

1

SECTION – 1
Budget Message



OFFICE OF THE
CITY MANAGER

CITY OF SACRAMENTO
CALIFORNIA

CITY HALL
5th FLOOR
915 I STREET
SACRAMENTO, CA
95814-2684

April 29, 2011

PH 916-808-5704
FAX 916-808-7618

Mayor and City Council
Sacramento, California

Honorable Members in Session:

I respectfully submit the Fiscal Year (FY) 2011/12 Proposed Budget for the City of Sacramento. The Proposed Budget is balanced and addresses a \$39 million budget gap in the General Fund, the result of the increasing costs to provide programs and services, and the use of one-time funding and, is one that the City's revenues simply cannot keep pace with.

This shortfall, as well as the continuing budget gaps expected in FY2012/13 through FY2015/16 will require fundamental changes to the way we conduct the business of the City and the programs and services we are able to continue to offer. These changes are necessary and inevitable if the City is to regain fiscal sustainability.

The total budget proposed for FY2011/12 is \$812.1 million. This includes \$362.2 million for General Fund operations and capital projects, and \$450 million for the operation and capital projects for the City's Enterprise Funds and other fund activities. Citywide, \$50.7 million is budgeted for capital improvement projects. The Proposed Budget provides funding for core services reflecting changes in levels of service and in some cases, the wholesale elimination of programs and services that the City can no longer afford. This proposal includes the elimination of 294.72 full time equivalent (FTE) positions in the General Fund, saving \$27.1 million in personnel costs. Fundamental changes to the City's complement of programs and services are necessary to ensure a financially sustainable framework to continue to meet the most critical needs of our community.

This budget will require tough choices and difficult tradeoffs – as options are limited and there is no magic bullet. However, I believe that this proposal provides a good starting point for the Council to continue its efforts to redefine, restructure, and resize the services this City can afford to provide to its residents. We continue to work on options and alternatives that could mitigate some of the proposed reductions and progress on these efforts will be provided during the budget hearings.

I would like to express my sincere appreciation to our hard working City employees who deliver quality programs and services to the residents of Sacramento. Their continuing dedication and commitment to our community, especially in these difficult and uncertain times, must be recognized and commended.

Respectfully Submitted,

William H. Edgar

WILLIAM H. EDGAR
Interim City Manager