

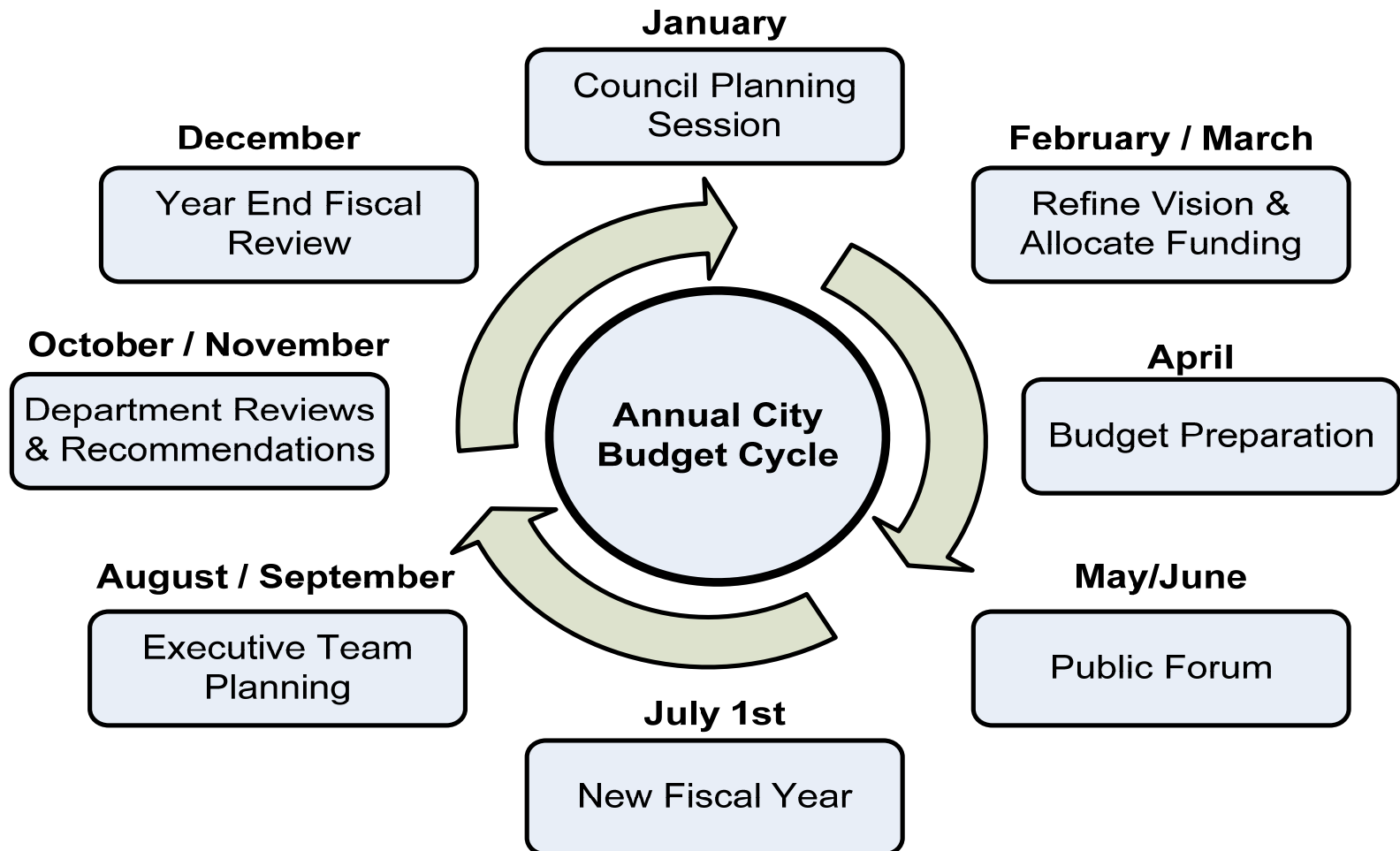


City of Sacramento FY2008/09 Budget Community Meeting

Agenda

- Opening
- Welcome
- Budget Information
- Questions and Comments
- Next Steps

The City's Budget Cycle



FY2008/09 Council Adopted Budget Development Guidelines

- Preserve the delivery of City services to residents and businesses to the extent possible
- Use a mix of reserves, new revenues and citywide departmental reductions consistent with a sustainable budget approach
- Evaluate new ways to do business, including organizational efficiencies
- Pursue new, and enhance existing revenue sources, where appropriate, to recover costs of programs and services
- Preserve employment for career employees
- Engage the public, unions, City staff and City Partners on an ongoing basis

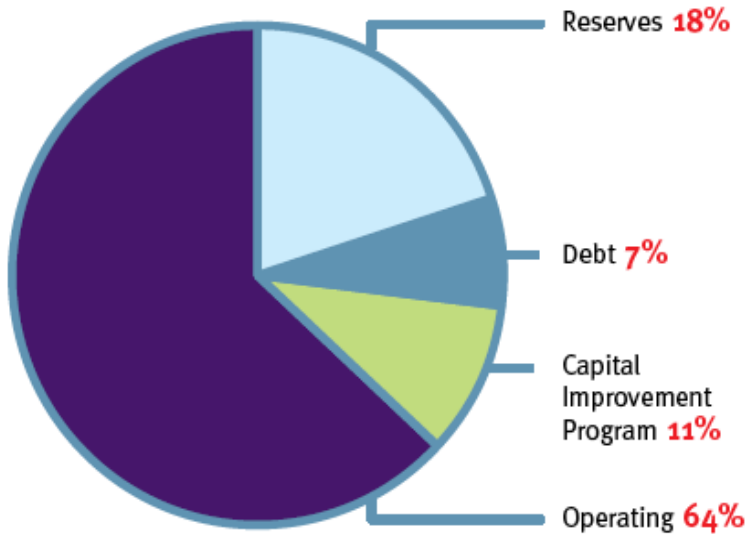
Budget Basics

- Budgeting is a political process
- General Fund expenditure changes are driven by labor costs
 - Staffing levels
 - Compensation levels
- General Fund financing determined by performance of local economy

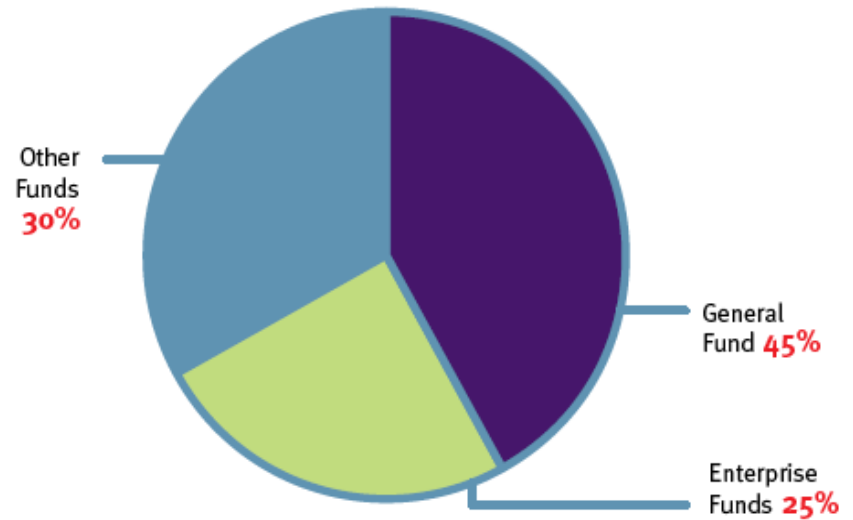
The City Budget

Total City Budget is \$972.5 Million and 5,274 Positions

EXPENDITURES



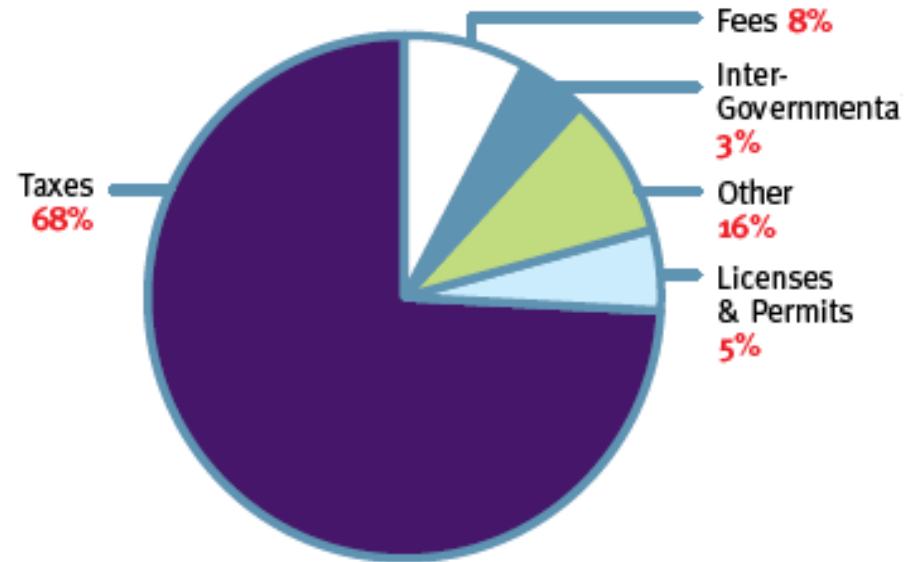
FUNDING SOURCES



Where Does General Fund Money Come From?

The Approved General Fund City Budget is \$431.2 Million

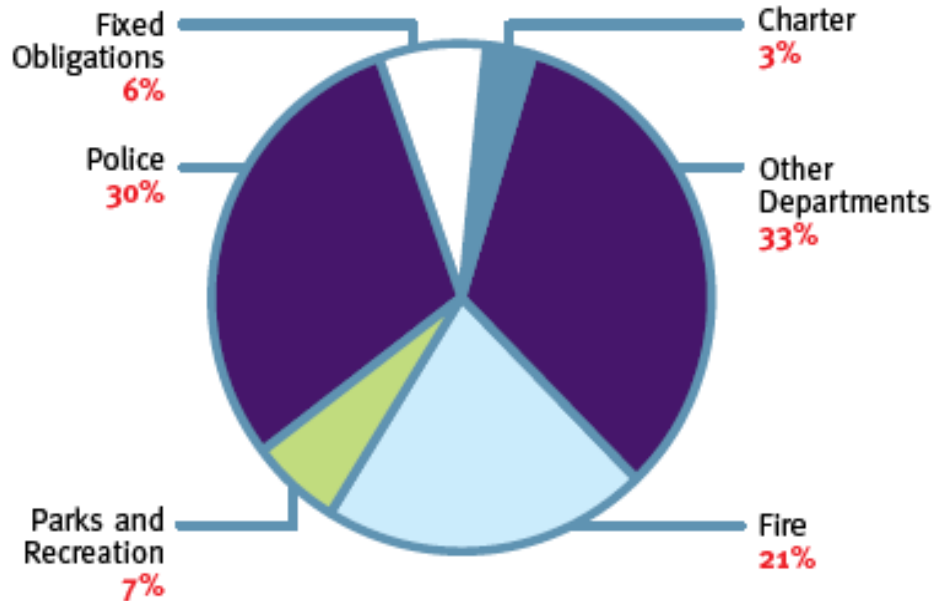
	DOLLARS IN THOUSANDS
FEES	\$34,471
INTER - GOVERNMENTAL	\$14,956
LICENSES/PERMITS.....	\$19,530
OTHER.....	\$66,884
TAXES.....	\$295,338



How is General Fund Money Used?

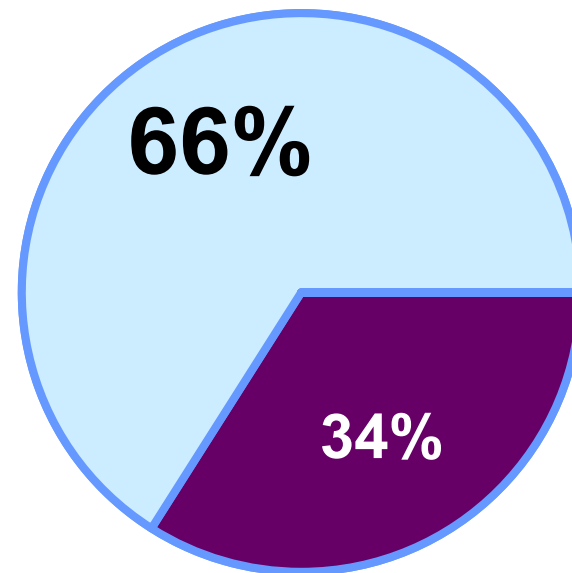
The Approved General Fund City Budget is \$431.2 Million

	DOLLARS IN THOUSANDS
CHARTER OFFICES.....	\$14,583
FIRE DEPARTMENT.....	\$91,625
FIXED OBLIGATIONS.....	\$26,145
OTHER DEPARTMENTS	\$135,454
PARKS AND RECREATION DEPARTMENT	\$31,568
POLICE DEPARTMENT.....	\$129,804



What Drives General Fund Expenses?

- **66%** of expenses for labor
- **34%** of expenses for other obligations

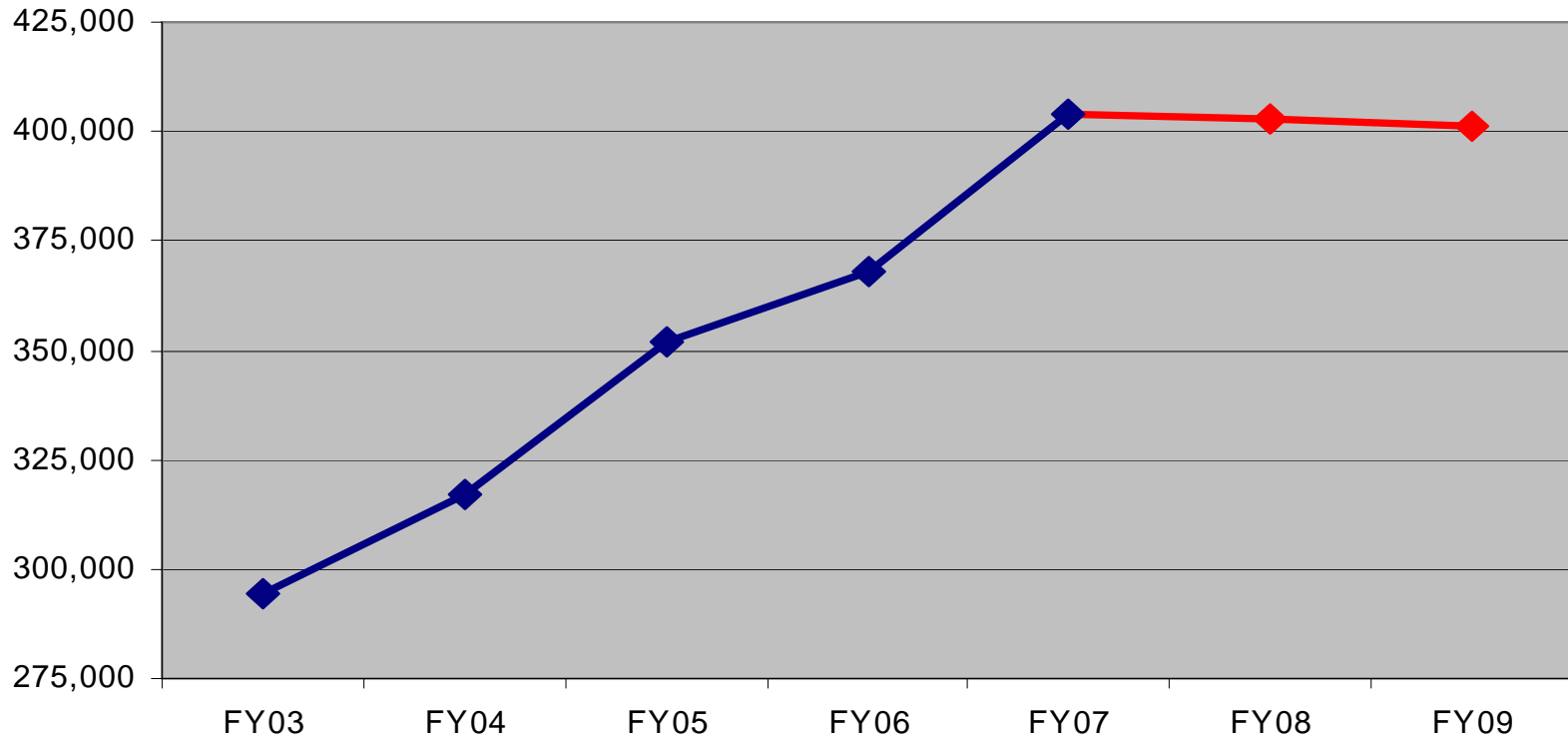


City's Budget Challenges

- Growing budget gap between on-going expenditures and revenues
- Revenue growth is lagging
 - “Housing Crisis”
 - Rising unemployment
 - Likely recession
 - Flagging consumer confidence

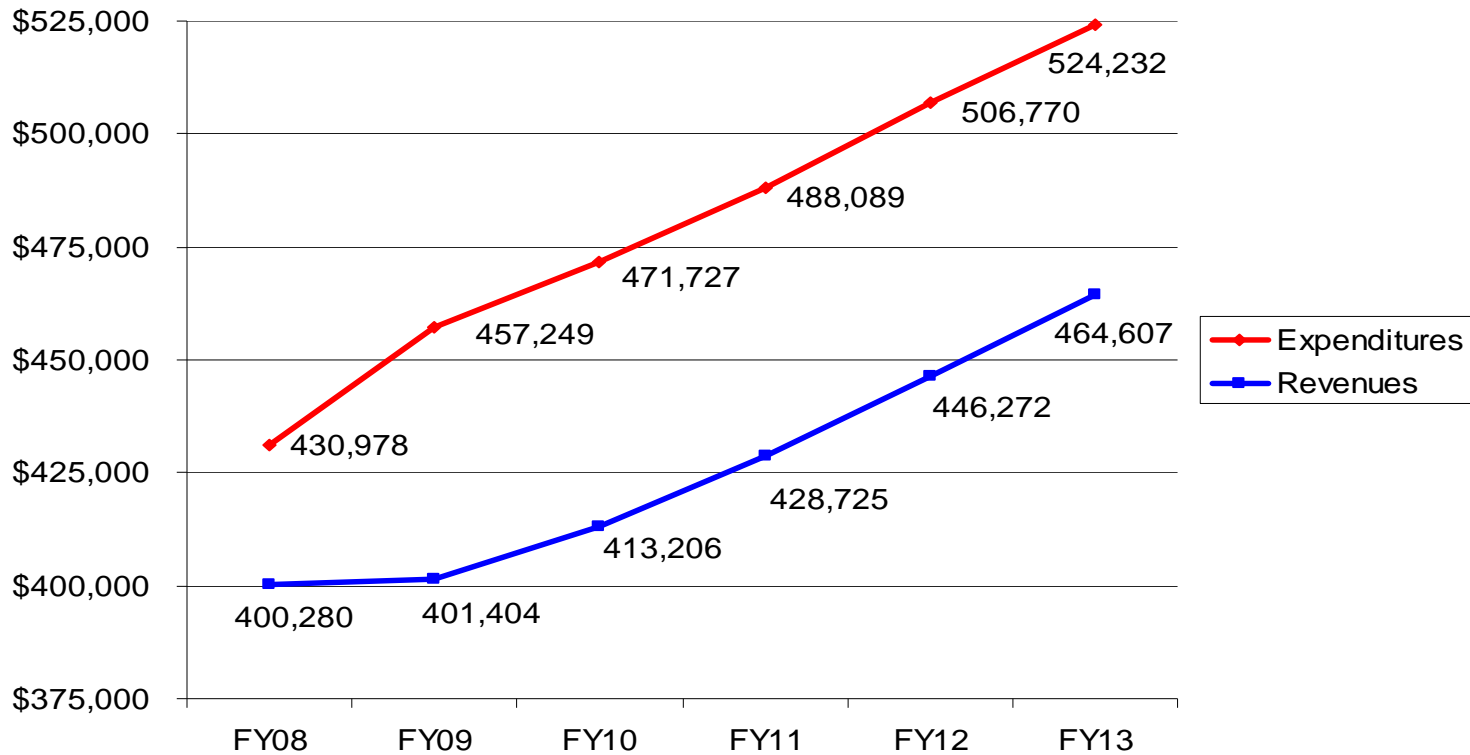
Overall Revenue Growth

FY03-07 Actual Revenue, FY08-09 Budgeted Revenue
(in \$000s)



Five Year Forecast

**General Fund 5 Year Forecast
(in 000s)**



Balanced Budget Plan

- **Close gap between revenues and expenditures**
 - **Reduce staffing levels**
 - Attrition
 - Layoffs
 - **Enhance current revenues**
 - **New Revenues**
 - **Budget reductions (non-employee)**
 - **Use of one-time resources**

Next Steps

- Current
 - Departmental reduction scenarios
 - Identify other opportunities
- March
 - Policy direction from City Council
 - Community meetings
- May and June Budget Hearings
 - City Manager's Proposed Budget released on May 1st

QUESTIONS OR COMMENTS

[Follow this link to provide your comments.](#)