

# 26

## **SECTION – 26**

## **NON-DEPARTMENT**



**DEBT SERVICE**



**DESCRIPTION**

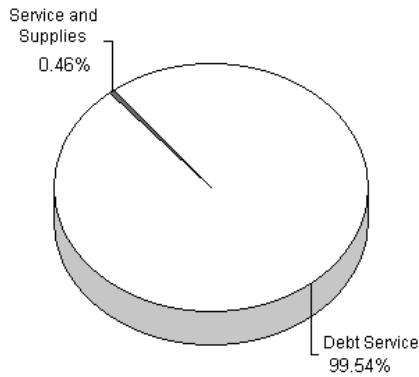
**The Debt Service Program** finances the cost of capital improvements through general obligation bonds, revenue bonds, certificates of participation, notes payable or advances from other funds. The debt service payments are made in annual installments. This budget contains all major General Fund debt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

For more information, contact the Budget Office, 915 I Street, 5<sup>th</sup> Floor, Sacramento, CA 95814 (916) 808-5845.

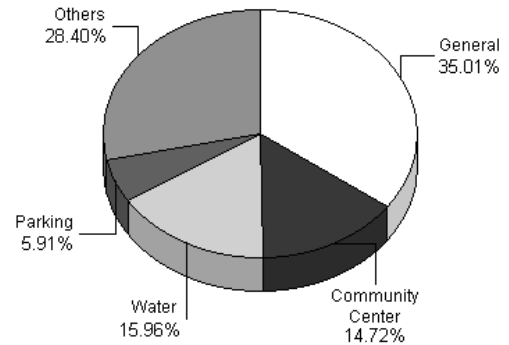
**Department Budget Summary**

Debt Service Budget Summary	FY 2007/08 Actual	FY 2008/09 Approved	FY 2008/09 Amended	FY 2009/10 Approved	Change More/(Less) Approved/Amended
<b>Funded Positions (FTE)</b>					
<b>Budgeted Expenditures</b>					
Debt Service	70,031,008	45,345,442	61,184,731	70,133,581	8,948,850
Service and Supplies	1,465,281	40,771,762	38,243,931	325,225	(37,918,706)
<b>Total:</b>	<b>71,496,289</b>	<b>86,117,204</b>	<b>99,428,662</b>	<b>70,458,806</b>	<b>(28,969,856)</b>
<b>Funding Summary by Fund/Special District</b>					
1995 A Gas Tax Rev Bond Ds	0	1,417,000	1,417,000	0	(1,417,000)
2002 Cap Inpr Bds Debt Service	0	0	0	2,228,987	2,228,987
Citywide Lndscpng&Lghting Dist	586,220	587,315	587,315	586,980	(335)
Community Center Fund	10,397,937	10,384,111	10,384,111	10,373,813	(10,298)
Debt Service - Other City Debt	102,599	102,599	102,599	102,599	0
Debt Service-93 Series A	0	100,000	100,000	100,000	0
Debt Service-93 Series B	0	400,000	400,000	400,000	0
Fleet Management	470,156	419,256	419,256	424,062	4,806
Gas Tax 2106	1,531,263	107,781	107,781	0	(107,781)
General Fund	27,282,260	27,123,294	35,114,915	24,670,675	(10,444,240)
Golf Fund	1,154,667	1,169,787	1,169,787	1,168,518	(1,269)
Kings-Arco Arena Acquisition	5,694,725	4,981,587	4,981,587	5,145,675	164,088
New Measure A C Construction	0	15,000,000	20,319,837	0	(20,319,837)
No Natomas Community Improv	2,784,818	2,555,272	2,555,272	2,575,017	19,745
Parking Fund	4,007,297	4,014,287	4,014,287	4,162,588	148,301
Sewer Fund	885,312	883,268	883,268	883,465	197
Solid Waste Fund	1,661,327	2,159,459	2,159,459	2,751,296	591,837
Storm Drainage Fund	3,449,846	3,445,279	3,445,279	3,641,432	196,153
Water Fund	10,337,682	11,266,909	11,266,909	11,243,699	(23,210)
<b>Total:</b>	<b>71,496,289</b>	<b>86,117,204</b>	<b>99,428,662</b>	<b>70,458,806</b>	<b>(28,969,856)</b>

**Budgeted Expenditures - FY2009/10**



**Funding Summary - FY2009/10**



**Division Budget Summary**

Debt Service Division Budgets	FY	FY		FY	Change
	2007/08 Actual	2008/09 Approved	2008/09 Amended	2009/10 Approved	More/(Less) Approved/Amended
Building Leases	273,600	250,800	250,800	0	(250,800)
Debt Serv-02 Ref Cop/91pf 1131	5,786,306	5,779,850	5,779,850	5,781,275	1,425
Debt Serv-93 Series A 1131	9,240,230	9,233,168	9,233,168	9,222,142	(11,026)
Debt Serv-93 Series B 1131	6,316,554	6,312,898	6,312,898	6,313,886	988
Debt Serv-95a Gastx Bnd 1131	1,531,263	1,524,781	1,524,781	0	(1,524,781)
Debt Service - 1986 Cop	84,245	0	0	0	0
Debt Service - 2003 Cirbs 1131	2,647,454	2,618,549	2,618,549	2,620,425	1,876
Debt Service - 2005 Refunding	7,091,063	7,434,064	7,434,064	7,758,162	324,098
Debt Service Assessment Bonds	1,115,274	0	0	0	0
Debt Service-2006 Cirbs Ser A	6,258,737	6,255,138	6,255,138	6,252,838	(2,300)
Debt Service-2006 Cirbs Ser B	2,841,398	2,842,588	2,842,588	2,846,673	4,085
Debt Service-2006 Cirbs Ser C	1,881,900	1,882,100	1,882,100	1,881,500	(600)
Debt Service-2006 Cirbs Ser D	125,388	125,388	125,388	125,388	0
Debt Service-2006 Cirbs Ser E	11,672,532	12,310,401	12,310,401	12,196,634	(113,767)
Debt Service-Dbw (Docks)	102,599	102,599	102,599	102,599	0
Debt Service-Miscellaneous	1,100,835	16,067,182	29,378,640	1,262,317	(28,116,323)
Debt Svc-1999 Cap Imp Bds 1131	286,477	718,544	718,544	718,936	392
Debt Svc-2002 Cirb 1131	3,256,985	3,459,049	3,459,049	3,448,084	(10,965)
Debt Svc-Financing Leases	751,786	781,577	781,577	1,345,337	563,760
Debt Svc-State Revol	3,436,938	3,436,941	3,436,941	3,436,935	(6)
Kings/Arco Arena 1131	5,694,725	4,981,587	4,981,587	5,145,675	164,088
<b>Total:</b>	<b>71,496,289</b>	<b>86,117,204</b>	<b>99,428,662</b>	<b>70,458,806</b>	<b>(28,969,856)</b>

## **OTHER PROGRAM SUPPORT**



## DESCRIPTION

This section contains programs that are not part of any Department's direct operating expenditures. Examples of the programs included in this section are: transit support, Utility User Tax rebates, General Fund insurance costs, payment of sick leave and vacation benefits to departing employees, retiree health benefits, Sacramento County charges to the City, support to Local Partners and uncollectible bills owed to the City.

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 that will be allocated to departments after budget approval.

Transit Support – The Transit Support Program includes support for Paratransit, Inc. (transportation for persons with disabilities). In FY2009/10 this program will be fully supported by New Measure A funds, the countywide half cent sales tax for transportation programs and projects.

Miscellaneous Contract Implementation – This budget covers the cost of retiree/beneficiary health and dental insurance premiums for approximately 2,000 retirees. The Approved Budget also includes \$2.5 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.

Other Program Support – The City's Transient Occupancy Tax rate is currently 12%. The General Fund receives 2 percent of the 12% tax rate; the balance goes to the Community Center Fund. One percent of these proceeds and additional General Fund appropriations are used to support the Sacramento Convention and Visitor's Bureau and the Sacramento Metropolitan Arts Commission. Contributions to these partners have been reduced by 20 percent, \$280,000, as part of the FY2009/10 budget reduction efforts.

Support for Local Partners – The City contributes funds to support several local partners including the Sacramento Public Library Authority, the Human Rights Fair Housing Commission and seven Business Improvement District Programs.

- The City contributes General Fund support, in addition to funding provided by the voter approved Special Parcel Tax, to the Sacramento Public Library Authority (SPLA) to provide library services. SPLA provides library services through the Central Library and 10 branch libraries throughout the City. SPLA provides a broad range of services including: books, DVD and VHS videos, reference and information services, inter-branch and inter-library loans, youth and adult literacy, books-by-mail, ethno-cultural services, and special programming for children and adults. All library branches provide public access to computers and the internet, including wireless internet service. Materials in the collection are available in a number of languages and in several different media such as print

and electronic. The catalog is available 24 hours a day via the internet at [www.saclibrary.org](http://www.saclibrary.org). Reservation and renewal of materials can be done online.

- City contribution for assessments for the Capitol Station, Downtown Sacramento, Del Paso Boulevard, Franklin Boulevard, Oak Park, Power Inn and Stockton Boulevard Business Improvement District programs total \$650,000 for FY2009/10.
- The City will contribute \$92,880 to the Human Rights Fair Housing Commission. This reflects a 20 percent reduction from the prior year contribution.

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

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 approved budget includes \$300,000 for this purpose.

For more information, contact the Budget Office, 915 I Street, 5<sup>th</sup> Floor, Sacramento, CA 95814 (916) 808-5845.

## **APPROVED BUDGET/STAFFING CHANGES**

### Service Level Impacts

#### Sacramento Public Library

The City will be contributing \$7,921,710 in General Fund support to SPLA, a reduction of \$1.1 million from the prior year. This includes a 15% reduction, as well as reductions related to the use of \$360,000 in one-time resources added to restore the Library's budget in FY2008/09. The City is also committing to add to the General Fund contribution \$267,800 (52 percent) of the \$517,800 required to open the two new expanded libraries and using \$250,000 in City Library fund reserves to fund the balance of the new costs in FY2009/10.

The reduction in funding will result in operational changes to accommodate the lower ongoing revenue stream. The Library will reduce the following library branches to five days per week service, with 35 open hours per week: Colonial Heights, Belle Cooleage, Del Paso Heights, Martin Luther King, Jr., North Natomas, North Sacramento and South Natomas branches. This action will eliminate 12 currently filled positions. To mitigate layoffs, the Library is holding positions vacant in other branches to transfer these affected people into as service days and hours are reduced in City branches.

The most challenging impact will be to the planned service level at the new North Natomas Library. The Library will work with City staff to renegotiate the four party existing Memorandum of Understanding with the Natomas Unified School District and the Los Rios Community College District which requires the Library to operate a 6 day/62.5 hour per week schedule to accommodate the needs of both schools, in addition to the public.

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- The Valley Hi-North Laguna and North Natomas branches are scheduled to open in early FY2009/10. The anticipated increased cost of operating the new larger libraries is a combined \$517,800. The City General Fund will contribute \$267,800 of this funding requirement for FY2009/10, and utilize \$250,000 in City Library fund balance to cover the remaining costs. Library staff will develop and implement plans to reduce services/costs to address the use of one-time funding in future years. Library and City staff will be discussing the funding and cost impacts of the new Robbie Waters Pocket Greenhaven Library that is scheduled to open in FY2010/11 and will require about \$650,000 in new funding.
- These actions ensure continued significant Library service in the City through approximately 19,587 service hours of planned library operation citywide in FY2009/10, approximately a 12 percent reduction in planned library operating hours citywide. Most Library programs will continue to operate, but at reduced levels, during the scaled back hours. As a committed partner with the City, the Library also continues to aggressively manage and reduce costs for branch and system-wide administrative support to balance the budget.

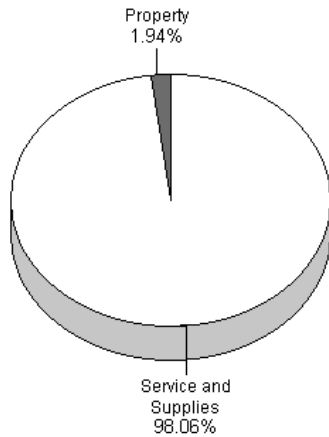
Department Budget Summary

Non-Departmental Budget Summary	FY	FY		FY	Change
	2007/08 Actual	Approved	Amended	2009/10 Approved	More/(Less) Approved/Amended
<b>Budgeted Expenditures</b>					
Employee Services	11,331,322	9,821,705	6,551,703	(390,162)	(6,941,865)
Interdepartmental Transfers	191,089	2,085,868	2,085,868	0	(2,085,868)
Property	1,024,620	1,481,100	1,026,877	762,849	(264,028)
Service and Supplies	62,608,041	33,328,813	38,219,888	38,520,789	300,901
<b>Total:</b>	<b>75,155,072</b>	<b>46,717,486</b>	<b>47,884,336</b>	<b>38,893,476</b>	<b>(8,990,860)</b>

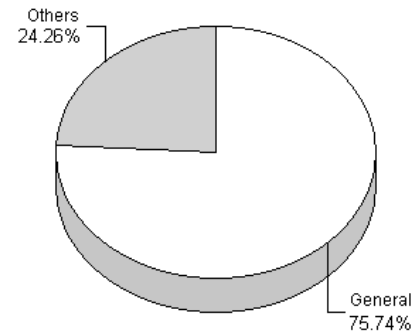
# FY2009/10 Approved Budget

Non-Departmental Budget Summary	FY	FY		FY	Change
	2007/08 Actual	2008/09 Approved	2008/09 Amended	2009/10 Approved	More/(Less) Approved/Amended
<b>Funding Summary by Fund/Special District</b>					
2006 Cirbs Ser A Cap Proj'S	2,133,333	454,999	454,999	1,320,298	865,299
2006 Cirbs Ser B Cap Proj'S	1,500,000	1,500,000	1,500,000	125,000	(1,375,000)
4th R Program	0	0	0	(11,628)	(11,628)
Capital Station District Pbid	281,589	281,589	295,920	295,920	0
Community Center Fund	(1,572,470)	77,530	77,530	13,673	(63,857)
Del Paso Bid	37,000	37,000	37,000	37,000	0
Del Paso Prop & Business Imprv	206,261	206,261	209,250	209,250	0
Downtown Plaza Bid	110,000	110,000	110,000	110,000	0
Downtown Sacramento Mgmt Dist	2,059,305	2,059,305	2,188,904	2,188,904	0
Fleet Management	80,759	80,759	80,759	3,833	(76,926)
Franklin Blvd Bid	36,000	36,000	36,000	36,000	0
Franklin Boulevard Pbid	97,500	97,500	102,608	102,608	0
General Fund	50,628,558	36,454,380	37,408,795	29,469,425	(7,939,370)
Golf Fund	57,613	57,613	57,613	57,613	0
Greater Broadway PBID	214,598	214,598	218,803	218,803	0
Interdepartmental Service Fund	22,308	120,411	120,411	204,906	84,495
Midtown Sacramento PBID	565,595	565,595	587,026	587,026	0
N Natomas Transp Mgmt Assoc	557,262	557,262	557,262	557,262	0
Oak Park PBID	191,485	191,485	200,516	200,516	0
Old Sacramento Bid	140,000	140,000	140,000	140,000	0
Parking Fund	14,364,648	31,471	31,471	(16,777)	(48,248)
Power Inn Area Prop & Business	237,087	237,087	251,777	251,777	0
Private Development Fund	125,000	125,000	125,000	125,000	0
Risk Management	359	359	359	359	0
Sacramento Marina Fund	8	8	8	(3,519)	(3,527)
Sacramento Tourism Bid	2,105,000	2,105,000	2,105,000	2,105,000	0
Sewer Fund	127,020	127,020	127,020	19,581	(107,439)
Solid Waste Fund	294,807	294,807	294,807	227,964	(66,843)
Start	0	0	0	(14,253)	(14,253)
Stockton Blvd BIA	42,000	42,000	42,000	42,000	0
Stockton Blvd Pbid	251,512	251,512	262,563	262,563	0
Storm Drainage Fund	47,488	47,488	47,488	(20,037)	(67,525)
Water Fund	213,447	213,447	213,447	47,409	(166,038)
<b>Total:</b>	<b>75,155,072</b>	<b>46,717,486</b>	<b>47,884,336</b>	<b>38,893,476</b>	<b>(8,990,860)</b>

**Budgeted Expenditures - FY2009/10**



**Funding Summary - FY2009/10**



**Division Budget Summary**

Non-Departmental Division Budgets	FY	FY		FY	Change
	2007/08 Actual	2008/09 Approved	2008/09 Amended	2009/10 Approved	More/(Less) Approved/Amended
Arts Stabilization	0	0	0	211,920	211,920
Council District Support	972,154	540,000	556,478	495,000	(61,478)
Gen Insurance/Termination	9,838,528	8,098,408	4,828,406	1,040,325	(3,788,081)
Library JPA	9,481,100	9,064,585	9,064,585	7,921,710	(1,142,875)
Major Tax Revenues	650,000	650,000	650,000	650,000	0
Other Major Tax Revenues	2,470,000	2,470,000	2,470,000	2,470,000	0
Other Program Support	38,041,689	11,629,939	16,050,313	10,689,346	(5,360,967)
Rental Of Real Property	600,000	250,000	250,000	250,000	0
Retired/Transfer Emp Benef1530	9,797,202	10,127,705	10,127,705	10,976,326	848,621
Sacramento County Charges	2,366,550	3,111,000	3,111,000	4,001,000	890,000
Technology	62,849	62,849	62,849	62,849	0
Transit Support	650,000	488,000	488,000	0	(488,000)
Utility Users Tax Rebate 1121	225,000	225,000	225,000	125,000	(100,000)
<b>Total:</b>	<b>75,155,072</b>	<b>46,717,486</b>	<b>47,884,336</b>	<b>38,893,476</b>	<b>(8,990,860)</b>



**RESERVES**



## DESCRIPTION

### General Fund Reserves:

#### Reserve for Economic Uncertainty

- The Reserve for Economic Uncertainty was established in FY1983/84. The FY2008/09 year end balance is \$10.5 million. The Approved 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.

#### 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.

#### Release of Reserves

- The FY2009/10 Approved Budget includes the release of \$1.08 million from the Advanced Life Support fund balance for the purchase of vehicles and defibrillators and \$3.591 million of funds designated for FY2009/10 labor costs per Council Resolution 2008-245.

#### Other Sources and Uses

- Reductions approved in the Convention Culture and Leisure Department include the use of \$211,000 in Arts Stabilization Funding reserve to reduce General Fund costs by a like amount. After the release of these funds, \$1.5 million will remain in the reserve.

#### All Other Fund Balances

- Remaining balances of enterprise funds, special revenue funds, and internal service funds total \$164.95 million and are listed individually in this document in Schedule 2B - Summary of 2009/10 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.

