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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 debt service payments for all funds.

Consistent with prior Council direction approximately $400,000 in revenues from the sale and lease of properties at the auto dealership sites on Fulton Avenue have been included to reduce General Fund bond debt expenses associated with the 2006 Series B Capital Improvement Revenue Bonds (CIRBs).

Department Budget Summary

Debt Service Budget Summary	FY2013/14 Actuals	FY2014/15 Actuals	FY2015/16 Approved	FY2015/16 Amended	FY2016/17 Approved	Change More/(Less) Approved/Amended
Other Services and Supplies	42,205	61,299	-	-	-	-
City Debt Service	93,012,128	100,111,562	94,715,725	127,283,542	103,404,912	(23,878,630)
Labor and Supply Offset	30,000	-	-	-	-	-
Total	**93,084,333**	**100,172,861**	**94,715,725**	**127,283,542**	**103,404,912**	**(23,878,630)**

Funding Summary by Fund/Special District	FY2013/14 Actuals	FY2014/15 Actuals	FY2015/16 Approved	FY2015/16 Amended	FY2016/17 Approved	Change More/(Less) Approved/Amended
2002 Cap Inpr Bds Debt Service	2,240,355	90,914	96,944	96,944	-	(96,944)
2002 Capital Improv. Revenue Bonds	-	5,418	-	-	-	-
2005 Refunding Revenue Bonds	1,597,524	3,579,923	3,572,413	3,572,413	-	(3,572,413)
2006 CIRBs (Refunding) Ser E	104,466	104,466	104,466	104,466	104,466	-
2006 CIRBs Ser A (CRCIP)	2,589,588	2,299,036	2,186,612	2,186,612	-	(2,186,612)
2006 CIRBs Ser B (CRCIP)	1,572,976	1,606,525	1,522,986	1,522,986	1,519,022	(3,964)
2006 CIRBs Ser C	(7)	-	-	-	-	-
2014 ESC Lease Revenue Bonds	-	(2,031,201)	(3,335,000)	249,259,466	9,371,841	(239,887,625)
4th R Program	20,000	-	-	-	-	-
91/85cop Lt.Rail Debt Serv.	39,199	-	-	-	-	-
Community Center	7,968,288	9,960,770	10,194,037	10,194,037	10,190,953	(3,084)
Debt Service - 2003 CIRBs	(18)	-	-	-	-	-
Debt Service - Other City Debt	102,599	102,599	102,599	102,599	102,599	-
Debt Service-1991/87cop	46,598	-	-	-	-	-
Debt Service-93 Series A	33,503	24,855	-	-	-	-
Debt Service-93 Series B	82,413	267,964	200,000	200,000	-	(200,000)
Fleet Management	81,794	95,189	97,070	97,070	95,018	(2,052)
General Fund	23,558,713	23,693,980	23,983,596	23,833,596	27,267,392	3,433,796
Golden 1 Center	-	-	-	(223,130,100)	-	223,130,100
Golf	1,184,085	1,183,549	1,181,956	1,181,956	1,167,891	(14,065)
Kings-Arco Arena Acquisition	5,485,417	5,599,302	5,767,979	6,317,979	5,758,070	(559,909)
Landscaping and Lighting	582,265	585,143	580,788	580,788	580,538	(250)
Marina	659,885	659,885	1,321,731	1,321,731	1,321,731	-
N. Natomas Financial Plan	6,832,275	-	-	-	-	-
NNFP Public Facilities Fee	-	5,763,280	1,888,387	1,888,387	1,311,957	(576,430)
NNFP Reg Park Land Acquisition	-	432,725	422,046	422,046	1,000,696	578,650
Parking	5,255,185	8,740,100	7,201,392	9,904,843	7,076,945	(2,827,898)
Recycling and Solid Waste	4,433,565	4,127,571	3,793,773	3,793,773	3,394,936	(398,837)
Storm Drainage	3,640,466	3,661,884	3,662,004	3,662,004	3,657,909	(4,095)
Wastewater	1,064,101	2,473,326	3,034,884	3,034,884	3,032,831	(2,053)
Wastewater Revenue Bonds	1,054,336	9,570	-	-	-	-
Water	22,852,972	27,093,719	27,135,062	27,135,062	26,450,117	(684,945)
Water Revenue Bonds	1,792	42,368	-	-	-	-
Total	**93,084,333**	**100,172,861**	**94,715,725**	**127,283,542**	**103,404,912**	**(23,878,630)**

Division Budget Summary

Debt Service Division Budgets	FY2013/14 Actuals	FY2014/15 Actuals	FY2015/16 Approved	FY2015/16 Amended	FY2016/17 Approved	Change More/(Less) Approved/Amended
2013 Debt Service Water Revenues	9,732,269	14,012,750	14,016,625	14,016,625	14,016,000	(625)
2013 Wastewater Revenue Bonds	1,054,336	1,405,331	1,955,431	1,955,431	1,955,431	-
2014 ESC Lease Revenue Bonds Division	-	2,833,549	-	32,167,817	14,871,841	(17,295,976)
2015 Refunding Revenue Bonds	-	-	-	-	24,772,612	24,772,612
Debt Serv-02 Ref Cop and 91pf 1131 Division	3,436,938	3,436,938	3,436,942	3,436,942	3,436,939	(3)
Debt Service - 2005 Refunding Division	21,743,307	22,269,485	23,285,496	23,285,496	(1)	(23,285,497)
Debt Service-2006 Cirbs Ser B Division	3,961,525	3,983,753	3,957,471	3,957,471	3,955,738	(1,733)
Debt Service-2006 Cirbs Ser D Division	11,097,300	11,094,142	11,091,683	11,091,683	9,573,954	(1,517,729)
Debt Service-Dbw (Docks) Division	102,599	102,599	102,599	102,599	102,599	-
Debt Service-Miscellaneous Division	30,936,716	34,212,187	30,799,099	31,199,099	24,961,729	(6,237,370)
Debt Svc-1999 Cap Imp Bds 1131 Division	-	1,111	-	-	-	-
Debt Svc-2002 Cirb 1131 Division	5,530,577	1,218,264	302,400	302,400	-	(302,400)
Kings and Arco Arena 1131 Division	5,488,767	5,602,752	5,767,979	5,767,979	5,758,070	(9,909)
Total	**93,084,333**	**100,172,861**	**94,715,725**	**127,283,542**	**103,404,912**	**(23,878,630)**

Citywide Support

This section includes 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 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. In the General Fund termination payoffs are budgeted at an estimated level. At year-end, funds are transferred from this program to reimburse department costs.

- The Risk Fund is in the second year of a three-year smoothing process to right-size revenues as recommended by the City's actuarial consultant. The increase in contributions is necessary to offset increasing costs related to insurance premiums and cost of claim settlements.

- Miscellaneous Contract Implementation – The budget includes:
    - $10.7 million ($9 million in General Funds) to cover the cost of retiree/beneficiary health and dental insurance premiums for approximately 2,000 retirees.
    - $8.6 million ($5.9 million in General Funds) for the City's contribution to SCERS, required to ensure the continued stability of the program. There were 1,136 participants in SCERS as of March 1, 2016.
    - $0.36 million in General Funds for unrepresented employee labor adjustments.

Citywide Maintenance Contracts and Utilities

- 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 cost allocation plan. Based on a review of prior year actuals, no change to this budget is recommended.

- Multi-tenant City-owned Buildings – This budget covers the cost of utilities at the various City-owned buildings. The costs for non-General Fund operations are recovered through the City's cost allocation plan. Based on a review of prior year actuals, the budget was increased by approximately $500,000.

Miscellaneous

- Elections – The City elections budget ($300,000) is used to fund the cost of regular and special elections, as well as increased costs associated with special ballot measures and petition verification. Based on a review of prior year actuals, no change to this budget is recommended.

- Litigation – This budget covers the cost of citywide litigation, used annually as necessary. Based on a review of prior year actuals, the budget was increased by $10,000.

- RASA – In response to AB 26, 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 percent of the property tax allocated to the RASA. The City is reimbursed for staff in the City Attorney's Office, Finance, and other departments that provide support to RASA. The total reimbursement budgeted in FY2016/17 is budgeted at $363,000. It is important to note that this estimate may change based on the California Department of Finance approval of semi-annual Recognized Obligation Payment Schedules.

- Utility Rate Assistance Program (URAP) – The Budget Resolution adopted by the City Council on June 12, 2012, established the URAP (I14130100) to offset the impact of the approved water and wastewater utility rate increases on low-income customers. It was increased in FY2015/16 to offset the impact of approved Solid Waste increases on low-income customers. After three years of the program a review has indicated that the funding provided far exceeds program needs. DOU is reviewing the program to determine additional ways to provide assistance. Funding of approximately $2.4 million will provide sufficient support for the existing program and the opportunity to grow the program in FY2016/17.

Revenues and Taxes

- Major Tax Revenues – All discretionary tax revenues including property tax, sales tax, and UUT.

- Other Program Support – The City's TOT rate is currently 12 percent. The General Fund receives two percent of the 12 percent tax rate; the balance goes to the Community Center Fund.

- 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, for property-related assessments including flood control, and for costs associated with county jail operations (jail booking fees). In addition, the city pays its fair share of property based assessment districts and taxed on property owned by the city but located outside of the city boundaries.

Community Support

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

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 and other cost-share partners. The City recovers the costs associated with providing administrative and financial support to CCOMWP.

Separate Legal Entities

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

Local Partners

The following is a list of our local partners and the City's contribution that is included in the Budget.

- SCVB - $1.8 million
  The SCVB receives $1.4 million from the 10 percent TOT that is deposited in the Community Center Fund (amount and increases are voter approved) and $473,248 from the two percent TOT allocated to the General Fund.

- SMAC - $377,758
  Total funding to SMAC is $527,758; Citywide and Community Support contains $377,758 and the Convention and Cultural Services Department has the remaining $150,000. As a result of a change to the FY2014/15 funding agreement with the County of Sacramento, the administrative support of $150,000 was redirected in the County agreement to the Cultural Arts Awards. To continue supporting SMAC administration, City funds were moved to the Convention and Cultural Services Department. The FY2016/17 budget includes an additional $100,000 to SMAC provided the County of Sacramento confirm a matching contribution.

- SPLA - $15,045,944
  The SPLA has opened three new facilities within the City of Sacramento since 2009: 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 by more than 20 percent. Because the SPLA is operating 12 City facilities with a budget designed for nine, service levels are tightly managed.

  Since 2009, the SPLA has managed budget reductions through a combination of efforts, including freezing vacant positions; laying off staff; eliminating or

reducing expenditures for overtime, security, on-call and temporary staff; reducing evening hours in all locations; making labor concessions; and renegotiating service agreements. Despite these reductions, the SPLA continues to use funds from its reserves to operate all 12 City facilities. The result is that the SPLA's reserves are dangerously low. With the inevitable depletion of these funds, additional reductions may be necessary.

In FY2016/17, the City's two parcel taxes for library services will provide approximately $7.4 million, an increase of almost $200,000 from FY2015/16. These parcel taxes are Measure X, originally approved by voters in 1996 and reauthorized in 2006, and Measure B, a supplemental tax approved by voters on June 4, 2014. Additionally, the General Fund provides approximately $7.1 million for library services. Measure X includes a maintenance of effort (MOE) provision that requires prior-year reductions to library funding to be restored if the City provides additional funding to its non-public safety programs. 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 Overview.

On June 7, 2016, residents of the City of Sacramento approved the renewal of Measure X, the parcel tax that provides approximately 33 percent of the funding needed to operate City libraries. While the parcel tax is critical to sustaining library operations, services will continue to suffer if the long-term structural deficits are not addressed. The SPLA will continue its prudent approach to maintain library services at current levels in FY2016/17. However, if no additional support is available in future years, the SPLA will be faced with choices that will result in reductions in hours or services.

Citywide and Community Support Budget Summary

Citywide and Community Support Budget Summary	FY2013/14 Actuals	FY2014/15 Actuals	FY2015/16 Approved	FY2015/16 Amended	FY2016/17 Approved	Change More/(Less) Approved/Amended
Employee Services	26,159,793	22,305,794	59,606,875	29,201,712	65,300,661	36,098,949
Other Services and Supplies	44,161,232	50,223,447	60,298,533	53,111,702	63,147,364	10,035,662
City Property	70,142	36,592	1,364,900	332,173	649,400	317,227
Transfers	-	32,778	-	-	-	-
Labor and Supply Offset	(1,774,389)	(1,702,136)	13,155	13,155	12,110	(1,045)
Contingency	-	-	1,000,001	990,387	1,000,000	9,613
Operating Transfers	(336,085)	195,367	(131,394)	(471,394)	(140,374)	331,020
Total	**68,280,693**	**71,091,842**	**122,152,070**	**83,177,735**	**129,969,161**	**46,791,426**

Funding Summary by Fund/Special District	FY2013/14 Actuals	FY2014/15 Actuals	FY2015/16 Approved	FY2015/16 Amended	FY2016/17 Approved	Change More/(Less) Approved/Amended
4th R Program	16,113	15,885	21,997	21,997	41,731	19,734
Art In Public Places Projects	-	-	-	-	271,000	271,000
Community Center	1,283,049	1,342,829	1,470,368	1,572,144	1,518,945	(53,199)
Crocker Master Tr-General	-	-	210,000	-	210,000	210,000
Cty/Cnty Office-Water Planning	776,820	437,013	799,803	799,803	1,056,765	256,962
Del Paso PBID	-	-	35,000	35,000	35,000	-
Del Paso Prop & Business Imprv	367,778	365,988	359,593	478,465	478,465	-
Development Services	32,173	55,297	-	-	-	-
Downtown Management District	2,706,551	2,604,960	2,604,960	2,715,203	2,715,203	-
Downtown Plaza PBID	-	-	55,000	33,205	33,205	-
Fleet Management	163,183	154,803	173,564	173,564	460,847	287,283
Franklin Blvd PBID	-	-	57,124	58,578	58,578	-
Franklin Boulevard PBID	135,540	139,681	139,681	138,362	138,362	-
Gas Tax 2106	-	-	140,000	-	140,000	140,000
General Fund	43,741,870	43,240,762	52,560,836	52,521,486	55,168,660	2,647,174
Greater Broadway PBID	255,375	261,090	261,090	276,095	276,095	-
Habitat Management Element	601,933	905,379	1,410,487	1,410,487	445,003	(965,484)
Innovation and Growth	-	-	-	-	200,000	200,000
Interdepartmental Service	576,226	1,209,802	1,432,376	1,432,376	1,203,793	(228,583)
Library Services Parcel Tax	4,845,996	6,860,277	7,224,460	7,224,460	7,410,344	185,884
Mack Road PBID	399,217	408,082	401,253	648,374	648,374	-
Marina	553	-	-	-	-	-
Measure U	506,061	506,061	40,293,921	506,061	44,601,149	44,095,088
Midtown Sacramento PBID	653,891	659,071	659,071	680,467	680,467	-
N Natomas Transp Mgmt Assoc	1,103,233	1,090,628	1,100,000	1,100,000	1,200,000	100,000
Oak Park PBID	234,667	232,920	232,920	238,327	238,327	-
Old Sacramento PBID	-	-	175,000	166,000	166,000	-
Parking	192,759	151,584	257,682	277,534	267,168	(10,366)
Power Inn Area Prop & Business	496,289	494,688	494,688	526,028	526,028	-
Private Development	88,648	44,390	-	-	-	-
Recycling and Solid Waste	1,599,680	1,596,067	1,561,162	1,611,895	1,618,443	6,548
Risk Mgmt	11,760	13,500	14,664	17,382	16,294	(1,088)
Sac Tourism Marketing District	4,559,637	5,106,961	5,076,400	5,076,400	5,076,400	-
Sacramento Tourism PBID	6,602	-	-	-	-	-
Sheraton MOPA Project	118,883	159,480	-	-	-	-
START	4,312	4,724	7,751	7,751	8,612	861
Stockton Blvd BIA	-	-	46,520	61,838	61,838	-
Stockton Blvd PBID	338,602	310,947	310,947	320,779	320,779	-
Storm Drainage	486,528	584,585	547,787	687,145	572,103	(115,042)
The River District PBID	368,084	442,243	447,687	469,415	469,415	-
Wastewater	480,340	439,676	406,529	434,965	423,920	(11,045)
Water	1,113,293	1,233,661	1,145,513	1,411,452	1,193,808	(217,644)
Worker's Compensation	15,047	18,807	16,236	44,697	18,040	(26,657)
Total	**68,280,693**	**71,091,842**	**122,152,070**	**83,177,735**	**129,969,161**	**46,791,426**

Note: The significant budget change between FY2015/16 and FY2016/17 is the result of fleet and multi-year operating project (MYOP) funding that is moved from the operating budgets to the MYOPs after budget adoption

Division Budget Summary

Citywide and Community Support Division Budgets	FY2013/14 Actuals	FY2014/15 Actuals	FY2015/16 Approved	FY2015/16 Amended	FY2016/17 Approved	Change More/(Less) Approved/Amended
Citywide Support Division	13,848,000	15,787,845	64,700,874	16,967,510	70,345,803	53,378,293
Community Support Division	23,560,360	26,134,376	32,936,835	34,252,437	33,203,660	(1,048,777)
County Property Taxes & Charges	2,342,702	2,363,240	2,450,000	2,450,000	2,480,000	30,000
Fund Contingency Division	-	500,000	1,000,001	990,387	1,000,000	9,613
Major Tax Revenues Division	4,909,994	6,219,511	400,000	400,000	400,000	-
Retired/Transfer Emp Benefit 1530	23,619,637	20,086,871	20,664,360	28,117,401	22,539,698	(5,577,703)
Total	**68,280,693**	**71,091,842**	**122,152,070**	**83,177,735**	**129,969,161**	**46,791,426**

Staffing Levels

Citywide and Community Support Division Budgets	FY2013/14 Actuals	FY2014/15 Actuals	FY2015/16 Approved	FY2015/16 Amended	FY2016/17 Approved	Change More/(Less) Approved/Amended
Community Support Division	23.00	21.00	5.00	5.00	5.00	-
Total	**23.00**	**21.00**	**5.00**	**5.00**	**5.00**	**-**

Reserves

Administrative Contingency

- The General Fund Administrative Contingency 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. The Administrative Contingency is $1 million.

EUR

- The EUR was established in FY1983/84 and in June 2011 the City Council adopted a goal of having 10 percent of annual General Fund revenues in the EUR. On April 26, 2016 the City Council adopted an Economic Uncertainty Reserve Policy (included in the Financial Policies section) which established:

  - A minimum reserve level of 10% of budgeted General Fund revenues; and
  - A goal of achieving and maintaining two months of regular on-going General Fund expenditures in the reserve.

  The EUR balance is estimated to be $38.967 million on July 1, 2016, which is approximately 9 percent of estimated FY2016/17 General Fund revenues. This does not include an estimate from FY2015/16 year-end results. The budget as approved by Council includes the authority to transfer the “triple flip” (Proposition 57) true-up payment from the State of California, estimated at $4.2 million, to the EUR when received. This payment will bring the EUR to the minimum 10% reserve level for the first time.

Other Sources and Uses

- Other sources and uses in the general, enterprise, internal and other governmental funds total $9.5 million. The General Fund budget includes the use of:
  - $105,000 from the arts stabilization reserve that will be appropriated in the General Fund for the arts stabilization program;
  - $240,000 from billboard revenues for Council District projects in Districts 2 ($120,000), 4 ($60,000), and 8 ($60,000);
  - $250,000 from the homelessness commitment which will be used to fund the Homeless Housing Initiative (I02000200);
  - $500,000 from FY2015/16 capital project closures;
  - $606,500 in one-time IGT revenues that are restricted to the provision of medical services to fund the ALS Equipment Program (F12000200); and
  - $3.8 million in GEMT/IGT revenues to cover a portion of the shortfall in the Fire Station Replacement Program (F13000800).

Beginning Fund Balances

- Beginning Fund balances of the general, enterprise, internal, and other governmental funds total $286.9 million which represent available resources from the FY2014/15 CAFR and anticipated activity in FY2015/16. In the General Fund the beginning fund balance is the result of unallocated FY2014/15 year-end results ($1.2 million), and the return of one-time funds from the Utility Rate Assistance Program ($6.4 million) in FY2014/15.

Ending Fund Balances

- Projected ending fund balances of the general, enterprise, internal, and other governmental funds total $247.8 million and are listed individually in this document in Schedule 2B - Detail of FY2016/17 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.