

22

SECTION – 22 Non-Department

Non-Department

Debt Service

The **Debt Service Program** finances the cost of capital improvements through general obligation bonds, revenue bonds, certificates of participation, notes payable, or advances from other funds. The debt service payments are made in annual installments. This budget contains all major General Fund debt service payments, however, some debt service payments appear in Department budgets.

Department Budget Summary

Debt Service Budget Summary	FY2009/10	FY2010/11		FY2011/12	Change
	Actual	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Budgeted Expenditures					
Debt Service	75,946,682	77,661,221	101,924,961	78,309,013	(23,615,948)
Service And Supplies	372,265	343,998	343,998	0	(343,998)
Total:	76,318,947	78,005,219	102,268,959	78,309,013	(23,959,946)
Funding Summary by Fund/Special District					
2002 Cap Impr Bds Debt Service	2,098,186	2,096,512	2,096,512	2,097,812	1,300
2005 Refunding Revenue Bonds	1,087,696	1,107,588	1,107,588	1,104,388	(3,200)
2006 Cirbs (Refunding) Ser E	104,784	104,466	104,466	104,466	0
2006 Cirbs Ser A (Crcip)	2,357,112	2,202,574	2,202,574	2,197,581	(4,993)
2006 Cirbs Ser B (Crcip)	1,120,496	1,122,613	1,122,613	1,123,789	1,176
91/85cop Lt.Rail Debt Serv.	106,276	1,500,000	1,500,000	1,949,000	449,000
Citywide Landscaping&Lighting Dist	586,980	585,175	585,175	586,938	1,763
Community Center Fund	10,377,082	10,363,705	10,363,705	10,354,281	(9,424)
Debt Service - Other City Debt	600,899	593,964	593,964	605,094	11,130
Debt Service-1991/87cop	46,073	700,000	700,000	820,477	120,477
Debt Service-93 Series A	302,106	400,000	400,000	0	(400,000)
Debt Service-93 Series B	401,135	1,600,000	1,600,000	0	(1,600,000)
Fleet Management	439,698	502,574	502,574	504,588	2,014
General Fund	22,776,067	22,526,326	22,526,326	23,457,933	931,607
Golf Fund	921,560	1,167,806	1,167,806	1,166,881	(925)
Kings-Arco Arena Acquisition	5,149,025	5,084,327	5,084,327	5,264,871	180,544
No Natomas Community Improv	2,575,461	2,563,732	26,827,472	2,566,054	(24,261,418)
Parking Fund	4,165,873	4,645,536	4,645,536	4,641,701	(3,835)
Sewer Fund	883,466	910,223	910,223	910,078	(145)
Solid Waste Fund	3,090,741	3,337,507	3,337,507	3,333,187	(4,320)
Storm Drainage Fund	3,639,664	3,675,165	3,675,165	3,673,668	(1,497)
Water Fund	11,249,495	11,215,426	11,215,426	11,846,226	630,800
Total:	76,318,947	78,005,219	102,268,959	78,309,013	(23,959,946)

Division Budget Summary

Debt Service					
Division Budgets	FY2009/10	FY2010/11		FY2011/12	Change
	Actual	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Debt Serv-02 Ref Cop/91pf 1131	5,784,264	5,782,500	5,782,500	5,780,250	(2,250)
Debt Serv-93 Series A 1131	9,427,518	9,216,941	9,216,941	9,206,961	(9,980)
Debt Serv-93 Series B 1131	6,316,047	6,310,261	6,310,261	6,302,760	(7,501)
Debt Service - 2003 Cirbs 1131	2,623,075	2,632,897	2,632,897	2,287,144	(345,753)
Debt Service - 2005 Refunding	8,852,196	9,661,153	9,661,153	9,660,257	(896)
Debt Service-2006 Cirbs Ser A	6,867,553	6,871,399	6,871,399	6,867,288	(4,111)
Debt Service-2006 Cirbs Ser B	3,969,630	3,971,181	3,971,181	3,826,094	(145,087)
Debt Service-2006 Cirbs Ser C	1,945,254	1,880,100	1,880,100	1,882,800	2,700
Debt Service-2006 Cirbs Ser D	63,754	125,388	125,388	125,388	-
Debt Service-2006 Cirbs Ser E	12,304,439	12,292,499	12,292,499	12,284,401	(8,098)
Debt Service-Dbw (Docks)	102,599	102,599	102,599	102,599	-
Debt Service-Miscellaneous	1,013,187	1,264,624	25,528,364	1,908,453	(23,619,911)
Debt Svc-1999 Cap Imp Bds 1131	1,218,088	1,208,436	1,208,436	1,215,218	6,782
Debt Svc-2002 Cirb 1131	5,546,745	5,544,152	5,544,152	5,537,767	(6,385)
Debt Svc-Financing Leases	1,698,635	2,619,823	2,619,823	2,619,823	-
Debt Svc-State Revol	3,436,938	3,436,939	3,436,939	3,436,939	-
Kings/Arco Arena 1131	5,149,025	5,084,327	5,084,327	5,264,871	180,544
Total:	76,318,947	78,005,219	102,268,959	78,309,013	(23,959,946)

Other Program 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: General Fund insurance costs, retiree health benefits, Sacramento County charges to the City, Mayor and Council discretionary accounts, banking costs, Utility User Tax rebates, payment of sick leave and vacation benefits to departing employees, support to local partners and uncollectible bills owed to the City.

The Proposed Budget assumes the elimination of one day per month furloughs for unrepresented employees. Funding of \$2.2 million is included in this section of the budget pending Council action.

This section also includes a \$830,500 reduction. Specific program reductions have not yet been identified but options and alternatives will be identified and discussed during the budget hearings.

Other Major Tax Revenues – The Major Tax Revenues Program includes all discretionary tax revenues including Property Tax, Sales Tax, and Utility Users Tax.

General Insurance/Employee Services – This program pays for the General Fund costs of both (1) comprehensive auto and general liability, property, crime, 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 Departmental costs. It is also a placeholder for employee service costs/savings that will be allocated to departments after budget approval.

Miscellaneous Contract Implementation – This budget covers the cost of retiree/beneficiary health and dental insurance premiums for approximately 2,000 retirees. The Proposed Budget also includes \$7.7 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.

Utility Users Tax Rebate Program – The Utility Users Tax Rebate (UUT) 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 Utility Tax revenue estimates account for these exemptions.

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.

Campaign Finance Reform – This program provides matching funds for Council candidates opting for participation in public campaign financing. The proposed budget includes the \$300,000 for this purpose.

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 Visitor's Bureau (SCVB) and the Sacramento Metropolitan Arts Commission (SMAC). Contributions to these partners include a 20% reduction of approximately \$224,000. The impacts of the reductions to SMAC are included in the Convention, Culture and Leisure Department section of this document. Anticipated impact of the reduction of the SCVB contribution includes the elimination of the Film Commission which will reduce the amount of films produced in Sacramento and the closure of the Visitor Center in Old Sacramento reducing the informational services supporting Old Sacramento merchants, visitors, and the business district.

Support for Local Partners – The City also contributes funds to support several local partners including the Sacramento Public Library Authority (SPLA), the Human Rights Fair Housing Commission, the Sacramento Sports Commission and seven Business Improvement District Programs. The City's contribution to the Human Rights Fair Housing and Sports Commissions have been reduced by 20%, \$18,576 and \$10,400 respectively. These reductions will be absorbed by these organizations.

The City contributes General Fund support, in addition to funding provided by the voter approved Special Parcel Tax, to the SPLA to provide library services through the Central Library and 10 branch libraries throughout the City. The proposed General Fund reduction for SPLA is 10% (\$792,121) of the current General Fund contribution of \$7.92 million, representing an overall reduction to the City's contribution for library service of 23.88% since 2008. During this same period, 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).

Budget reductions will be met through a combination of freezing vacant positions, the layoff of non-public service staff, eliminating or reducing overtime, security, on-call, and temporary staff budgets, and finally, because there is nothing left to reduce without impacting our other JPA partners, significantly reducing service in City branches by reducing or eliminating evening hours, rolling service blackouts that eliminate days of service each week in some locations, eliminating meeting room space to save on staff and cleaning costs, or closing one or more branches altogether.

Reductions are outlined below, and staff continues to refine scenarios for service hours and staffing that meet the target goal however, we know that any reductions will ultimately reduce public access to computers, job resources and other services.

Library Staffing

Reduction	Net General Fund savings of \$293,740 and the elimination of 2.0 FTE and freezing 7.0 FTE (vacant).
Impact	The library must reduce staff in non-public service areas to align staffing in all support areas in proportion to our ability to provide public service. The proposed budget includes freezing 7.0 FTE positions in branches, collection development, and the Finance Departments and includes the elimination of two single-incumbent positions.

Homework Center Aides

Reduction Net General Fund savings of \$68,000.

Impact The Colonial Heights and Martin Luther King, Jr. Libraries afterschool homework assistance to students in grades 4 through 12 will be eliminated. No-cost alternatives are being investigated.

Security in City Library Branches

Reduction Net General Fund savings of \$100,000.

Impact The library contracts for security in most branches to keep the public and staff safe. This will reduce the number of hours by approximately one-third.

Reduce overtime, supplies, training, shift differential and on-call staff

Reduction Net General Fund savings of \$121,331.

Impact This will impact service hours and levels at the Central Library and branches, resulting in fewer evening hours and reduced staffing.

Materials Budget

Reduction Net General Fund savings of \$100,000.

Impact People and books are the library's most important resource. This further reduces the library's ability to provide informational and educational resources for the citizens of Sacramento. This reduction represents approximately 5,000 fewer books.

Computer Refresh

Reduction Net General Fund savings of \$102,000.

Impact The library replaces its computers on a four-year cycle, ensuring access for the more than 700,000 computer sessions that occur in city branches each year.

The City understands the relationship between General Fund contributions and the City's library special parcel tax and remains committed to funding levels that will ensure the continued resources from this funding source as the loss of these funds (approximately \$4.5 million) would be detrimental to library service within the City of Sacramento.

Department Budget Summary

Non-Departmental Budget Summary	FY2009/10	FY2010/11		FY2011/12	Change
	Actual	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Budgeted Expenditures					
Contingency	-	2,400,000	2,380,000	2,400,000	20,000
Employee Services	12,112,249	8,570,883	12,327,628	19,173,287	7,054,508
Labor/Supply Offset	20,899	-	-	169,634	169,634
Operating Transfers	(185,010)	-	8,972	-	(8,972)
Property	10,209	375,000	2,007,986	675,000	(1,332,986)
Service And Supplies	38,199,262	40,239,143	41,704,871	43,341,714	1,636,843
Total:	50,157,610	51,585,026	58,429,457	65,759,635	7,539,027
Funding Summary by Fund/Special District					
2006 Cirbs Ser B Cap Proj'S	-	400,000	400,000	400,000	-
Community Center Fund	44,214	177,530	177,530	177,530	-
Del Paso Bid	-	37,000	37,000	37,000	-
Del Paso Prop & Business Imprv	216,938	216,938	382,565	382,565	-
Dow ntown Plaza Bid	-	110,000	110,000	110,000	-
Dow ntown Sacramento Mgmt Dist	2,311,494	2,311,494	2,393,138	2,393,138	-
Ethel Macleod Hart	-	-	-	400,000	400,000
Externally Funded Programs	-	-	-	1,785,000	1,785,000
Fleet Management	150,769	150,000	150,000	150,000	-
Franklin Blvd Bid	-	36,000	36,000	36,000	-
Franklin Boulevard Pbid	107,244	107,856	122,336	122,336	-
General Fund	35,918,756	33,159,253	38,352,832	45,846,712	7,702,729
Golf Fund	12,827	57,613	57,613	57,613	-
Greater Broadw ay PBID	219,523	224,636	235,273	235,273	-
Interdepartmental Service Fund	204,906	263,010	263,010	245,192	(17,818)
Library Services Parcel Tax	4,444,333	4,400,000	4,400,000	4,400,000	-
Mack Road PBID	-	-	401,350	401,350	-
Midtown Sacramento PBID	660,018	610,018	622,127	622,127	-
N Natomas Transp Mgmt Assoc	1,136,199	557,262	1,309,783	1,309,783	-
No Natomas Community Improv	-	-	-	100,000	100,000
Oak Park PBID	204,640	206,218	270,163	270,163	-
Old Sacramento Bid	-	140,000	140,000	140,000	-
Parking Fund	69,066	2,572,755	2,572,755	131,471	(2,344,284)
Pow er Inn Area Prop & Business	270,242	270,242	295,702	295,702	-
Private Development Fund	-	125,000	125,000	125,000	-
Risk Management	14,984	359	359	359	-
Sacramento Marina Fund	6,884	8	8	8	-
Sacramento Tourism Bid	1,997,179	2,105,000	2,105,000	2,105,000	-
Sew er Fund	148,183	239,114	239,114	239,114	-
Solid Waste Fund	492,488	984,103	984,103	984,103	-
Sports Commission	-	130,000	130,000	140,400	10,400
Stockton Blvd BIA	-	42,000	42,000	42,000	-
Stockton Blvd Pbid	252,875	283,488	322,689	322,689	-
Storm Drainage Fund	184,683	516,198	516,198	516,198	-
The River District PBID	314,307	314,307	398,185	398,185	-
Water Fund	392,567	837,624	837,624	837,624	-
Total:	50,157,610	51,585,026	58,429,457	65,759,635	7,539,027

Division Budget Summary

Non-Departmental					
Division Budgets	FY2009/10	FY2010/11		FY2011/12	Change
	Actual	Approved	Amended	Proposed	More/(Less) Proposed/Amended
Arts Stabilization	284,681	211,000	748,420	527,758	(220,662)
Council District Support	604,204	495,000	1,667,487	247,500	(1,419,987)
Employee Development Savings	-	(5,412,500)	(1,631,312)	6,610,000	8,241,312
Gen Insurance/Termination	10,238,925	9,959,593	9,959,593	10,973,157	1,013,564
Library JPA	12,366,043	12,321,710	12,321,710	11,529,539	(792,171)
Major Tax Revenues	308,708	650,000	650,000	650,000	-
Other Major Tax Revenues	1,997,179	2,470,000	2,470,000	2,470,000	-
Other Program Support	8,521,581	9,819,878	11,173,214	11,053,394	(119,820)
Rental Of Real Property	120,289	225,000	225,000	225,000	-
Retired/Transfer Emp Benef 1530	11,450,117	16,245,345	16,245,345	16,607,136	361,791
Sacramento County Charges	4,246,092	4,475,000	4,475,000	4,950,000	475,000
Util Tax Refnds/Ins Co'S	888	-	-	-	-
Utility Users Tax Rebate 1121	18,903	125,000	125,000	125,000	-
Total:	50,157,610	51,585,026	58,429,457	65,968,484	7,539,027

Reserves

General Fund Reserves

Administrative Contingency

- The Administrative Contingency may be used during the course of the year to adjust budgets for unforeseen expenses. The Administrative Contingency is \$1 million.

Other Sources and Uses

The proposed budget includes the use of 3.6 million dollars in one-time resources:

- Redirect Railyards Parcel B sale proceeds to retain 20 police officers to continue the “cease fire” program as directed by the City Council as part of the FY2010/11 Adopted Budget. Lowers reductions in the Police Department by a like amount.
- Use excess bond proceeds and interest earnings to offset debt service expenses.
- Use remaining Sheraton sale proceeds authorized in the FY2010/11 Approved Budget to offset a portion of costs associated with the addition of ten police officers.
- Reductions proposed in the Convention, Culture, and Leisure Department includes the use of \$105,000 in Arts Stabilization Funding reserve to reduce General Fund costs by a similar amount. After the release of these funds, approximately \$706,000 will remain in the reserve.

Reserve for Economic Uncertainty

- The Reserve for Economic Uncertainty was established in FY1983/84 and is currently \$14.3 million. This represents 4% of General Fund revenues.

Release of Reserves

- The Proposed Budget does not include the use of this reserve in order to ensure that the City has resources available to respond to unanticipated expenses or revenue decline.

All Other Fund Balances

- Remaining balances of enterprise funds, special revenue funds, and internal service funds total \$155 million and are listed individually in this document in Schedule 2B - Summary of FY2011/12 Revenues, Appropriations and Changes in Fund Balance. The available balance of special revenue and enterprise funds may only be used for the specific purpose of the individual fund.