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SECTION – 22
Citywide and Community Support

Citywide and Community Support

Debt Service

The **Debt Service Program** finances the cost of capital improvements through revenue bonds, capital leases, notes payable, or advances from other funds. Debt service payments are generally made in semi-annual installments. This budget contains all major General Fund debt service payments and the major debt service for all other funds. Prior to FY2013/14, debt was recorded in this program as well as in operating department budgets. To better reflect the City's debt obligations, all debt expenditures have been consolidated in this program (with the exception of internal loans as shown in the individual department budget charts).

The FY2013/14 Budget includes the use of $1.0 million in excess bond reserve interest earnings to offset debt service expenditures as authorized by Council during the FY2011/12 budget process. Use of these funds will be phased out after FY2013/14. In addition, the budget below reflects the debt service for the issuance of the Water Revenue Bonds approved by City Council on February 26, 2013.

Department Budget Summary

Debt Service

Budget Summary	FY2011/2012 Actuals	FY2012/2013 Approved	FY2012/2013 Amended	FY2013/2014 Approved	Change More/(Less) Approved/Amended
Budgeted Expenditures					
Debt Service	93,475,782	74,834,779	74,834,779	87,267,380	12,432,601
Labor/Supply Offset	57,823	-	-	-	-
Other Services and Supplies	2,408,022	-	-	-	-
Total:	**95,941,626**	**74,834,779**	**74,834,779**	**87,267,380**	**12,432,601**
Funding Summary by Fund/Special District					
4th R Program	-	-	-	20,000	20,000
Capital Improv. Revenue Bonds	601,380	-	-	-	-
Community Center	10,357,381	7,969,790	7,969,790	7,963,708	(6,082)
Debt Service	16,324,228	13,599,316	13,599,316	13,692,928	93,612
Fleet Management	504,596	501,089	501,089	81,718	(419,371)
General Fund	22,246,419	22,441,245	22,441,245	23,496,485	1,055,240
Golf	1,167,166	1,183,059	1,183,059	1,183,921	862
Landscaping and Lighting	586,938	582,463	582,463	581,750	(713)
Marina Fund	-	-	-	1,239,113	1,239,113
N. Natomas Financial Plan	2,986,415	2,549,953	2,549,953	2,543,406	(6,547)
Other	17,234,818	-	-	-	-
Parking	4,642,435	4,636,469	4,636,469	4,632,216	(4,253)
Solid Waste	3,333,188	4,425,837	4,425,837	4,432,657	6,820
Storm Drainage	3,696,738	3,641,480	3,641,480	3,640,025	(1,455)
Wastewater	910,077	910,300	910,300	910,076	(224)
Water	11,349,849	12,393,778	12,393,778	22,849,377	10,455,599
Total:	**95,941,626**	**74,834,779**	**74,834,779**	**87,267,380**	**12,432,601**

Division Budget Summary

Debt Service

Division Budgets

	FY2011/12 Actuals	FY2012/13 Approved	FY2012/13 Amended	FY2013/14 Approved	Change More/(Less) Approved/Amended
Debt Serv-02 Ref Cop/91pf 1131	5,780,250	-	-	-	-
Debt Serv-93 Series A 1131	9,210,758	9,196,526	9,196,526	9,189,698	(6,828)
Debt Serv-93 Series B 1131	6,304,993	6,296,010	6,296,010	6,289,509	(6,501)
Debt Service - 2003 Cirbs 1131	2,292,709	2,285,812	2,285,812	2,281,039	(4,773)
Debt Service - 2005 Refunding	9,660,250	15,268,894	15,268,894	15,346,776	77,882
Debt Service - 2013 Water Rev	-	-	-	9,730,769	9,730,769
Debt Service Assessment Bonds	17,234,818	-	-	-	-
Debt Service-2006 Cirbs Ser A	6,867,288	6,858,974	6,858,974	6,857,576	(1,398)
Debt Service-2006 Cirbs Ser B	3,973,528	3,974,803	3,974,803	3,959,183	(15,620)
Debt Service-2006 Cirbs Ser C	1,882,800	1,879,600	1,879,600	1,277,800	(601,800)
Debt Service-2006 Cirbs Ser D	125,388	125,388	125,388	729,392	604,004
Debt Service-2006 Cirbs Ser E	12,284,400	9,086,699	9,086,699	9,086,699	-
Debt Service-Dbw (Docks)	102,599	102,599	102,599	102,599	-
Debt Service-Miscellaneous	2,143,519	1,236,903	1,236,903	2,997,427	1,760,524
Debt Svc-1999 Cap Imp Bds 1131	1,215,218	-	-	-	-
Debt Svc-2002 Cirb 1131	5,537,775	5,537,366	5,537,366	5,525,645	(11,721)
Debt Svc-Financing Leases	2,619,825	4,169,591	4,169,591	4,970,912	801,321
Debt Svc-State Revolving	3,436,938	3,436,942	3,436,942	3,436,939	(3)
Kings/Arco Arena 1131	5,268,571	5,378,672	5,378,672	5,485,417	106,745
Total:	**95,941,626**	**74,834,779**	**74,834,779**	**87,267,380**	**12,432,601**

Citywide Support

This section contains programs that are not part of any department's direct operating expenditures. Examples of the programs included in this section are provided below:

Employee Benefits and Insurance

- General Insurance/Employee Services – This program pays for the General Fund costs of: (1) comprehensive auto and general liability insurance, property insurance, insurance consultant fees, and related self-insurance administration services and (2) employee vacation and sick leave termination expenses. The termination payoffs are budgeted at an estimated level for the entire General Fund. At year-end, funds are transferred from this activity to reimburse department costs.

- Miscellaneous Contract Implementation – This budget covers the cost of retiree/beneficiary health and dental insurance premiums for approximately 2,000 retirees. The budget also includes $7.8 million for the General Fund portion of the City's contribution to the Sacramento City Employees Retirement System (SCERS), required to ensure the continued stability of the program. There are approximately 1,312 participants in SCERS as of June 30, 2012.

Citywide Maintenance Contracts and Utilities

- Information Technology Maintenance and Support Contracts – This budget covers the major contracts and support for the City's human resources and financial systems (eCAPS). The costs for non-General Fund operations are recovered through the City's cost allocation plan. An augmentation of $99,166 was provided in the budget for the escalating costs of software maintenance.

- Multi-Tenant City-Owned Buildings – This budget covers the cost of utilities at the various City-owned buildings that have tenants supported from various funding sources. The costs for non-General Fund operations are recovered through the City's cost allocation plan.

Miscellaneous

- Elections – The City Clerk's Office budget of $171,845 for elections has been moved to citywide support as this cost is not related to the City Clerk's operations.

- Litigation – The City Attorney's Office budget of $100,000 for litigation has been moved to citywide support as this cost is not related to the City Attorney's operations.

- Redevelopment Agency Successor Agency (RASA) – In response to Assembly Bill 26 (AB26), the City became the recognized RASA effective February 1, 2012, for all non-housing functions and obligations. As the RASA, the City is entitled to be reimbursed for administrative costs associated with managing the transfer of non-housing assets, legal concerns, cash and debt management, and other administrative obligations. Under AB 26, the administrative budget to pay for staff costs to perform RASA duties is limited to 3% of the property tax allocated to the RASA. The total RASA budget for FY2013/14 is estimated at $900,00 of which $680,426 is in

Citywide Support. The remaining $219,574 pays for staff in the City Attorney's Office and Finance Department. It is important to note that this estimate may change based on State Department of Finance approval of semi-annual Recognized Obligation Payment Schedules.

- Utility Users Tax (UUT) Rebate Program – This program began in FY1977/78. This program had provided for City-paid reimbursements for taxes paid. In FY2005/06, the rebate program was changed to provide for direct tax exemptions. Households with annual incomes under $25,000 qualify for the tax exemption. The UUT revenue estimates account for these exemptions.

- Utility Rebate Program – The Budget Resolution adopted by the City Council on June 12, 2012, established the Utility Rate Assistance Program (I14130100) to offset the impact of the approved water and wastewater utility rate increases on low-income customers. This program is budgeted at $2.4 million (General Fund) and is funded through revenue generated by the 11% general tax associated with the utility rate increases.

Revenues and Taxes

- Major Tax Revenues – The Major Tax Revenues Program includes all discretionary tax revenues including Property Tax, Sales Tax, and UUT.

- Other Program Support – The City's Transient Occupancy Tax rate is currently 12%. The General Fund receives two percent of the 12% tax rate; the balance goes to the Community Center Fund. Slightly less than one percent of these proceeds and additional General Fund appropriations are used to support the Sacramento Convention and Visitors Bureau and the Sacramento Metropolitan Arts Commission.

- Sacramento County Charges and Assessments – State law authorizes counties to charge other local government entities for the cost of assessing and collecting property tax revenues, and for property-related assessments including flood control and for unreimbursed costs associated with county jail operations (jail booking fees).

Community Support

The City provides administrative and financial support to various local and regional operations.

Citywide Operations

- Office of Emergency Services (OES, 2.0 FTE) This office provides emergency planning for the City of Sacramento in preparation for a flood, earthquake, terrorism, or other disaster. OES also provides disaster relief and coordination of claims processed for assistance under various federal acts and state laws.

City/County Joint Effort

- City/County Office of Metropolitan Water Planning (CCOMWP, 4.0 FTE) The Water Fund provides reimbursements to CCOMWP for the City's share of costs associated with this joint effort with the County of Sacramento. The City recovers the costs associated with providing administrative and financial support to CCOMWP.

Separate Legal Entities

- Sacramento Area Flood Control Agency (SAFCA, 16.0 FTE) The Finance Department provides administrative and financial support to SAFCA and is fully reimbursed for this support.

- Sacramento Local Agency Formation Commission (LAFCo, 1.0 FTE) The Finance Department provides administrative and financial support to LAFCo and is fully reimbursed for this support.

Local Partners

With the exception of the elimination of the contribution to the Human Rights Fair Housing Commission, no other budget reductions were approved. The following is a list of our local partners and the City contribution included in the FY2013/14 budget.

- Business Improvement Districts – approximately $405,520
    - Del Paso Boulevard
    - Downtown
    - Greater Broadway
    - Midtown
    - North Franklin Boulevard
    - Oak Park
    - Power Inn Road
    - River District
    - Stockton Boulevard
- Human Rights Fair Housing Commission – ($74,304)
  Given alternative government agencies available to receive and investigate fair housing complaints including the State of California Department of Fair Employment and Housing, the US Department of Housing and Urban Development Office of Fair Housing and Equal Opportunity, and the University of the Pacific McGeorge School of Law which has the Pacific McGeorge Housing Mediation Center, General Fund resources have been redirected to alternative priorities.
- Sacramento Convention and Visitors Bureau - $514,848
- Sacramento Metropolitan Arts Commission - $527,758
- Sacramento Public Library Authority - $12,524,446
  Since 2009 Sacramento Public Library opened three new facilities within the city, Valley Hi-North Laguna (August 2009), North Natomas (January 2010), and Robbie Waters Pocket Greenhaven (August 2010). At the same time, the City reduced its support to the library by more than 20%. The result is that the Library is operating twelve facilities with a budget better designed for nine.

Since 2009 the Library has managed budget reductions through a combination of freezing vacant positions, staff layoffs, eliminating or reducing overtime, security, on-call, and temporary staff budgets, reducing evening hours in all locations, labor concessions, and renegotiating service agreements. Despite these reductions, the library has used an average of $1.6 million per year from reserves to operate all 12 City facilities. The result is that the Library's reserves are dangerously low and without an infusion of funds, harsher solutions may be necessary.

Annually, the City's parcel tax for library services (originally approved by voters in 1996 and reauthorized in 2006) provides approximately $4.9 million and the General Fund provides approximately $7.1 million for library services. The voter approved measure includes a maintenance of effort (MOE) that requires prior year reductions to library funding to be restored should the City's non-public safety general-funded programs receive additional funding. On March 12, 2013, the Council authorized an increase in library funding ($506,061) using Measure U funds in order to restore the libraries to the required MOE funding levels. Continuation of the required funding to comply with the MOE is included in the Measure U funding chart included in the Budget Overview.

Library staff has been working with Authority Board members, City staff and others to identify potential solutions to the current fiscal challenges and on strategies to address the long-term structural deficits. In the meantime, the Library will continue its prudent approach in FY2013/14 and look for additional operational efficiencies.

Citywide and Community Support Budget Summary

Citywide and Community Support
Budget Summary

	FY2011/12 Actuals	FY2012/13 Approved	FY2012/13 Amended	FY2013/14 Approved	Change More/(Less) Approved/Amended
Budgeted Expenditures					
Contingency	-	2,475,000	2,372,833	2,400,000	27,167
Employee Services	17,163,327	20,173,077	20,113,124	42,140,272	22,027,148
Labor/Supply Offset	193,671	(2,264,653)	(2,264,653)	(2,129,862)	134,791
Operating Transfers	(100,000)	(549,816)	(549,816)	(454,968)	94,848
Other Services and Supplies	37,033,863	44,284,278	45,079,239	51,961,415	6,882,176
Property	(5,124,749)	609,910	609,910	709,910	100,000
Total:	**49,166,112**	**64,727,796**	**65,360,637**	**94,626,767**	**29,266,130**
Funding Summary by Fund/Special District					
4th R Program	12,675	-	-	13,000	13,000
Capital Imrov. Revenue Bonds	-	400,000	400,000	400,000	-
Community Center	50,172	77,530	77,530	1,350,883	1,273,353
Development Services	58,036	-	-	-	-
Downtown Management District	2,445,625	2,445,625	3,178,210	3,178,210	-
Fleet Management	159,845	150,000	150,000	161,200	11,200
General Fund	38,614,175	45,325,354	44,963,233	48,264,620	3,301,387
Golf	24,597	52,735	52,735	-	(52,735)
Library Services Parcel Tax	4,609,135	4,400,000	4,400,000	4,888,846	488,846
Marina	6,564	8	8	6,700	6,692
Measure U	-	-	-	21,461,061	21,461,061
N. Natomas Financial Plan	(5,124,749)	-	-	-	-
Other	245,192	512,976	512,976	576,226	63,250
Parking	65,158	31,471	31,471	283,190	251,719
Private Development	200,604	-	-	-	-
Risk Management	22,937	359	359	23,500	23,141
Sacramento Sports Commission	60,581	100,000	100,000	-	(100,000)
Sacramento Tourism BID	2,214,721	2,060,000	2,060,000	2,060,000	-
Solid Waste	529,930	984,103	984,103	2,084,366	1,100,263
Special Districts	4,138,064	4,387,703	4,650,079	4,750,079	100,000
START	7,200	-	-	7,400	7,400
Storm Drainage	231,192	516,198	516,198	757,326	241,128
Wastewater	166,636	239,114	239,114	567,560	328,446
Water	426,471	837,624	837,624	1,566,719	729,095
Water Planning	1,351	2,206,997	2,206,997	2,225,881	18,884
Total:	**49,166,112**	**64,727,796**	**65,360,637**	**94,626,767**	**29,266,130**

Division Budget Summary

Citywide and Community Support

Division Budgets

	FY2011/12 Actuals	FY2012/13 Approved	FY2012/13 Amended	FY2013/14 Approved	Change More/(Less) Approved/Amended
Citywide Support	13,454,972	16,604,900	16,344,946	41,038,106	24,693,160
Community Support	12,268,396	21,688,195	22,683,157	26,253,830	3,570,673
Council District Support	1,607	-	-	-	-
County Property Taxes & Chrgs	3,620,718	3,950,000	3,950,000	2,661,831	(1,288,169)
Fund Contingency	-	2,475,000	2,372,833	2,400,000	27,167
Major Tax Revenues	2,657,191	2,925,000	2,925,000	2,925,000	-
Retired/Transfer Emp Benef1530	17,147,571	16,959,701	16,959,701	19,308,000	2,348,299
Utility Users Tax Rebate 1121	15,658	125,000	125,000	40,000	(85,000)
Total:	**49,166,112**	**64,727,796**	**65,360,637**	**94,626,767**	**29,266,130**

Staffing Levels

Citywide and Community Support

Division FTEs

	FY2011/12 Actuals	FY2012/13 Approved	FY2012/13 Amended	FY2013/14 Approved	Change More/(Less) Approved/Amended
Community Support	-	23.00	23.00	23.00	-
Total:	**-**	**23.00**	**23.00**	**23.00**	**-**

Reserves

Administrative Contingency

- The Administrative Contingency is established in the major City funds as follows and may be used during the course of the year, in accordance with Sections 3, 4, and 6 of the Budget Resolution, to adjust budgets for unforeseen expenses.
    - General Fund = $1,000,000
    - Solid Waste Fund = $500,000
    - Storm Drainage Fund = $300,000
    - Wastewater Fund = $100,000
    - Water Fund = $500,000

Economic Uncertainty Reserve (EUR)

- The EUR was established in FY1983/84 and is currently $24.4 million. This represents 6.6% of FY2013/14 General Fund estimated revenues.

Other Sources and Uses

- The General Fund budget does not include the use of one-time resources, except for $105,000 from the arts stabilization reserve that will be appropriated in the General Fund for the arts stabilization program.

All Other Fund Balances

- Remaining balances of enterprise, internal, and other governmental funds total $173.0 million and are listed individually in this document in Schedule 2B - Detail of FY2013/14 Revenues, Appropriations, and Changes in Fund Balance. The available balance of enterprise and internal service funds may only be used for the specific purpose of the individual fund.