



OFFICE OF THE
CITY MANAGER

CITY OF SACRAMENTO
CALIFORNIA

915 I STREET
5th FLOOR
SACRAMENTO, CA
95814-2998

Press Release

Contact: Amy Williams, City's Public Information Officer

(916) 717-8262

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***CITY OF SACRAMENTO RELEASES PROPOSED BALANCED BUDGET FOR FISCAL YEAR 2011/12:
Ongoing Structural Budget Imbalance Must be Addressed***

Today the City of Sacramento's Interim City Manager released the Fiscal Year (FY) 2011/12 Proposed Budget. The Proposed Budget addresses a projected \$39 million General Fund shortfall for FY 2011/12. This is the fifth year in a row that expenditures are forecast to exceed revenues despite major reductions in prior years that has included the elimination of 900 positions, consolidations, and labor concessions.

"Our goal this year is to not just address the \$39 million budget gap for FY 2011/12 but to also address the ongoing \$62 million structural budget imbalance that we have between revenues and expenditures," said William Edgar, Interim City Manager. "The \$62 million structural budget gap includes the \$39 million dollar deficit this year and \$23 million over the next few years."

The proposed budget will be delivered to the City Council on Tuesday, May 3rd with the adoption of the final budget scheduled for June 21, 2011.

The Proposed Budget is balanced and totals \$812 million from all funding sources. The budget supports 4,078 authorized full time equivalent (FTE) positions. The General Fund totals \$362 million and 2,777 authorized FTE. The proposed budget closes the \$39 million budget gap comprised of program and service reductions including:

- more -

Mayor Kevin Johnson
District 1: Angelique Ashby
District 2: Sandy Sheedy
District 3: Steve Cohn
District 4: Robert King Fong
District 5: Jay Schenirer
District 6: Kevin McCarty
District 7: Darrell Fong
District 8: Bonnie Pannell

- \$27.1 million in labor reductions
- \$4.8 million in service and supplies as well as in the Capital Improvement Program
- \$2.4 million in increased revenues
- \$4.6 million in one-time funding

The proposed budget eliminates an estimated 250 positions in the General Fund as part of closing the \$39 million deficit for FY2011/2012. The proposed budget recommends the elimination of a total of 366 positions across all funds. This includes loss of grant funding and implementation of prior year reductions. We currently estimate that elimination of positions will result in over 225 layoffs.

Public Safety is a priority for the City Council and the City which is why Police and Fire Department reductions have been held to 12% all other departments have been held at 20% on average. Over the past several years, the City has addressed an accumulative budget deficit of approximately \$150 million.

The public hearing process will begin at City Council on May 3 and is expected to go through June 21. All community members are invited to attend. Please visit www.cityofsacramento.org for regular budget updates and current information. To view the Proposed Budget please visit: www.cityofsacramento.org.

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