

# 29

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



## **RESOLUTION NO.**

**ADOPTED BY THE SACRAMENTO CITY COUNCIL**

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

### **APPROVING THE FISCAL YEAR (FY) 2008/09 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 FY2008/09 Proposed Operating Budget and the 2008-2013 Proposed Capital Improvement Program (CIP) (which includes the FY2008/09 Capital Improvement Program Budget) on May 1, 2008, for review and consideration; and
- E. The Mayor and City Council conducted hearings during the months of May and June 2008 related to the adoption of the City's FY2008/09 Operating and Capital Improvement Program Budgets.

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

- A. The FY2008/09 Operating and Capital Improvement Program Budgets, as defined in Section 2.1, are hereby approved (collectively, the "Approved Budget");
- B. The 2008-2013 Capital Improvement Program, which provides a comprehensive five-year plan for capital project expenditures, is hereby approved;
- C. Sections 1 through 16 below, which define the authority and responsibilities of the City Manager in implementing the Approved Budget, are hereby approved.

## **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 2007-404.

## **SECTION 2. DEFINITIONS**

- 2.1 "Approved Budget" includes the following documents:
- (1) The FY2008/09 Proposed Operating Budget dated May 1, 2008, 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 FY2008/09 Proposed Capital Improvement Budget dated May 1, 2008, as summarized in Schedule 4 of the FY2008/09 Operating Budget and detailed in the 2008-2013 Capital Improvement Program (an Approved Capital Improvement Budget that incorporates into the Proposed Capital Improvement 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 4).
- 2.2 "Base Budget" means 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" 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) "Division" means a sub-unit of a department.
  - (3) "Activity" means a sub-unit of a division.
  - (4) "Expenditure Class" means Employee Services, Other Services and Supplies, Equipment, Debt Service, Labor Offset, Transfers and Capital Improvements.
-

- 2.4 “City Manager” means the City Manager or, if so designated, the Director of Finance or the Budget Manager.
- 2.5 “Current Budget” means the FY2007/08 Approved Budget, incorporating any subsequent appropriation increases, decreases or transfers and adjustments.
- 2.6 “eCAPS” means the electronic Citywide Accounting and Personnel System (eCAPS): New Enterprise Resource Management system implemented in 2007 and 2008 to manage all City financial, human resource, and payroll transactions.
- 2.7 “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.
- 2.8 “Organization” means a sub-unit of a department, division or activity.
- 2.9 “Unfunded FTE” means a City Council authorized FTE without an associated labor budget. Unfunded FTE will remain vacant until funding has been restored.

**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 FY2008/09.
- 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 FY2008/09 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 FY2007/08 to adjust FY2008/09 fund contingencies 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 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, 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 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 add FTE to deliver the Community Reinvestment Capital Improvement Program (CRCIP) projects. All FTE shall be added only for the duration of the specific CRCIP projects (approximately 1-3 years) and will not result in a net change to funding levels.
- 5.7 The City Manager has authority to adjust staffing levels in the Police and Fire Training Academies based on projected vacancies.
- 5.8 Positions identified as “unfunded” shall remain vacant until the City Council approves a budget adjustment to fund the costs associated with these positions.

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

- 6.1 The General Fund Economic Uncertainty Reserve for the City of Sacramento is \$10.5 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 budget appropriations up to \$100,000 from undesignated fund balance or, in the case of the General Fund, Administrative Contingency. 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 must be approved by the City Manager.
- 6.3 Transfers shall not be made from undesignated fund balance or Administrative Contingency if the transfer will result in a negative balance.
- 6.4 Use of designated reserves must be approved by the City Council.
- 6.5 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 May 1, 2008, 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, must be approved by the City Manager. Such transfers in excess of \$100,000 must 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, 2008, after adjustments resulting from Sections 4.2, 4.3, 10.2, 11.5, and 12.3 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, 2008, and associated appropriations are hereby continued.

- 8.4 Unobligated appropriations in existence on June 30, 2008, for fleet purchasing budgets (object codes 4236/4632) and department carryover (object code 4995) shall be carried over to the next fiscal year.
- 8.5 Unobligated appropriations in existence on June 30, 2008, 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.
- 8.6 Unobligated appropriations in existence on June 30, 2008, for the City Council discretionary accounts shall be carried over to the next fiscal year.

**SECTION 9. FY2008/09 REVENUE BUDGET**

- 9.1 The FY2008/09 Revenue Budget is summarized in Exhibit 3, Schedule 6.
- 9.2 Any increase or decrease greater than \$100,000 in estimated revenue, to the adopted revenue budget by fund requires City Council approval.
- 9.3 The City Manager is authorized to adjust revenues for renewals and augmentations of fully offset grants.

**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 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; and
    - (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, 2008, shall be continued in FY2008/09 except as provided in Section 10.3. The FY2008/09 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.
- 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:
  - (1) \$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. All transfers of \$100,000 or less shall be made as provided for in Section 6.2; or
  - (2) 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.
- 10.8 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 shall be submitted to the City Council for approval.
- 10.9 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; or
  - (2) Savings above \$50,000 to be reprogrammed requires City Council approval.
- 10.10 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.
- 10.11 Measure A Sales Tax (Funds 201 and 207) 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; and
  - (3) The City Manager is authorized to enter expenditure/revenue budgets prior to STA Board approval.
- 10.12 Projects funded by the following reimbursable funds are included within the Operating and Capital Budgets for planning purposes: Grant Funds (Funds 248, 511, and 512), SHRA Community Development Block Grants (Fund 205) and Tax Increment (Fund 206). 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/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 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.

10.13 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.

10.14 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 City Council approval is required for the establishment and/or cancellation (without completion) of an operating grant/externally funded program, except as follows:

- (1) The operating grant/externally funded program is under \$100,000 and does not require any of the following:
  - (a) Any increase or decrease, by department by fund, in FTE staffing levels as authorized in the Approved or Amended Budget; 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/externally funded programs and authorize spending and allocation of resources 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(s) to obtain approval to enter into agreements and accept reimbursements.

- 11.2 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, 2008, shall be continued in FY2008/09.

## **SECTION 12. MULTI-YEAR OPERATING PROJECTS**

- 12.1 Multi-Year Operating Projects are used for:
  - (1) Economic Development Assistance, and Development Programs (i.e. Inclusionary Housing, and Infill); and
  - (2) Planning, audit, and other consultant studies that will take more than one fiscal year to complete.
- 12.2 City Council approval is required for the establishment and/or cancellation (without completion) of a multi-year operating project.
- 12.3 Unobligated appropriations in existence on June 30, 2008 for all existing multi-year operating projects shall be carried over to the next fiscal year.
- 12.4 Multi-year operating project appropriations shall be used solely for the originally approved program or study. Annually, completed or inactive multi-year operating projects 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.
- 12.5 Each fiscal year, on June 30, the balance of each multi-year operating project must be zero or have a positive balance by fund. Projects in excess of the budget from all funding sources by:
  - (1) \$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. All transfers of \$100,000 or less shall be made as provided for in Section 6.2; or

- (2) more than \$100,000, shall be submitted to City Council for approval of a corrective plan of action.

- 12.6 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.

**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 FY2008/09 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 FY2008/09 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) Establish and adjust budgets for private development activities managed in multi-year operating projects, that are fully offset by development fees;
- (4) 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
- (5) Adjust appropriations and make adjustments to the City's financial and personnel structure as necessary to complete the conversion of the City's current systems to the electronic Citywide Accounting and Personnel System (eCAPS), provided the overall appropriations by fund, department, capital improvement project (CIP), and total staffing as approved by the City Council remain unchanged.

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.

---

MAYOR

ATTEST:

---

CITY CLERK

**Exhibits**

- Exhibit 1 – Augmentation Summary
  - Exhibit 2 – Summary of Changes/Technical Adjustments
  - Exhibit 3 – Approved Operating Budget
  - Exhibit 4 – Approved Capital Budget
-

**AUGMENTATIONS**

Several Departments have identified program and service needs that benefit City residents and customers, which result in no impact on the General Fund. These are identified in the charts below.

**General Fund, Fee Supported or Cost Offset** – The proposed augmentation will be funded with new revenues:

Department	Net Cost	FTE	Description
Parks and Recreation	-	1.50	Add 1.50 FTE Park Safety Officer (Program Coordinator classification) for \$112,000 to be offset by increased youth and adult athletic field use fees and increased picnic area reservations fees.
<b>Total</b>	<b>\$ -</b>	<b>1.50</b>	

**Enterprise, Special Revenue and Internal Service Funds, Fee Supported or Cost Offset** – These augmentations would be funded with either the recognition of new revenues or the reallocation of funding within the budget:

Department/Fund	Net Cost	FTE	Description
Planning (North Natomas Fund)	442,000	-	Adjust multiyear operating project budgets to reflect administrative expenses and scheduled transportation agreements.
Planning (North Natomas Fund)	350,000	-	Adjust reimbursements to the General Fund to reflect administrative expenses already included in the Planning Department's proposed operating budget.
Utilities (Water)	1,330,043	-	Increase the service and supply budget for cost of living adjustments by \$1,120,043 and increase the corrective maintenance budget (previously funded through CIP ZB31/Z14000100) by \$210,000.
Utilities (Sewer)	55,344	-	Increase the service and supply budget for cost of living adjustments.
Utilities (Solid Waste)	1,428,096	-	Increase the service and supply budget for cost of living adjustments.
Utilities (Storm Drainage)	225,196	-	Increase the service and supply budget for cost of living adjustments by \$140,136 and increase the budget for ongoing maintenance costs for hardware and software programs by \$85,060.
<b>Total</b>	<b>\$ 3,830,679</b>	<b>-</b>	

**Exhibit 2**

Insert  
City Council Actions  
based on May/June Hearings

Insert

FY2008/09 Approved Operating Budget

Insert  
Approved 2008-2013 Capital Improvement Program