

26

SECTION – 26

NON-DEPARTMENT

DEBT SERVICE

DESCRIPTION

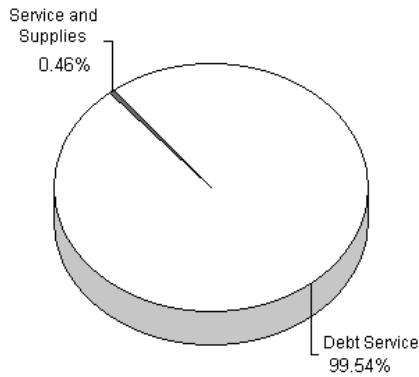
The Debt Service Program finances the cost of capital improvements through general obligation bonds, revenue bonds, certificates of participation, notes payable or advances from other funds. The debt service payments are made in annual installments. This budget contains all major General Fund debt service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

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

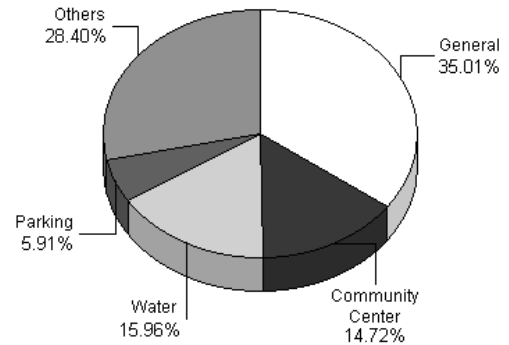
Department Budget Summary

| 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 |
|-------------------------------------------------|-------------------------|---------------------------|--------------------------|---------------------------|-------------------------------------------|
| Funded Positions (FTE) | | | | | |
| Budgeted Expenditures | | | | | |
| 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) |
| Total: | 71,496,289 | 86,117,204 | 99,428,662 | 70,458,806 | (28,969,856) |
| Funding Summary by Fund/Special District | | | | | |
| 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) |
| Total: | 71,496,289 | 86,117,204 | 99,428,662 | 70,458,806 | (28,969,856) |

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 |
| Total: | 71,496,289 | 86,117,204 | 99,428,662 | 70,458,806 | (28,969,856) |

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. 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, 5th 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 Cooleedge, 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.

- 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.

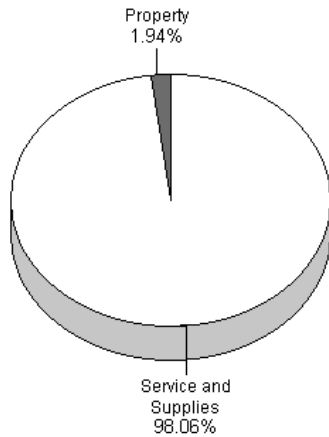
Department Budget Summary

| Non-Departmental Budget Summary | FY | FY | | FY | Change |
|------------------------------------|-------------------|-------------------|-------------------|---------------------|---------------------------------|
| | 2007/08 Actual | Approved | Amended | 2009/10 Approved | More/(Less) Approved/Amended |
| Budgeted Expenditures | | | | | |
| 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 |
| Total: | 75,155,072 | 46,717,486 | 47,884,336 | 38,893,476 | (8,990,860) |

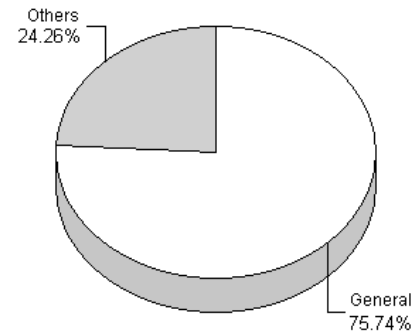
FY2009/10 Approved Budget

| Non-Departmental Budget Summary | FY | FY | | FY | Change |
|-------------------------------------------------|-------------------|---------------------|--------------------|---------------------|---------------------------------|
| | 2007/08 Actual | 2008/09 Approved | 2008/09 Amended | 2009/10 Approved | More/(Less) Approved/Amended |
| Funding Summary by Fund/Special District | | | | | |
| 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) |
| Total: | 75,155,072 | 46,717,486 | 47,884,336 | 38,893,476 | (8,990,860) |

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) |
| Total: | 75,155,072 | 46,717,486 | 47,884,336 | 38,893,476 | (8,990,860) |

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.

