bonds** - Financed the acquisition, construction, installation, and equipping of the Golden 1 Center in downtown.
- **2015 Refunding Revenue Bonds** - Refunded (1) 2002 CIRB Series A which financed City Hall and SHRA Capital Improvement (CIPs), (2) 2003 CIRB which financed the 911 call center and other CIPs, (3) 2005 Refunding Revenue Bonds for solid waste, redevelopment and master lease program facilities, and (4) 2006 CIRB Series A & C which included General Fund backed lease revenue bonds to finance Tier 1 Community Reinvestment Capital Improvement Program (CRCIP) projects *(three new libraries, four community center renovations, regional park improvements, a new cattery building, and improvements to fairytale town, discovery museum, neighborhood/community lighting and transportation facilities)* for the City and SHRA CIPs.
- **CA Department of Boating and Waterways (B&W) Loan** - Financed the expansion of the north and south basins of the City's Marina.
- **Kings-Arco Arena Bonds** - Financed the acquisition of the ARCO Arena.
- **Miscellaneous Debt** - Financing for the acquisition, replacements, restorations, modifications and improvements of various equipment (fleet, vehicles, parking meters, garbage cans, and elevator equipment. Included in this are the (1) American Recovery and Reinvestment Act (ARRA), Marina, and CIEBD loans, (2) financed improvements in assessment and community facility districts, (3) financed improvement in various redevelopment project areas, and (4) refinancing of the remaining balances of the (a) Certificate of Participation (COP) for the 1986 Public Facilities project, (b) COP for the community center and Executive Airport projects, (c) the 1991 Revenue Bonds for the acquisition, construction and improvement of various City facilities.
- **State Revolving Fund Loan** - Financed various wastewater improvements associated with Sump 1/1A, Sump 2, Tahoe Park/Broadway Parallel, UC Davis Medical Center Storage, and the Land Park Sewer.

Department Budget Summary

Debt Service Budget Summary	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
Other Services and Supplies	61,300	9,638,856	-	-	-	-
City Debt Service	100,111,566	239,542,148	103,404,912	103,404,912	103,391,483	(13,429)
Labor and Supply Offset	-	68,538	-	-	-	-
Total	**100,172,866**	**249,249,542**	**103,404,912**	**103,404,912**	**103,391,483**	**(13,429)**

Funding Summary by Fund/Special District	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
General Fund	23,693,982	22,804,887	27,267,392	27,267,392	27,705,530	438,138
1993 Series B Cop	-	694	-	-	-	-
2002 Cap Inpr Bds Debt Service	90,914	139,357	-	-	-	-
2002 Capital Improv. Revenue Bonds	5,418	-	-	-	-	-
2005 Refunding Revenue Bonds	3,579,923	151	-	-	-	-
2006 CIRBs, Series B (CRCIP)	1,606,525	4,266,880	1,519,022	1,519,022	1,518,853	(169)
2006 CIRBs (Refunding), Series E	104,466	104,466	104,466	104,466	104,466	-
2006 CIRBs Ser A (CRCIP)	2,299,036	10,205,772	-	-	-	-
2006 CIRBs Ser D	-	1	-	-	-	-
2015 Golden 1 Center Revenue Bonds	(2,031,201)	228,533,943	9,371,841	9,371,841	11,896,842	2,525,001
2015 Refunding Revenue Bond	-	125,913,401	-	-	-	-
2016 Lease Financing-H Street	-	9,115,000	-	-	669,939	669,939
Community Center	9,960,771	10,197,290	10,190,953	10,190,953	8,179,039	(2,011,914)
Crocker Art Museum Expansion	-	2,500,000	-	-	-	-
Debt Service - Other City Debt	102,599	102,599	102,599	102,599	102,599	-
Debt Service-93 Series A	24,855	15,602	-	-	-	-
Debt Service-93 Series B	267,964	200,247	-	-	-	-
Fleet Management	95,191	55,280	95,018	95,018	95,071	53
Golden 1 Center	-	(223,130,100)	-	-	-	-
Golf	1,183,550	1,824,749	1,167,891	1,167,891	1,167,984	93
Innovation and Growth	-	(2,500,000)	-	-	-	-
Kings-Arco Arena Acquisition	5,599,302	6,317,979	5,758,070	5,758,070	5,953,976	195,906
Landscaping and Lighting	585,143	1,132,490	580,538	580,538	-	(580,538)
Marina	659,885	659,885	1,321,731	1,321,731	1,321,731	-
NNFP Public Facilities Fee	5,763,280	1,875,223	1,311,957	1,311,957	1,899,280	587,323
NNFP Reg Park Land Acquisition	432,725	422,453	1,000,696	1,000,696	422,046	(578,650)
Parking	8,740,100	9,774,347	7,076,945	7,076,945	7,073,473	(3,472)
Recycling and Solid Waste	4,127,571	5,441,798	3,394,936	3,394,936	2,299,062	(1,095,874)
Storm Drainage	3,661,884	3,593,181	3,657,909	3,657,909	3,656,701	(1,208)
Wastewater	2,473,325	2,978,254	3,032,831	3,032,831	2,880,160	(152,671)
Wastewater Revenue Bonds	9,570	14,073	-	-	-	-
Water	27,093,720	26,608,139	26,450,117	26,450,117	26,444,731	(5,386)
Water Revenue Bonds	42,368	81,500	-	-	-	-
Total	**100,172,866**	**249,249,542**	**103,404,912**	**103,404,912**	**103,391,483**	**(13,429)**

Division Budget Summary

Debt Service Division Budgets	FY2014/15 Actuals	FY2015/16 Actuals	FY2016/17 Approved	FY2016/17 Amended	FY2017/18 Proposed	Change More/(Less) Proposed/Amended
2006 CIRBs Series B, D, E Division	15,077,896	13,777,734	13,529,692	13,529,692	13,041,113	(488,579)
2013 Wastewater Revenue Bonds Division	1,405,331	1,955,431	1,955,431	1,955,431	1,956,731	1,300
2013 Water Revenue Bonds Division	14,012,750	14,019,625	14,016,000	14,016,000	14,017,500	1,500
2015 G1C Lease Revenue Bonds Division	2,833,549	11,442,294	14,871,841	14,871,841	18,296,842	3,425,001
2015 Refunding Revenue Bonds Division	-	165,357,849	24,772,612	24,772,612	23,714,462	(1,058,150)
CA Department of B&W Loan Division	102,599	102,599	102,599	102,599	772,538	669,939
Kings/Arco Arena Division	5,602,752	5,771,429	5,758,070	5,758,070	5,953,976	195,906
Miscellaneous Division	57,701,052	33,385,643	24,961,728	24,961,728	22,201,379	(2,760,349)
State Revoloving Fund Loan Division	3,436,937	3,436,938	3,436,939	3,436,939	3,436,942	3
Total	**100,172,866**	**249,249,542**	**103,404,912**	**103,404,912**	**103,391,483**	**(13,429)**

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SECTION – 23
Staffing

FY2017/18 Proposed Budget
Citywide Staffing Summary

Department	FY2016/17 Amended[1]	Council Action[2]	Augmentations	Add/Deletes & Reorganization	FY2017/18 Proposed
Mayor/Council	45.00	-	-	-	45.00
City Attorney	50.00	-	-	-	50.00
City Clerk	18.00	-	-	(1.00)	17.00
City Manager	15.00	-	1.00	1.00	17.00
City Treasurer	13.00	-	-	-	13.00
Community Development	239.00	4.00	6.00	-	249.00
Convention and Cultural Services	115.69	-	-	(0.50)	115.19
Economic Development	11.00	-	-	-	11.00
Finance	89.00	1.00	2.00	-	92.00
Fire	678.00	1.00	-	(6.00)	673.00
Human Resources	73.92	-	2.08	-	76.00
Information Technology	141.40	-	12.50	28.00	181.90
Parks and Recreation	689.21	-	8.88	(1.68)	696.41
Police	1,058.46	6.00	-	(24.00)	1,040.46
Public Works	725.35	-	-	(1.00)	724.35
Utilities	527.90	-	18.00	-	545.90
Citywide and Community Support	5.00	-	-	-	5.00
Total	**4,494.93**	**12.00**	**50.46**	**(5.18)**	**4,552.21**

[1]FY2016/17 Amended includes correction to two positions from the midyear FTE total by 0.16 FTE.

FY2016/17 Amended includes 3.25 FTE Council approved positions for Parks & Recreation, 1.0 FTE Council approved position for City Clerk, and 11.0 FTE Council approved positions for the Marijuana Policy & Enforcement Program for FY2016/17.

[2]Council action includes 12.0 FTE positions for the Marijauna Policy & Enforcement Program for FY2017/18.

Mayor/Council	FY2016/17 Amended	FY2017/18 Proposed	Change
Administrative Analyst	1.00	1.00	-
Administrative Assistant	1.00	-	(1.00)
Assistant City Auditor	1.00	1.00	-
Auditor	2.00	2.00	-
Chief of Staff to the Mayor	1.00	1.00	-
City Auditor	1.00	1.00	-
City Council	4.00	4.00	-
Director of Public Safety Accountability	1.00	1.00	-
Executive Assistant (MC)	12.00	13.00	1.00
Fiscal Policy Analyst	1.00	1.00	-
Independent Budget Analyst	1.00	1.00	-
Mayor	1.00	1.00	-
Program Specialist	1.00	1.00	-
Senior Advisor to the Mayor	3.00	3.00	-
Senior Auditor	2.00	2.00	-
Senior Council Representative	8.00	8.00	-
Senior Fiscal Policy Analyst	1.00	1.00	-
Special Assistant to the Mayor	1.00	1.00	-
Staff Aide (MCSA)	2.00	2.00	-
Total	**45.00**	**45.00**	**-**

City Attorney	FY2016/17 Amended	FY2017/18 Proposed	Change
Assistant City Attorney	2.00	2.00	-
City Attorney	1.00	1.00	-
Deputy City Attorney II	3.00	3.00	-
Investigator	1.00	1.00	-
Law Office Administrator	1.00	1.00	-
Legal Secretary (Ex)	7.00	7.00	-
Legal Staff Assistant (Ex)	1.00	1.00	-
Paralegal (Ex)	3.00	3.00	-
Paralegal Technical Support	1.00	1.00	-
Senior Deputy City Attorney[1]	23.00	23.00	-
Senior Legal Staff Assistant (Ex)	1.00	1.00	-
Special Assistant to City Attorney	1.00	1.00	-
Supervising Deputy City Attorney	3.00	3.00	-
Supervising Legal Secretary	2.00	2.00	-
Total	**50.00**	**50.00**	**-**

[1] 1.0 FTE position added for Marijuana Policy & Enforcement Program through Council action for FY2016/17 (1.0 Senior Deputy City Attorney).

City Clerk	FY2016/17 Amended	FY2017/18 Proposed	Change
Assistant City Clerk	2.00	1.00	(1.00)
City Clerk	1.00	1.00	-
Council Operations Manager	1.00	1.00	-
Deputy City Clerk	6.00	6.00	-
Executive Assistant (MC)	1.00	1.00	-
Program Specialist	2.00	2.00	-
Senior Deputy City Clerk	2.00	2.00	-
Staff Aide[1]	1.00	1.00	-
Staff Assistant (MC)	1.00	1.00	-
Ticket Policy and Event Services Manager	1.00	1.00	-
Total	**18.00**	**17.00**	**(1.00)**

[1]1.0 FTE Staff Aide added through Council action for FY2016/17.

City Manager	FY2016/17 Amended	FY2017/18 Proposed	Change
Administrative Analyst (Rep20)	1.00	1.00	-
Assistant City Manager	3.00	3.00	-
Assistant to the City Manager	1.00	1.00	-
City Manager	1.00	1.00	-
Director of Governmental Affairs	1.00	1.00	-
Diversity and Equity Manager	1.00	1.00	-
Executive Assistant (CMO)	2.00	2.00	-
Graphic Designer	-	1.00	1.00
Media and Communications Officer	1.00	1.00	-
Media and Communications Specialist	1.00	1.00	-
Program Analyst	-	1.00	1.00
Program Specialist	1.00	-	(1.00)
Special Projects Manager	2.00	3.00	1.00
Total	**15.00**	**17.00**	**2.00**

City Treasurer	FY2016/17 Amended	FY2017/18 Proposed	Change
Administrative Analyst	1.00	1.00	-
Banking Operations Manager	1.00	1.00	-
Chief Investment Officer	1.00	1.00	-
City Treasurer	1.00	1.00	-
Investment Officer	1.00	1.00	-
Investment Operations Analyst	1.00	1.00	-
Senior Debt Analyst	2.00	2.00	-
Senior Investment Officer	1.00	1.00	-
Treasury Analyst	2.00	2.00	-
Treasury Assistant	1.00	1.00	-
Treasury Manager	1.00	1.00	-
Total	**13.00**	**13.00**	**-**

Community Development	FY2016/17 Amended	FY2017/18 Proposed	Change
Account Clerk II	4.00	4.00	-
Accountant Auditor	1.00	1.00	-
Accounting Technician	3.00	3.00	-
Administrative Analyst	2.00	2.00	-
Administrative Assistant	2.00	2.00	-
Administrative Technician	2.00	2.00	-
Animal Care Services Manager	1.00	1.00	-
Animal Care Technician	14.00	14.00	-
Animal Control Officer I[(2)]	6.00	3.00	(3.00)
Animal Control Officer II	3.00	7.00	4.00
Assistant Architect	1.00	1.00	-
Assistant Civil Engineer	1.00	1.00	-
Assistant Code Enforcement Officer	-	1.00	1.00
Assistant Planner	6.00	6.00	-
Associate Civil Engineer	1.00	1.00	-
Associate Planner	14.00	15.00	1.00
Building Inspector I[(1)(2)]	10.00	11.00	1.00
Building Inspector II	4.00	4.00	-
Building Inspector III	28.00	28.00	-
Building Inspector IV	10.00	10.00	-
Chief Animal Control Officer	1.00	1.00	-
Chief Building Official	1.00	1.00	-
Code and Housing Enforcement Chief	1.00	1.00	-
Code Enforcement Manager	1.00	1.00	-
Code Enforcement Officer[(1)(2)]	22.00	24.00	2.00
Customer Service Representative	17.00	17.00	-
Customer Service Specialist	6.00	6.00	-
Customer Service Supervisor	1.00	1.00	-
Deputy Chief Building Official	1.00	1.00	-
Development Services Technician I	5.00	5.00	-
Development Services Technician II	4.00	4.00	-
Director of Community Development	1.00	1.00	-
Junior Development Project Manager	4.00	4.00	-
Junior Planner	1.00	1.00	-
Painter	1.00	1.00	-
Permit Services Manager	1.00	1.00	-
Planning Director	1.00	1.00	-
Principal Building Inspector	2.00	2.00	-
Principal Planner	5.00	6.00	1.00
Program Analyst	6.00	6.00	-
Program Manager	2.00	2.00	-
Program Specialist	3.00	4.00	1.00
Registered Veterinary Technician	2.00	2.00	-
Senior Accountant Auditor	1.00	1.00	-
Senior Accounting Technician	1.00	1.00	-
Senior Animal Care Technician	3.00	3.00	-

Community Development (continued)	FY2016/17 Amended	FY2017/18 Proposed	Change
Senior Animal Control Officer	1.00	1.00	-
Senior Architect	1.00	1.00	-
Senior Code Enforcement Officer	4.00	4.00	-
Senior Development Project Manager	2.00	2.00	-
Senior Engineer	1.00	1.00	-
Senior Planner	7.00	7.00	-
Staff Aide (Management)	1.00	-	(1.00)
Staff Aide (Office and Technical)	-	1.00	1.00
Staff Aide (Supervisory)	1.00	1.00	-
Supervising Architect	-	1.00	1.00
Supervising Building Inspector	6.00	7.00	1.00
Supervising Engineer	1.00	1.00	-
Support Services Manager	1.00	1.00	-
Urban Design Manager	1.00	1.00	-
Veterinarian	2.00	2.00	-
Youth Aide	1.00	1.00	-
Zoning Investigator	2.00	2.00	-
Total	**239.00**	**249.00**	**10.00**

(1)3.0 FTE positions added for Marijuana Policy & Enforcement Program through Council action for FY2016/17 (1.0 Building Inspector and 2.0 Code Enforcement Officer).

(2)4.0 FTE positions added for Marijuana Policy & Enforcement Program through Council action for FY2017/18 (1.0 Code Enforcement Officer, 1.0 Building Inspector, and 2.0 Code Enforcement Officer).

Convention and Cultural Services	FY2016/17 Amended	FY2017/18 Proposed	Change
Accounting Technician	1.00	1.00	-
Administrative Analyst	4.00	4.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	3.00	3.00	-
Administrative Technician	1.00	1.00	-
Archivist	2.00	2.00	-
Art Museum Registrar	1.00	1.00	-
Arts Administrator	1.00	1.00	-
Arts in Public Places Specialist	1.00	1.00	-
Arts Program Assistant	2.00	2.00	-
Arts Program Coordinator	2.00	2.00	-
Assistant Box Office Supervisor	2.00	2.00	-
Associate Curator of Art	1.00	1.00	-
Booking Coordinator	2.00	2.00	-
Community Center Attendant I	19.94	19.94	-
Community Center Attendant II	7.00	7.00	-
Convention Center General Manager	1.00	1.00	-
Cultural Services Manager	1.00	1.00	-
Curator of Art	1.00	1.00	-
Curator of Education	1.00	1.00	-
Curator of History	1.00	1.00	-
Customer Service Specialist	1.00	1.00	-
Deputy Convention Center General Manager	1.00	1.00	-
Director of Convention and Cultural Services	1.00	1.00	-
Events Associate	10.00	10.00	-
Events Coordinator	2.00	2.00	-
Events Duty Person	2.00	2.00	-
Events Services Manager	2.00	2.00	-
Events Services Supervisor	5.00	5.00	-
Facilities & Real Property Superintendent	1.00	1.00	-
Historic District Manager	1.00	1.00	-
Lead Events Associate	2.00	2.00	-
Marina Aide	1.20	1.20	-
Mechanical Maintenance Supervisor	1.00	1.00	-
Metropolitan Arts Manager	1.00	1.00	-
Museum Security Supervisor	1.00	1.00	-
Senior Personnel Transaction Coordinator	1.00	1.00	-
Staff Aide (Management)	1.00	1.00	-
Stagehand I	3.25	2.75	(0.50)
Stagehand II	1.00	1.00	-
Stationary Engineer	5.00	5.00	-
Supervising Community Center Attendant	3.00	3.00	-
Ticket Seller	7.30	7.30	-
Typist Clerk II	1.00	1.00	-
Zoo Attendant I	3.00	3.00	-
Zoo Attendant II	2.00	2.00	-
Total	**115.69**	**115.19**	**(0.50)**

Economic Development	FY2016/17 Amended	FY2017/18 Proposed	Change
Administrative Assistant	1.00	1.00	-
Director of Economic Development	1.00	1.00	-
Economic Development Manager	1.00	1.00	-
Junior Development Project Manager	2.00	2.00	-
Principal Planner	1.00	1.00	-
Senior Development Project Manager	5.00	5.00	-
Total	**11.00**	**11.00**	**-**

Finance	FY2016/17 Amended	FY2017/18 Proposed	Change
Account Clerk I	1.00	1.00	-
Account Clerk II	6.00	6.00	-
Accountant Auditor	1.00	1.00	-
Accounting Manager	1.00	1.00	-
Accounting Technician	2.00	2.00	-
Administrative Analyst	3.00	2.00	(1.00)
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Administrative Technician	3.00	5.00	2.00
Budget Analyst	1.00	1.00	-
Budget Manager	1.00	1.00	-
Claims Collector	6.00	6.00	-
Customer Service Representative[2]	16.00	17.00	1.00
Customer Service Specialist	2.00	2.00	-
Customer Service Supervisor	2.00	2.00	-
Director of Finance	1.00	1.00	-
Enforcement and Collections Supervisor	1.00	1.00	-
Marijuana Policy and Enforcement Manager[1]	1.00	1.00	-
Operations Manager	1.00	1.00	-
Payroll Technician	4.00	4.00	-
Principal Accountant	3.00	3.00	-
Principal Budget Analyst	2.00	2.00	-
Procurement Services Manager	1.00	1.00	-
Program Analyst[1]	6.00	6.00	-
Program Manager	1.00	1.00	-
Program Specialist	4.00	5.00	1.00
Revenue Manager	1.00	1.00	-
Senior Accountant Auditor	8.00	8.00	-
Senior Accounting Technician	1.00	1.00	-
Senior Budget Analyst	2.00	2.00	-
Senior Management Analyst	1.00	1.00	-
Senior Staff Assistant	1.00	1.00	-
Special Districts Manager	1.00	1.00	-
Typist Clerk II	1.00	1.00	-
Typist Clerk III	1.00	1.00	-
Total	**89.00**	**92.00**	**3.00**

[1]2.0 FTE positions added for Marijuana Policy & Enforcement Program through Council action for FY2016/17 (1.0 Marijuana Policy & Enforcement Manager and 1.0 Program Analyst).

[2]1.0 FTE position added for Marijuana Policy & Enforcement Program through Council action for FY2017/18 (1.0 Customer Service Representative).

Fire	FY2016/17 Amended	FY2017/18 Proposed	Change
Account Clerk II	3.00	3.00	-
Administrative Analyst	7.00	7.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Administrative Technician	4.00	4.00	-
Applications Developer	1.00	-	(1.00)
Assistant Civil Engineer	1.00	-	(1.00)
Cache Logistics Coordinator	2.00	2.00	-
Customer Service Representative	2.00	2.00	-
Deputy Fire Chief	3.00	3.00	-
EMS Coordinator	1.00	1.00	-
Fire Assistant Chief	5.00	5.00	-
Fire Battalion Chief	11.00	11.00	-
Fire Captain	112.00	112.00	-
Fire Chief	1.00	1.00	-
Fire Engineer	103.00	103.00	-
Fire Investigator I	5.00	5.00	-
Fire Investigator II	1.00	1.00	-
Fire Marshall	1.00	1.00	-
Fire Prevention Officer I[1]	1.00	2.00	1.00
Fire Prevention Officer II	13.00	13.00	-
Fire Service Worker	3.00	3.00	-
Firefighter	363.00	363.00	-
Geographic Information Systems Specialist III	1.00	-	(1.00)
Investigator	1.00	1.00	-
Principal Systems Engineer	1.00	-	(1.00)
Program Analyst	2.00	2.00	-
Program Specialist	1.00	1.00	-
Senior Accountant Auditor	1.00	1.00	-
Senior Fire Prevention Officer	3.00	3.00	-
Senior Information Technology Support Specialist	1.00	-	(1.00)
Senior Telecommunications Technician	1.00	-	(1.00)
Staff Aide	3.00	3.00	-
Staff Aide (Management)	1.00	1.00	-
Stores Clerk I	2.00	2.00	-
Supervising Fire Service Worker	1.00	1.00	-
Support Services Manager	1.00	1.00	-
Typist Clerk II	8.00	8.00	-
Typist Clerk III	5.00	5.00	-
Total	**678.00**	**673.00**	**(5.00)**

[1] 1.0 FTE position added for Marijuana Polciy & Enforcement Program through Council action for FY2017/18 (1.0 Fire Prevention Officer).

Human Resources	FY2016/17 Amended	FY2017/18 Proposed	Change
Administrative Analyst	4.00	4.00	-
Administrative Assistant	1.00	1.00	-
Director of Human Resources	1.00	1.00	-
Environmental Health and Safety Officer	1.00	1.00	-
Environmental Health and Safety Specialist	6.00	7.00	1.00
Equal Employment Opportunity Manager	-	1.00	1.00
Equal Employment Specialist	1.00	1.00	-
Human Resources Manager (Rep20)	2.00	2.00	-
Human Resources Manager	4.00	4.00	-
Investigator	0.92	2.00	1.08
Labor Relations Analyst	1.00	1.00	-
Labor Relations Officer	3.00	3.00	-
Personnel Analyst	2.00	3.00	1.00
Personnel Technician	17.00	18.00	1.00
Principal Personnel Analyst	2.00	-	(2.00)
Program Analyst	4.00	2.00	(2.00)
Program Manager	-	1.00	1.00
Program Specialist	7.00	8.00	1.00
Risk Manager	1.00	1.00	-
Senior Personnel Analyst	1.00	3.00	2.00
Senior Staff Assistant	3.00	3.00	-
Staff Assistant	3.00	2.00	(1.00)
Support Services Manager	1.00	1.00	-
Workers' Compensation Claims Representative	8.00	6.00	(2.00)
Total	**73.92**	**76.00**	**2.08**

Information Technology	FY2016/17 Amended	FY2017/18 Proposed	Change
311 Customer Service Agent	25.00	27.50	2.50
311 Customer Service Specialist	2.00	4.00	2.00
311 Customer Service Supervisor	2.00	2.00	-
311 Manager	1.00	1.00	-
Administrative Analyst	1.00	1.00	-
Administrative Technician	1.00	1.00	-
Applications Developer	2.00	6.00	4.00
Chief Information Officer	1.00	1.00	-
Data Entry Technician	1.00	1.00	-
Department Systems Specialist I	3.00	3.00	-
Department Systems Specialist II	2.00	2.00	-
E-Government Manager	1.00	1.00	-
Geographic Information Systems Specialist I	2.00	2.00	-
Geographic Information Systems Specialist II	9.00	9.00	-
Geographic Information Systems Specialist III	3.40	4.40	1.00
Information Technology Manager	5.00	7.00	2.00
Information Technology Supervisor	9.00	11.00	2.00
Information Technology Support Specialist I	2.00	3.00	1.00
Information Technology Support Specialist II	10.00	19.00	9.00
Information Technology Trainee	-	1.00	1.00
Media Production Specialist II	1.00	1.00	-
Principal Applications Developer	7.00	9.00	2.00
Principal Systems Engineer	5.00	7.00	2.00
Program Analyst	2.00	1.00	(1.00)
Program Manager	-	1.00	1.00
Program Specialist	4.00	4.00	-
Senior Applications Developer	14.00	18.00	4.00
Senior Department Systems Specialist	4.00	6.00	2.00
Senior Engineering Technician	1.00	-	(1.00)
Senior Information Technology Support Specialist	5.00	6.00	1.00
Senior Systems Engineer	6.00	8.00	2.00
Senior Telecommunications Technician	-	1.00	1.00
Systems Engineer	7.00	10.00	3.00
Telecommunications Engineer II	1.00	1.00	-
Telecommunications Engineer III	2.00	2.00	-
Total	**141.40**	**181.90**	**40.50**

Parks and Recreation	FY2016/17 Amended	FY2017/18 Proposed	Change
Accounting Technician	5.00	5.00	-
Administrative Analyst	4.00	4.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	4.00	4.00	-
Administrative Technician	1.00	1.00	-
Aquatics Recreation Supervisor	1.00	1.00	-
Arts and Crafts Specialist	0.06	0.06	-
Assistant Camp Sacramento Supervisor	0.80	0.80	-
Assistant Caretaker	0.50	0.50	-
Assistant Cook	1.03	1.03	-
Assistant Pool Manager	8.75	8.75	-
Associate Landscape Architect	4.00	4.00	-
Camp Aide	6.08	6.08	-
Camp Recreation Leader	1.99	1.99	-
Camp Sacramento Supervisor	1.00	1.00	-
Caretaker	0.35	0.35	-
Cashier (Community Services)	3.50	3.50	-
Community Center Attendant I	3.00	3.00	-
Contract and Compliance Specialist	1.00	1.00	-
Custodial Supervisor	1.00	1.00	-
Custodian II	9.20	9.20	-
Customer Service Assistant	5.30	5.30	-
Customer Service Representative	5.00	5.00	-
Customer Service Specialist	1.00	1.00	-
Director of Parks and Recreation	1.00	1.00	-
First Cook	1.50	1.50	-
General Repair Worker	1.00	1.00	-
Graphics Assistant	1.00	1.00	-
Host	0.70	0.70	-
Instructor	0.60	0.60	-
Irrigation Technician	5.00	5.00	-
Junior Plant Operator	2.00	2.00	-
Lifeguard	15.25	15.25	-
Neighborhood Resources Coordinator I	2.00	2.00	-
Neighborhood Resources Coordinator II	2.00	2.00	-
Neighborhood Services Area Manager	1.00	1.00	-
Operations Manager	1.00	1.00	-
Park Equipment Operator	2.00	2.00	-
Park Maintenance Manager	1.00	1.00	-
Park Maintenance Superintendent	2.00	2.00	-
Park Maintenance Worker	32.20	35.20	3.00
Park Maintenance Worker I	24.00	24.00	-
Park Maintenance Worker II	41.00	42.00	1.00
Park Maintenance Worker III	2.00	2.00	-
Park Plan Design and Development Manager	1.00	1.00	-
Park Safety Ranger	9.00	9.00	-

Parks and Recreation (continued)	FY2016/17 Amended	FY2017/18 Proposed	Change
Park Safety Ranger Assistant	2.00	2.00	-
Park Safety Ranger Supervisor	2.00	2.00	-
Parks Supervisor	8.00	8.00	-
Personnel Transactions Coordinator	2.00	1.00	(1.00)
Plant Operator	1.00	1.00	-
Pool Manager	5.40	5.40	-
Program Analyst	2.00	2.00	-
Program Coordinator	74.25	73.00	(1.25)
Program Developer	18.00	18.00	-
Program Director	0.82	0.82	-
Program Leader[1]	49.56	49.56	-
Program Specialist	1.00	1.00	-
Program Supervisor	14.00	15.00	1.00
Public Service Aide	1.91	1.91	-
Recreation Aide	183.26	184.69	1.43
Recreation General Supervisor	2.00	3.00	1.00
Recreation Leader (Special Needs)	6.05	6.05	-
Recreation Manager	2.00	2.00	-
Recreation Superintendent	4.00	4.00	-
Senior Accountant Auditor	1.00	1.00	-
Senior Accounting Technician	2.00	2.00	-
Senior Lifeguard	19.25	19.25	-
Senior Personnel Transaction Coordinator	1.00	1.00	-
Senior Planner	1.00	1.00	-
Senior Recreation Aide	15.01	15.46	0.45
Staff Assistant	-	1.00	1.00
Student Trainee (Most Majors)	-	2.00	2.00
Supervising Landscape Architect	1.00	1.00	-
Support Services Manager	1.00	1.00	-
Utility Worker	17.28	16.81	(0.47)
Youth Aide[1]	33.61	32.65	(0.96)
Total	**689.21**	**696.41**	**7.20**

[1]3.25 FTE positions added through Council action for FY2016/17 (2.65 Youth Aide and 0.60 Program Leader).

Police	FY2016/17 Amended	FY2017/18 Proposed	Change
Account Clerk II	2.00	2.00	-
Accountant Auditor	1.00	1.00	-
Accounting Technician	2.00	2.00	-
Administrative Analyst	9.00	9.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	3.00	3.00	-
Administrative Technician	5.00	5.00	-
Applications Developer	2.00	-	(2.00)
Community Service Officer (LT)	8.00	8.00	-
Custodian II	4.50	4.50	-
Deputy Police Chief	3.00	3.00	-
Dispatcher I	10.00	10.00	-
Dispatcher II	60.00	60.00	-
Dispatcher III	10.00	10.00	-
Emergency Communications Manager	1.00	1.00	-
Fingerprint Clerk	4.00	4.00	-
Forensic Investigator I	10.00	10.00	-
Forensic Investigator II	10.00	10.00	-
Information Technology Manager	1.00	-	(1.00)
Information Technology Supervisor	2.00	-	(2.00)
Information Technology Support Specialist II	8.00	-	(8.00)
Information Technology Trainee	1.00	-	(1.00)
Media Production Specialist II	2.00	2.00	-
Personnel Transactions Coordinator	1.00	1.00	-
Police Administrative Manager	2.00	2.00	-
Police Captain	12.00	12.00	-
Police Chief	1.00	1.00	-
Police Clerk II	18.00	18.00	-
Police Clerk III	3.00	3.00	-
Police Lieutenant	23.00	23.00	-
Police Officer(1)(2)	623.00	628.00	5.00
Police Records Specialist I	4.00	4.00	-
Police Records Specialist II	43.00	43.00	-
Police Records Supervisor	7.00	7.00	-
Police Sergeant(1)(2)	93.00	94.00	1.00
Principal Applications Developer	1.00	-	(1.00)
Principal Systems Engineer	1.00	-	(1.00)
Program Analyst(1)	12.00	12.00	-
Program Manager	2.00	2.00	-
Property Assistant(1)	10.00	10.00	-
Reserve Community Service Off	5.00	5.00	-
Reserve Police Officer I	0.66	0.66	-
Security Officer	2.80	2.80	-
Senior Applications Developer	2.00	-	(2.00)
Senior Information Technology Support Specialist	1.00	-	(1.00)
Senior Personnel Trans Coordinator	1.00	1.00	-

Police (continued)	FY2016/17 Amended	FY2017/18 Proposed	Change
Senior Police Records Supervisor	3.00	3.00	-
Senior Property Assistant	4.00	4.00	-
Senior Staff Assistant	1.00	1.00	-
Senior Systems Engineer	2.00	-	(2.00)
Student Trainee (Most Majors)	10.50	10.50	-
Supervising Dispatcher	2.00	2.00	-
Supervising Forensic Investigator	4.00	4.00	-
Supervising Property Assistant	1.00	1.00	-
Systems Engineer	3.00	-	(3.00)
Total	**1,058.46**	**1,040.46**	**(18.00)**

(1)5.0 FTE positions added for Marijuana Policy & Enforcement Program through Council action for FY2016/17 (2.0 Police Officers, 1.0 Police Sergeant, 1.0 Program Analyst, and 1.0 Property Assistant).

(2)6.0 FTE positions added for Marijuana Polciy & Enforcement Program through Council action for FY2017/18 (5.0 Police Officers and 1.0 Police Sergeant).

Public Works	FY2016/17 Amended	FY2017/18 Proposed	Change
Account Clerk II	4.00	4.00	-
Accountant Auditor	2.00	2.00	-
Accounting Technician	6.00	6.00	-
Administrative Analyst	8.00	7.00	(1.00)
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Administrative Technician	9.00	9.00	-
Arborist/Urban Forester	5.00	6.00	1.00
Architectural Technician III	2.00	2.00	-
Assistant Civil Engineer	6.00	6.00	-
Associate Architect	2.00	2.00	-
Associate Civil Engineer	15.00	15.00	-
Associate Electrical Engineer	2.00	2.00	-
Associate Mechanical Engineer	1.00	1.00	-
Building Inspector III	1.00	1.00	-
Building Inspector IV	1.00	1.00	-
Building Maintenance Worker	8.00	8.00	-
Building Services Manager	1.00	1.00	-
Carpenter	3.00	3.00	-
Central Services Assistant III	1.00	1.00	-
Code Enforcement Officer	2.00	2.00	-
Construction Inspector I	2.00	2.00	-
Construction Inspector II	7.00	7.00	-
Construction Inspector III	12.00	12.00	-
Contract and Compliance Specialist	2.00	2.00	-
Custodian I	4.00	3.00	(1.00)
Custodian II	1.00	1.00	-
Customer Service Rep	2.00	2.00	-
Customer Service Specialist	3.00	3.00	-
Director of Public Works	1.00	1.00	-
Electrical Construction Insp III	2.00	2.00	-
Electrician	3.00	3.00	-
Electrician Supervisor	1.00	1.00	-
Electronic Maintenance Technician II	1.00	1.00	-
Engineering Manager	2.00	2.00	-
Engineering Technician I	1.00	1.00	-
Engineering Technician II	1.00	1.00	-
Engineering Technician III	8.00	8.00	-
Equipment Maintenance Supervisor	4.00	4.00	-
Equipment Mechanic I	1.00	1.00	-
Equipment Mechanic II	30.00	30.00	-
Equipment Mechanic III	7.00	7.00	-
Equipment Service Worker	25.00	25.00	-
Facilities and Real Property Supervisor	2.00	2.00	-
Facilities Manager	1.00	1.00	-
Fleet Management Technician	3.00	3.00	-

Public Works (continued)	FY2016/17 Amended	FY2017/18 Proposed	Change
Fleet Manager	1.00	1.00	-
Fleet Service Coordinator	3.00	3.00	-
Graphic Designer	1.00	-	(1.00)
HVAC Systems Mechanic	5.00	6.00	1.00
Integrated Waste Equipment Operator	113.30	113.30	-
Integrated Waste General Manager	1.00	1.00	-
Integrated Waste General Supervisor	2.00	2.00	-
Integrated Waste Planning Supt	1.00	1.00	-
Integrated Waste Supervisor	10.00	10.00	-
Junior Development Project Manager	1.00	1.00	-
Licensed Land Surveyor	1.00	1.00	-
Maintenance Worker	16.00	16.00	-
Marina Aide	2.80	2.80	-
Marina and Boating Facilities Attendant	2.00	2.00	-
Mechanical Maintenance Supervisor	2.00	2.00	-
Office Supervisor	1.00	1.00	-
Operations General Supervisor	10.00	10.00	-
Painter	3.00	3.00	-
Parking Enforcement Officer	49.00	49.00	-
Parking Enforcement Supervisor	3.00	3.00	-
Parking Facilities Maintenance Supervisor	1.00	1.00	-
Parking Lot Attendant	19.75	19.75	-
Parking Lot Supervisor	4.00	4.00	-
Parking Manager	1.00	1.00	-
Parking Meter Coin Collector	4.00	4.00	-
Parking Meter Collection Supervisor	1.00	1.00	-
Parking Meter Repair Worker	3.00	3.00	-
Personnel Transactions Coordinator	1.00	1.00	-
Plumber	3.00	3.00	-
Principal Engineer	1.00	1.00	-
Principal Planner	1.00	1.00	-
Program Analyst	17.00	17.00	-
Program Manager	6.00	6.00	-
Program Specialist	12.00	12.00	-
Real Property Agent II	1.00	2.00	1.00
Real Property Agent III	2.00	2.00	-
Security Officer	1.00	-	(1.00)
Senior Accountant Auditor	2.00	2.00	-
Senior Accounting Technician	3.00	3.00	-
Senior Architect	2.00	2.00	-
Senior Building Maintenance Worker	2.00	2.00	-
Senior Central Services Assistant	1.00	1.00	-
Senior Code Enforcement Officer	1.00	1.00	-
Senior Electronic Maintenance Technician	1.00	1.00	-

Public Works (continued)	FY2016/17 Amended	FY2017/18 Proposed	Change
Senior Engineer	11.00	11.00	-
Senior Engineering Technician	2.00	2.00	-
Senior Equipment Service Worker	1.00	1.00	-
Senior HVAC Systems Mechanic	2.00	2.00	-
Senior Intg Was Equip Operator	5.00	5.00	
Senior Landfill Engineering Technician	1.00	1.00	-
Senior Maintenance Worker	3.00	3.00	-
Senior Parking Lot Attendant	4.50	4.50	-
Senior Parking Lot Supervisor	1.00	1.00	-
Senior Tree Maintenance Worker	4.00	4.00	-
Senior Tree Pruner	4.00	4.00	-
Street Construction Equip Operator	9.00	9.00	-
Street Construction Laborer	42.00	42.00	-
Street Construction Laborer Trainee	2.00	2.00	-
Street Maintenance Supervisor	7.00	7.00	-
Streets Manager	1.00	1.00	-
Structural Maintenance Supervisor	2.00	2.00	-
Supervising Architect	1.00	1.00	-
Supervising Construction Inspector	3.00	3.00	-
Supervising Engineer	5.00	5.00	-
Supervising Financial Analyst	3.00	3.00	-
Support Services Manager	3.00	3.00	-
Survey Party Chief	3.00	3.00	-
Survey Technician I	2.00	2.00	-
Survey Technician II	4.00	4.00	-
Telecom Technician II	1.00	1.00	-
Telecommunications Engineer III	1.00	1.00	-
Telecommunications Systems Analyst II	1.00	1.00	-
Traffic Control and Light Supervisor	3.00	3.00	-
Traffic Control and Light Technician I	3.00	3.00	-
Traffic Control and Light Technician II	11.00	11.00	-
Traffic Investigator I	2.00	2.00	-
Traffic Investigator III	4.00	4.00	-
Traffic Supervisor	3.00	3.00	-
Traffic Worker I	7.00	7.00	-
Traffic Worker II	7.00	7.00	-
Traffic Worker III	2.00	2.00	-
Tree Maintenance Supervisor	1.00	1.00	-
Tree Maintenance Worker	6.00	6.00	-
Tree Pruner II	10.00	10.00	-
Tree Pruner Supervisor	2.00	2.00	-
Typist Clerk III	6.00	6.00	-
Vehicle Service Aide	2.00	2.00	-
Vehicle Service Attendant	2.00	2.00	-
Total	**725.35**	**724.35**	**(1.00)**

Utilities	FY2016/17 Amended	FY2017/18 Proposed	Change
Accounting Technician	7.00	6.00	(1.00)
Administrative Analyst	6.00	8.00	2.00
Administrative Assistant	1.00	1.00	-
Administrative Technician	6.00	8.00	2.00
Assistant Civil Engineer	3.00	3.00	-
Assistant Water Cross Connection Control Specialist	2.00	2.00	-
Associate Civil Engineer	14.00	15.00	1.00
Associate Electrical Engineer	2.00	2.00	-
Blacksmith Welder	1.00	1.00	-
Business Services Manager	1.00	1.00	-
Claims Collector	1.00	1.00	-
Construction Inspector II	1.00	1.00	-
Customer Service Representative	25.00	27.00	2.00
Customer Service Specialist	7.00	8.00	1.00
Customer Service Supervisor	4.00	5.00	1.00
Development Services Technician I	1.00	1.00	-
Development Services Technician II	1.00	1.00	-
Development Services Technician III	1.00	1.00	-
Director of Utilities	1.00	1.00	-
Electrician	13.00	14.00	1.00
Electrician Supervisor	2.00	2.00	-
Engineering Manager	1.00	1.00	-
Engineering Technician III	4.00	3.00	(1.00)
Generator Technician	3.00	3.00	-
Information Technology Supervisor	2.00	2.00	-
Instrument Technician I	1.00	1.00	-
Instrument Technician II	9.00	9.00	-
Instrumentation Supervisor	1.00	1.00	-
Junior Plant Operator	11.00	11.00	-
Machinist	15.00	15.00	-
Machinist Helper	13.00	13.00	-
Machinist Supervisor	4.00	4.00	-
Media & Communications Specialist	1.00	1.00	-
Meter Reader	4.00	4.00	-
Meter Reading Supervisor	1.00	1.00	-
Operations Manager	1.00	1.00	-
Plant Operator	29.00	30.00	1.00
Plant Services Manager	1.00	1.00	-
Principal Engineer	1.00	1.00	-
Process Control Systems Specialist	6.00	6.00	-
Program Analyst	10.00	13.00	3.00
Program Manager	4.00	4.00	-
Program Specialist	10.00	11.00	1.00
Senior Accountant Auditor	1.00	1.00	-
Senior Accounting Technician	1.00	1.00	-

Utilities (continued)	FY2016/17 Amended	FY2017/18 Proposed	Change
Senior Electrician	1.00	1.00	-
Senior Engineer	16.00	16.00	-
Senior Engineering Technician	1.00	2.00	1.00
Senior Generator Technician	1.00	1.00	-
Senior Maintenance Worker	6.00	8.00	2.00
Senior Plant Operator	16.00	16.00	-
Senior Staff Assistant	4.00	4.00	-
Senior Store Keeper	1.00	1.00	-
Storekeeper	4.00	4.00	-
Stores Administrator	1.00	1.00	-
Stores Clerk II	2.00	2.00	-
Student Trainee (Engineering, Computer)	0.90	0.90	-
Supervising Engineer	7.00	7.00	-
Supervising Financial Analyst	1.00	1.00	-
Supervising Generator Technician	1.00	1.00	-
Supervising Plant Operator	6.00	6.00	-
Supervising Water Quality Chemist	1.00	1.00	-
Support Services Manager	1.00	1.00	-
Typist Clerk II	3.00	3.00	-
Typist Clerk III	5.00	5.00	-
Utilities Locator	8.00	8.00	-
Utilities Ops and Maintenance Leadworker	70.00	70.00	-
Utilities Ops and Maintenance Serviceworker	82.00	82.00	-
Utilities Ops and Maintenance Specialist	12.00	12.00	-
Utilities Operations and Maintenance Superintendent	7.00	7.00	-
Utilities Ops and Maintenance Supervisor	18.00	18.00	-
Utility Construction Coordinator	2.00	2.00	-
Utility Services Inspector	2.00	2.00	-
Water Conservation Representative	3.00	3.00	-
Water Conservation Specialist	3.00	3.00	-
Water Cross Conn Ctrl Specialist	1.00	1.00	-
Water Quality Chemist	4.00	5.00	1.00
Water Quality Lab Technician	3.00	4.00	1.00
Total	**527.90**	**545.90**	**18.00**

Citywide and Community Support	FY2016/17 Amended	FY2017/18 Proposed	Change
Executive Director CCOMWP	1.00	1.00	-
Program Manager	1.00	1.00	-
Program Specialist	1.00	1.00	-
Senior Staff Assistant	1.00	1.00	-
Subtotal CCOMWP	**4.00**	**4.00**	**-**
Local Agency Formation Commission (LAFCo)			
Senior Management Analyst	1.00	1.00	-
Subtotal LAFCo	**1.00**	**1.00**	**-**
Citywide and Community Support Total	**5.00**	**5.00**	**-**

24

SECTION – 24
Multi-Year Projects

DESCRIPTION

This section contains information on operating grants and projects. New operating grants and projects are approved by the Council and are managed in accordance with Sections 11 through 13 of the Budget Resolution. New appropriations included in the FY2017/18 Operating Budget are included on Schedule 9.

EXISTING OPERATING GRANTS

The following is a list of existing operating grants, the total budget, and available budget based on data available as of March 2017:

Project Description	Project #	Total Budget	Available Budget
GENERAL FUND			
2014 AFG Wellness Grant	G12902300	16,748	(139)
2015 BWC PIP (2015-DE-BX-K049)	G11014500	67,715	47,936
DSP, Streetcar Toolkit	G21120100	192,108	-
Florin Phase II Assessment	G18000201	70,384	-
FY15 Adaptive Sports	G19100300	15,708	2
FY15/16 OHV Grant	G11015100	6,117	6,117
FY16 Adaptive Sports	G19100400	20,922	-
FY17 ASES - SCUSD	G19041270	21,000	21,000
FY2015/16 S.A.V.E. Program	G11012415	7,780	7,780
Gang Violence Supp - FY13	G11010900	29,980	-
Gang Violence Supp - FY16	G11015000	36,580	20,402
River Crossing Art Project	G17605000	62,500	62,500
SAVE - Vessel Exchange	G11012400	4,080	-
	Total General Funds	**$ 551,622**	**$ 165,599**
ENTERPRISE FUNDS			
CALFED Controller Incentive	G14110400	96,890	-
DWR Comp Flood Mngmt CFMP	G14110503	16,100	6,073
Follow the Meter Grant	G14110300	123,855	3,595
RW Efficiency Acceleration GP	G14110200	265,543	-
SECAT VET-13-0143	G13004210	68,938	68,938
	Total Enterprise Funds	**$ 571,326**	**$ 78,606**
EXTERNALLY FUNDED PROGRAMS (EFP) FUND			
2011 COPS SOS (2011-CKWX-0012)	G11010000	214,056	-
CalGRIP Safe Comm 4/10-3/12	G11007100	382,639	2,196
FY16 Adaptive Sports	G19100400	11,148	-
Gang Violence Supp - FY13	G11010900	38,493	-
Gang Violence Supp - FY16	G11015000	41,000	19,265
Historic Pres Reconnais Survey	G21001200	26,668	26,668
River Crossing Art Project	G17605000	62,500	62,500
UASI Hmland Sec 07 11/07-6/10	G11005700	3,336,000	-
	Total EFP Funds	**$ 4,112,504**	**$ 110,629**

Project Description	Project #	Total Budget	Available Budget
GRANT FUNDS			
2007 Urban Search - Rescue2553	G12500700	802,349	2,391
2009 Urban Search & Rescue	G12500900	1,002,343	-
2010 Safer Grant	G12902100	5,606,863	-
2010 Urban Search & Rescue	G12501000	1,075,681	-
2011 COPS SOS (2011-CKWX-0012)	G11010000	200,000	-
2011 Urban Search & Rescue	G12501100	1,165,078	-
2012 Urban Search & Rescue	G12501200	1,299,608	6,430
2013 JAG (10/12-9/16)	G11011400	15,660	1,694
2013 Urban Search & Rescue	G12501300	1,314,154	44,721
2014 AFG Wellness Grant	G12902300	167,482	139
2014 JAG (2014-DJBX-1111)	G11012300	300,167	73,810
2014 SHSGP - EOP	G11013300	30,000	-
2014 UASI	G11013200	814,801	-
2014 Urban Search & Rescue	G12501400	1,263,131	46,490
2015 BWC PIP (2015-DE-BX-K049)	G11014500	599,756	592,090
2015 FLIP	G11013100	1,000,000	1,800
2015 JAG (2015-DJBX-0921)	G11013600	246,649	22,239
2015 SHSGP Grant	G12902400	59,782	6,249
2015 Urban Search & Rescue	G12501500	1,229,582	128,601
2016 FLIP (PRCS)	G11014200	500,000	461,051
2016 JAG (2016-DJ-BX-0430)	G11014900	256,776	76,776
2016 OTS Avoid (AL1637)	G11013700	146,004	-
2016 OTS PED/BIKE (PS1608)	G11013900	179,900	62,984
2016 OTS Step (PT1684)	G11013800	449,234	-
2016 Urban Search & Rescue	G12501600	1,278,582	857,132
Brownfield Assessment Grant	G18000200	184,232	1,557
Brownfields Clean-up Grant	G18337000	350,000	217
Brownfields Revolving Loan	G18334500	1,759,793	644,820
CAC SLP 07/08	G17601400	49,805	-
CALFED Controller Incentive	G14110400	87,311	-
CERT 2010 SHSGP Grant	G12902001	75,056	-
CERT 2011 SHSGP Grant	G12902200	37,700	598
Chako Pit Bill Rescue S/N	G13000065	5,000	2,285
CHP - 2013	G11012100	1,250,000	243,193
CHP '14	G11012500	1,875,000	1,112,597
Citizen's Option 7/11-6/14	G11010100	731,271	3,252
Citizen's Option 7/12-6/16	G11010800	803,553	1,284
DSP, Streetcar Toolkit	G21120100	750,000	-
DWR Comp Flood Mngmt CFMP	G14110503	76,697	1
DWR Emrg Action Plans	G14110502	144,741	-
DWR Flood Maps	G14110504	167,053	-
DWR Training & Exercise	G14110501	209,277	5,987
DWR Water Sensor Upgrades	G14110505	93,645	8,512
FFY 2016 UASI	G11015200	2,369,600	2,157,889
Fire FY05 Homeland Security 2541	G12901000	95,169	1

Project Description	Project #	Total Budget	Available Budget
GRANT FUNDS (continued)			
Florin Phase II Assessment	G18000201	215,768	600
Follow the Meter Grant	G14110300	123,855	-
FY14 Citizens Option	G11014000	455,483	324,377
FY14 Citizens Opt Growth	G11013500	47,067	47,067
FY15 Adaptive Sports	G19100300	66,967	-
FY15 CHP (2015-ULWX-0005)	G11014400	1,875,000	1,669,765
FY15 Citizens Optiom	G11012200	150,316	103,941
FY15 Citizen's Option Growth	G11014600	109,683	109,683
FY15/16 DBW BSEE	G11014300	72,555	2
FY15/16 OHV Grant	G11015100	24,469	24,469
FY16 Adaptive Sports	G19100400	70,967	-
FY16 Citizen's Option	G11014700	750,451	750,451
FY16/17 BSEE Grant	G11015300	50,095	15,782
FY17 - Adaptive Sports	G19100500	86,528	36,377
FY17 ABC Grant	G11014800	99,230	33,139
FY17 ASES - EGUSD	G19041604	122,381	22,277
FY17 ASES - SCUSD	G19041270	105,000	18,304
FY17 Citizen's Option	G11015700	747,978	747,978
FY17 Citizen's Option Growth	G11015600	220,060	220,060
FY17 OTS - Bike/Ped	G11015500	125,425	94,719
FY17 OTS Step (PT17103)	G11015400	622,627	499,201
FY17 WIA	G19090160	269,520	156,447
FY2015/16 S.A.V.E. Program	G11012415	77,800	21,855
Gang Violence Supp - FY13	G11010900	653,132	-
Gang Violence Supp - FY16	G11015000	1,141,607	438,903
Historic Pres Reconnais Survey	G21001200	40,000	40,000
Hurricane Isaac - IST	G12702300	16,858	-
Hurricane Matthew	G12703000	-	(48,040)
Hurricane Sandy - IST	G12702400	41,058	-
Juvenile Hall Expansion 4242	G17600700	114,000	38,547
Lyons, Co Flooding	G12702600	26,680	-
Maddie's Fund Ringworm Treatme	G21001600	5,000	2,034
Petco Lifesaving Grant (13089)	G13000300	132,500	-
Petco Lifesaving Investment	G21001500	350,000	102,584
Regional Transit 2010	G17601900	31,000	20,010
Regional Transit 2016	G17601901	24,000	24,000
River Crossing Art Project	G17605000	125,000	124,650
SAVE - Vessel Exchange	G11012400	40,800	-
SECAT VET-06-0042 LNG TRKS	G13004200	343,585	-
SECAT VET-13-0143	G13004210	212,950	50,474
SECAT VET-14-0044	G13004220	52,231	30,011
Terminal A Artwork and Maint	G17603000	75,000	29,424
Terminal B Airport APP	G17601600	874,904	5,985
US&R-Hurricane Gustav Deployment	G12701600	10,439	-
USAR Moore, OK Tornado	G12702500	8,347	-

Project Description	Project #	Total Budget	Available Budget
GRANT FUNDS (continued)			
Used Oil Payment Program -OPP5	G13002300	131,287	-
Used Oil Payment Program-OPP6	G13002301	131,663	3,466
Used Oil Program Cycle 4	G13002200	134,268	312
	Grant Funds Total	**43,324,018**	**12,325,643**
REIMBURSABLE FUNDS			
Brownfields Clean-up Grant	G18337000	60,000	-
Florin Phase II Assessment	G18000201	2,500	-
	Reimbursable Funds Total	**62,500**	**-**
OTHER FUNDS			
FY14 - FY18 21st Century START	G19030500	-	691
FY15 21st Century START	G19030502	690,000	(150)
FY16 21st Century START	G19030503	690,000	105,373
FY17 21st Century START	G19030504	630,744	455,978
LAR Spawning & Rearing FY15	G14140101	1,830,000	43,795
LAR Spawning & Rearing FY17	G14140103	600,000	600,000
LAR Spawning & Rearing Habitat	G14140100	2,124,580	2,124,580
USFWS Habitat Restoration FY16	G14140201	1,050,943	382,551
	Other Funds Total	**7,616,267**	**3,712,818**
	Total All Funds	**56,238,237**	**16,388,002**

EXISTING OPERATING PROJECTS

The following is a list of existing operating projects, the total budget, and available budget based on data available as of March 2017:

Project Description	Project #	Total Budget	Available Budget
GENERAL FUND			
2035 General Plan Update	I22400002	465,029	-
ADA Education & Training	I08000100	57,285	57,035
APP Maintenance	I17000500	59,411	35,777
Arc Flash Hazard Eval RFP	I13000101	180,000	5,865
Archives East End Project	I17000100	86,350	15,600
Attended Restrooms	I02000210	100,000	9,815
B Street Theatre	I80180000	3,000,000	-
Cemetery Facility Improvement	I17000300	13,359	8,589
Central City Strategic Plan	I21005300	1,907,892	673,058
Citywide Strategic Plan Pjt,	I02000400	81,667	74,697
Common Cents	I02000202	1,238,208	-
Community Plan Update	I22400100	265,980	265,016
Crisis Intervention Training	I11002200	750,000	750,000
Economic Development Rsrv 4455	I06100200	521,226	88,238
Electrical Safety Program	I13000100	120,000	30,037
ESC Legal Services	I02000502	2,953,619	10,210
ESC Real Estate - Non-Reimb	I02000508	31,641	115
ETP Pilot Program	I01000300	950,000	950,000
F.O.C.A.S. (13086)	I13000400	60,500	-
FEMA Corrective Action Plan	I21004900	350,000	19,956
Fleet - CC&L	I06013170	23,270	3,577
Fleet - City Attorney	I06013030	27,699	1,200
Fleet - Community Development	I06013210	511,193	147,673
Fleet - Fire	I06013120	1,975,656	976,290
Fleet - General Services	I06013130	731,977	-
Fleet - Non-Departmental	I06013800	444,377	444,377
Fleet - Parks & Recreation	I06013190	2,625,824	12,842
Fleet - Police	I06013110	10,894,523	1,544,914
Fleet FY17 - C&CS	I06170017	45,000	15,823
Fleet FY17 - City Attorney	I06030017	-	(1,522)
Fleet FY17 - Community Dev	I06210017	125,305	12,064
Fleet FY17 - Fire	I06120017	100,931	115,745
Fleet FY17 - Parks & Rec	I06190017	539,800	308,064
Fleet FY17 - Police	I06110017	1,764,000	735,912
Fleet FY17 - PW General Fund	I06150017	926,000	(152,290)
Fleet -Transportation(GF)	I06013150	4,763,352	380,026
FLSA Audit	I02000403	250,000	250,000
Gang Prev & Intervention - GF	I02000600	216,943	147,853
General Plan Litigation	I22400003	100,000	100,000
General Plan Update 4811	I22400000	6,595,212	14,702
GPITF - Grant Program	I02000603	824,193	271,897

Project Description	Project #	Total Budget	Available Budget
GENERAL FUND (continued)			
Historic Place	I21004800	32,999	8,437
Homeless Housing Initiative	I02000200	148,493	148,493
Housing Solutions Program	I02000201	536,507	-
Infill Program 4827	I06000300	261,195	-
Justice for Neighbors (JFN)	I03000100	437,032	294,291
Low Income Spay/Neuter Program	I13000600	16,837	16,649
Low Income Waiver/Dfrl Pgm4827	I06000400	1,312,000	-
Major League Soccer	I80020500	100,000	100,000
Mixed Income Ordinance	I21005000	74,005	-
Mobile Veterinarian (21169)	I02000208	50,000	47,940
Motel Vouchers	I02000203	100,000	-
Navigator Program	I02000204	12,500	-
Nextgen Mobile Computer Repl.	I11000100	1,365,308	41,977
Oak Park Community Enhancement	I19708000	100,000	20,569
Pay For Success	I02000207	25,000	-
River District Specific Plan	I21000200	86,179	1
River District-Fin/Nexus/Fisc	I21000242	847	-
Saint John's	I02000209	600,000	600,000
SEED Corporation	I18000200	150,000	150,000
Shovel-Ready Sites Prog - 65th	I21001301	5,416	5,416
Shovel-Ready Sites Prog - CDD	I21001302	137,983	137,308
Shovel-Ready Sites Prog - DOU	I21001303	10,000	10,000
Shovel-Ready Sites Prog - Env	I21001305	5,000	5,000
Shovel-Ready Sites Program	I21001300	2,437	2,437
Solid Waste Rate Asst Prgm	I14130103	139,000	27,017
Summer Night Lights	I02000700	200,000	200,000
Summer Night Lights	I11002100	600,000	-
TSA - Center for Hope Shelter	I02000206	255,500	-
UCD Community Garden	I19130000	25,000	-
Utiltiy Rate Asst Program	I14130100	9,636	(1)
VOA A Street Shelter	I02000205	177,500	-
Wastewater Rate Asst Prgm	I14130102	1,084,370	700,020
Water Rate Asst Prgm	I14130101	2,580,601	1,607,174
Webgrant Restructuring Project	I07000900	389,558	132,991
Wind Youth Services	I02000212	65,000	-
Winter Warming Cntr. Expansion	I02000211	100,000	56,223
	General Fund Total	**57,873,324**	**12,635,099**
ENTERPRISE FUNDS			
28th Street Landfill Tree	I14120700	300,000	47,119
3rd St Relief Sewer Study Updt	I14610301	12,427	1,050
AC Pipe Assessment	I14010802	85,000	20,548
American River Source Water	I14520400	180,947	86,447
American Rvr Source Wtr Prtt	I14010400	258,748	111,773
Arc Flash Hazard Analysis	I14020100	310,000	310,000
Asset Management Program	I14010700	457,599	457,599

Project Description	Project #	Total Budget	Available Budget
ENTERPRISE FUNDS (continued)			
Basin 128 Drainage Master Plan	I14710106	73,121	70,281
Basin 152 Master Plan	I14710102	78,788	78,788
Basin 32 Master Plan	I14610214	112,524	110,542
Basin 354 Sewer Master Plan	I14610204	97,895	91,482
Basin 52 Stormwater Mstr Plan	I14610302	170,251	8,959
Basins G302 & 106 Master Plan	I14610215	143,877	140,535
CCTV Operations	I14110104	175,950	100,000
CII Rebates	I14120413	269,950	162,513
City of Festivals Program	I15001211	939,000	82,407
City/County Sewer Trans Study	I14610213	95,000	89,307
Combined Master Plan Program	I14610300	708,355	708,355
Community Plan Update	I22400100	1,855	1,855
Condition Assessment Program	I14010800	1,921,298	1,921,298
Conjunctive Use-Grndwtr Wells	I14510100	344,743	234,126
Conservation Master Plan	I14510202	76,028	76,028
Conservation Outreach and Educ	I14120404	588,215	159,755
Consultant Master Plan & Model	I14710101	61,167	37,576
Containerized Greenwaste	I14120503	1,933,272	312,095
CSPA Fog Program	I14110103	1,000,000	125,260
CSS GI Pilot Projects Study	I14610303	285,000	-
CSS Regulatory Compliance	I14120600	2,551,717	638,365
Customer Web Portal	I14120407	166,633	125,200
Design Procedure Manual Update	I14610205	106,174	62,137
District Metered Area Pilot	I14120406	398,241	227,703
Drainage Master Plan Program	I14710100	794,379	768,255
Drought Patrols	I14120405	279,949	26,957
Energy Efficiency Program	I14040200	200,000	200,000
ESC CTO Propty Transfer Cons	I02000511	47,100	-
ESC Parking Analysis	I02000504	435,000	-
ESC Revenue Analysis	I02000505	25,120	-
Fleet - CC&L	I06013170	60,000	11,431
Fleet - Utilities(Sewer)	I06013141	7,380,754	1,967,154
Fleet - Utilities(Solid Waste)	I06013142	33,191,578	10,153,800
Fleet - Utilities(Storm Drain)	I06013143	6,292,313	1,955,750
Fleet - Utilities(Water)	I06013140	4,986,702	2,281,401
Fleet FY17 - DOU Sewer Fund	I06146017	830,000	661,451
Fleet FY17 - DOU Water Fund	I06145017	400,000	(288,139)
Fleet FY17 - PW Parking Fund	I06154017	6,500	(16,135)
Fleet FY17 - PW SW Fund	I06147017	6,040,796	(644,374)
Fleet -Transportation(Parking)	I06013151	456,149	378,535
Fleet FY17-DOU Storm Drain Fund	I06141017	600,000	221,712
Fliter Condition Assessment	I14010803	175,000	175,000
Flood Control Planning	I14010100	1,462,565	406,782
Flow Monitoring/Hydrology Prog	I14610100	21,300	21,300
Fog Outreach	I14110108	240,029	59,126
Forensic Analysis of Cast Iron	I14010801	33,210	33,210

Project Description	Project #	Total Budget	Available Budget
ENTERPRISE FUNDS (continued)			
FY10-14 NPDES Stormwater Prgm	I14010200	6,637,294	1,989,383
FY10-14 NPDES Stormwater Reimbur	I14010201	697,505	1
Green Stormwtr Incentive Study	I14710105	120,000	-
Grndwtr Abandon/Protect Prog	I14520100	367,606	367,606
HE Clothes Washer Rebates	I14120412	279,949	170,699
Information Technology Program	I14040100	400,030	375,830
Keep Our Waters Clean Outreach	I14520200	55,927	55,927
Leak Detection Program	I14530100	22,223	22,223
Legacy Landfill Operations	I14120100	450,000	450,000
Master Plan Sewer Modeling	I14610201	84,607	6,603
MF/Commercial RFL Rebates	I14120409	269,949	311,813
Misc. Flow Monitor	I14610101	5,827	3,637
On-Call CCTV Program	I14630100	101,098	99,888
On-Call Cleaning & CCTV	I14630101	184,608	6,422
On-Call Drainage Mstr Plan Svc	I14710103	125,400	35,400
On-Call Flow Monitoring FY16	I14610102	340,000	147,503
On-Call Plan Check	I14610202	302,284	200,453
Pocket Canal Mngmt Plan Eval	I14010203	100,000	100,000
Prop 84 LID Grant at CSUS	I14010202	87,272	46,791
Rate Model	I14040101	500,000	500,000
RDI&I Study Separated Swr CSS	I14610304	110,000	2,000
Rebate Programs Administration	I14120410	380,600	303,790
Recycled Water Study	I14510204	77,500	1,886
Regional Water Reliability Pln	I14510206	60,000	60,000
Residential Collection	I14120501	2,415,000	98,047
Residential HE Toilet Rebates	I14120411	301,608	43,486
Residential Irrigation Upgrade	I14120408	674,874	674,874
Residential Recycling	I14120502	2,246,024	567,480
River Friendly Program	I14120403	539,899	220,562
RiverArc Project	I14510205	34,252	9,252
Root Control Program	I14110109	2,105,342	625,000
Sac River Source Wtr Protect	I14010300	418,950	107,935
Sac. Regional Ext. Water Use	I14120401	33,210	32,735
Sacramento River Source Water	I14520300	225,271	71,271
SAFCA Levee Maintenance	I14120300	250,000	245,000
Sewer Basin 121 Master Plan	I14610209	15,000	9,807
Sewer Basin 45 Master Plan	I14610207	212,000	19,067
Sewer Basin 48 Master Plan	I14610206	165,000	13,316
Sewer Basin 87 Master Plan	I14610211	15,000	15,000
Sewer Basin G304 305 Mstr Plan	I14610208	363,000	32,142
Sewer Sys Mgmt Plan-Field Svcs	I14110101	81,455	100
Sewer System Mgmt Plan	I14110100	5,682,935	4,153,303
Soil Corrovisity Testing	I14010808	12,000	2,000
Solid Waste Outreach	I14120200	2,143,834	844,550
SRWTP Intake Capacity Study	I14510201	32,750	2,056

Project Description	Project #	Total Budget	Available Budget
ENTERPRISE FUNDS (continued)			
SSMP - Operational Needs	I14110107	1,125,040	200,000
SSMP Eng/Regulatory Support	I14620100	230,000	207,650
Sump 122 Abandonment Study	I14610212	15,000	9,721
Sump 87 Diversion Predesign	I14610203	52,440	7,588
Sump 99 Outfall Pipe Asmt	I14010807	50,000	2,360
SW Container Replacement	I14120500	3,598,949	3,510,947
Urban Water Mngmt/Mstr Plan Up	I14510203	300,000	183,970
Wastewater Planning Prog	I14610200	198,759	183,901
Wastewtr Pipe Condition Assess	I14010804	274,999	-
Water Conservation	I14120400	705,907	621,824
Water Master Plan Program	I14510200	96,086	69,914
Water Meter Replacement Prgm	I14010500	7,483,430	3,515,757
Water Storage Facility Assmnt	I14010805	500,000	22,864
Water System Failure Replacmnt	I14010600	857,000	857,000
WELL 116 & 142 Abandonment	I14520101	197,786	197,786
WW Pipe System Ph3 Assessment	I14010806	400,000	47,926
XPSWMM User Manual	I14710104	35,000	2,570
	Enterprise Funds Total	**123,709,699**	**47,658,934**
EXTERNALLY FUNDED PROGRAMS FUND			
APP Maintenance	I17000500	2,000	2,000
ESC Comm/Outreach Asst.	I02000507	104,695	1
ESC Design & Const Advisor	I02000503	1,000,000	-
ESC Facility & Finance Advisor	I02000501	107,166	-
ESC Labor Compliance	I02000512	27,563	-
ESC Legal Services	I02000502	2,020,267	-
ESC Real Estate - Reimb	I02000506	104,329	111
ESC Sign Dist.	I02000509	21,951	-
ESC Update for Gen. Plan EIR	I02000510	99,603	2
Health & Wellness Program	I08000200	3,000	3,000
TSA - Center for Hope Shelter	I02000206	255,500	-
VOA A Street Shelter	I02000205	177,500	-
	Externally Funded Programs Fund Total	**3,663,642**	**(399,818)**
GRANT FUNDS			
American River Source Water	I14520400	18,000	-
American Rvr Source Wtr Reimb	I14010402	186,689	33,375
Cal Recycle City-County Paymen	I14120202	125,840	17,903
Cal Recycle Curbside Payment	I14120201	128,911	106,587
City/County Sewer Trans Study	I14610213	74,986	74,986
Customer Web Portal	I14120407	50,000	50,000
CY14 Curbside Supp Payment	I14120204	160,148	160,148
District Metered Area Pilot	I14120406	45,000	-
Flood Control Planning	I14010100	56,202	-
FY10-14 NPDES Stormwtr Reimbur	I14010201	3,816,248	379,305
FY14-15 City-County Payment	I14120203	124,738	23,866
FY15-16 City-County Payment	I14120206	120,977	120,977
Keep Our Waters Clean Outreach	I14520200	24,198	24,198

Project Description	Project #	Total Budget	Available Budget
GRANT FUNDS (continued)			
Leak Detection Program	I14530100	60,000	60,000
Prop 84 LID Grant at CSUS	I14010202	3,366,551	431,475
River Friendly Program	I14120403	100,000	419
Sac Rvr Source Wtr Reimbur	I14010302	345,138	10,813
Sac. Regional Ext. Water Use	I14120401	145,288	132,840
Sacramento River Source Water	I14520300	49,000	1,000
SAFCA Levee Maintenance	I14120300	2,310,000	1,300,335
Solid Waste Outreach	I14120200	1,128,834	877,833
	Grant Funds Total	**12,436,748**	**3,806,059**
MEASURE U SPECIAL REVENUE FUNDS			
FY17 - 4th R	I80190512	340,000	340,000
FY17 - Aquatics	I80190501	2,053,703	633,180
FY17 - Children's Services	I80190514	250,000	185,333
FY17 - Community Centers	I80190503	1,484,581	575,998
FY17 - Gang Prevention	I80190505	114,983	76,183
FY17 - Neigh Serv Hot Spots	I80190507	115,548	83,411
FY17 - Park Maintenance	I80190502	3,438,673	1,849,673
FY17 - Park Safety	I80190509	596,125	317,166
FY17 - Special Events/Permits	I80190513	304,036	105,446
FY17 - Summer at City Hall	I80190508	103,411	57,003
FY17 - Teens	I80190504	375,669	215,632
FY17 - Yoth Employmnet	I80190511	319,865	259,904
FY17 - Animal Care Measure U	I80210500	165,159	123,644
FY17- Fire Company Restoriatio	I80120501	-	(3,976,572)
FY17- Fire Measure U	I80120500	13,137,214	13,137,214
FY17 - Fire Prevention	I80120504	-	(92,021)
FY17 - Medic Units	I80120503	-	(1,034,735)
FY17 - Older Adults	I80190506	342,494	205,171
FY17 - Safer Grant Buyback	I80120508	-	(2,021,637)
FY17 - Truck 43	I80120509	-	(1,129,535)
FY2017 Police Measure U	I80110500	21,782,627	12,857,380
Gang Prev. and Intervention	I80020400	142,894	124,387
GPITF - Admin	I80020401	102,106	-
GPITF - Grant Program	I02000603	124,268	5,603
GPITF - Strategic Plan	I80020402	75,000	-
GPITF -Grant Program	I80020403	680,000	-
	Measure U Special Revenue Fund Total	**85,225,350**	**25,148,565**
REIMBURSABLE FUNDS			
I-5 Subregional Fee Program	I15150100	68,148	-
River District Specific Plan	I21000200	182,521	169,540
River District-Fin/Nexus/Fisc	I21000242	26,180	-
UCD Community Garden	I19130000	25,000	2,256
	Reimbursable Funds Total	**301,849**	**171,796**
OTHER FUNDS			
2035 General Plan Update	I22000002	9,728	9,728
APP Maintenance	I17000500	272,462	231,024

Project Description	Project #	Total Budget	Available Budget
OTHER FUNDS (continued)			
Arts and Cultural Equity Grant	I17000600	500,000	251,880
Arts and Cultural Facilities	I17000200	887,170	409,845
Basin 6 Drainage	I22200600	2,761,180	40,672
Bonded CFD/AD Applications	I22310100	663,900	(137,412)
College Square Reimbursement	I22310200	30,000	13,800
Community Plan Update	I22400100	412,497	(3,281)
Creative Aging	I19121005	40,000	28,276
Curtis Park Village Litigation	I21005400	500,000	-
Downtown ESC Project	I02000500	5,000,000	-
DP Hotel-Building	I21005201	1,090,354	395,165
DP Hotel-Planning	I21005202	82,927	48,676
ESC - Building fees Deposit	I21005105	415,214	(6,365)
ESC - Building Inspection	I21005101	1,792,628	774,232
ESC - OTH Professional Serv	I21005104	100,000	(9,770)
ESC - Planning	I21005103	321,634	174,369
ESC Art Maintenance	I17000401	100,000	100,000
ESC Building - Plan Check	I21005102	2,047,949	810,052
ESC Building Project	I21005100	-	(139)
F.O.C.A.S. (13086)	I13000400	1,449,748	85,926
Facility Support and Upgrades	I19121002	85,000	82,336
Fleet - Parks & Recreation	I06013190	97,000	-
Fleet FY17-HR Risk Fund	I06081017	62,000	62,000
Fleet -Transportation(GF)	I06013150	320,000	260,000
Fun Pass Program	I19120002	100,599	-
General Plan Update	I22400002	448,193	-
General Plan Future Updates	I22000001	1,078,360	1,078,360
General Plan Litigation	I22400003	325,000	-
General Plan Update (new)	I22000000	800,000	352,642
General Plan Update 4811	I22400000	2,465,241	-
Hart Trust Proj Fund FY17-21	I19121000	545,100	545,100
Health and Wellbeing	I19121004	45,000	38,000
Historic Place	I21004800	238,000	55,420
I-5 Subregional Fee Program	I15150100	36,074	2
JCPA Administrative Ctrl 3131	I22205100	249,999	38,360
Kids Play Mc Kinley-Maint 4711	I19000800	12,870	7,151
Last Chance Adoptions (13008)	I13000401	11,000	1,088
Mixed Income Ordinance	I21005000	37,755	-
N Natomas Admin Control	I22200100	7,380,198	383,363
Natomas Centrl 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	446,221	55,134
NNAC&CC Feasibility Study Proj	I19000900	161,167	(79,635)
Non-Bonded Service Dist Appls	I22300100	467,290	54,777
Panhandle Annexation 4811	I22209000	124,990	3,466
PBID/BIA Applications	I22310600	45,000	25,679

Project Description	Project #	Total Budget	Available Budget
OTHER FUNDS (continued)			
Pgm Outreach/Access for Senior	I19121001	100,000	67,701
Project Pony 2112	I11001900	6,600	5,202
RAILS Grant Program	I18000100	970,709	399,922
Regional Community Policing In	I11001600	49,871	-
River District Specific Plan	I21000200	142,500	-
River District-Fin/Nexus/Fisc	I21000242	253,555	7,196
RiverArc Project	I14510205	25,748	748
Sacramento Railyards 2006 Finp	I22208000	740	(995)
Sewer Basin G301 Master Plan	I14610210	45,000	10,573
SPD Traininig Facility 2157	I11002000	46,700	58
Support for Community Living	I19121003	30,000	30,000
TMA Shuttle	I22200700	1,318,200	192,000
Traffic Impact Study Guideline	I15161700	75,000	9,241
Transp Programming Guide Prog	I15160100	100,000	68,714
Triple R - Sliding Scale 3	I19120005	205,579	-
Triple -R Outreach	I19120016	23,834	-
Vision Zero Action Plan	I15171700	75,000	1
Wastewater Planning Prog	I14610200	28,000	28,000
Water Master Plan Program	I14510200	64,347	55,180
Willowcreek Fee District	I22206000	2,618,461	595,296
	Other Funds Total	**40,465,793**	**7,802,000**
	Total All Funds	**128,191,098**	**28,683,406**

EXTERNALLY FUNDED PROGRAMS

The following is a list of existing externally funded programs, the total budget, and available budget based on data available as of March 2017:

Project Description	Project #	Total Budget	Available Budget
GENERAL FUND			
PHSC Reserve Funding	E18000401	160,000	160,000
Railyards Mediation	E02000101	100,000	8,944
Railyards Project Management	E02000100	506,853	313,160
	General Fund Total	**766,853**	**482,104**
EXTERNALLY FUNDED PROGRAMS (EFP) FUND			
2016 DMV Anti-Auto Theft	E11005406	348,345	-
Academy Activities 7/07-6/11	E11002200	1,003,859	100,599
APP - City of West Sacramento	E17000700	25,000	24,958
APP - McKinley Village Master	E17000600	35,000	23,750
Board of Supervisors	E17000502	18,000	5,787
CoolCalifornia Challenge	E21000100	13,600	2,014
County Support-Move Artwork	E17000101	10,600	10,600
DMV Anti-Auto Theft - FY15	E11005405	323,889	-
Federal Forfeiture - DOJ	E11007000	96,557	87,099
Federal Forfeiture - DOT	E11006900	46,384	46,384
Federal Forftr - DOJ	E11003300	2,458,281	146,518
Federal Forftr - DOT	E11003200	1,162,475	96,727
FY14 Los Rios Voctnl Trng	E11002514	425,154	-
FY15 AB109/RCISP	E11006400	147,080	58,879
FY15 Los Rios Voctnl Trng	E11002515	604,591	-
FY16 AB109/RCISP	E11006600	150,213	46,794
FY16 Los Rios Vctnl Trng	E11006516	600,000	47,828
FY17 DMV Anti-Auto Theft	E11005407	500,000	212,114
FY17 Los Rios Voctnl Trng	E11006517	600,000	107,791
FY17 RCISP (AB 109)	E11006610	147,347	147,347
Helicopter Program	E11002400	453,134	123,360
Los Rios Vctnl Trng Spec Proj	E11002516	606,033	605,370
Los Rios Vocational Training	E11002500	5,848,744	91,472
Los Rios Voctnl Trng 7/10-6/11	E11002511	837,054	-
Los Rios Voctnl Trng 7/11-6/12	E11002512	654,686	-
Los Rios Voctnl Trng 7/12-6/13	E11002513	279,983	1
SMUD Gallery - CY2014-16	E17000501	75,000	11,319
State Forfeiture - Hlth & Sfty	E11006700	318,619	156,116
State Forfeiture Drug&GangPrev	E11006800	54,596	54,596
State Forftr - Criminal Profit	E11002700	130,690	-
State Forftr - Drug Ed & Gang	E11002900	761,731	67,735
State Forftr - Hlth & Sfty	E11002800	4,033,675	15,959
Terminal B Arts Endowment 2013	E17000201	25,000	10,881
Vocational Ed Training - Fire	E12000100	1,996,450	173,483
	Externally Funded Programs Fund Total	**24,791,770**	**2,475,482**

Project Description	Project #	Total Budget	Available Budget
OTHER FUNDS			
Driver Training Acadmy (SRDTA)	E08000100	1,100,000	382,104
PHSC Reserve Funding	E18000401	200,000	200,000
Powerhouse Science Center	E18000400	2,450,000	1,650,000
Robla Facility Safety Training	E08000200	1,500	1,500
	Other Funds Total	**3,751,500**	**2,233,604**
	Total All Funds	**29,310,123**	**5,191,190**

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SECTION – 25
Financial Policies

Advanced Life Support (ALS) Revenue Recovery

Scope: CITYWIDE

Policy Contact

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Purpose
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Regulatory References

July 27, 1993 Resolution 1993-0434
October 2011AB 678-Ground Emergency Medical Transport
June 26, 2012 Resolution 2012-0214
March 18, 2014 Motion 2014-0053

Advanced Life Support (ALS) Revenue Recovery Policy

1. PURPOSE

To establish a policy for revenue recovery associated with the cost of providing the City's Advanced Life Support (ALS) program.

2. BACKGROUND

On July 27, 1993 (Resolution 93-434), the City established the ALS program. Council stated that the City's ambulance rates should be lower than other local providers given similar customer mixes. The ALS program as approved was to recover the direct cost of providing services without a General Fund subsidy.

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 a number of different reasons, one of them being payer mix. The City's payer mix is currently 34 percent Medicare, 35 percent Medicaid, and 16 percent Private Insurance with the remainder being Self Pay and Uninsured. In addition there are federal 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.

In October 2011, AB 678 authorizing the Ground Emergency Medical Transport (GEMT) program was enacted providing for the reimbursement of transports of Medi-Cal patients who are not in managed care. On March 18, 2014, the Council authorized the agreement with Sacramento Metropolitan Fire District (Motion No. 2014-0053) to pursue reimbursements through the GEMT program.

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.

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 the transport of Medi-Cal patients that are in managed care.

While the City can assure the continuation of fee for service revenues, revenue recovery programs such as GEMT and IGT are subject to state and federal funding availability.

3. POLICY

(a) The ALS Program costs shall be fully offset by direct revenues.

(b) All revenues recovered for the provision of ALS services shall be used to cover direct and indirect costs to reduce the General Fund subsidy for this program.

Budget Control Policy

Scope: CITYWIDE

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1.Purpose
2.Background
3. Policy
3.1 Annual Budget Development
3.2 Budget Amendments

Regulatory References
Council Motion 2016-0121

Effective Date: April 26, 2016

Budget Control Policy

1. PURPOSE

The purpose of this policy is to ensure the City makes informed fiscal decisions that take into account the full costs, in terms of dollars and service impacts, of implementing spending increases during the fiscal year. To maintain a structurally 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 mid-year budget adjustment should be made.

Budget amendments shall be considered and adopted by the Council except for where authority has been delegated as prescribed within the adopted Budget Resolution.

Debt Management Policy

Scope: CITYWIDE

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Regulatory References
Council Resolution 2017-0046

Effective Date: February 7, 2017

Debt Management Policy

1. Introduction

1.1 *Background*. The City of Sacramento (the "City") has a long history of issuing multiple types of debt and working with various residents, businesses, developers, and other government agencies to achieve the most effective financing solutions for necessary project and capital improvements. Debt issuance is one way of financing capital projects in a cost-efficient manner while maintaining generational equity. With its limited fiscal resources, the City will continue to explore the issuance of debt as an equitable means of meeting its infrastructure needs.

1.2 Purpose. This Debt-Management Policy (this "Policy") sets forth the principles and objectives that should guide the City's decisions to issue debt and establishes guidelines for responsibly managing debt. The core objectives of this Policy include the following:

(A) Minimize costs of debt service and issuance.

(B) Maintain access to cost-effective borrowing.

(C) Achieve and maintain the highest practical credit ratings of the various bond and credit types as well as the City's overall credit rating.

(D) Balance pay-as-you-go financing with debt financing.

(E) Ensure full and timely repayment of debt.

(F) Maintain full and complete financial and non-financial disclosure and reporting with respect to debt and associated credit ratings.

(G) Ensure compliance with federal and state laws and regulations.

(H) Promote the City's best interests and protect the City's financial stability when deciding whether to approve debt.

(I) Maintain internal-control procedures to ensure the proceeds of each debt issuance are directed to the intended use.

(J) Increase transparency to debt stakeholders and consistency in debt decision making.

1.3 *Scope of Application.* This Policy applies to debt issued by the City, the Sacramento City Financing Authority, the Sacramento Public Financing Authority, and the Redevelopment Agency Successor Agency; to debt the City issues on behalf of assessment districts and community facilities districts; and to debt the City issues for third parties i.e., conduit financing (collectively, "City Debt"). From time to time, however, compelling or extraordinary circumstances may arise that require the City Council, at the recommendation of the City Treasurer or Debt Manager, to deviate from this Policy. Certain obligations of the City—such as

Other Post-Employment Benefits ("OPEB") and debt not involving the issuance of bonds—are not subject to this Policy.

2. Governing Authority and Responsibility

2.1 *Authority.* The City's debt program for all City funds must be operated in conformance with applicable federal, state, and other legal requirements, including authorizing sections of the Sacramento City Code and the various bond covenants of the City's outstanding bond obligations.

2.2 *Delegation of Authority.* The City Council assigns its responsibility for managing and coordinating all activities related to the structure, issuance, and post-issuance management of all City Debt to the City Treasurer's Office.

2.3 *Point of Contact.* The City Treasurer and the Debt Manager within the City Treasurer's Office (the **"Debt Manager"**) are responsible for maintaining communication to the market on the City's behalf, with a policy of full disclosure. This includes communication with rating agencies, investors, and other debt-related service providers about the City's financial condition or the financial condition of enterprise funds that secure revenue bonds. As necessary, the City Treasurer or Debt Manager will seek guidance from the City Attorney's Office and the City's disclosure counsel on the appropriateness of disclosing certain matters.

2.4 *Responsibilities*. Debt obligations may not be presented to the City Council for authorization without a joint assessment and mutual recommendation by the City Manager's Office and the City Treasurer's Office. City Departments that propose debt-financed capital programs or small-equipment acquisitions must work in close coordination with the City Treasurer's Office, the City Manager's Office, the City Attorney's Office, and the City Finance Department by providing information to facilitate the feasibility analysis and due-diligence process before the issuance of debt. In the drafting of bond-issuance documents and other related ongoing matters, the following roles shall serve as general guidance. Roles for a particular financing may differ slightly.

(A) The City Treasurer's Office—

(1) is responsible for selecting the structure, timing and conditions of debt issuance;

(2) serves as the primary contact between the City and rating agencies, investors, and all other market participants;

(3) manages non-attorney members of the financing team (see Section 4.5. Professional Assistance)

(4) leads the development of all necessary financing documents;

(5) presents the financing structure and financing documents to the City Council for approval;

(6) manages compliance with post-issuance requirements, including continuing-disclosure requirements (in accordance with the Supplemental Policy on Disclosure) and arbitrage requirements; and

(7) conducts periodic reviews of this Policy and brings forward to City Council any proposed amendments.

(B) The City Manager's Office and appropriate City Departments under the City Manager's supervision—

(1) identify and prioritize projects through the City's capital-improvement program;

(2) identify sources of funds for debt-service payment;

(3) identify sources of funds for project operation and maintenance;

(4) participate in document preparation and review;

(5) participate in conference calls or meetings regarding the debt, e.g., due-diligence reviews, rating-agency presentations, investor relations; and

(6) provide timely information as needed to ensure compliance with post-issuance requirements, including tracking bond proceed expenditures to comply with arbitrage requirements and annual reporting requirements.

(C) The City Attorney's Office—

(1) provides independent verification of the City's compliance with all applicable laws and regulations;

(2) selects, retains, and manages outside legal counsel (e.g., bond counsel, disclosure counsel);

(3) protects the City's interests;

(4) participates in document preparation and review; and

(5) participates in conference calls or meetings regarding due-diligence review.

(D) The City Council—

(1) takes this Policy into account when, as a member of joint-powers authorities or as a member of other agencies (e.g., Sacramento Area Flood Control Agency, Sacramento Transportation Authority), it considers the issuance of debt that may affect the City and its constituents;

(2) reviews and approves this Policy and, if necessary, reviews and considers the approval of recommendations to amend this Policy brought forward by the City Treasurer's Office; and

(3) reviews and, if appropriate, approves supplemental policies that address various debt and financing instruments (if additional supplemental policies are adopted, then an amended version of Attachment A reflecting those policies must be attached to this Policy).

3. Capital Financing Considerations

3.1 *Constraints.* New debt will affect the long-term affordability of all outstanding and planned debt; the maintenance and operating costs of debt-financed improvements will also affect the City's budget.

(A) The pledge of repayment implicit in the issuance of debt means that any future issuance of debt is limited; hence, the City Council must consider other current, planned, and outstanding debt (including overlapping debt) when assessing the financial feasibility of a planned project or purchase.

(B) Additionally, the necessary maintenance and operating costs of projects financed with debt places constraints on the City's budgetary flexibility and should be considered alongside debt capacity as a factor when evaluating any proposed financing.

(C) Finally, debt issuances should be coordinated with the City's overall capital-improvement program and budget process to the extent possible.

3.2 *Debt Capacity*. Existing laws and regulations and the Sacramento City Code, as well as applicable covenants of existing debt, limit the City's ability to issue new debt. The City Treasurer's Office shall work to ensure that the City Council and the City Manager are aware of outstanding debt levels and of the ramifications if more debt is issued, including the additional financial constraints the City may face. As needed, the City Treasurer's Office may perform debt-capacity analyses to evaluate the long-term effects of debt issuance in relation to the City's objectives.

3.3. *Feasibility*. To ensure consistency with this Policy, the City Council shall not undertake or authorize debt without an assessment and recommendation of the City Manager's Office and City Treasurer's Office.

(A) General Fund and Special Revenues. In conjunction with the City Treasurer's Office, the City's Department of Finance shall prepare for each long-term financing an internal feasibility analysis of the effect of debt service and operations on current and future budgets and on the City's

overall credit rating. This analysis must also address the reliability of revenues to support debt service.

(B) Enterprise Funds. The City Manager's Office and the City Treasurer's Office shall evaluate the affordability of new debt for enterprise funds. Enterprise rate levels must fully cover debt-service requirements and debt-service-coverage ratios as outlined in the applicable bond covenants, as well as the anticipated costs of operations, maintenance, administration, and capital improvement. At the time of debt issuance, the projected net system revenues of the enterprise fund should be sufficient to maintain a coverage ratio equal to or greater than 120%. 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.

(C) Conduit Financing by a Joint-Powers Authority. The City may agree to the issuance of bonds by various joint-powers authorities (e.g., Association of Bay Area Governments, California Statewide Community Development Authority, California Municipal Finance Authority). Where the City is not the issuer of bonds for a project within the City, the City's policy will be to require the issuer to assume full responsibility for issuance and ongoing compliance of the bond issue with federal and state laws. Where feasible, however, the City may hold the public hearing required by the Tax Equity and Fiscal Responsibility Act of 1986 (26 U.S.C. § 147(f)(2)), but the City is not required to do so.

(D) City-Issued Conduit Financing. In rare instances, the City Treasurer's Office may determine that it is in the City's best interest to issue bonds on behalf of another governmental agency or a 501(c)(3) corporation within the City boundaries. In these instances, neither the City's general fund nor the City's taxing power will be pledged for repayment of the bonds. In addition, the City will rely on the financial analysis provided by the additional governmental entity or the 501(c)(3) corporation for purposes of due-diligence review before moving forward on the request to issue debt. The City's preferred method for issuing conduit debt is conduit financing by a joint-powers authority.

(E) Small-Equipment Lease Financing. The City may move forward with a small-equipment lease financing at the request of City Departments after analysis and due-diligence review by the City Manager's Office or the City Department of Finance, or both. Requests from City Departments must demonstrate the need (e.g., legal, environmental, cash flow) for small-equipment lease financing, and the City Departments must provide realistic, projected drawdown schedules showing that borrowed funds are spent in accordance with requirements ***of the Internal Revenue Service (the "IRS")***.

3.4 *Capital Expenditure Considerations*. The City will consider the following factors to evaluate pay-as-you-go financing versus debt financing for funding capital expenditures:

(A) Factors favoring pay-as-you-go

(1) Projected revenues and fund balances are adequate and available to complete the project, or the project can be completed in phases.

(2) Existing debt levels might adversely affect the City's credit rating or rating outlook.

(3) Market conditions are unfavorable or present difficulties in marketing the proposed debt.

(4) The project's useful life is less than five years.

(B) Factors favoring debt financing

(1) Current and projected revenues available for debt service are sufficient and reliable so that financings can be marketed with investment-grade credit ratings.

(2) Market conditions present favorable interest rates and demand for the City financings.

(3) The project is mandated by federal or state law, and current resources are insufficient or unavailable to fund the project fully within the time required.

(4) The project is immediately needed to meet or relieve capacity needs or emergency conditions, and current resources are insufficient to fund the project fully within the time required.

4. Debt Issuance

4.1 *Types and Purposes of Debt*

(A) Long-Term Debt. Long-term debt may be used to finance the costs of acquiring or improving land, infrastructure, facilities, or equipment if it is appropriate to spread these costs over more than one budget year. Long-term debt may also be used to fund capitalized interest, costs of issuance, required reserves, and any other financing-related costs that may be legally capitalized. Long-term debt may not be used to fund City operating costs. The final maturity of long-term debt should not exceed 40 years. The

following are the types of long-term debt that may be undertaken by the City:

(1) Special-Tax Revenue Bonds. Under the Mello-Roos Community Facilities District Act of 1982, codified at Governmental Code sections 53311 to 53368.3 (the "Mello-Roos Act"), the City may use special-tax bonds to finance the construction or acquisition of various public improvements. The Mello-Roos Act provides an efficient means of financing certain public capital facilities and services and promotes economic development in areas that lack sufficient infrastructure, such as infill or brownfield areas. Bonds may be issued to fund capital facilities so long as the estimated useful life of the facilities is at least five years. These bonds must be approved by at least two-thirds of the qualified electors within the CFD.

(2) Marks-Roos Bonds. Under the Marks-Roos Local Bond Pooling Act of 1985, codified at Government Code sections 6500 to 6599.3 (the "**Marks-Roos Act**"), governmental entities, in consort with or as part of a joint-powers authority, may use a "pooled" financing technique for a broad array of public capital improvements. The City has used the Marks-Roos Law to issue refunding bonds for community facilities districts as well as for two redevelopment project areas when new-money debt was issued concurrently. Voter approval is not required.

(3) Special-Assessment Bonds. The Improvement Act of 1911 and the Improvement Bond Act of 1915 authorize the City to form assessment districts for imposing special-assessment liens on properties within the districts, with the assessment on each property calculated according to the "special benefit" the property receives from the improvements. The assessments are then used to secure payment of bonds that amortize the improvement costs over a period of years. A majority of the property owners within the district must approve both the formation of the district and the issuance of the bonds. Approval occurs through submission of assessment ballots weighted according to the amount of each property's proposed assessment. Importantly, for some improvements the "general benefit" may outweigh the "special benefit"; if so, then the usefulness of special-assessment bonds to finance the improvements will be diminished.

(4) General Obligation Bonds. These bonds may be issued by governmental entities that have the legal authority to levy ad valorem property taxes and other charges at whatever rate and amount is necessary to pay the debt. Under article XVI, section 18 of the California Constitution, these bonds may only be issued for the acquisition or improvement of real property such as libraries and public-safety facilities. Two-thirds voter approval is required.

(5) Tax-Allocation Bonds. Until January 2012, the City was authorized to issue tax-allocation bonds (**"TABs"**) that were secured by a pledge of tax-increment revenues from project areas within a redevelopment agency. Proceeds from TABs were used to revitalize blighted and economically depressed areas and promote economic growth. The City is no longer authorized to issue new-money TABs unless the City or its related financing authorities are aware of enforceable obligations that need to be met. Only refunding TABs are now authorized, and only the Redevelopment Agency Successor Agency of the City of Sacramento may issue them.

(6) Certificates of Participation and Lease-Revenue Bonds. These debt instruments are secured by a lease-leaseback arrangement between the City and another public entity. The City uses its general operating revenues (which are not expressly pledged) to pay amounts owed under the lease. The payments are in turn used to pay debt service on lease-revenue bonds issued by a joint-powers authority or on certificates of participation executed and delivered by a trustee. Voter approval is not required because these debt instruments are not subject to the debt limit in article XVI, section 18 of the California Constitution.

(7) Revenue Bonds. These bonds are payable from revenue generated by a City enterprise, such as water and wastewater utilities. Because debt service on revenue bonds is paid solely from enterprise revenues and are not secured by any pledge of tax or general fund revenues, these bonds are not subject to the debt limit in article XVI, section 18 of the California Constitution. Revenue bonds are used for the improvements to the enterprise.

(8) State Revolving Fund Loans or Other Similar Debt Instruments. An example is the Infrastructure State Revolving Fund Program, which provides financing to public agencies and non-profit corporations sponsored by public agencies; the loan proceeds are used for a variety of infrastructure and economic-development projects. Often the cost of borrowing through the loan programs is lower than the cost of issuing debt in the public market, but the maximum duration of the loan may be limited.

(B) Short-Term Debt. Short-term debt may be used as an interim source of funding before the issuance of long-term debt: It may be issued for any purpose for which long-term debt may be issued, including the payment of capitalized interest and other financing-related costs; it may also be used to address legitimate short-term cash-flow requirements during a given fiscal year, so that the City may continue to fund the operating costs of providing necessary public services; and it may be used to bridge the gap in financing before long-term debt is issued to meet the ongoing capital needs of a

project or series of projects. The City will not engage in short-term borrowing solely for the purpose of generating investment returns (arbitrage). Short-term debt usually may not exceed five years.

(1) Tax and Revenue Anticipation Notes ("TRANs"). These are short-term notes used to cover cash shortfalls resulting from a mismatch between the timing of revenues and expenditures. The City may issue TRANs when needed to meet general fund cash-flow needs in a fiscal year. TRANs are secured by the property taxes and other revenues received later in the fiscal year. Voter approval is not required.

(2) Bond Anticipation Notes ("BANs"). These are short-term interest-bearing notes issued in the anticipation of long-term bond issuances. The City may issue BANs as a source of interim financing when the City Treasurer determines that doing so is prudent and advantageous to the City. Voter approval is not required.

(3) Lease-Purchase Financings. These financings may be used for the short-term financing of essential equipment. The term of a lease-purchase agreement is typically less than 10 years but may be as long as 15 years. Under this type of financing, the City and a bank enter into a master lease agreement for the lease-purchase of equipment up to a certain aggregate amount. The City and the bank then enter into separate "schedules of property" or "lease schedules" for each lease-purchase of equipment, and the City Council annually budgets and appropriates an amount sufficient to pay rent for the equipment under lease during that year; the failure to appropriate will result in termination of the lease-purchase agreement. Voter approval is not required.

(4) Commercial Paper Notes. These notes serve as a cash-management tool used primarily to provide short-term interim funding of capital expenditures that will ultimately be funded from a long-term bond or loan. Commercial-paper notes can reduce a project's overall interest costs because only the amount needed for interim funding is borrowed, and interest rates on the interim funding are lower than the rates on the "permanent" funding with long-term bonds or loans. As of the date of this Policy, the City has never issued commercial paper notes, but the need for this type of short-term financing could arise in the future.

(C) Other Debt. There may be special circumstances when other forms of debt are appropriate; these will be evaluated on a case-by-case basis.

(D) Refunding. The City Treasurer's Office will periodically review outstanding City Debt to identify refunding opportunities and evaluate the costs and benefits of restructuring or retiring outstanding obligations. Refunding will be

considered (within federal tax-law constraints) when it will provide a net economic benefit or when it is needed to achieve City objectives relating to changes in covenants, call provisions, operational flexibility, tax status, the issuer, debt-service profile, etc. The City may purchase City Debt in the open market for the purpose of retiring the debt when doing so is cost effective.

(1) There are two types of refunding transactions: a current refunding occurs when outstanding bonds are paid off within 90 days after the proceeds of refunding bonds are deposited into an escrow account with the escrow agent (typically the same entity as the trustee); and an advance refunding occurs when outstanding bonds are paid off more than 90 days after proceeds of refunding bonds are deposited into an escrow account with the escrow agent. Federal tax law allows a tax-exempt issue to be advance refunded only once.

(2) In general, when the City undertakes a current refunding or an advance refunding for net economic benefit, the refunding should produce net-present-value debt-service savings of at least 5%. This 5% threshold is a goal rather than a requirement, as the City may have reason to refund an issue that generates net-present-value savings of less than 5% (e.g., the refunding will eliminate unduly restrictive bond covenants).

4.2 *Public Policy Discussion*. The proceedings to issue debt for projects that are controversial or of high public interest should be conducted with full transparency and public discussion (e.g., through community meetings, public outreach, City Council meetings).

4.3 *Method of Sale.* Except to the extent a competitive process is required by law, the City Treasurer is responsible for determining the appropriate manner in which to offer City Debt to investors. A negotiated sale is preferred because it (A) provides the City more flexibility in determining the structure, time, and date of the sale, which is advantageous in a volatile municipal-bond market; (B) permits the schedule for the issuance and sale of bonds to be expedited when necessary to meet the City's goals; and (C) affords the chosen underwriter or senior managing underwriter (in the case of an underwriting syndicate) greater opportunity to pre-market the City Debt to potential purchasers, including local investors, before the sale—all of which contributes to the City's goal of achieving the lowest overall cost of funds. Other methods of sale, such as competitive sale and private placement, may be considered on a case-by-case basis. For example, private-placement debt may be appropriate when pending litigation or other risks or market conditions make a competitive or publicly negotiated sale difficult.

4.4 *Pooled Financing.* The City Treasurer is responsible for determining on a case-by-case basis 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.

4.5 *Professional Assistance.* The City Treasurer may periodically select and retain service providers (other than bond and disclosure counsel, which the City Attorney's Office selects and retains) as needed to meet legal requirements and provide specialized analytical services in an effort to minimize the costs of City Debt. The City Treasurer will make these selections with the goal of achieving an appropriate balance between service (including experience, professional reputation, and market recognition) and cost. The City Treasurer may select service providers through a sole-source process of his or her choosing unless a competitive or other process is required by law or this Policy.

5. Debt Structure Features

5.1 *Debt Repayment*

(A) Useful Life. City Debt must be structured so that the weighted average maturity of the proposed debt is less than or equal to the weighted average economic or useful life of the capital projects or improvements to be financed.

(B) Level Debt Service Preferred. To the extent possible, the structure of debt-service for long-term debt other than special-tax revenue bonds should have combined annual principal and interest payments that remain relatively constant to maturity, i.e., "level debt service." But in some circumstances non-level debt service may be to the City's advantage. The City Treasurer's Office will determine the structure of the debt at the time of borrowing after considering pricing, cash flows, and other relevant factors.

5.2 *Credit Quality.* The City should obtain and maintain the highest possible credit ratings when issuing short-term and long-term debt and will only issue bonds, for itself or others, that have a credit rating of "investment grade" or higher.* The City will, however, consider the issuance of non-rated land-secured bonds issued through assessment districts or community facilities districts, as well as the issuance of other non-rated bonds if circumstances warrant. The City will not seek a rating for bonds unless the City Treasurer's Office determines that the bonds are likely to receive a rating of BBB or higher.

* For Moody's Investor Service, "investment grade" means a rating of **P-3** or higher for short-term debt and **Baa3** or higher for long-term debt. For Standard & Poor's, "investment grade" means a rating of **A-3** or higher for short-term debt and **BBB–** or higher for long-term debt. And for Fitch Ratings, "investment grade" means a rating of **F-3** or higher for short-term debt and **BBB–** or higher for long-term debt.

5.3 *Credit Enhancement*. The City Treasurer's Office will work with the City's municipal advisor and underwriter (or senior managing underwriter if there is an underwriting syndicate) of proposed City Debt to analyze the costs and benefits of obtaining bond insurance on a maturity-by-maturity basis for the debt.

5.4 *Non-Cash Reserve and Reduced Reserve*. The City Treasurer's Office will work with the City's municipal advisor and underwriter (or senior managing underwriter if there is an underwriting syndicate) of proposed City Debt to analyze the costs and benefits of obtaining a surety reserve policy or reducing the typical lesser of three-prong reserve test to 50% of maximum annual debt service, or MADS, for example.

5.5 *Fixed-Rate Debt.* The City's preferred interest-rate mode is fixed rate.

5.6 *Variable-Rate Debt.* The City may issue variable-rate debt—i.e., debt that pays interest at a rate that varies according to a pre-determined formula or specified index or results from a periodic remarketing of the debt. Although the City might benefit from variable-rate debt in some transactions, issuing variable-rate debt passes an unknown obligation and risk to future City Councils.

5.7 *Derivatives.* Derivatives might be appropriate for certain City borrowing programs. For example, derivatives may be used in connection with the issuance of variable-rate debt. The City Treasurer's Office will evaluate the use of derivatives on a case by-case basis to determine whether the potential benefits are sufficient to offset any potential costs and whether the derivatives are consistent with state law and financially prudent.

5.8 *Call Provisions.* The City Treasurer's Office will determine the call provisions for City Debt at the time of pricing, mindful that call provisions may affect the price of the bonds and the interest of potential investors. The City's preferred structure is early optional redemption at par in order to maintain flexibility for future refunding opportunities. The City will not issue non-callable debt unless it is legally required or unless market conditions dictate otherwise; non-callable debt should not be issued solely to generate additional debt-service savings.

5.9 *Bond Size*. Unless otherwise directed by the City Treasurer in consultation with the City Manager, the minimum amount the City will finance through the issuance of bonds is $10 million unless circumstances justify a lower amount. The City may pursue other financing mechanisms—such as pay-as-you-go financing, inter-fund borrowing, lines of credit, and lease financing—for debt less than $10 million. The City Treasurer will determine whether to move forward with a small debt financing.

6. Debt Administration and Regulatory Compliance

6.1 *Policies and Procedures for Post-Issuance Compliance.* The City Treasurer's Office must maintain written policies and procedures that require compliance with bond covenants and with federal, state, and local laws and regulations. The policies and procedures must address continuing-disclosure requirements; arbitrage-rebate requirements, private-use limitations, other tax-compliance requirements; levy enrollment and administration; delinquency and foreclosure management; debt service and other payments; and permitted investments and uses of bond proceeds.

6.2 *Arbitrage Compliance.* The City Treasurer's Office is responsible for keeping all records needed to comply with federal arbitrage requirements for tax-exempt debt.

(A) For each bond issue, the City Treasurer's Office will pay required rebate amounts, if any, no later than 60 days after each five-year anniversary of the issue date of the bonds and no later than 60 days after the last bond of the issue is redeemed.

(1) During the construction of each capital project financed with bond proceeds, the City's arbitrage consultant will typically prepare an interim arbitrage-rebate report at least once every 12 months until all proceeds deposited in the project deposit have been expended; if, however, the proceeds remaining in the project fund are equal to or less than 5% of the proceeds initially deposited, then the City Treasurer's Office may have the arbitrage consultant prepare the interim arbitrage-rebate reports according to the timeframe required by IRS regulations.

(2) After the construction period, the City's arbitrage consultant will prepare an interim arbitrage-rebate report on each five-year anniversary of the issue date of the bonds, or more frequently if warranted.

(B) During the term of each issue plus three years, the City Treasurer's Office will retain copies of all arbitrage reports, records relating to the use and investment of tax-exempt proceeds, documentation of private use, and other relevant documents associated with the issue. If the issue is refunded, then the retention period for the refunded issue is the life of the refunding issue plus three years. Training may be provided for all personnel working on the IRS's post-issuance-compliance process. If any potential violations to complying with federal tax laws are discovered, then the City Treasurer or City Debt Manager, after consulting with the City Attorney's Office, will contact bond counsel and determine what if any corrective actions are needed (e.g., entry into the Voluntary Closing Agreement Program with the IRS).

(C) The City Treasurer or City Debt Manager will review the City's post-issuance compliance policies and procedures at least once every two years and will implement revisions as appropriate after consulting with the City Attorney's Office and, if needed, bond counsel.

6.3 *Use of Proceeds from Tax-Exempt or Taxable Debt and of Assets Financed with Tax-Exempt Debt.* The City Treasurer's Office in conjunction with other City Departments is responsible for the following:

(A) Monitoring the use of proceeds from tax-exempt and taxable debt and the use of assets financed or refinanced with tax-exempt debt throughout the term of the debt to ensure compliance with all covenants and restrictions in the documents relating to the debt and to ensure that the proceeds are directed to the intended use.

(B) Consulting with the City Attorney's Office and tax counsel in reviewing contracts or other arrangements involving use of assets financed or refinanced with tax-exempt taxable debt to ensure compliance with all covenants and restrictions in the documents relating to the debt.

(C) Maintaining records for any contracts or other arrangements involving the use of assets financed or refinanced with tax-exempt or taxable debt.

(D) Maintaining internal-control procedures related to the management and disbursement of proceeds, such as procedures requiring that proceeds are either (1) held by a third-party trustee or fiscal agent, which will disburse the proceeds to, or upon the order of, the City in accordance with one or more written requisitions; or (2) held by the City and deposited and accounted for in a separate fund or account, with withdrawals and expenditures carefully documented.

(E) Consulting promptly with the City Attorney's Office and tax counsel to develop a course of action to remediate any identified existing or potential violations of restrictions on the use of tax-exempt or taxable proceeds or the use of assets financed or refinanced with tax-exempt or taxable proceeds.

Attachment A
Supplemental Policies

City of Sacramento *Policies and Procedures For Use of Special Assessment and Mello-Roos Community Facilities District Financing For Infrastructure, Public Facilities, Programs and Services* (Adopted on June 29, 1993, by Resolution No. 93-381, updated on August 9, 1994, by Resolution 94-491 and on May 15, 2012)

City of Sacramento *Development Fee Financing Program for Commercial, Industrial and Residential Development Projects* (Adopted January 1997 by Resolution No. 97-002)

California Debt and Investment Advisory Commission *Appraisal Standards for Land-Secured Financings* CDIAC 04-07 (Adopted in May 1994 and revised in July 2004)

City of Sacramento *Debt-Management Policy – Supplemental Policy on Disclosure* (Adopted on June 2, 2011, by Resolution No. 2011-322 and updated on February 7, 2017, by Resolution No. 2017-0046)

Development Stabilization Contingency Reserve (DSCR) and Development Services Fund Management

Scope: CITYWIDE

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Management of Activities in Fund 2016

Regulatory References

February 23, 1999 Resolution 1999-0077

DSCR and Development Services Fund Management Policy

1. PURPOSE

The purpose of the DSCR and the Development Services Fund (Fund 2016) is to ensure the prudent management of development funds for the public and the City of Sacramento. The DSCR will be used to bridge gaps between budgeted and actual development revenues in the Community Development Department (CDD) during periods of significant revenue decline.

2. BACKGROUND

The Development Services Fund was established on February 23, 1999 (Reso 99-077), to account for major plan review and building permit projects, cyclical surplus plan review and building permit revenues, and environmental impact review projects. In 1999 the City Council authorized the transfer of General Fund budget surpluses, during periods of high building activity, in the Development Services Department to be transferred to the Development Services Fund. The intent was that the Development Services Fund would be drawn down in years of lower building activity. Over time, these resources were used to fund ongoing workload, without an ongoing revenue stream. When the Fund could no longer support ongoing budgeted expenditures, the authority to carryover surpluses was removed from the annual budget resolution.

A sustainable funding plan for CDD building and planning operations is necessary for the department to be responsive to the economic climate. Establishing a DSCR Policy for Fund 2016 and Management Guidelines will provide the department resources during a downturn in development activity and time to react to those changes.

3. POLICY

The DSCR shall be established as set forth below and any changes to the policy will be presented to and approved by the City Council.

(a) The DSCR goal is one year's worth of building, building plan check, and current planning revenues.

(b) The DSCR will be initially funded with the available fund balance upon completion of the FY2014/15 audited financial statements for Fund 2016.

(c) Beginning with FY2014/15 actual year-end revenues in excess of budget from CDD's Building Inspection, Building Plan Check, Customer Service/Permit Counter, and Planning Operations, provided that the net year-end results (revenue and expenditure budget variance) of CDD are positive, will be transferred to the DSCR.

(d) The DSCR will only be used to bridge gaps between projected and actual development-related revenues in CDD during periods of significant revenue shortfalls.

4. MANAGEMENT OF ACTIVITIES IN FUND 2016

The fund shall be used for the management of development activities, when those activities are intended to be fully offset by revenues as described below and summarized in Attachment 1.

(a) Environmental impact review or planning review in fully reimbursable projects (P2100xxxx)

i. Revenues and expenditures must balance upon closure

ii. Shortfalls in completed projects where recovery efforts are unsuccessful will be covered by a transfer from the DSCR so that the project may be closed with balanced revenues and expenditures

(b) Major development projects (I21xxxxxx) when building valuation is in excess of $50 million, to be adjusted annually according to the Consumer Price Index (e.g., high rise buildings, arenas, theaters in fully reimbursable projects)

i. Revenues and expenditures must balance upon closure

ii. Funds remaining in a completed project will be transferred first to the DSRC until the Reserve level is attained, then to the department's General Fund operating budget

iii. Shortfalls in completed projects will be covered by a transfer from the DSCR so that the project may be closed with balanced revenues and expenditures

(c) Citywide Development Activities (funding provided by a % fee on all permits/plan reviews)

i. Technology for building or planning permitting systems: (e.g., Accela, CitizenServe, or eCAPS) to be managed in the separate capital projects (A21xxxxxx)

ii. General Plan and Community Plan updates: To be managed in a multi-year projects (I22xxxxxx) with separate child projects for the various plans/updates

General Fund Economic Uncertainty Reserve Policy

Scope: CITYWIDE

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3.2 Methods to Achieve Funding Levels
3.3 Criteria for Expenditure of Reserve Funds
3.4 Timeline for Replenishment of the EUR

Regulatory References
Council Motion 2016-0122

Effective Date: April 26, 2016

General Fund Economic Uncertainty Reserve Policy

1. PURPOSE

To establish the targeted level of General Fund operating reserves, a basic component of a financially strong city. Adequate reserves help sustain City operations when adverse or unexpected circumstances affect the City, providing resources to minimize service disruption in the event of temporary revenue shortfalls or unpredicted one-time expenditures. This policy establishes the amounts the City will strive to maintain in its Economic Uncertainty Reserve (EUR) and the conditions under which the reserve may be used.

2. BACKGROUND

Financial reserves strengthen the City's financial status and provide valuable resources for unexpected events. Every fund of the City represents a stand-alone financial set of accounts and has its own operating characteristics, financial capabilities, and constraints. The level of reserves needed should be based on the financial and operating characteristics of each fund. In June 2011, the City Council adopted a goal of establishing a General Fund EUR equivalent to 10% of annual General Fund revenues.

According to the Government Finance Officers Association (GFOA), it is essential that governments maintain adequate levels of fund balance to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) in order to protect taxpayers and employees from unexpected changes in financial conditions.

GFOA recommends, at a minimum, that general-purpose governments, regardless of size, maintain an unrestricted budgetary fund balance in their General Fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures (http://www.gfoa.org/appropriate-level-unrestricted-fund-balance-general-fund).

This policy establishes 10% of annual General Fund budgeted revenues as the minimum level of funding in the City's General Fund EUR and establishes two months of operating revenues as a target reserve level. The policy also outlines the methods the City will utilize to achieve the target reserve level, defines the conditions under which these funds can be used and describes how the City's expenditure and/or revenue levels will be adjusted to match any new economic realities that are causing the use of fund balance reserves as a financing bridge.

3. POLICY

3.1 Minimum and Target Reserve Levels

The City will maintain an EUR at a minimum of 10% of budgeted General Fund revenues. The City will seek to achieve and maintain a General Fund EUR equal to two months of regular ongoing General Fund expenditures, including transfers (i.e. 17% of General Fund expenditures).

The EUR shall be reported as a commitment of fund balance in the General Fund for external financial reporting. Appropriations from the EUR may only be made by a vote of the City Council to meet a critical, unpredictable financial need.

3.2 Methods to Achieve Funding Levels

Funding of the EUR will generally come from excess revenues over expenditures or one-time revenues.

At a minimum, during the budget process, staff shall review the current and five-year projected reserves to ensure that they are appropriate given the economic and financial risk factors the City faces.

3.3 Criteria for Expenditure of Reserve Funds

The EUR is intended to contend with significant short-term issues, inclusive of unexpected revenue shortfalls, higher than anticipated expenditures, or declared emergencies.

It is the intent of the Council to limit use of the EUR to address unanticipated, non-recurring needs. Reserves shall not normally be applied to recurring annual operating expenditures. The EUR may, however, be used strategically to allow time for the City to restructure its operations in a deliberate manner (as might be required in an economic downturn), but such use will only take place in the context of a Council-adopted long-term plan.

3.4 Timeline for Replenishment of the EUR

If the EUR is drawn down below the minimum level, a plan will be developed and implemented to replenish the reserve, generally from future surpluses. Replenishing the EUR will be a priority use of one-time resources. Generally, the City should seek to replenish the EUR to the minimum reserve level within one to three years.

Interfund Loans

Scope: CITYWIDE

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   3.2 Short-term Loans
   3.3 Prohibited Uses

Regulatory References

Council Motion 2015-0141

Interfund Loans Policy

1. PURPOSE

The City's Interfund Loan Policy documents the methods used by the City to demonstrate prudent financial management over interfund loans. The policy:

- Requires City Council approval of interfund loans, except for short-term working capital loans,
- Permits short-term interfund loans for working capital to cover Council-approved reimbursable grants and projects and other temporary timing differences in cash flows, and
- Prohibits interfund loans from being used to solve ongoing structural budget issues or hindering the accomplishment of any function or project for which the lending fund was established.

2. BACKGROUND

Interfund loans are the lending of cash from one City fund to another for a specific purpose and with a requirement for repayment. The practice of interfund loans is a recognized and necessary aspect of municipal finance. Such loans are typically short-term in nature, and constitute the allocation of resources between individual funds for working capital purposes.

3. POLICY

3.1 Long-term Loans

Interfund loans, other than short-term working capital loans, must be approved by the City Council. Council approval will include the following terms of the loan:

- Purpose of Interfund Loan
- Identification of the source fund
    - Availability of unrestricted funds in the source fund
    - Review of multi-year plans for use of source fund cash
    - Analysis of legal or contractual restrictions
- Repayment of Interfund Loan
    - Repayment must have a payment source and funding stream
    - Specific repayment schedule
    - Interest imposed at a rate equal to at least investment earnings if loan did not occur

- Other Considerations
  - Feasibility of repayment
  - Internal controls to monitor repayment

3.2 Short-term Loans

Short-term interfund loans for working capital to provide cash for Council-approved reimbursable grants and projects, are permitted. Short-term working capital loans are also permitted for temporary timing differences in cash flows when expenditures are incurred before revenue is collected. The source funds for working capital interfund loans are the Risk Fund and the General Fund.

3.3 Prohibited Uses

- Interfund loans will not be used to solve ongoing structural budget issues.
- Interfund loans will not hinder the accomplishment of any function or project for which the lending fund was established.

Investment Policy

Scope: CITYWIDE

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Regulatory References
Council Resolution 2016-0291

Effective Date: August 16, 2016

Investment Policy

The purpose of this document is to set forth the investment and operational policies for the management of the public funds of the City of Sacramento. These policies are designed to ensure the prudent management of public funds under management by the Sacramento City Treasurer.

Although the Sacramento City Charter generally provides the City Treasurer with the authority to deposit and invest funds in the City Treasury, undertaking of the investment activities by the City Treasurer is subject to the annual delegation of investment authority from the City Council as the body being primarily responsible for the investment of City funds. Accordingly, these policies are applicable to the management of City treasury funds as that task may be delegated to the City Treasurer.

A copy of this policy statement will be provided to all investment brokers and dealers and others in related fields doing business with the City of Sacramento, and will be provided to other interested parties on request. In addition, this policy statement will be posted to the City Treasurer's page of the City's internet website.

An entity retained to provide investment-related services to the City of Sacramento shall not render services unless and until it confirms, in writing, that it has received and reviewed this policy statement, and is prepared to implement its terms, as applicable to the services to be provided by the entity.

Governing Authority; Scope

A. Section 73 of the Sacramento City Charter vests the City Treasurer with authority to deposit and invest funds of the City treasury, subject to the annual delegation of investment authority from the City Council to the City Treasurer pursuant to Government Code section 53607. These policies shall apply to the City Treasurer's investment of City treasury funds.

B. The City Treasurer investment program for all treasury funds shall be operated in conformance with applicable federal, state, and other legal requirements. This policy statement is intended to conform to Government Code sections 53600, et seq, and interpretation of these policies shall be consistent with those statutes.

Objectives

A. Primary Objectives
The primary objectives of investment activities, in order of priority, are safety, liquidity, and yield:

1. Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective is to mitigate credit risk and interest rate risk.

a. Credit Risk. Credit risk is the risk of loss due to the failure of the security issuer or backer. The City will minimize credit risk by:

    i. Limiting investments to the types of securities listed in Section VI of this Investment Policy

    ii. Re-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business in accordance with Section IV.

    iii. Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

b. Interest Rate Risk. Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates. The City will minimize interest rate risk by:

    i. Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity

    ii. Investing operating funds primarily in shorter-term securities, money market mutual funds, the Local Agency Investment Fund ("LAIF") managed by the State of California, or similar investment pools and limiting the average maturity of the portfolio in accordance with this policy.

2. *Liquidity*

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). Alternatively, a portion of the portfolio may be placed in money market mutual funds or LAIF which offer same day liquidity for short-term funds.

The staff of the City Treasurer's Office shall (i) monitor the City's budget formation and approval process and (ii) actively engage with City staff to assess and manage cash flow needs of the City.

3. *Yield*

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the low level of risk being assumed.

Securities shall generally be held until maturity with the following exceptions:

a. A security with declining value may be sold early to minimize loss of principal.

b. A security swap would improve the quality, yield, or target duration in the portfolio.

c. Liquidity needs of the portfolio require that the security be sold.

d. Where the sale of the security to realize capital gains is advisable in the judgment of the investment officers.

B. Other Objectives

1. *Pooling of Funds*

Except for cash in certain restricted and special funds, the City will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds proportionately based on their respective participation and in accordance with generally accepted accounting principles. The pooling of funds shall have no effect on the legal character of the pooled funds, i.e. funds whose use is restricted by law shall remain restricted and cannot be used as part of the City's general fund.

2. *Local Considerations*

Where possible, as a secondary objective, funds may be invested for the betterment of the local economy. The City Treasurer may accept a proposal from an eligible institution that provides for a reduced rate of interest provided that such institution documents the use of deposited funds for local community development projects.

3. *Favored Investments*

Investments are encouraged in entities that have demonstrated significant commitment and cooperation (a) with foreclosure prevention efforts, including, without limitation, temporary moratoriums on foreclosures, renegotiation of the principle mortgage balances to reflect current values, and other good faith

negotiations with homeowners in regard to delinquent mortgages, and/or (b) in offering free or low-cost banking services to low- and moderate-income residents who are part of the traditionally “unbanked” or “under-banked” population. The City Treasurer may take into consideration the level of effort an entity expends in either the foreclosure relief or community banking areas, or both, when considering competing investments. If the City Treasurer is satisfied with the record of an entity in regard to such efforts, then the Treasurer’s investment staff may invest in the securities of the entity, provided that the investment is otherwise consistent with the requirements of this Investment Policy statement.

Standards of Care

A. *Prudence*

In accordance with Government Code section 53600.3, the standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures developed by the City Treasurer and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided extraordinary deviations from expectations are reported by subordinate investment officers to the City Treasurer in a prompt fashion and that the sale of securities is carried out in accordance with the terms of this policy.

Pursuant to the "prudent person" standard, investment officers shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Funds shall be managed not for speculation where the sole goal of a transaction is to increase principal balances, but for investment intended to earn a reasonable rate of return on invested funds, considering the probable safety of their capital as well as the probable income to be derived. Despite that investment transactions are undertaken with care pursuant to the “prudent person” standard, it is recognized that invested funds are subject to the vagrancies of the markets beyond the control of the investment officers.

B. *Ethics and Conflicts of Interest*

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and investment officers shall refrain from undertaking personal investment transactions with the same individual

with whom business is conducted on behalf of the City.
Investment officers shall file State Fair Political Practices Commission's Statement of Economic Interests and make the disclosures required by the City's conflict of interest policies.

C. *Delegation of Authority*

Authority to manage the City treasury investment program is granted to the City Treasurer pursuant to Sacramento City Charter section number 73, unless the Charter specifically indicates otherwise, subject to annual delegation of investment authority by the City Council pursuant to Government Code section 53607. Pursuant to the City Charter, the City Treasurer also is authorized to appoint deputies and employees, as prescribed by Council resolution, to implement the investment program. The City Treasurer and those employees appointed by the Treasurer to perform investment activities pursuant to these policies shall be referred to herein collectively as "investment officers."

Investment officers shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy ("Investment Procedures Manual"). Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures manual. The investment officers shall be responsible for all transactions undertaken and shall establish a system of controls to regulate their activities.

Authorized Financial Institutions, Depositories, and Broker/Dealers

A. *Selection*

Financial institutions and depositories involved in implementing the City Treasurer's investment activities are selected on a competitive basis in order to obtain high quality services by reliable, reputable and stable entities. The competitive process may be formal or informal, as determined by the City Treasurer in his or her discretion, with the objective of obtaining the quality of services necessary to serve the best interests of the City and relevant stakeholders, with services performed at competitive fees and rates. Such processes may occur from time to time by the City Treasurer's Office whether at the time the City Treasurer contracts for the general banking services or otherwise. The firm or firms providing investment-related services may or may not be, at the discretion of the City Treasurer, the same firm providing general banking services. Among the factors that the City Treasurer may consider in obtaining such services are (i) minimum qualifications pertaining to capacity, satisfaction of requirements to conduct required business, i.e. licenses, permits, registrations, certifications, etc.; (ii) capitalization; (iii) insurance and bonding; (iv) safekeeping and custodial experience; (v) status in good standing; (vi) ability and capacity of the firm to provide a full range of services as may be required by the City Treasurer; (vii) extent of the value added by an entity over the services

provided by firms then-providing investment-related services to the City Treasurer's Office; and (viii) other attributes as may be determined by the City Treasurer from time to time. The City Treasurer may determine the number and nature of firms to be retained to provide investment-related services based upon the volume of existing and projected investment work. Those firms that are selected to execute transactions on behalf of the City shall do so in a good faith manner and in the best interests of the City, and shall disclose to and advise the investment officers of material facts that bear upon the pricing of a given transaction order given by investment officers. All financial institutions executing investment transactions shall satisfy the requirements of Government Code section 53601.5. All depositories shall satisfy the institutional qualifications and security requirements described in Government Code sections 53648 et seq.

B. *Performance Review*

All financial institutions and depositories shall maintain the qualifications and attributes deemed appropriate by the City Treasurer, including, but not limited to those enumerated in subsection A above, and shall perform their duties in a satisfactory manner. The City Treasurer, at his or her discretion, shall conduct periodic performance reviews to ensure the institutions and depositories are providing services in the best interests of the City.

Safekeeping and Custody

A. *Delivery vs. Payment*

All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.

B. *Safekeeping*

Securities will be held by an independent third-party custodian selected by the City Treasurer. The inventory and value of cash and securities held by the custodian will be reconciled on a daily basis. The custodial institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standards No. 70, or SAS 70).

C. *Internal Controls, Investment Procedures Manual*

The City Treasurer is responsible for establishing and maintaining an internal control structure designed to guide the activities of the investment officers to ensure that the assets of the City are protected from loss, theft or misuse. Details of the internal controls system shall be documented in the Investment Procedures Manual and shall be reviewed and updated annually, as needed. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management. The internal controls structure

shall address the following points:

I. Prevention of collusion

II. Separation of transaction authority from accounting and recordkeeping

III. Custodial safekeeping

IV. Avoidance of physical delivery securities

V. Clear delegation of authority to subordinate staff members

VI. Written confirmation of transactions for investments and wire transfers

VII. Development of a wire transfer agreement with the lead bank and third-party custodian

Accordingly, the City Treasurer shall establish a process for an annual independent review by an external auditor to assure compliance with policies and procedures or alternatively, compliance should be assured through the City annual independent audit.

Suitable and Authorized Investments

A. *Investment Types*

Allowable investments of funds not required for the immediate use by the City are limited to those described in Government Code sections 16429.1 (Local Agency Investment Fund), 53601 (investment of surplus), 53601.8 (certificates of deposit), 53635 (purchase of commercial paper by pools) and 53638 (bank deposits), as such statutes may be amended or renumbered from time to time. These allowable investments, and their permitted amounts and attributes, are set forth in a summary prepared and updated from time to time by the California Debt and Investment Advisory Commission ("CDIAC") entitled, "Allowable Investment Instruments Per State Government Code, Applicable To All Local Agencies," included CDIAC's "Local Agency Investment Guidelines" publication that may be located at http://www.treasurer.ca.gov/cdiac/LAIG/guideline.pdf .

B. *Extended Maturities*

The investment officers will observe the maximum maturity term of five years on various of the allowable investments. However, where a particular investment is found by the investment officers to be advantageous and consistent with these policies, but for a nominal exceedance of a 5-year maximum maturity caused by effect of the security's issuance and maturity dates, or the settlement date of the transaction, or both, they are authorized to invest in the following obligations with remaining maturities of five (5) years, plus not more than thirty (30) calendar days: U.S. Treasury obligations, obligations of California or other states, California local

agency obligations, U.S. Agency obligations and medium-term notes. The City Treasurer will provide notice to the City Council of such investments within periodic investment reports made to the Council. See, Section VIII.A. Pursuant to Government Code section 53601, investment officers shall not make investments in instruments with maturities longer than five (5) years, plus thirty (30) calendar days, without prior approval of the City Council.

C. *Securities Lending*

The investment officers at their discretion may engage in securities lending activities pursuant to securities lending agreements (as defined in Government Code section 53601(j)(5)(D)) provided that the following are satisfied:

I. Securities lending transactions are to be governed by agreements entered into by the City Treasurer and the agent or agents the City Treasurer engages to perform such transactions provided that such agreements

1. comply with the requirements of Government Code section 53601(j), and

2. require the payment of cash collateral equal to or greater than 102% of the market value of the loaned security at the time of the loan.

II. The securities lending agreements may allow for the use of cash collateral for the reinvestment in securities that

1. comply with the requirements of Government Code section 53601(j)(3)(D), and

2. are securities whose direct investment is authorized by Government Code section 53601 and these policies,

3. provided that nothing herein shall preclude the City Treasurer from entering into securities lending agreements that reduces the scope of investments made with cash collateral to something less than that allowed under subsections (a) and (b) above.

Investment Parameters

A. *Diversification*

The City shall diversify its investment portfolio. To minimize risk of loss resulting from the over-concentration of assets in a specific maturity, issuer, or type of securities, all cash and cash equivalent assets in all City funds shall be diversified by maturity, issuer, and class of security. Diversification strategies shall be determined and revised on an ongoing basis by the investment officers for all funds covered by

these investment policies. In establishing specific diversification strategies, these investment policies shall apply. The investment officers shall emphasize that portfolio maturities will be staggered to avoid undue concentration of assets in a specific maturity sector. Maturities selected shall provide for stability of income and reasonable liquidity.

B. *Cash Management Funds*

I. Liquidity shall be assured through practices ensuring that the payroll dates and dates of large disbursements are covered through maturing investments or marketable U.S. Treasury bills.

II. Positions in securities having potential default risk shall be limited in size pursuant to the maximum limits set forth in Government Code section 53601. See Attachment A. Such securities include the following: Commercial paper; negotiable certificates of deposit, and Banker's Acceptances.

III. Risks of market price volatility shall be controlled through maturity diversification.

IV. Liquidity risk: Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as LAIF, money market funds, overnight repurchase agreements, and/or marketable securities that can be sold to raise cash in one day's notice, to ensure that appropriate liquidity is maintained to meet ongoing obligations.

C. *Competitive Bids*

The investment officers shall obtain competitive bids from at least two brokers or financial institutions on all purchases of investment instruments purchased on the secondary market for consideration in excess of $15 million per purchase transaction.

Reporting

A. *Investment Reports*

The City Treasurer shall present to the City Council, the City Manager and the City's internal auditor monthly investment reports that include the content described in Government Code sections 53607 and 53646(b).

B. *Marking to Market*

For purposes of preparation of the investment reports, the market value of the portfolio shall be calculated. In defining market value, considerations should be given to the GASB Statement 31 pronouncement.

C. *Performance Standards*

The investment portfolio will be managed in accordance with the parameters specified within this statement of policies. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. A series of appropriate benchmarks shall be established against which portfolio performance shall be compared on a regular basis. The benchmarks shall be reflective of the actual securities being purchased and risks undertaken.

Policy Considerations

A. *Exemption*

Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy, provided that the City Treasurer may take steps he or she deems appropriate to address non-compliant investments in the best interest of the City and pool participants. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

B. *Amendments*

This policy shall be reviewed annually by the investment officers. Any change must be approved by the City Treasurer, followed by review and consideration by the City Council pursuant to Section X of these policies.

City Council Consideration of Investment Policy

This policy shall be reviewed and considered by the City Council on an annual basis pursuant to Government Code section 53646(a)(2).

Miscellaneous

A. Statutory References

All statutory references cited in these policies shall refer to the statute as it may be amended or renumbered from time to time.

Measure U Financial Management

Scope: CITYWIDE

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November 2012 Ballot Measure U

Measure U Financial Management Policy

1. PURPOSE

The City's Measure U Financial Management Policy documents the methods the City will use to demonstrate prudent financial management over Measure U tax revenue. The policy:

- Establishes a Measure U Reserve to address unanticipated revenue reductions and the transition that will occur upon the expiration of the tax;
  - Commits to allocating the additional Measure U resources, above the amount needed to fund the Measure U Reserve and to accommodate growth of already-funded Measure U programs, to one-time expenditures;
  - Prohibits using Measure U resources to increase General Fund non-Measure U employee compensation or to balance the General Fund budget;
- Requires performance audits by the City's external independent auditor in addition to the City's annual financial and compliance audits; and
- Requires development of a transition plan to address the expiration of the Measure U tax and the reduction or phase out of services funded by Measure U.

2. BACKGROUND

Voter approval of the City of Sacramento Essential Services Protection Measure (Measure U) in November 2012 authorized the implementation of a six-year, one-half cent transaction and use tax effective April 1, 2013, which expires on March 31, 2019. The objectives of Measure U are "to restore and protect essential safety services, including 9-1-1 response, police officers, gang/youth violence prevention, fire protection/emergency medical response, and other essential services including park maintenance, youth/senior services, and libraries…"

3. POLICY

3.1 Measure U Reserve

The City shall maintain a Measure U Reserve dedicated to mitigating the effects of unanticipated revenue reductions and the transition away from Measure U revenue upon the expiration of the tax on March 31, 2019. The Measure U Reserve shall be funded equal to the estimated Measure U program/service costs in FY2020/21 to provide time and adequate funding to phase out the use of Measure U funds.

3.2 Use of Measure U Resources

- Measure U revenue, above the amount needed to fund the Measure U Reserve and to accommodate growth of Council-authorized Measure U programs, will be allocated to one-time expenditures focused on investment in City infrastructure used to deliver Measure U programs/services.

- Measure U revenue shall not be allocated to fund new or expanded programs with ongoing costs after June 30, 2015, as the expiration of the tax measure in 2019 may require those new programs to be reduced or eliminated.

3.3 Prohibited Uses

Measure U resources shall not be used to increase General Fund non-Measure U employee compensation or to balance the General Fund budget, except where funds would provide for the protection of programs/services specifically included in the Measure U ballot language.

3.4 Transparency and Reporting

Measure U revenue and expenditures should be transparent to the City Council, the Measure U Citizens Oversight Committee, and Sacramento residents. In order to achieve this transparency, Measure U resources will be accounted for and reported separately in order to facilitate review by the Council and the Oversight Committee. In addition, the following information shall be available:

- The City's annual financial and compliance audit will include revenues and expenditures for the Measure U Fund.

- As requested by the Citizens Oversight Committee, the City shall engage its external independent auditors to conduct annual performance audits of Measure U spending by budget allocation.

3.5 Transition Plan

The City Manager will prepare a transition plan as part of the FY2018/19 Proposed Budget to address the expiration of the Measure U tax and the phase out of services funded by Measure U. The transition plan should reduce the reliance on Measure U resources over time by utilizing the Measure U Reserve and converting support for essential programs and services to any alternative sources of funding identified.

Other Post-Employment Benefits (OPEB)

Scope: CITYWIDE

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Effective: February 16, 2016

Other Post-Employment Benefits (OPEB) Policy

1. PURPOSE

In order to assure that the City's Other Post-Employment Benefits (OPEB) program is financially sustainable, the program should accumulate adequate resources in a systematic and disciplined manner over the active service life of benefitting employees. The City's OPEB Funding Policy documents the method the City will use to determine its actuarially determined contributions to fund the long-term cost of benefits to City employees and retirees. The policy also:

- Demonstrates prudent financial management practices;
- Promotes long-term and strategic thinking;
- Provides guidance in making annual budget decisions;
- Reassures bond rating agencies; and
- Demonstrates to employees and the public how OPEB will be funded to ensure adequate funding for negotiated benefits.

2. BACKGROUND

The City provides OPEB benefits to active employees hired before specific dates based on negotiated labor agreements and the unrepresented resolution. The City's OPEB benefits consist of a cash contribution benefit for retiree medical and dental benefits and subsidized premiums resulting from blending retirees and active employees in the same risk pool. For police and miscellaneous employees, the cash benefit amount is $300 per month for retirees only and $365 per month for retirees with dependents. Police employees hired after September 3, 2013, and miscellaneous employees hired after June 30, 2012, are not eligible for OPEB benefits. For fire employees hired before January 14, 2015, the cash benefit amount is the total of the lowest cost $25 co-pay health plan premium for one plus an additional 5.28 percent of that cost; the lowest cost PPO dental plan for one; and $25.

Fire employees hired on or after January 14, 2015, are eligible for a cash benefit amount up to $774 monthly from the date of retirement until the retiree reaches Medicare eligibility age, and up to $387 monthly from the date the retiree reaches Medicare eligibility. Fire employees pay $45 per month, with a City match of $45 per month, deposited to a separate trust fund to pay for the benefit.

The City's OPEB cash benefit is prorated based on years of service – 50 percent for employees with ten to fifteen years of service, 75 percent for employees with fifteen to twenty years of service and 100 percent for employees with twenty years of service or more.

Currently, the City has $363 million in underfunded long-term liabilities associated with retiree medical benefits from all funding sources, $309 million attributable to the General Fund. While the benefit was historically funded on a pay-as-you-go (pay-go) basis, paying only the actual cost of the benefit for retirees in the current fiscal year, financial accounting standards require the City to account for the benefit as if it were actuarially funded. If the City does not replace the current plan of pay-go combined with minimal contributions to the City's relatively new OPEB trust fund, the City's pay-go obligation will continue to grow, consuming resources that would otherwise pay for vital programs and services.

Consistent with best practices, in January 2013 Council authorized the establishment of an irrevocable trust with an initial General Fund investment of $2 million. Another $2 million was contributed to the trust in FY2013/14. The FY2014/15 and FY2015/16 approved budgets each included a $1 million contribution to the trust, bringing the total funding for the trust to $6 million. The approved FY2014/15 and FY2015/16 Budget Resolutions also included authority to direct available budgetary resources in the pension budget accounts at the end of the fiscal year to the OPEB Trust.

3. POLICY

3.1 OPEB Actuarially Determined Contribution (ADC)

The City will engage an OPEB actuary to determine the City's ADC based on biennial actuarial valuations. The ADC will include the normal cost for current service and amortization of the unfunded liability. The normal cost[1] will be calculated using the entry age normal cost method using appropriate economic and non-economic assumptions approved by the City.

The City will review the actuarial valuations to validate the completeness and accuracy of the employee census data and the reasonableness of the actuarial assumptions. Actuarial valuations involve estimates and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

3.2 Funding the ADC

The City will continue to appropriate in the annual budget for contributions to the OPEB Trust and the pay-go costs of OPEB for current retirees, as well as use one-time savings in pension contributions to make additional contributions to the OPEB Trust.

1 Normal Cost – the current year cost of the program to provide the benefit for current employees in the future.

The City will fully fund the ADC within 10 years, or by Fiscal Year 2025-26, by reducing the gap between its current OPEB funding and the ADC with a combination of City contributions, employee contributions, and OPEB plan changes.

The City will achieve "full funding" of its OPEB plan within 30 years, or by Fiscal Year 2045-46, with a 20-year amortization of the unfunded liability after the 10-year ramp-up period. Full funding of the OPEB plan is defined as funding 100 percent of the accrued liability on an actuarial basis.

3.3 Transparency and Reporting

Funding of the City's OPEB should be transparent to all parties including City employees, retirees, recognized employee organizations, the City Council and Sacramento residents. In order to achieve this transparency, the following information shall be available:

a. Copies of the biennial actuarial valuations for the City's OPEB plan shall be made available to the City Council.
b. The City's Comprehensive Annual Financial Report shall be published on its website. This report includes information on the City's OPEB plan, contributions to the OPEB Trust, and the funded status of the plan.
c. The City's annual operating budget shall include appropriations for contributions to the OPEB Trust and pay-go costs.

3.4 Review of Funding Policy

Funding OPEB requires a long-term plan. The City will review this policy at a minimum biennially, coincident with preparation of the actuarial valuations, to determine if changes to this policy are necessary to ensure adequate resources are being accumulated to fund OPEB benefits.

Pension Funding

Scope: CITYWIDE

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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

Policy Contact

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1. Purpose
2. Background
3. Policy

Regulatory References

Motion: 2015-0094 (May 15, 2015)

Risk Management Funding and Reserve Policy

1. PURPOSE

The City's Risk Management Funding Policy documents the City's approach to providing adequate financial resources to fund the City's General and Auto Liability and Workers Compensation Programs and establishing and maintaining adequate reserves in the Risk Management Internal Service Fund.

2. BACKGROUND

The City has been self-insured for workers' compensation and for general and auto liability since 1971 and 1976, respectively. The General and Auto Liability and Workers Compensation Programs charge City Departments and funds for the costs of providing for claims, as well as for the cost of administering the claims.

3. POLICY

(a) In order to methodically and consistently measure the City's projected claims, the City will contract with a professional outside actuary to prepare annual actuarial valuation reports for both categories of claims. Program funding will be based on the annual actuarial valuation reports.

(b) The City's funding policy will provide program funding at the 80 percent confidence level, including recognition of anticipated investment income. Confidence level is used by actuaries to determine the realistic possibilities that a given funding rate will be sufficient to cover all claims that might be incurred in any one program year. An 80 percent confidence level indicates that the funding rate should be adequate eight out of 10 years.

(c) The City shall maintain a Risk Management Reserve dedicated to mitigation of the risk of loss arising from potential claims and lawsuits against the City for general and auto liability as well as workers' compensation claims. The Risk Management Reserve shall be funded at the following levels:

General and Auto Liability – In addition to annual funding of projected claims at the 80 percent confidence level, the City shall maintain a reserve equal to two Self-Insured Retention allotments.

Workers' Compensation – In addition to annual funding of projected claims at the 80 percent confidence level, the City shall maintain a reserve equal to two SIR allotments.

If the SIR amount changes in future years, the two SIR allotments will continue to be the reserve requirement for both programs.
If either program maintains a balance above the minimum funding and reserve requirement, the excess reserves will be used to subsidize City contributions over a 1-5 year period depending upon the amount of the excess and the City's economic condition.

If either program has excess claims requiring additional contributions to the fund, the City will increase contributions over a 1-3 year period depending on the amount of the shortfall and the City's economic condition to get to the minimum funding and reserve requirement.

If one program has excess reserves and the other program has a shortfall, transfers between programs may be implemented to reduce or eliminate the program shortfall.

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SECTION – 26
Glossary

Glossary

Account - The primary accounting field in the budget used to describe the type of the financial transaction**.**

Actual - Actual level of expenditures/FTE positions approved for fiscal year noted as of February 2016.

Amended - Level of expenditures/FTE positions reflecting adjustments made during the current fiscal year.

Appropriation - An authorization by the City Council, which permits officials to incur obligations and expend City resources, for a specific purpose within a fiscal year.

Assessment - Revenue collected for City services that benefit properties in specific areas or districts.

Assessment District - A separate local government agency formed to provide specific services. Property owners within the Assessment District boundary pay the district in proportion to the benefits or services they receive.

Balanced Budget - The amount of budgeted expenditures is equal to or less than the amount of budgeted revenues plus other available resources.

Beginning/Ending Fund Balance - Unencumbered resources available in a fund from the prior/current year after payment of the prior/current year's expenses. Not necessarily cash on hand. (Also refer to Fund Balance.)

Budget - An annual financial plan consisting of Proposed/Approved expenditures for specified purposes and the Proposed/Approved means of financing them.

California Public Employees' Retirement System (CalPERS) – The nation's largest public pension fund, providing health and retirement benefits to more than 1.6 million state, public school, and local public agency employees, retirees and their families. The City contracts for retirement benefits only.

Capital Assets - Capital assets include land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period (fiscal year).

Capital Improvement - A specific undertaking involving procurement, construction or installation of facilities or related equipment that improves, preserves, enhances or modernizes the City's provision of municipal services, has a useful life of at least five years, and costs in excess of $20,000. CIPs may include construction or major repair of

City buildings and facilities such as streets, roads, storm drains, traffic signals, parks, community centers, etc.

Capital Improvement Program (CIP) - An ongoing five-year plan of single and multiple-year capital expenditures which is updated annually.

Carryover - Appropriated funds remaining unspent at the end of the fiscal year, which are allowed to be retained by the project to which they were appropriated so that they may be expended in the next fiscal year.

Charter Offices - City Attorney, City Clerk, City Manager, and City Treasurer.

Citywide and Community Support - Program costs that do not relate to any one department, but represent costs of a general citywide nature, such as debt service. (Previously Non-Department).

Combined Sewer System (CSS) - Sewers that are designed to collect rainwater runoff, domestic sewage, and industrial wastewater in the same pipe. Combined sewer systems transport their wastewater to a sewage treatment plant, where it is treated and then discharged to a water body.

Debt Financing - Issuance of bonds and other debt instruments to finance municipal improvements and services.

Debt Service - The costs of paying the principal and interest on borrowed money according to a predetermined payment schedule.

Department - “Department” refers to the Mayor and City Council; City Manager; City Attorney; City Clerk; City Treasurer; Convention and Cultural Services; Community Development; Economic Development; Finance; Fire; General Services; Human Resources; Information Technology; Parks and Recreation; Police; Public Works; Utilities; Capital Improvement; Debt Service; Citywide and Community Support; and Reserves.

Dept ID - A sub-unit of a department or division.

Division - A roll-up of units within a department. There are one or more units within a division.

Employee Services - The personnel costs of a City program, including wage/salary, direct and indirect benefits, such as health insurance, social security costs, retirement contribution, workers’ compensation, unemployment insurance, etc.

Enterprise - A governmental facility or service that is self-supporting through fee and charge revenue.

Enterprise Funds - These funds are used to account for operations for which it is the stated intent that costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges and space rentals, e.g., Water Fund, Wastewater Fund (also known as the Sewer Fund), etc.

Equipment - Capital outlay for tangible property of a relatively permanent nature, such as vehicles or equipment with a unit cost of $20,000 or more.

Expenditure Class - A roll-up of accounts: employee services, services and supplies, property, debt service, and interdepartmental transfers.

Expenditure/Requirement - The actual spending of funds authorized by an appropriation. Expenditures are divided into the following "classes" of individual line items:

- Employee Services
- Services and Supplies
- Equipment
- Debt Service
- CIP or Grant Labor Offset
- Capital Improvements

Externally Funded Program - Program revenues provided by external agencies which are restricted to a specified purpose.

Fiscal Year (FY) - A time period designated by the City signifying the beginning and ending period for recording financial transactions. Sacramento has a fiscal year from July 1 through June 30, referred to as FY2016/17 or FY17.

Full-Time Equivalent (FTE) - A unit indicating the workload of a position in order to distinguish workloads comparable to a full-time position. An FTE of 1.0 means that the position is equivalent to a full-time workload; while an FTE of 0.50 signals that the position is only half-time.

Fund - A group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives.

Fund Balance - The total dollars remaining after current expenditures for operations and capital improvements are subtracted from the sum of the beginning fund balance and current resources.

General Fund - The City's principal operating fund, which is supported by taxes and fees and which, generally, has no restrictions on its use. Expenditures may be described as discretionary and non-discretionary.

- Discretionary - That portion of the General Fund for which there are no restrictions on the use of the fees or taxes collected.

- Non-discretionary - Expenditure of revenues which are collected by users of a program to offset the cost of the program. State law requires that fees charged cannot exceed the cost of the service.

Grant - Contributions of cash or other assets provided by external agencies, which are restricted to a specific purpose, have a time limit for use, and frequently are reimbursed after incurring eligible costs.

Growth Rate - Level at which expenditures and revenues are expected to increase annually.

Impact - Effects on the service level provided by a particular program due to budget changes.

Indirect Costs - Those elements of cost necessary in the performance of a service that are not readily identified to the unit of service, such as administration, supplies, etc.

Internal Service Fund (ISF) - An ISF provides services to all City Departments and bills the various other funds for services rendered. ISFs are self-supporting. Only the expenditure by the ISF is counted in budget totals; the internal transfer from the department to the ISF is excluded to avoid double-counting expenditures.

Internal Service Fund Transfer - A transfer from operating funds to an ISF, e.g., Risk Management or Fleet Management.

Labor/Supply Offset (CIP/Grant/Labor) - Amounts for employee salaries and benefits expected to be charged to a CIP or grants, thus reimbursing the operating budget for these costs.

Measure U - An ordinance that provides for a ½ cent tax on each dollar of taxable sales of goods with the City of Sacramento, and on the taxable storage, use, or consumption in the city of goods purchased from a retailer. The tax went into effect on April 1, 2013, and will expire on March 31, 2019.

Operating Budget - Annual appropriation of funds for ongoing program costs, including employee services, other services and supplies, equipment, and debt service.

Operating Transfers - Moving dollars from a fund receiving revenue to a fund which will expend the resources.

Ordinance - A law or regulation made by a city or town government.

Other Governmental Funds - These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes, e.g., Gas Tax Fund, Traffic Safety Fund, Operating Grant fund.

Other Post-Employment Benefits (OPEB) - Benefits that an employee will begin to receive at the start of retirement, not including pension benefits.

Proposition 218 - Passed by California voters in 1996. It specifies requirements for how utility rates for water, sewer, drainage, and solid waste services are set and how the funds generated by those rates are used. Some of the requirements of Proposition 218 include:

- Holding a public hearing prior to any rate changes for water, sewer, drainage, or solid waste services and notifying rate payers of that hearing via mail at least 45 days in advance.

- Using funds generated by a particular rate, such as water rates, for water operations and projects.

Resolution - A formal declaration by City Council.

Resources - Total dollars available for appropriation during the fiscal year, including estimated revenues, fund transfers, and beginning fund balances.

Revenues - Income received from seven categories:

- Taxes - Revenue including sales tax, property tax, utility user tax, etc., collected to fund general operating City programs.
- Charges for Fees and Services - Fees charged to the user of any specific service provided by the City not supported by the General Fund. The fee cannot exceed the cost of providing the service.
- Licenses and Permits - Revenues collected for construction, maintenance, and/or operation of designated equipment, businesses, buildings, and private property including animals.
- Use of Money and Property - Interest earned on City investments or County-held funds.
- Inter-Governmental - Revenue disbursements from other agencies, such as State Motor Vehicle In-Lieu Tax and State Homeowners Property Tax Relief, and revenue reimbursement for services provided to other agencies.
- Fines, Forfeitures, and Penalties - Revenues collected for violations of City ordinances, late payments, etc.
- Miscellaneous Revenues - Revenues not categorized above.

Revenues can also be classified as operating or non-operating in the enterprise activities. Operating revenues are directly related to the fund's primary service activity and consist primarily of user fees and charges. Non-operating revenues are incidental to, or by-products of the enterprise's primary service, such as interest income or the Transient Occupancy Tax for the Community Center Fund.

Services and Supplies - Costs of contractual or outside services, office supplies, and equipment.

Special Revenue Funds - These funds are used to account for activities supported by specific taxes or other revenue sources. These funds are generally required by statute, charter, or ordinance to finance specific government functions.

Successor Agency - Pursuant to operation of California state law, the Redevelopment Agency was dissolved. Effective February 1, 2012, former activities and affairs of the Sacramento Redevelopment Agency were transformed to the City of Sacramento as the Successor Agency. The Successor Agency is authorized by law to accept and maintain the legal title, custody and dominion of records that were created by another agency.

Surplus - An excess of total current resources over total current requirements.

Total City Budget - The City's total fiscal year expenditure budget (operating and capital) as approved by the City Council.

Trust Funds - These funds are used to account for assets and activities restricted to a specific purpose in accordance with a trust agreement, e.g., Ethel MacLeod Hart Trust Fund.

User Charges/Fees - The payment of a fee for direct receipt of a public service by the party benefiting from the service.

Variance - Change in expenditures or staffing levels between fiscal years.

ACRONYMS

AB	Assembly Bill
ADA	Americans with Disabilities Act
ASES	After School Education and Safety
BID	Business Improvement District
BOT	Business Operations Tax
BWC	Body-worn camera
CalPERS	California Public Employees' Retirement System
CCM	Citywide Content Management
CFD	Community Facilities District
CIP	Capital Improvement Program or Project
CIS	Customer Information System
CNG	Compressed Natural Gas
CPI	Consumer Price Index
CSUS	California State University Sacramento
DOU	Department of Utilities
DSCR	Development Services Contingency Reserve
EMS	Emergency Medical Services
EUR	Economic Uncertainty Reserve
FEMA	Federal Emergency Management Agency
FTE	Full-time equivalent
FY	Fiscal Year
GASB	Governmental Accounting Standards Board
GLAL	General Liability and Auto Liability
ISA	International Society of Arboriculture
IT	Information Technology
MYOP	Multi-year Operating Project
OPEB	Other Post-Employment Benefits
PARCS	Parking Access and Revenue Control System
PPE	Personal Protective Equipment
PRAs	Public Records Act
RAILS	Rapid Acceleration, Innovation & Leadership
RASA	Redevelopment Agency Successor Agency
SAVSA	Sacramento Abandoned Vehicle Service Authority
SCERS	Sacramento City Employees' Retirement System
SCVB	Sacramento Convention and Visitors Bureau
SHRA	Sacramento Housing and Redevelopment Agency
SPCA	Society for the Prevention of Cruelty to Animals
SPLA	Sacramento Public Library Authority
SRF	State Revolving Fund
START	Students Today Achieving Results for Tomorrow
SUV	Sport Utility Vehicle
UUT	Utility User Tax

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SECTION – 27
Resolution

RESOLUTION NO. 2017-XXXX

Adopted by the Sacramento City Council

APPROVING THE FISCAL YEAR 2017/18 OPERATING AND CAPITAL IMPROVEMENT PROGRAM BUDGETS FOR THE CITY OF SACRAMENTO

BACKGROUND

A. The City Manager is required to present a balance budget to the Mayor and City Council no less than 60 days prior to the beginning of each fiscal year pursuant to Article 9, Section 111 of the City Charter.

B. The City of Sacramento, through the leadership and direction of the Mayor and City Council, has maintained a sustainable budget philosophy. Given this concept of fiscal sustainability, the Council adopted the following core budget policies and budget guidelines on February 14, 2017 (Resolution 2017-0078):

Core Budget Policies

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

Budget Guidelines

1. Maintain a fiscally sustainable, balanced budget.
2. The Mayor and Council's priorities, based on community input, should drive the budget creation.
3. Continue a community-based budget process where city residents are engaged and educated on budget processes and provide feedback on budget priorities.
4. Look for ways to grow the reserve beyond its current goal.
5. All budget actions must be considered in a five-year context, with new revenues not counted or spent until realized. One-time resources should be used for one-time needs, not ongoing expenses.
6. Do not make spending decisions in isolation. Avoid spending money on one-off projects or without looking at the big picture. Understand long-term consequences and opportunity costs.

7. Keep Council informed on the fiscal condition of the City and conduct continuous evaluations for efficiencies and effectiveness.
8. The City must consistently look for opportunities to proactively grow revenues instead of simply being reactive.
9. Make every effort to identify private financing or federal and state grant opportunities before using City resources. Pursue new and enhance existing revenue sources.
10. Before new expenditures are made, identify return on investments and impacts; fiscal and social benefits.
11. Address unfunded long-term liabilities.
12. Remain a full-service City.

C. The FY2017/18 Approved Operating Budget and the 2017-2022 Approved Capital Improvement Program (CIP) (which includes the FY2017/18 CIP Budget) are consistent with City Charter requirements and Council's adopted Core Budget Policies and Budget Guidelines.

D. The Mayor and City Council conducted hearings during the months of May and June 2017 related to the adoption of the City's FY2017/18 Operating and CIP Budgets.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

A. The Summary of Changes in Appropriations attached as Exhibit 1, the Summary of FTE attached as Exhibit 2, and the Measure U Programming attached as Exhibit 3 are hereby approved.

B. The FY2017/18 Operating and CIP Budgets (collectively the "Approved Budget"), as defined in Section 2.1, are hereby approved.

C. The 2017-2022 CIP, which provides a comprehensive five-year plan for the City's capital project expenditures, is hereby approved.

D. Sections 1 through 17 below, which define the authority and responsibilities of the City Manager in implementing the Approved Budget, are hereby approved.

E. The City Manager is authorized to incorporate final decisions of the City Council, and refine/add content, as may be needed to meet Government Finance Officers Association (GFOA) and California Society of Municipal Finance Officers (CSMFO) budgeting award requirements into the Proposed Operating and CIP Budgets to create the FY2017/18 Approved Budget.

F. The attached Exhibits 1 through 5, inclusive, are part of this resolution.

SECTION 1. SCOPE

1.1 This resolution defines the authority and responsibilities of the City Manager in implementing the Approved Budget of the City of Sacramento and supersedes Resolution 2016-0216.

SECTION 2. DEFINITIONS

2.1 "Approved Budget" consists of the following documents:

(1) The Approved Operating Budget ("Operating Budget"), which is attached as Exhibit 4 and reflects the FY2017/18 Proposed Operating Budget, as amended by the City Council to incorporate the approved Summary of Changes in Appropriations attached as Exhibit 1, Summary of FTE attached as Exhibit 2, and Measure U Programming attached as Exhibit 3; and

(2) The Approved CIP Budget ("CIP Budget"), which is attached as Exhibit 5 and reflects the FY2017/18 Proposed CIP Budget, as summarized in Schedule 4 of the FY2017/18 Operating Budget and detailed in the 2017-2022 CIP, as amended by the City Council to incorporate the Proposed CIP and the Summary of Changes in Appropriations attached as Exhibit 1.

2.2 "Base Budget" is the current year budget modified pursuant to labor agreements, one-time expenditures, citywide changes, and midyear changes.

2.3 "Budget Categories" reflect internal reporting structures based on established budgets:

(1) "Department" represents major budgetary groupings such as: Mayor and City Council; City Manager; City Attorney; City Clerk; City Treasurer; Convention and Cultural Services; Community Development; Economic Development; Finance; Fire; Human Resources; Information Technology; Parks and Recreation; Police; Public Works; Utilities; Projects; Debt Service; Citywide and Community Support; and Fund Reserves.

(2) "Dept ID" represents an organizational sub-unit within a Department.

(3) "Division" represents a roll-up of Dept IDs within a Department.

(4) "Account" is the primary accounting field in the budget used to describe the nature of the financial transaction.

(5) "Expenditure Class" is a categorical grouping of individual similar accounts for purposes of reporting expenditures (Employee Services, Other Services and Supplies, Property, Debt Service, Labor/Supply Offset, Contingency, and Operating Transfers).

2.4 "City Manager" means the City Manager or, if so designated, the Director of Finance.

2.5 "Current Budget" is the FY2016/17 Approved Budget, incorporating any subsequent appropriation increases, decreases, or transfers and adjustments as approved by the City Council or City Manager, as appropriate.

2.6 "Full Time Equivalent" (FTE) means the decimal equivalent of a position, e.g., one full-time position is 1.00 FTE and one quarter-time position is 0.25 FTE.

SECTION 3. AUTHORIZED STAFFING AND APPROPRIATIONS

3.1 The City Manager is authorized to make any expenditure and resource adjustments to the Operating Budget based on final City Council action to adopt the Operating Budget.

3.2 The City Manager is authorized to establish the appropriations and FTE as shown is Schedules 1A, 1B, 1C, 1D, and fund summaries, including transfers as shown on Schedules 2A and 2B, as displayed in Exhibit 4.

3.3 The City Manager is authorized to modify FTE classifications by department as necessary to implement the reclassifications and studies authorized by Schedule 8, as displayed in Exhibit 4.

3.4 The City Manager is authorized to revise any appropriation made in the Approved Budget where the revision is of a technical nature and is consistent with City Council intent.

3.5 The City Manager is authorized to adjust any appropriation made in the Approved Budget to reflect changes from amounts budgeted for updated labor, vehicle, energy, contingencies, cost plan, and risk management changes, such as retirement rates, payroll taxes, health benefits, fleet, and risk management costs from available fund balance or reserves for the respective funds.

3.6 Following budget approval, the City Manager is authorized to revise indirect cost rates to be applied to hourly salary rates in order to achieve full cost recovery of services and is authorized to adjust the Operating Budget to reflect the indirect cost plan for FY2017/18.

SECTION 4. APPROPRIATION INCREASES/DECREASES

4.1 All appropriation changes (increases or decreases) in excess of $100,000 to the Approved Budget shall be approved by resolution of the City Council.

4.2 The City Manager is authorized, upon completion of the audited financial statements for FY2016/17, to adjust FY2017/18 fund contingencies by the amount of net changes in available fund balance. The available fund balance in the General Fund shall be included and explained in the report to City Council accompanying the Comprehensive Annual Financial Report (CAFR).

4.3 Residual balances from unexpended debt proceeds will be reverted to the appropriate fund and utilized for the legal purposes as specified in the conditions of the debt issuance. The City Manager is authorized to establish appropriations and account for the expenditure of these unexpended proceeds.

SECTION 5. STAFFING CHANGES

5.1 Any increase or decrease in FTE by department or by fund as authorized in the Operating Budget, by subsequent approval of the City Council, or by the City Manager in accordance with this resolution, is subject to approval by the City Council except for renewals or expansion of fully-offset grants or externally funded programs (EFP) as specified in Section 5.2.

5.2 The City Manager is authorized to adjust staffing levels for renewals, expansions, or reductions to fully offset City Council approved operating grants or EFP. Grant/EFP positions shall be terminated upon completion or cancellation of the grant/EFP, unless specifically continued by a resolution that includes a source of replacement funding. Any existing positions which were approved based on the assumption of the City receiving a grant or other reimbursements must have continued funding verified prior to filling the position.

5.3 Any reassignment of authorized FTE and employee services funding associated with the FTE, within a department and within the same fund, may be made at the discretion of the department director with the approval of the City Manager as long as there is no net change to authorized FTE and funding levels.

5.4 The City Manager is authorized to modify authorized FTE classification(s) as necessary to reflect current incumbent status based on the established flexibly staffed classifications included in Council-approved labor contracts.

5.5 All new job classifications or classification changes (as identified in Exhibit 4, Schedule 8) are subject to classification review and approval by the Director of Human Resources.

5.6 The City Manager is authorized to adjust staffing levels in the Police and Fire Training Academies based on projected vacancies.

5.7 The Director of Human Resources is authorized to establish non-budgeted positions (NBP) for:

(1) Mayor and Council Offices to be funded from their existing operations budgets.

(2) Departments as needed to reflect current staffing needs. Departments must have sufficient labor savings to cover the cost of NBP and each NBP shall not be used for more than one year. Departments will seek budget authority to convert NBP to authorized FTE positions or the NBP will be eliminated during the budget process.

SECTION 6. ECONOMIC UNCERTAINTY RESERVE (EUR) POLICIES AND TRANSFERS FROM CONTINGENCY/RESERVE FUNDS

6.1 The City Council-adopted EUR Policy (April 26, 2016 – Motion Order Number 2016-00440) established a minimum reserve level equal to 10% of annual General Fund revenues and a target reserve level equal to two months of regular ongoing General Fund expenditures, including transfers (17% of General Fund expenditures). Resources to fund this reserve will be identified on an ongoing basis and can include positive year-end results or other one-time resources available to the General Fund.

6.2 As of June 30, 2016, the General Fund EUR balance was $47 million or 10.2% of the proposed budgeted revenues for FY2017/18. This reserve is maintained to bridge the gap between projected revenue and expenditures during periods of significant revenue declines and/or expenditure growth. Consistent with Governmental Accounting Standards Board Statement No. 54 (Fund Balance Reporting and Governmental Fund Type Definitions), Council adopted parameters for using the EUR are as follows:

(1) The City Manager may recommend a release from the EUR when the gap between projected revenue and expenditures is greater than $1 million in the proposed budget.

(2) Any release from the EUR must be approved by the City Council.

(3) These parameters may only be changed by resolution of the City Council.

6.3 The City Manager is authorized to make appropriation changes (increases or decreases) not exceeding $100,000 by fund from available fund balance. Appropriation changes (increases and decreases) in excess of $100,000 must be approved by the City Council, except for payments to employees for vacation and sick leave payouts, which may be approved by the City Manager.

6.4 The City Manager is authorized to make appropriation changes (increases or decreases) not exceeding $100,000 to any department or project from

Administrative Contingency established in the General Fund. Appropriation changes (increases and decreases) in excess of $100,000 to the department or project must be approved by the City Council.

6.5 Transfers shall not be made from available fund balance or Administrative Contingency if the transfer will result in a negative balance.

6.6 Use of committed fund balance reserves must be approved by resolution of the City Council.

6.7 The City Manager is authorized to make annual loan payments to the Risk Fund from the Community Center Fund subject to the availability of funds. As of June 30, 2016, the balance of the Risk Fund loan to the Community Center Fund totaled approximately $5.8 million.

SECTION 7. OTHER APPROPRIATION TRANSFERS

7.1 Operating appropriation transfers within the same department and same fund, including the department's established fleet multi-year operating project, must be approved by the City Manager.

7.2 Appropriation transfers between two or more departments, up to and including $100,000, must be approved by the City Manager. Such transfers in excess of $100,000 must be approved by resolution of the City Council.

SECTION 8. UNSPENT AND UNENCUMBERED APPROPRIATIONS

8.1 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, 2017, shall revert to the available fund balance of the respective funds. Any budgetary surplus in the General Fund, determined as part of the fiscal year-end close process, will be reported in the CAFR as Assigned for Next Year's Budget, Unassigned, or as specifically directed below or in a subsequent resolution. In the event there is not a budgetary surplus in the General Fund at year-end, the City Manager shall suspend the General Fund transfers and carryovers authorized in this section.

8.2 All unrealized investment gains determined as part of the fiscal year-end close process will be reported in the CAFR as Assigned for Unrealized Investment Gains as the resources are not available for appropriation.

8.3 All purchase order commitments outstanding on June 30, 2017, and associated appropriations, are hereby continued.

8.4 Unobligated appropriations in existence on June 30, 2017, for the City Council operations budget shall be carried over to the next fiscal year.

8.5 Unobligated General Fund appropriations in existence in the Arts Stabilization budget (80001065) on June 30, 2017, shall be transferred to the Art in Public Places Maintenance Program (I17000500), provided that the Convention & Cultural Services Department has positive General Fund results.

8.6 The Rental Housing Inspection Program Fees and Medical Marijuana Permit Fees have been established to recover the costs of the respective programs. Excess revenues for these programs, provided the full cost of the current year operations for these programs have been recovered, will be carried over to the next fiscal year.

8.7 In the Information Technology (IT) Department operations General Fund budget and the Citywide IT budget in Citywide and Community Support, unobligated net appropriations in existence on June 30, 2017shall be transferred to the Digital Strategy Program (A07000700) reserve to create a funding mechanism for future citywide technology initiatives which will be reviewed on an annual basis by the City Manager.

8.8 In the City's California Public Employees' Retirement System (CalPERS) budget account (413170 / 413172), unobligated appropriations at the end of the fiscal year that are not required to balance the budget, shall be transferred to the City's other post-employment benefit (OPEB) trust.

SECTION 9. REVENUE BUDGET

9.1 The FY2017/18 revenue budget is summarized in Exhibit 4, Schedule 6.

9.2 Any increase or decrease greater than $100,000 by fund in estimated revenue by department to the Approved Budget by fund requires City Council approval.

9.3 The City Manager is authorized to implement biennial Consumer Price Index (CPI) increases if the increases are warranted based on the adopted Fees and Charges Policy.

9.4 Proceeds from the sale of General Fund and Redevelopment Agency Successor Agency (RASA) surplus land, unless otherwise specified, shall be budgeted in the Innovation and Growth Fund (Fund 2031).

9.5 Unbudgeted one-time general revenue received in a fiscal year, which is not required to balance the budget as part of the midyear review or fiscal year-end close, shall be added to the General Fund EUR.

SECTION 10. CAPITAL IMPROVEMENTS

10.1 Capital projects and/or appropriations shall be used for:

(1) Repairs, maintenance, improvements, or acquisitions with a total cost of at least $20,000 and a useful life that exceeds one fiscal year; and

(2) Community/Neighborhood projects as approved in separate resolutions by the City Council.

10.2 City Council approval is required for the establishment and/or cancellation (without completion) of a CIP, except as provided below:

(1) Capital projects for internal City operations related to improvements and minor construction of existing City-owned/occupied buildings may be approved and established by the City Manager provided the total cost to deliver the project does not exceed $100,000 and shall be managed in the City Facility Improvement (C15100000) project;

(2) Capital projects may be subdivided into separate sub-projects as needed to administer, manage, and deliver the original scope of the project, without further City Council action;

(3) Credit projects established in accordance with Sacramento City Code (SCC) Chapter 18.18, for purposes of recording the asset of these already constructed projects, the City Manager is authorized to make all the necessary budgetary adjustments when the improvement is accepted by the City.

10.3 Capital appropriations shall be used solely for the originally approved project or projects except as provided for in this section.

10.4 Annually, completed or inactive projects will be closed, except for projects that have existing litigation or payment disputes. An inactive project is defined as one where transaction activity is less than $1,000 over the prior three years. Closures are the responsibility of the designated project manager. The managing department and/or City Manager have the authority to process the necessary documentation to close inactive projects.

10.5 All multi-year CIP projects in existence on June 30, 2017, shall be continued in FY2017/18, except as provided otherwise in Section 10.4. The FY2017/18 CIP Budget is summarized on Schedules 2 and 4 as displayed in Exhibit 4 and on Schedule 4 as displayed in Exhibit 5.

10.6 Unobligated appropriations for all inactive projects, as defined in Section 10.4, will expire on June 30, 2017, following the third full year of the last appropriation to the project. Projects requiring continuing appropriations will require City Council action through programming within the CIP or through a separate appropriation to the project authorized by resolution by the City Council.

10.7 Each fiscal year, on June 30, 2017, the balance of each CIP project must be zero or have a positive balance by fund. Projects with spending in excess of available budget from all funding sources (i.e., with negative balance) shall be treated as follows:

(1) If expenditures exceed the budget by $100,000 or less, the project account shall first be corrected within each fund and, second, any remaining negative balance shall be corrected by a transfer from the project manager's department Operating Budget (all transfers of $100,000 or less shall be made as provided for in Section 6.3); or

(2) If expenditures exceed the budget by more than $100,000, a corrective plan of action shall be submitted to City Council for approval by resolution.

10.8 The City Manager is authorized to transfer appropriations up to and including $100,000 as follows:

(1) General, Measure U and Capital Bond Funds:

(a) From a project that has not been completed and a revised project estimate confirms that there will be project savings upon completion to fund balance;

(b) From projects created through Section 10.1(2) to another project identified by the Council Office or to their District Improvement project.

(2) All other funds from Project A to Project B if:

(a) Project A is complete and has savings; or

(b) Project A has not been completed and a revised project estimate confirms that there will be project savings upon completion.

10.9 Upon completion and closure of a capital project, the City Manager is authorized to transfer any remaining project balance:

(1) To the available fund balance of the respective fund, the Capital Projects Base Reserve in the Utilities CIP or, in the case of the General Fund, Administrative Contingency; or

(2) As provided for in Section 10.8.

10.10 Except as provided for in Section 10.9, the City Manager is authorized to increase or decrease project budget appropriations by not more than $100,000 for each project. Appropriation changes exceeding $100,000 in

total for any project must be approved by resolution of the City Council. The City Manager's administrative authority to adjust budgets for capital projects shall be reset after budgetary actions are authorized by the City Council.

10.11 Community/Neighborhood projects and appropriations established with one-time funding sources under Resolution 2000-682 *(11/21/00)*, 2001-765 *(11/20/01)*, 2003-412 *(6/17/03)*, 2004-551 *(6/29/04)*, 2006-367 *(5/23/06)*, and associated staff reports, are governed by the following procedures:

(1) Savings of up to $50,000 due to lower than expected costs or the securing of alternative funding sources may be administratively reprogrammed into other projects with in the same City Council District at the request of the City Council District Office and with the approval of the City Manager; or

(2) Savings above $50,000 may be reprogrammed upon approval by resolution of the City Council.

10.12 Measure A Sales Tax (Fund 2001) expenditure and revenue budgets can be loaded into the City's financial system prior to Sacramento Transportation Authority (STA) Board approval. Work on CIP projects in this fund is done prior to receiving funding. Project funding/appropriations shall be as follows:

(1) TheCity Manager is authorized to enter the revenue/expenditure budgets as reflected in the Approved Budget (revenues) and CIP Budget (expenditures);

(2) The City Manager is authorized to enter expenditure/revenue budgets prior to STA Board approval; and

(3) STA Board approval is required for all Measure A reallocations. In cases where the City Council takes action on recommended Measure A reallocations prior to STA Board action, City Council approval shall be contingent on STA Board approval.

10.13 Projects funded by New Measure A Project Construction Sales Tax are included within the CIP Budget for planning purposes. Work on CIP projects funded by New Measure A Project Construction Sales Tax (Fund 2023) is done prior to receiving funding, and project funding/authorization for these projects shall be as follows:

(1) Fund 2023 expenditure and revenue budgets will not be loaded into the City's financial system until Sacramento Transportation Authority (STA) Board approval and Council appropriation through separate Council action.

10.14 Projects funded by the following reimbursable (grant) funds are included within the Operating and CIP Budgets for planning purposes: Funds 3702, 3703, 3704, 6205, 6206, 6207, and 6211. Work on CIPs funded by these sources is done prior to receiving funding and project funding / authorization for these projects shall be as follows:

(1) Funds 3702, 3703, 3704, 6205, 6206, 6207, and 6211: Expenditure and revenue budgets will not be loaded into the City's financial system until agreements (Program Supplements/E-76's, Cooperative Agreements, etc.) have been executed between the City and the funding authority.

(2) Funds 3703 and 3704: The City of Sacramento is eligible to receive federal and/or state funding for certain transportation projects through the California Department of Transportation (Caltrans). Master Agreements, Program Supplemental Agreements, Fund Exchange Agreements, and/or Fund Transfer Agreements must be executed with Caltrans before such funds can be claimed. The City Manager is authorized to execute all Master Agreements, Program Supplemental Agreements, Fund Exchange Agreements, Fund Transfer Agreements, and any amendments thereto with Caltrans.

The City Manager is authorized to transfer matching funds as specified in the approved CIP from the state and federal Grant Match Program (T15007200) and to enter the revenue/expenditure budgets as reflected in the grant agreement, provided that the amount is not more than $100,000 different from what was reflected in the Approved CIP Budget which authorized the project funding. Project agreements that exceed $100,000 difference from the anticipated budget shall be submitted to the City Council for approval by resolution.

10.15 The 2017-2022 CIP Budget (Schedule 4, Exhibits 4 and 5) includes projects that are directly supported by user and developer fees and utility rebates. The City Manager is authorized to adjust department revenue budgets and CIP expenditure budgets for projects as identified in the General Government Section of the CIP which are directly supported by fees and rebates based on the actual fees and rebates collected, less any operating costs associated with delivering the service.

SECTION 11. OPERATING GRANTS

11.1 City Council approval is required for the establishment and/or cancellation (without completion) of an operating grant except as follows:

(1) Where the operating grant is under $100,000 and does not require any of the following:

(a) Any increase or decrease, by department or by fund, in FTE as authorized in the Approved Budget or by any subsequent approval by the City Council or by the City Manager in accordance with this resolution; or

(b) Matching funds from City resources; or

(c) Any ongoing service or funding by the City.

(2) The City Manager is authorized to establish operating grants and authorize spending and allocation of resources in excess of $100,000 in advance of formal agreements in response to governmental requests for public safety assistance related to disasters and national security risks. The department responding to these events shall report to the City Council within 60 days of receiving formal program documents from the requesting governmental agency (agencies) to obtain approval to enter into agreements and accept reimbursements.

(3) Operating grants may be subdivided into separate sub-projects as needed to administer, manage, and deliver the original scope of the project, without further City Council action.

11.2 The City Manager is authorized to adjust FTE and associated service and supplies budget, in accordance with Section 5.2, for renewals or expansions of fully offset grants previously approved by City Council.

11.3 If grantor requires City Council action as a condition of funding the grant, the establishment of the grant shall require approval by the City Council regardless of the grant amount.

11.4 All multi-year operating grant budgets in existence on June 30, 2017, shall be continued in FY2017/18.

11.5 The City Manager is authorized to adjust revenue and expenditure budgets for renewals, up to the amount previously approved by City Council, and augmentations up to $100,000 of fully offset grants.

11.6 The City Manager is authorized to establish revenue and expenditure budgets for federal/state grant-funded youth programs and parks and recreation programs based on the prior year award prior to receipt of signed agreements. Project funding/appropriations shall be adjusted based on the final grant agreement. In the event the grant is not renewed or is changed by more than $100,000, the managing department must return to the City Council for corrective action.

11.7 Each fiscal year, on June 30, 2017, the balance of each grant budget must be zero or have a positive balance by fund. Grants in excess of the budget

from all funding sources (total budget has a negative balance) shall be treated as follows:

(1) If the project balance exceeds budget by $100,000 or less, the project account shall first be corrected within each fund and, second, any remaining negative balance shall be corrected by a transfer from the project manager's department Operating Budget (all transfers of $100,000 or less shall be made as provided for in Section 6.3); or

(2) If the project balance exceeds budget by more than $100,000, a corrective plan of action shall be submitted to City Council for approval by resolution.

11.8 The City Manager is authorized to adjust grant and operating expenditure budgets to account for Council approved grant match and retention obligations.

11.9 The City Manager is authorized to adjust revenue and expenditure operating grant budgets to reflect actual revenues received and expenditures incurred upon closure of a project in compliance with the original grant award and any amendments.

SECTION 12. EXTERNALLY FUNDED PROGRAMS (EFP)

12.1 City Council approval is required for the establishment and/or cancellation (without completion) of an EFP, except as follows:

(1) Where the EFP is under $100,000 and does not require any of the following:

(a) Any increase or decrease, by department or by fund, in FTE as authorized in the Approved Budget or by any subsequent approval by the City Council or by the City Manager in accordance with this resolution; or

(b) Matching funds from City resources; or

(c) Any ongoing service or funding by the City.

(2) EFPs may be subdivided into separate sub-projects as needed to administer, manage, and deliver the original scope of the project, without further City Council action.

12.2 All multi-year EFP budgets in existence on June 30, 2017, shall be continued in FY2017/18.

12.3 The City Manager is authorized to adjust revenue and expenditure budgets for EFP renewals, up to the amount previously approved by City Council, and augmentations up to $100,000.

12.4 Each fiscal year, on June 30, 2017, the balance of each EFP budget must be zero or have a positive balance by fund. EFPs in excess of the budget from all funding sources (total budget has a negative balance) shall be treated as follows:

(1) If the project balance exceeds budget by $100,000 or less, the project account shall first be corrected within each fund and, second, any remaining negative balance shall be corrected by a transfer from the project manager's department Operating Budget (all transfers of $100,000 or less shall be made as provided for in Section 6.3); or

(2) If the project balance exceeds budget by more than $100,000, a corrective plan of action shall be submitted to City Council for approval by resolution.

SECTION 13. MULTI-YEAR OPERATING PROJECTS (MYOP)

13.1 MYOPs are used for:

(1) Economic Development Assistance and Development Programs (e.g., inclusionary housing);

(2) Planning, audit, and other consultant studies that will take more than one fiscal year to complete;

(3) Department fleet (vehicle and/or equipment) charges from the Fleet Management internal service fund; and

(4) Other projects and activities that are multi-year in nature and are not capital improvement projects.

13.2 City Council approval is required for the establishment and/or cancellation (without completion) of a MYOP.

13.3 MYOPs may be subdivided into separate sub-projects as needed to administer, manage, and deliver the original scope of the project, without further City Council action.

13.4 Unobligated appropriations in existence on June 30, 2017, for all existing MYOPs shall be carried over to the next fiscal year, except as noted in Sections 13.9 through 13.11.

13.5 MYOPs shall be used solely for the originally approved program or study. Annually, completed or inactive MYOPs will be closed. An inactive project is defined as one where transaction activity is less than $1,000 over the prior three years. Closures are the responsibility of the designated project manager. The managing department and/or City Manager have the authority to process the necessary documentation to close inactive projects.

13.6 The Police and Fire Department are authorized to use Measure U MYOPs savings from vacancies for background investigations, recruit academies, and overtime associated with restored programs/ operations.

13.7 Each fiscal year, on June 30, 2017, the balance of each MYOP must be zero or have a positive balance by fund. Projects in excess of the budget from all funding sources (total budget has a negative balance) shall be treated as follows:

(1) If the MYOP balance exceeds budget by $100,000 or less, the MYOP shall first be corrected within each fund and, second, any remaining negative balance shall be corrected by a transfer from the MYOP manager's Operating Budget (all transfers or $100,000 or less shall be made as provided for in Section 6.3); or

(2) If the MYOP balance exceeds budget by more than $100,000, a corrective plan of action shall be submitted to City Council for approval by resolution.

13.8 The City Manager is authorized to increase or decrease MYOP budget appropriations by not more than $100,000 for each project. Transfers that exceed $100,000 in total for any MYOP shall be submitted to the City Council for approval by resolution.

13.9 The City Manager is authorized to review MYOPs on an annual basis and return excess funds to the fund balance or contingency of the respective fund.

13.10 Beginning in FY2017/18 the Utility Rate Assistance MYOP (I14130100) will be budgeted based on a review of actual expenditures in the prior two fiscal years and any anticipated program changes that may result in the need for additional funding.

13.11 Unobligated fiscal year appropriations in the Measure U MYOPs (Fund 2401) at the close of the fiscal year shall be returned to Measure U available fund balance.

SECTION 14. IN-LIEU PROPERTY TAXES AND IN-LIEU FRANCHISE FEE

14.1 An in-lieu property tax and in-lieu franchise fee are hereby imposed on the Community Center (Fund 6010) and Parking (Fund 6004) funds in the amounts provided in Schedule 3 as displayed in Exhibit 4. The City Council finds that the in-lieu property tax as detailed in Schedule 3 represents the property tax revenue which would be received by the General Fund if the real and personal property owned by these enterprises were taxable under private ownership. The in-lieu franchise fee as detailed in Schedule 3 represents the franchise fees which would

be received by the City from private entities as a rental or a toll for the use of city streets and rights-of-way.

SECTION 15. APPROPRIATION LIMITS

15.1 The appropriation limit and the appropriations subject to the limit are hereby amended pursuant to Article XIIIB of the California Constitution for FY2017/18 as detailed in Schedule 5 as displayed in Exhibit 4.

SECTION 16. MIDYEAR REPORT

16.1 The City Council shall be provided a Midyear Report including a revised estimate of the financial condition of all funds, estimated revenues and expenditures, and recommendations for eliminating any projected fund deficits.

16.2 The City Council shall act on any projected fund deficits as part of the midyear review.

SECTION 17. MISCELLANEOUS CONTROLS/CONSIDERATIONS

17.1 No expenditures by fund at the department level shall exceed the Operating Budget as amended by any subsequent approval of the City Council or by the City Manager in accordance with this resolution.

17.2 Subject to approval by the City Manager and pursuant to the sections governing transfers and appropriations, projected deficiencies in any department by fund shall be corrected by:

(1) Reducing expenditures in the department (e.g., freezing vacant positions, restricting purchase orders); or

(2) An appropriation transfer from Administrative Contingency and/or available fund balance subject to the provisions of Section 6.

17.3 The City Manager is authorized to:

(1) Adjust budgets to reflect all required debt service and related payments, including adjustments to rate stabilization reserves, pursuant to City debt agreements.

(2) Adjust revenue and expenditure budgets in special revenue funds based on actual revenues collected to provide appropriation authority for operating costs associated with delivering the service.

(3) Establish and adjust budgets for private development activities (Funds 2016 and 2018) managed in MYOPs, that are fully offset by development fees.

(4) Establish and/or adjust revenue and expenditure budget for EFPs, MYOPs, and operating grants as detailed in Schedule 9 as displayed in Exhibit 4.

(5) Transfer appropriations from the Operating Budget to MYOPs for fleet replacement and projects as detailed in Schedule 9 as displayed in Exhibit 4.

(6) Adjust the spay/neuter revenue account (Account 341380, Program 13006) in the Community Development Department operating budget and increase the Animal Care Low Income Spay/Neuter Program (I13000600) MYOP expenditure budget in the General Fund (Fund 1001) to reflect 50 percent of the penalty fees collected per Sacramento City Code Section 9.44.215.D.

(7) Eliminate funds as required for proper accounting and fiscal management when the purpose of a fund has expired and its fund balance has been expended.

(8) Adjust the revenue and expenditure budgets in the Old Sacramento Garbage Service Courts (M17700000), Old Sacramento District Improvements (M17700100), and the Joe's Crab Shack Repairs (B18119000) projects based on actual rent proceeds available after payment of all fees to the State of California and funding of annual required maintenance costs.

(9) Adjust the Convention and Cultural Services revenue budget for Theater Facility Fee revenues and the Theater Renovation project (M17100100) expenditure budget based on the actual fees collected, less any operating costs associated with delivering this service.

(10) Increase the revenue (Account 391320) and fleet replacement expenditure (Account 474210) budgets in the Fleet Fund (Fund 6501) based on departmental fleet purchasing changes (additional and/or early replacement) approved by Council during the fiscal year and upon completion of audited financial statements to allow the continued purchasing of prior year funded replacement vehicles.

(11) Adjust the revenue budget for the Public Works Department marina operations to reflect actual revenues received and increase the expenditure budget by a like amount in the Harbor Dredging CIP (M17500000).

(12) Adjust revenue and expenditure budgets in the Energy Reinvestment Program (C13001900) to reflect actual energy rebates and/or incentives received.

(13) Adjust the revenue and expenditure budgets for facility maintenance and repair services provided to outside agencies/entities (15004521-338020) and for private property concrete maintenance/sidewalk

repairs (15001641-343010) to reflect actual revenues received for these services.

(14) Adjust revenues, expenditures, and FTE in the START Fund (Fund 2501) as needed to address the loss of contracted school sites.

(15) Adjust the Public Works Department revenue budget (15001811) and the expenditure budget in the Tree Planting and Replacement (R15188500) project based on actual revenues received in the Tree Planting and Replacement Fund (Fund 2035).

17.4 In all staff reports that come before the City Council, net budgetary impacts on all funds shall be stated clearly and concisely, including indirect impacts, so that the City Council has a full understanding of the financial consideration and impacts of their decisions.

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DARRELL STEINBERG
Mayor

ANGELIQUE ASHBY
Councilmember, District 1

ALLEN WARREN
Councilmember, District 2

JEFF HARRIS
Councilmember, District 3

STEVE HANSEN
Councilmember, District 4

JAY SCHENIRER
Councilmember, District 5

ERIC GUERRA
Councilmember, District 6

RICK JENNINGS, II
Vice Mayor, District 7

LARRY CARR
Councilmember, District 8

CITY OF SACRAMENTO FACTS

The City of Sacramento was founded in 1849 and is the oldest incorporated city in California.

In 1920, city voters adopted a Charter (municipal constitution) and a City Council/City Manager form of government.

The City is divided into eight districts.

Elected members of the City Council serve a four-year term.

The Mayor is elected by all voters in the City. In 2002, voters approved a measure for the Mayor to serve full-time. All other Councilmembers are elected by district and serve part-time.

The Mayor and other Councilmembers have an equal vote in all matters.

The City of Sacramento currently encompasses approximately 100 square miles.

The current estimated population is 485,683.

CityofSacramento.org