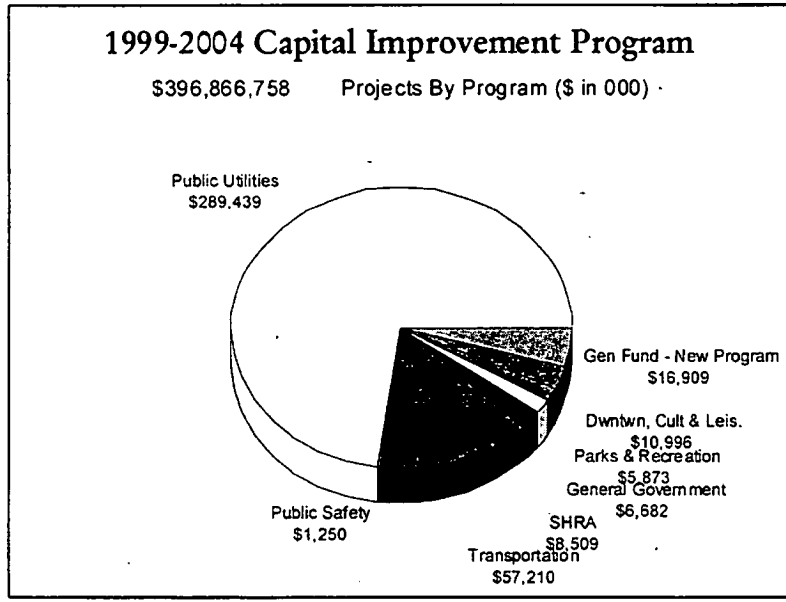


# 1999-2004 PROPOSED CAPITAL PROGRAM *IN BRIEF...*

## THE CITY'S 5-YEAR CAPITAL PROGRAM

### HIGHLIGHTS...



- 1999-2004 Proposed 5 Year Capital Improvement Plan totals \$396,866,758
- Pending financial conditions potentially \$20-40 million in loan proceeds available for General Fund capital spending over the next three years
- Public Utilities projects are 73% of the total program
- The Transportation Program will be modified and presented to City Council during the budget hearings pending notification of federal funding for projects.

### PROJECT HIGHLIGHTS...

Significant projects proposed for 1999-2000 include:

- Sacramento River Water Treatment Plant Expansion/Rehabilitation to increase capacity and respond to regulatory requirements and Sacramento River Water Treatment Plant Intake Replacement to replace the current intake structure.
- American River Transmission Main Crossing at I-5 to supply the Natomas area beyond the year 2000.
- Continued funding for the Combined Sewer System Improvement Project.
- Construction of the Meadowview Services Complex for consolidation of Solid Waste operations.

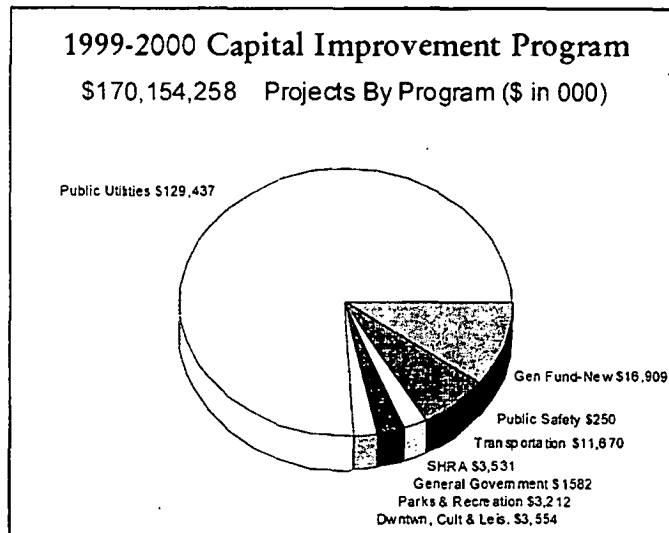
Other significant projects included in the five-year 1999-2004 Capital Program include:

- Continued funding for ADA (Americans with Disabilities Act) modifications.
- Phased implementation of Automated Commingled Recycling.
- Replacement of outdated irrigation systems at the City's Golf Courses and installation of an improved revenue collection system for off-street parking.

# 1999-2004 PROPOSED CAPITAL PROGRAM *IN BRIEF...*

## THE CITY'S ANNUAL CAPITAL BUDGET

### HIGHLIGHTS...



- 1999-2000 Proposed Capital Improvement Plan totals \$170,154,258
- Annual budget adopted by City Council by June 30 of each year.
- Proposal includes \$17 million in new program funding for General Fund capital needs
- General Fund projects will be approved by City Council pending a community input process that will begin following Council's summer recess
- Includes funds from the Sacramento Housing and Redevelopment Agency

#### What is a Capital Improvement?

Capital Improvements are major projects undertaken by the City that are generally not recurring and are either 1) projects, facilities or equipment that will cost more than \$10,000 and last longer than five (5) years or 2) long range plans or studies of capital projects, facilities or equipment that will cost more than \$10,000.

#### What is the Capital Improvement Plan?

The Capital Improvement Plan is a comprehensive five-year plan for capital project expenditures. The plan is a guide for identifying current and future financial requirements and becomes the basis for determining the annual capital budget.

#### What is the Annual Capital Improvement Budget?

The annual capital improvement budget may be defined as the current fiscal year Capital Improvement Program for which projects are approved for funding by City Council. All other project with funding in the four subsequent years within the five-year Capital Improvement Program are approved by City Council in concept. For projects not

completed by year end, the unspent project budget carries forward to the next fiscal year.

#### How is the Capital Plan paid for?

The Capital Plan is funded by a variety of sources. The main funding sources include water, sewer and storm drainage which are supported by user fees and special funds that are earmarked for transportation purposes such as Measure A, Gas Tax and Major Street Improvement Tax. Debt financing supported by these various funds is sometimes used to pay for major projects.

#### How are projects selected for funding?

Community input, projects approved by City Council adopted Master Plans, critical need for the projects, staff expertise, funding availability, City Manager and City Council priorities are all factors considered in identifying projects to include in the proposed Capital Improvement Program.

# 1999-2000 PROPOSED BUDGET *IN BRIEF...*

## PROPOSED PRIORITIES & GENERAL FUND RECOMMENDATIONS...

### Base Budget Service Adjustments (\$1 million)

- 2% cost-of-living adjustments to labor
- 2% adjustment to services and supplies
- vehicle cost adjustment
- net retirement cost savings

### Reinvestment in the City's Infrastructure (\$1 million)

- Park Maintenance and Recreation
- Technology

### Increase Economic Development Efforts (\$500,000)

- Create a new Department with six FTEs to coordinate efforts focusing on Downtown redevelopment, commercial corridors and Citywide economic development

### Other Proposed Recommendations (\$1.9 million)

- Maintain existing service levels
- Add 21 Firefighters to the detail pool
- Hire a Citywide Public Information Officer
- Comply with new animal care requirements by adding one FTE
- Coordinate City's sesquicentennial celebration
- Add 23.7 fee/cost offset positions
- Set aside \$17 million in General Fund to address critical capital improvement needs

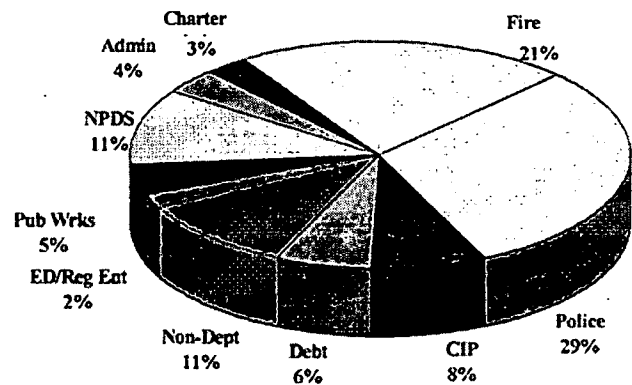
### Pursue a strategic legislative agenda

- A proposed plan will be developed and presented to Council in Fall

### Continue the legacy of community involvement

- Continue searching for opportunities that bring the City closer to the community it serves

## General Fund Expenditures by Department: \$242 million



## GENERAL FUND FORECAST ... (in 000's)

	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Beginning Available Fund Balance	\$ 14,455	\$ 2,781	\$ 3,016	\$ 6,660	\$ 1,028	\$ 10,707	\$ 3,615
Total Revenues	\$ 220,181	\$ 228,374	\$ 235,226	\$ 242,283	\$ 249,552	\$ 257,038	\$ 264,749
	1.6%	3.7%	3.0%	3.0%	3.0%	3.0%	3.0%
Total Expenditures	\$ 220,070	\$ 241,430	\$ 234,782	\$ 248,961	\$ 256,949	\$ 265,240	\$ 274,342
	0.0%	9.7%	-2.8%	6.0%	3.2%	3.2%	3.4%
Total Other Sources (Uses)	\$ 1,215	\$ 291	\$ 3,200	\$ 1,046	\$ 1,077	\$ 1,109	\$ 500
Current Year Surplus (Deficit)	\$ 1,326	\$ (12,765)	\$ 3,644	\$ (5,632)	\$ (6,321)	\$ (7,092)	\$ (9,093)
Additions/Use Reserve-Midyear	\$ (13,000)	\$ 13,000	\$ -	\$ -	\$ 16,000	\$ -	\$ -
Ending Available Fund Balance	\$ 2,781	\$ 3,016	\$ 6,660	\$ 1,028	\$ 10,707	\$ 3,615	\$ (5,478)

This chart includes the following assumptions:

- Revenue growth rate of 3% per year.
- Labor growth rate of 4% per year.
- Grant funding for 101 police officers expires beginning FY2001-02 and will cost \$7 million per year to retain these positions. During this time, expenditures start exceeding revenues on an annual basis.

- Repayment of \$16 million for General Fund CIP projects will occur in FY2002-03.
- Starting in FY2000-01, set aside \$4-5 million per year for capital, a portion of which could be used for debt service to fund \$20-40 million for capital improvements.

## UTILITY RATE INCREASES ...

In order to meet the needs of our utility customers, comply with mandated programs, and account for capital improvement and operational costs, the Utilities and Public Works Departments are proposing increases to the City's water, sewer, garbage, street sweeping, and lawn and garden refuse rates. The total average household bill will have a proposed \$2 monthly increase (or 3.9%). Please note that individual monthly bill increases may vary depending on services utilized.

# 1999-2000 PROPOSED BUDGET *IN BRIEF...*

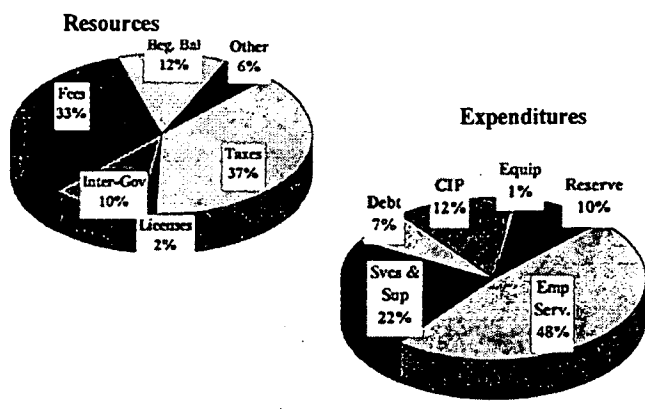


... celebrating 150 years ...

## THE CITY'S OPERATING BUDGET

The City's total budget has increased by \$33 million (8%) primarily due to an increase in unanticipated tax revenues and lower retirement contributions.

### Total City Budget: \$476 million



A total of 4,119 full-time equivalent (FTE) staff, an increase of 70 FTEs (2%).

### DEFINITIONS ...

The **General Fund**, a proposed total of \$242 million (an increase of \$22 million or 9%) and 3,139 FTEs (up 53 positions or 2%), is the City's principal operating account. It is supported primarily by taxes and fees and generally has no restrictions on its use. The General Fund supports the Charter Offices and the following Departments: Administrative Services; Police; Fire; Public Works; Neighborhoods, Planning & Development Services; and Economic Development & Regional Enterprises.

**Enterprise Funds**, a proposed total of \$188 million and 980 FTEs, are used to account for self-supporting activities which provide services on a user-charge basis. The City has eight (8) enterprise funds including water, sewer, drainage, solid waste, parking, community center, golf and marina.

**Special Revenue Funds**, a proposed total of \$46 million, are used to account for activities paid for by taxes or other designated revenue sources that have specific limitations on use according to law. The City has over twenty-two (22) special revenue funds.

### WHERE THE GENERAL FUND \$ COMES FROM ...

**Taxes:** This includes property, sales, utility users, business operations, property transfer and transient occupancy taxes collected to fund City general operating programs. (\$167 million)

**Inter-Governmental:** This is comprised of disbursements from other agencies such as State Motor Vehicle in Lieu Tax, State Homeowners' Property Tax Relief and revenue reimbursement for services provided to other agencies. (\$26 million)

**Licenses/Permits:** This includes revenues collected for construction, maintenance and/or operation of designated equipment, businesses, buildings, private property and animals. (\$9 million)

**Fees:** This is comprised of fees charged to the users of services provided by the City. Such fees cannot exceed the cost of providing the service. (\$18 million)

**Other:** This includes interest earned on City investments or County held funds; fines, forfeitures and penalties; gifts; donations; and transfers from other reserves. (\$22 million)

### General Fund Resources:

\$242 million

