

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.

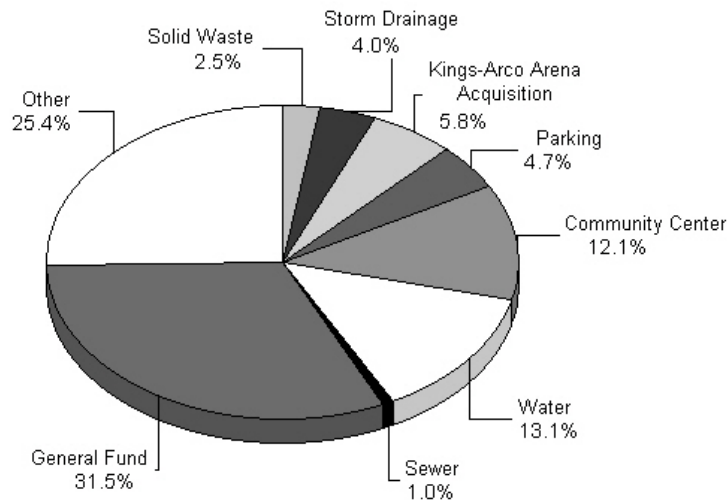
For more information, contact the Budget Office, 915 I Street, 5th Floor, Sacramento, CA 95814 (916)808-5845.

Department Budget Summary

Debt Service Budget Summary	FY 2006/07 Actual	FY 2007/08 Approved	FY 2007/08 Amended	FY 2008/09 Proposed	Change More/(Less) Proposed/Amended
Positions (FTE)	0.00	0.00	0.00	0.00	0.00
Budgeted Expenditures					
Services & Supplies	3,186,977	(35,270)	1,465,281	322,540	(1,142,741)
Debt Service	69,429,207	69,244,096	69,244,096	85,794,664	16,550,568
Total:	72,616,184	69,208,826	70,709,377	86,117,204	15,407,827

Funding Summary by Fund/Special District					
2106 Gas Tax	1,532,263	1,531,263	1,531,263	107,781	(1,423,482)
College Park CFD	0	0	1,115,274	0	(1,115,274)
Community Center	10,402,289	10,397,937	10,397,937	10,384,111	(13,826)
Debt Service 1991 Revenue Bonds	1,431,398	0	0	0	0
Debt Service 1992 COP	102,599	102,599	102,599	102,599	0
Debt Service 1993 Series A	0	0	0	100,000	100,000
Debt Service 1993 Series B	0	0	0	400,000	400,000
Debt Service Gas Tax Rev Bonds	0	0	0	1,417,000	1,417,000
Fleet	468,906	470,156	470,156	419,256	(50,900)
General Fund	22,679,331	26,145,197	26,530,474	27,123,294	592,820
Golf	1,184,957	1,154,667	1,154,667	1,169,787	15,120
Kings-Arco Arena Acquisition	5,612,907	5,694,725	5,694,725	4,981,587	(713,138)
Landscape and Lighting	588,863	586,000	586,000	587,315	1,315
N Natomas CFD	3,441,874	0	0	0	0
N. Natomas Community Improv.	2,484,915	2,784,818	2,784,818	2,555,272	(229,546)
New Measure A Construction	0	0	0	15,000,000	15,000,000
Parking	4,007,150	4,007,297	4,007,297	4,014,287	6,990
QUIMBY ACT - PLANNING AREA 5	388,177	0	0	0	0
QUIMBY ACT - PLANNING AREA 6	30,000	0	0	0	0
Sewer	885,311	885,312	885,312	883,268	(2,044)
Solid Waste	1,668,354	1,661,327	1,661,327	2,159,459	498,132
Storm Drainage	3,450,231	3,449,846	3,449,846	3,445,279	(4,567)
Water	12,256,659	10,337,682	10,337,682	11,266,909	929,227
Total:	72,616,184	69,208,826	70,709,377	86,117,204	15,407,827

Funding Sources for Debt - FY09



Division Budget Summary

Debt Service Division Budgets	FY 2006/07 Actual	FY 2007/08 Approved	FY 2007/08 Amended	FY 2008/09 Proposed	Change More/(Less) Proposed/Amended
Building Leases	273,900	273,600	273,600	250,800	(22,800)
Debt Serv-02 Ref Cop/91Lr	2,440,836	2,435,901	2,435,901	2,440,395	4,494
Debt Serv-02 Ref Cop/91Pf	959,850	959,288	959,288	3,339,455	2,380,167
Debt Serv-91 Mark Roos Rb	1,431,398	0	0	0	0
Debt Serv-91 Refund Cop/B	2,392,519	2,391,117	2,391,117	0	(2,391,117)
Debt Serv-93 Series A	9,243,556	9,240,230	9,240,230	9,233,168	(7,062)
Debt Serv-93 Series B	6,319,571	6,316,554	6,316,554	6,312,898	(3,656)
Debt Serv-95A Gastx Bnd	1,532,263	1,531,263	1,531,263	1,524,781	(6,482)
Debt Service - 2003 Cirbs	4,422,698	2,647,454	2,647,454	2,618,549	(28,905)
Debt Service - 2005 Refunding	7,091,063	7,091,063	7,091,063	7,434,064	343,001
Debt Service- (Docks)	102,599	102,599	102,599	102,599	0
Debt Service-1988 Cop	84,246	84,245	84,245	0	(84,245)
Debt Service-2006 Cirbs Ser A	6,500,000	6,258,737	6,258,737	6,255,138	(3,599)
Debt Service-2006 Cirbs Ser B	0	2,841,398	2,841,398	2,842,588	1,190
Debt Service-2006 Cirbs Ser C	1,048,498	1,881,900	1,881,900	1,882,100	200
Debt Service-2006 Cirbs Ser D	88,863	125,388	125,388	125,388	0
Debt Service-2006 Cirbs Ser E	0	11,672,532	11,672,532	12,310,401	637,869
Debt Service-Assessment	3,441,874	0	1,115,274	0	(1,115,274)
Debt Service-Miscellaneous	1,062,947	1,065,709	1,065,709	16,067,182	15,001,473
Debt Svc-1999 Cap Imp Bds	293,530	286,477	286,477	718,544	432,067
Debt Svc-2001 Cirb Ser A	9,390,670	0	0	0	0
Debt Svc-2002 Cirb	5,723,258	3,256,985	3,256,985	3,459,049	202,064
Debt Svc-Financing Leases	(277,801)	(385,277)	0	781,577	781,577
Debt Svc-State Revol	3,436,939	3,436,938	3,436,938	3,436,941	3
Kings/Arco Arena	5,612,907	5,694,725	5,694,725	4,981,587	(713,138)
Total:	72,616,184	69,208,826	70,709,377	86,117,204	15,407,827

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. (handicapped transportation).

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 \$2.3 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% 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 \$274,000 as part of the FY2008/09 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 on-line.

- 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 FY2008/09.
- The City will contribute \$116,100 to the Human Rights Fair Housing Commission. This reflects a 20% 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.

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

PROPOSED BUDGET/STAFFING CHANGES

Service Level Impacts

Sacramento Public Library

The City will be contributing \$8,704,585 in General Fund support to SPLA, a reduction of \$776,515 from the prior year. These reductions will result in the following service level impacts:

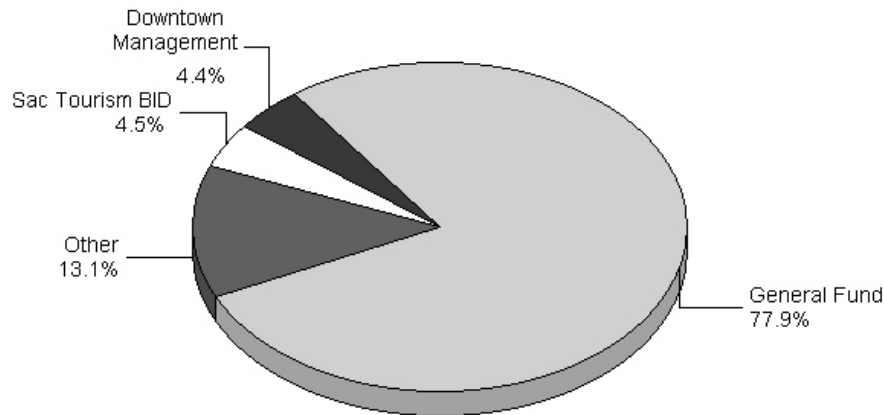
- The Library is planning to reduce operations from six days per week to five days per week in five (5) City library branches in light of this reduction, and rising labor and other contracted costs. The planned effort to absorb the funding reduction includes freezing four additional positions at the Central Library and five administrative positions.
- The City is partnering with SPLA to build and operate three new library branches. These new projects will be completed during the next two fiscal years, and the City plans to fund the operation of these branches at a five day per week service level through additional General Fund contribution.
- These actions ensure continued significant Library service in the City through about 17,800 service hours of planned library operation citywide in FY2008/09, while assisting the City to productively manage through the current economic downturn. Most Library programs will continue to be presented during the planned open hours.

FY2008/09 Proposed Budget

Department Budget Summary

Other Program Support Budget Summary	FY 2006/07 Actual	FY 2007/08 Approved	FY 2007/08 Amended	FY 2008/09 Proposed	Change More/(Less) Proposed/Amended
Positions (FTE)	0.00	0.00	0.00	0.00	0.00
Budgeted Expenditures					
Employee Services	8,305,376	13,826,275	11,323,868	9,864,092	(1,459,776)
Services & Supplies	46,295,169	36,578,966	37,651,653	36,593,394	(1,058,259)
Total:	54,600,545	50,405,241	48,975,521	46,457,486	(2,518,035)
Funding Summary by Fund/Special District					
Capital Station District PBID	267,393	267,393	281,589	281,589	0
Community Center	(1,402,077)	(1,572,470)	(1,572,470)	77,530	1,650,000
Del Paso BID	37,000	37,000	37,000	37,000	0
Del Paso PBID	206,170	206,170	206,261	206,261	0
Development Services	200,000	0	0	0	0
Downtown Management	1,946,329	1,946,329	2,059,305	2,059,305	0
Downtown Plaza BID	110,000	110,000	110,000	110,000	0
Fleet	80,759	80,759	80,759	80,759	0
Franklin Blvd BID	36,000	36,000	36,000	36,000	0
Franklin Blvd PBID	55,990	55,990	97,500	97,500	0
General Fund	42,045,857	41,265,305	38,852,012	36,194,380	(2,657,632)
Golf	57,613	57,613	57,613	57,613	0
Greater Brdway Pro & Bus Improv	0	0	214,598	214,598	0
Inter-departmental Service	0	22,308	22,308	120,411	98,103
Marina	8	8	8	8	0
Midtown Sac Prop & Bus Imprv D	0	0	565,595	565,595	0
N Natomas Trans Mgmt Assoc	487,434	487,434	487,434	557,262	69,828
Oak Park PBID	188,808	188,808	191,485	191,485	0
Old Sac BID	140,000	140,000	140,000	140,000	0
Parking	31,471	31,471	31,471	31,471	0
Power Inn Property and Business	222,934	222,934	237,087	237,087	0
Private Development Fund	125,000	125,000	125,000	125,000	0
QUIMBY ACT - PLANNING AREA 3	5,200,000	2,133,333	2,133,333	454,999	(1,678,334)
QUIMBY ACT - PLANNING AREA 4	1,500,000	1,500,000	1,500,000	1,500,000	0
Risk Management	359	359	359	359	0
Sac Tourism BID	2,105,000	2,105,000	2,105,000	2,105,000	0
Sewer	127,020	127,020	127,020	127,020	0
Solid Waste	294,807	294,807	294,807	294,807	0
Stockton Blvd BID	42,000	42,000	42,000	42,000	0
Stockton Blvd. PBID	233,735	233,735	251,512	251,512	0
Storm Drainage	47,488	47,488	47,488	47,488	0
Water	213,447	213,447	213,447	213,447	0
Total:	54,600,545	50,405,241	48,975,521	46,457,486	(2,518,035)

Funding Sources for Other Programs- FY09



Division Budget Summary

Non-Departmental Division Budgets	FY	FY		FY	Change
	2006/07 Actual	2007/08 Approved	2007/08 Amended	2008/09 Proposed	More/(Less) Proposed/Amended
Council District Support	939,895	630,000	634,114	540,000	(94,114)
Arts Stabilization	195,704	0	0	0	0
Gen Insurance/Termination	9,966,869	12,898,329	9,888,687	8,098,408	(1,790,279)
Library JPA	8,868,100	9,481,100	9,481,100	8,704,585	(776,515)
Major Tax Revenues	400,000	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	18,901,894	11,091,446	12,150,019	11,729,939	(420,080)
Rental Of Real Property	1,609,000	600,000	600,000	250,000	(350,000)
Retired/Transfer Emp Benef1530	6,698,404	9,289,967	9,797,202	10,127,705	330,503
Sacramento County Charges	3,471,250	2,356,550	2,366,550	3,111,000	744,450
Technology	188,000	62,849	62,849	62,849	0
Transit Support	661,629	650,000	650,000	488,000	(162,000)
Utility Users Tax Rebate 1121	250,000	225,000	225,000	225,000	0
Total:	54,600,545	50,405,241	48,975,521	46,457,486	(2,518,035)

RESERVES

DESCRIPTION

General Fund Reserves:

Reserve for Economic Uncertainty

- The Reserve for Economic Uncertainty was established in FY1983/84. The FY2006/07 year end balance was \$30 million. The FY2007/08 Approved budget included \$4.5 million of this reserve. In March 2008 Council authorized the use of \$7 million from the reserve to fund the Voluntary Separation Program and added \$11 million to the reserve from the proceeds of the sale of the Sheraton Hotel and Parking Structure. The Proposed Budget includes the use of \$19 million of this reserve. The remaining balance in the Economic Uncertainty Reserve will be \$10.5 million.

Administrative Contingency

- Administrative Contingency may be used during the course of the year to augment other budgets for new programs or unforeseen expenses. The Administrative Contingency is \$1 million.

Release of Reserves

- In addition to the \$19 million Economic Uncertainty Reserve release outlined above, the FY2008/09 Proposed Budget includes the release of \$1.08 million from the Advanced Life Support fund balance for the purchase of vehicles and defibrillators.

All Other Fund Balances

- Remaining balances of enterprise funds, special revenue funds, and internal service funds total \$189.9 million and are listed individually in this document in Schedule 2 - Detail of 2008/09 Revenues, Appropriations, and Changes in Fund Balances. The available balance of special revenue and enterprise funds may only be used for the specific purpose of the individual fund.

Other Sources and Uses

Community Reinvestment Capital Improvement Program (CRCIP):

- Pursuant to City Council authorization, utilize CRCIP interest earnings to pay debt service on bridge loans to community partners (\$0.89 million).

