

# 29

**SECTION – 29**  
**PROPOSED BUDGET**  
**RESOLUTION**



## **RESOLUTION NO.**

**ADOPTED BY THE SACRAMENTO CITY COUNCIL**

**ON DATE OF \_\_\_\_\_**

### **APPROVING THE FISCAL YEAR (FY) 2007/08 OPERATING AND CAPITAL IMPROVEMENT BUDGETS FOR THE CITY OF SACRAMENTO**

#### **BACKGROUND**

- A. The City of Sacramento through the leadership and direction of the Mayor and City Council has maintained a sustainable budget philosophy;
- B. The Mayor and City Council have implemented a strategic planning process for the City of Sacramento focusing on economic development, public safety, safe and affordable housing, sustainability and livability, and culture and entertainment which includes a plan for funding high priority operating and capital needs;
- C. The City Manager is required to present a balanced budget to the Mayor and City Council no less than 60 days prior to the end of each fiscal year pursuant to Article 9 Section 111 in the City of Sacramento Charter;
- D. The City Manager released the FY2007/08 Proposed Operating Budget and the 2007-2012 Proposed Capital Improvement Program (which includes the FY2007/08 Capital Improvement Program Budget) on May 1, 2007, for review and consideration; and
- E. The Mayor and City Council conducted hearings during the months of May and June 2007 related to the adoption of the City's FY2007/08 Operating and Capital Improvement Program Budgets.

#### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- A. The FY2007/08 Operating and Capital Improvement Program (CIP) Budgets are hereby approved;
- B. The 2007-2012 Capital Improvement Program, which provides a comprehensive five-year plan for capital project expenditures, is approved;
- C. Sections 1 through 16 below, which define the authority and responsibilities of the City Manager in implementing the Approved Operating (Exhibit 3) and CIP (Exhibit 4) Budgets, are hereby approved.

## **SECTION 1. SCOPE**

- 1.1 This resolution defines the authority and responsibilities of the City Manager in implementing the Approved Operating and Capital Improvement Program Budgets of the City of Sacramento and supersedes Resolution 2006-444.

## **SECTION 2. DEFINITIONS**

- 2.1 "Approved Budget" includes the following documents:
- (1) The FY2007/08 Proposed Operating Budget dated May 1, 2007, as amended by the City Council and reflected in the summary of augmentations (Exhibit 1), the summary of changes to the approved operating and capital improvement program budgets (Exhibit 2), as well as administrative and technical changes necessary to implement City Council direction (an Approved Operating Budget that incorporates into the Proposed Budget the augmentations and changes set forth in Exhibits 1 and 2, and other administrative and technical changes shall be prepared by the City Manager and be attached hereto as Exhibit 3); and
  - (2) The FY2007/08 Proposed Capital Improvement Budget dated May 1, 2007, as summarized in Schedule 4 of the FY2007/08 Operating Budget and detailed in the 2007-2012 Capital Improvement Program (CIP) (Exhibit 4).
- 2.2 "Current Budget" means the FY2006/07 Approved Budget, incorporating any subsequent appropriation increases, decreases or transfers.
- 2.3 "Expenditure Class" means Employee Services, Other Services and Supplies, Equipment, Debt Service, Labor Offset, Transfers and Capital Improvements.
- 2.4 "Department" or "Agency" means: Mayor and City Council; City Manager; City Attorney; City Clerk; City Treasurer; Code Enforcement; Convention, Culture & Leisure; Development Services; Economic Development; Finance; Fire, General Services; Human Resources; Information Technology; Labor Relations; Neighborhood Services; Parks & Recreation; Planning; Police; Transportation; Utilities; Capital Improvement; Debt Service; Non-Department and Reserves.
- 2.5 "Division" means a sub-unit of a department.
- 2.6 "Activity" means a sub-unit of a division.
- 2.7 "Organization" means a sub-unit of a department, division or activity.
- 2.8 "City Manager" means the City Manager or, if so designated, the Director of Finance or the Budget Manager.
- 2.9 "Full Time Equivalent (FTE)" means the decimal equivalent of a position; i.e. one full-time position is 1.00 FTE and one quarter-time position is 0.25 FTE.
- 2.10 "Base Budget" means the current year budget modified pursuant to labor agreements, one-time expenditures, citywide changes and midyear changes.
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### **SECTION 3. AUTHORIZED STAFFING AND APPROPRIATIONS**

- 3.1 The City Manager is authorized to make any expenditure and resource adjustments to the Approved Budget based on final City Council action to adopt the Budget.
- 3.2 The City Manager is authorized to establish the appropriations and FTE staffing as shown in Schedules 1A, 1B, 1C and fund summaries, including transfers as shown on Schedule 2 as displayed in Exhibit 3.
- 3.3 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.
- 3.4 During budget deliberation and following budget approval, 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 and risk management changes such as retirement rates, payroll taxes, health benefits, fleet costs and risk management costs from designated funds or reserves.
- 3.5 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 FY2007/08.
- 3.6 Upon adoption by the City Council of a 911 Emergency Communication System Fee, the budget reductions for the Police Department and Fire Department included in the FY2007/08 Budget shall be restored to the level supported through the fee.

### **SECTION 4. APPROPRIATION INCREASES/DECREASES**

- 4.1 All increases or decreases in excess of \$100,000 to operating and capital appropriations shall be approved by the City Council by resolution.
- 4.2 The City Manager is authorized upon completion of the audited financial statements for FY2006/07 to adjust FY2007/08 fund appropriations by the amount of net changes in fund balance as determined by the City Council. These fund balance and appropriation changes will be included and addressed in the Consolidated 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, by department by fund, in FTE as authorized in the Approved or Amended Budget for a department must be approved by the City Council, except for renewals or expansion of fully offset grants as specified in Section 5.2 below.
  - 5.2 Any existing positions which were approved on the basis of the City receiving a grant or other reimbursements must have continued funding verified prior to filling the position. The City Manager is authorized to adjust staffing levels and associated service and supplies for renewals or expansions of fully offset City Council approved grants. Grant funded positions
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shall be terminated upon completion or cancellation of the grant, unless specifically continued by a resolution that includes a source of replacement funding.

- 5.3 Any exempt management position adjustment made subject to the approval of the City Manager and subject to the Personnel Resolution covering Unrepresented Officers and Employees approved by City Council must have funding verified by the Budget Office prior to implementation.
- 5.4 Any reassignment of authorized FTE and employee services funding associated with these FTE within a department and within the same fund may be made at the discretion of the department head with the approval of the City Manager as long as there is no net change to authorized FTE and funding levels.
- 5.5 All new positions or job reclassifications (as identified in Exhibit 3, Schedule 8) are subject to classification review and approval by the Human Resources Director.
- 5.6 The City Manager has authority to adjust staffing levels in the Police and Fire Training Academies based on projected vacancies.

#### **SECTION 6. APPROPRIATION TRANSFERS FROM CONTINGENCY/RESERVE FUNDS**

- 6.1 The General Fund Reserve for the City of Sacramento is \$25.5 million. This reserve will be maintained for the purpose of absorbing unforeseen revenue losses and allowing continuation of Approved Budget program levels.
- 6.2 The City Manager is authorized to increase or decrease operating budget appropriations up to \$100,000. Operating budget appropriation 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 termination, which may be approved by the City Manager.
- 6.3 The City Manager is authorized to transfer appropriations up to \$100,000 per transaction for operating departments from undesignated fund balance or, in the case of the General Fund, Administrative Contingency.
- 6.4 Reserve transfers shall not be made from undesignated fund balance or Administrative Contingency if the transfer will result in a negative balance.
- 6.5 The City Manager is authorized to use Administrative Contingency and unutilized lease appropriations, if available, to adjust the Department of General Services operating budget at year-end, if needed to cover the actual operating costs of City Hall.
- 6.6 The City Manager is authorized to eliminate the \$6 million Disaster Recovery Reserve and transfer the \$6 million to the Economic Development Reserve.
- 6.7 The City Manager is authorized to establish a five-year \$3.97 million loan from the Risk Fund to the Parking, Water, Sewer, Solid Waste and Storm Drainage Funds and to make annual loan repayments to the Risk Fund from the Enterprise Funds for the costs associated with funding the City's electronic Citywide Accounting and Personnel System (eCAPS) project (AB81) as outlined in Exhibit 2.

- 6.8 The City Manager is authorized to make annual loan repayments to the Risk Fund from the Convention Center Fund subject to the availability of funds. As of June 30, 2007, the Risk Fund loan to the Convention Center totals approximately \$8.7 million.

**SECTION 7. OTHER APPROPRIATION TRANSFERS**

- 7.1 Operating appropriation transfers within the same department and the same fund must be approved by the City Manager.
- 7.2 Appropriation transfers between two or more departments, up to and including \$100,000, may be approved by the City Manager. Such transfers in excess of \$100,000 shall be approved by the City Council by resolution.

**SECTION 8. UNSPENT APPROPRIATIONS AND ENCUMBRANCES**

- 8.1 All appropriations in the operating budget which remain unencumbered or unexpended on June 30, 2007, after adjustments resulting from Section 4.2, 4.3 and 10.2 or as specifically provided for in Section 16, shall revert to the fund balance of the respective funds.
- 8.2 The City Manager is authorized to increase revenue and expenditures for the Ethel MacLeod Hart operating organization (4729), pursuant to the recommendation of the Ethel MacLeod Hart Advisory Committee, every five years beginning in FY2006/07. All unobligated appropriations and interest earned in the prior year are to be carried over to the next fiscal year.
- 8.3 All purchase order commitments outstanding on June 30, 2007, and associated appropriations are hereby continued.
- 8.4 Unobligated appropriations in existence on June 30, 2007, for the Inclusionary Housing Program, Infill Program and the Economic Development Assistance Program shall be carried over to the next fiscal year.
- 8.5 Unobligated appropriations in existence on June 30, 2007, for fleet purchasing budgets (object codes 4236/4632) and department carryover (object code 4995) shall be carried over to the next fiscal year.
- 8.6 Unobligated appropriations in existence on June 30, 2007, for Fire Department station expense appropriations (101-250-2532-4414), pursuant to the current fire labor contract, shall be carried over to the next fiscal year.
- 8.7 Unobligated appropriations in existence on June 30, 2007, for the City Council discretionary accounts shall be carried over to the next fiscal year.

**SECTION 9. FY2007/08 REVENUE BUDGET**

- 9.1 The FY2007/08 Revenue Budget is summarized in Exhibit 3, Schedule 6.
  - 9.2 Any increase or decrease greater than \$100,000 to the adopted revenue budget by fund requires City Council approval.
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- 9.3 The City Manager is authorized to adjust revenues for renewals and augmentations of fully offset grants.
- 9.4 The City Manager is authorized to establish a Special Revenue Fund to account for street tree fee revenues collected from developers, pursuant to the City's Street Tree Fee Policy and to transfer existing street tree fee revenues currently in a General Fund Liability Account to this fund.

## **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; or
    - (2) Community/Neighborhood projects and appropriations as approved by the City Council.
  - 10.2 City Council approval is required for the establishment and/or cancellation (without completion) of a capital improvement project, except as provided below:
    - (1) Capital projects for internal City operations related to improvements and minor construction of existing City owned/occupied buildings can be established by the City Manager provided the total cost to deliver the project does not exceed \$100,000.
    - (2) Capital projects that have been approved in the Sacramento Housing and Redevelopment Agency's (SHRA) annual budget and are subject to the provisions of the Master Project Agreement between the City and SHRA as adopted by the City Council on December 18, 2001 (Resolution 2001-828), can be approved by the City Manager.
    - (3) Capital projects may be subdivided for administrative convenience into separate sub-projects, as may be needed to manage and deliver the original scope of the project without further City Council action.
  - 10.3 Capital appropriations shall be used solely for the originally approved project or projects except as provided for in this section. Annually, completed or inactive projects will be closed, except due to 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.
  - 10.4 All multi-year capital improvement projects in existence on June 30, 2007, shall be continued in FY2007/08 except as provided in Section 10.3. The FY2007/08 CIP Budget is summarized on Schedules 2 and 4 as displayed in Exhibit 3.
  - 10.5 Unencumbered appropriations for all inactive projects as defined in Section 10.3 above will expire on June 30 following the third full year of the last appropriation to the project. Subject projects requiring continuing appropriations will require City Council action through programming within the CIP or through a separate appropriation to the project.
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- 10.6 Each fiscal year, on June 30, the balance of each capital improvement project must be zero or have a positive balance by fund. Projects in excess of the budget from all funding sources by \$100,000 or less shall, first, be corrected within each fund and, second, be corrected by a transfer from the operating budget organization of the project manager.
- (1) All transfers of \$100,000 or less shall be made as provided for in Section 6.2.
  - (2) Projects in excess of budget from all funding sources by more than \$100,000 shall be submitted to City Council for approval of a corrective plan of action.
- 10.7 Except in the General Fund, the City Manager is authorized to transfer appropriations totaling \$100,000:
- (1) From Project A to Project B if:
    - (a) Project A is completed and has savings; or
    - (b) Project A is not completed and a revised project estimate confirms that there will be project savings upon completion.
  - (2) Between funding sources within a project if the total appropriation remains unchanged.
  - (3) The City Manager is authorized to increase or decrease project budget appropriations by not more than \$100,000 for each project. Transfers that exceed \$100,000 in total for any project shall be submitted to the City Council for approval.
- 10.8 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 can be administratively reprogrammed into other projects, within the same City Council District, at the request of the City Council District Office and with the approval of the City Manager.
  - (2) Savings above \$50,000 to be reprogrammed requires City Council approval.
- 10.9 Upon completion and closure of a capital project, the City Manager is authorized to transfer any remaining project balance to:
- (1) Undesignated Fund Balance, the Capital Projects Base Reserve for Utilities Program capital projects or, in the case of the General Fund, Administrative Contingency; or
  - (2) As provided for in Section 10.7.
- 10.10 Measure A Sales Tax (Fund 201) and New Measure A Construction (Fund 291) expenditure and revenue budgets can be loaded into the City's financial system prior to Sacramento Transportation Authority (STA) Board approval. Work on capital projects in

these funds is done prior to receiving funding; project funding/ appropriation shall be as follows:

- (1) The City Manager is authorized to enter the revenue/expenditure budgets as reflected in the Approved Budget (revenues) and Capital Improvement Budget (expenditures).
- (2) 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.
- (3) The City Manager is authorized to enter expenditure/revenue budget prior to STA Board approval.

10.11 Projects funded by the following reimbursable funds: Grant Funds (Funds 248, 511, and 512), SHRA Community Development Block Grants (Fund 205) and Tax Increment (Fund 206) are included within the Operating and Capital Budgets for planning purposes. Work on capital projects funded by these sources is done prior to receiving funding and project funding/authorization for these projects shall be as follows:

- (1) Funds 205, 206, 248, 511 and 512: Expenditure and revenue budgets will not be loaded into the City's financial system until actual agreements (Program Supplements/E-76's, Individual Project Agreements (IPA), Cooperative Agreements, etc.) have been entered into between the City and the funding authority.
- (2) Funds 511 and 512: 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 Mayor and/or City Manager are 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 (TX01) 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 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.

10.12 The Capital Budget has been amended over the past few years to include "Credit Projects." Credit projects are established to account for turnkey parks, infrastructure and other improvements provided by a developer in exchange for City fee credits. These projects are identified by an alpha-numeric alpha-numeric project number. In an effort to provide a more accurate reflection of proposed spending by fund, these projects are identified in the CIP as funded by Developer Credit/Obligations (Fund 999). At the time these improvements are accepted by the City of Sacramento, the projects and related appropriations will be recorded in the appropriate City fund.

- 10.13 The CIP (Exhibit 4) includes projects that are directly supported by user and developer fees. The City Manager is authorized to adjust department revenue budgets and CIP expenditure budgets for projects directly supported by fees based on the actual fees collected, less any operating costs associated with delivering the service.

#### **SECTION 11. OPERATING GRANTS AND EXTERNALLY FUNDED PROGRAMS**

- 11.1 All operating grants/externally funded programs over \$100,000 shall be approved by the City Council.
- 11.2 All operating grants/externally funded programs under \$100,000 shall be approved by the City Council if:
- (1) Any increase or decrease, by department by fund, in FTE staffing levels as authorized in the Approved or Amended Budget is requested; or
  - (2) Matching funds from City resources are required; or
  - (3) Accepting the grant/externally funded program creates an expectation for ongoing service or funding by the City.
  - (4) As noted in Section 5.2, the City Manager is authorized to adjust staffing levels and associated service and supplies for renewals or expansions of fully offset grants previously approved by City Council.
- 11.3 If the grantor for a grant/externally funded program requires City Council action, then the grant/externally funded program shall require approval by the City Council regardless of the grant amount.
- 11.4 Operating grants/externally funded programs appropriated in the Approved Budget do not require additional City Council approval to be expended upon receipt of such grants or funds for externally funded programs.
- 11.5 All multi-year operating grant/externally funded program budgets in existence on June 30, 2007, shall be continued in FY2007/08.

#### **SECTION 12. CONTINGENCY LITIGATION/PROPERTY MITIGATION RESERVE**

- 12.1 The Contingent Litigation/Property Mitigation Reserve is maintained annually to cover potential costs associated with outstanding litigation or property mitigation. Transfers from this Reserve to the operating budget may be approved by the City Manager.

#### **SECTION 13. IN-LIEU PROPERTY TAXES AND IN-LIEU FRANCHISE FEE**

- 13.1 An in-lieu property tax and in-lieu franchise fee are hereby imposed on the Community Center, Parking and Sacramento Marina funds in the amounts provided in Schedule 3 as displayed in Exhibit 3. 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 14. APPROPRIATION LIMITS**

- 14.1 The appropriation limit and the appropriations subject to the limit are hereby amended pursuant to Article XIII B of the California Constitution for FY2007/08 as detailed in Schedule 5 as displayed in Exhibit 3.

#### **SECTION 15. MIDYEAR FINANCIAL REPORT**

- 15.1 The City Council shall be provided a Midyear Financial Report including a revised estimate of the financial condition of all funds, revised estimated revenues and expenditures, and recommendations for eliminating any projected fund deficits.
- 15.2 The City Council shall act on any projected fund deficits as part of the fiscal year end close process.

#### **SECTION 16. MISCELLANEOUS CONTROLS/CONSIDERATIONS**

- 16.1 No expenditures at the department level shall exceed the Approved or Amended Budget, by fund.
- 16.2 The City Manager is authorized to modify the content of the Overview Section of the FY2007/08 Proposed Budget in order to refine and add content as may be needed to meet Government Finance Officers Association (GFOA) application requirements for excellence in reporting.
- 16.3 Subject to approval by the City Manager and pursuant to the sections governing transfers and appropriations, projected deficiencies in any department by fund must be corrected by:
- (1) Reducing expenditures in said department (i.e. freezing vacant positions, restricting purchase orders, etc.); or
  - (2) An appropriation transfer from administrative contingency and/or fund balance subject to the provisions of Section 6.
- 16.4 The City Manager is authorized to:
- (1) Adjust budgets to reflect all required debt service payments pursuant to the official statements;
  - (2) Adjust budgets in the Special Revenue funds for appropriations required based on the action/direction of the City Council relative to capital projects, transfer requirements and the availability of funds;
  - (3) Adjust budgets in the Capital Project funds for the current year based on previous actions of the City Council for projects on a multi-year basis; and

- (4) Adjust budgets in the Multi-Year Non-Capital Project Agency for the current year based on the previous action of the City Council for programming on a multi-year basis.

16.5 In all staff reports that come before the City Council, net budgetary impacts on all funds will be stated clearly and concisely, including indirect impacts, so that the Councilmembers have a full understanding of the financial considerations and impacts of their decisions.

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MAYOR

ATTEST:

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CITY CLERK

**Exhibits**

- Exhibit 1 FY2007/08 Operating Budget Augmentations
- Exhibit 2 FY2007/08 Summary of Changes to the Operating & CIP Budgets
- Exhibit 3 FY2007/08 Approved Operating Budget
- Exhibit 4 2007-2012 Approved Capital Improvement Program (CIP)

FY2007/08 SUMMARY OF PROPOSED BUDGET AUGMENTATIONS

**General Fund**

| Department                 | Net Cost           | FTE         | Description  |
|----------------------------|--------------------|-------------|--|
| Information Technology     | \$ -               | 3.00        | 3.0 FTE positions funded through a permanent reduction in service and supply budget; and a technical adjustment to combine four (0.5) FTE to two (1.0) FTE.  |
| General Services           | -                  | 5.00        | 4.0 FTE maintenance positions to address facility growth, to be funded by reallocating resources from the existing service and supply budget; add four (0.25) FTE for facilities, paid for through the reclassification of existing positions; and increase Animal Care revenue and expenditure budgets to reflect program cost increases which are offset by increased revenues.            |
| Economic Development       | -                  | 1.00        | 1.0 FTE position funded by Thomas Enterprises for the Railyard development. Establish a \$1.16 million revenue and expenditure budget for Army Depot activity.   |
| Parks and Recreation       | (48,081)           | (0.70)      | 1.0 FTE position for IT improvements funded with approved fee increases; add 1.0 FTE position for Access Leisure funded with program revenues; add (0.25) FTE for Landscape Design funded by CIP offset; decrease 1.76 FTE due to loss of SHRA grant funding for Workrecreation Summer Hire Program; and a technical adjustment to combine 2.19 FTE into 1.0 FTE that is being reclassified. |
| <b>General Fund Total:</b> |                    |             |  |
|                            | <b>\$ (48,081)</b> | <b>8.30</b> |  |

**Special Revenue and Internal Service Funds**

| Department                   | Net Cost            | FTE         | Description   |
|------------------------------|---------------------|-------------|---|
| Parks and Recreation - START | \$215,000           | 4.00        | 4.0 FTE positions for START program funded with increased State Proposition 49 grant revenue.                           |
| Planning - North Natomas     | 742,000             | 0.00        | Technical adjustment to adjust multiyear budgets to reflect current costs.  |
| General Services - Fleet     | \$ 367,188          | 5.00        | 5.0 FTE positions to address fleet growth and improve turn around on fleet replacements and operations and maintenance. |
| <b>Other Funds Total:</b>    |                     |             |   |
|                              | <b>\$ 1,324,188</b> | <b>9.00</b> |   |

**Enterprise Funds**

| Department                                       | Net Cost            | FTE          | Description   |
|--|---------------------|--------------|---|
| Transportation - Parking                         | 276,612             | 5.50         | 5.50 FTE positions for Off-Street Parking, which will be offset by increased revenues.  |
| Utilities - Water                                | 1,648,480           | 9.00         | 2.0 FTE positions to reduce overtime costs resulting from swing shift; add 3.0 limited term FTE positions to implement efficiencies; add 1.0 limited term FTE position for eCAPS backfill; and transfer 3.0 FTE positions from Solid Waste division. Increase service and supply budgets for sludge removal program and cost of living adjustments. |
| Utilities - Sewer                                | 249,000             | 0.00         | Increase service and supply budget for cost of living adjustments.  |
| Utilities - Solid Waste                          | 2,016,074           | (3.00)       | Increase service and supply budgets for garbage containers, vehicles and cost of living adjustments. Transfer 3.0 FTE positions to Water Fund.  |
| Utilities - Storm Drainage                       | 464,000             | 0.00         | Increase service and supply budget for cost of living adjustments and one vehicle.  |
| Convention, Culture & Leisure - Marina           | 4,300               | 0.00         | Increase service and supply budget for cost of living adjustments.  |
| Convention, Culture & Leisure - Community Center | 294,200             | 4.00         | 4.0 FTE positions funded through conversion of funding approved at Midyear 2007. Increase to service and supply budget for cost of living adjustments.  |
| <b>Other Funds Total:</b>                        |                     |              |   |
|  | <b>\$ 4,952,666</b> | <b>15.50</b> |   |

**Augmentation Total: \$ 6,228,773 32.80**

**SUMMARY OF CHANGES AND TECHNICAL ADJUSTMENTS  
TO THE FY2007/08 PROPOSED OPERATING AND CIP BUDGETS**

**FY2007/08 OPERATING BUDGET ADJUSTMENTS**

| <b>Department</b> | <b>Fund</b>          | <b>FTE</b> | <b>Net \$ Change</b> | <b>Description</b>   |
|-------------------|----------------------|------------|----------------------|--|
| Human Resources   | Risk (421)           | -          | (\$3,967,855)        | 5-year loan to the Parking, Water, Sewer, Solid Waste and Storm Drainage Funds related to the City's eCAPS project (AB81), to be repaid by the funds with interest based on Pool A interest rates. |
| Transportation    | Parking (412)        | -          | (\$89,496)           | Authorize a transfer from fund balance to pay for first year costs related to eCAPS (AB81).  |
| Utilities         | Water (413)          | -          | (\$328,675)          | Authorize a transfer from fund balance to pay for first year costs related to eCAPS (AB81).  |
| Utilities         | Sewer (414)          | -          | (\$107,613)          | Authorize a transfer from fund balance to pay for first year costs related to eCAPS (AB81).  |
| Utilities         | Solid Waste (415)    | -          | (\$245,629)          | Authorize a transfer from fund balance to pay for first year costs related to eCAPS (AB81).  |
| Utilities         | Storm Drainage (425) | -          | (\$220,551)          | Authorize a transfer from fund balance to pay for first year costs related to eCAPS (AB81).  |

**FY2007/08 CAPITAL BUDGET ADJUSTMENTS**

| <b>Department</b> | <b>Fund</b>          | <b>CIP</b> | <b>Net \$ Change</b> | <b>Description</b>        |
|-------------------|----------------------|------------|----------------------|---------------------------|
| Transportation    | Parking (412)        | AB81       | 447,481              | Funding for eCAPS Project |
| Utilities         | Water (413)          | AB81       | 1,643,376            | Funding for eCAPS Project |
| Utilities         | Sewer (414)          | AB81       | 538,063              | Funding for eCAPS Project |
| Utilities         | Solid Waste (415)    | AB81       | 1,228,145            | Funding for eCAPS Project |
| Utilities         | Storm Drainage (425) | AB81       | 1,102,754            | Funding for eCAPS Project |

Insert

FY2007/08 Approved Operating Budget

Insert

Approved 2007-2012 Capital Improvement Program

