

2.6-2

DEPARTMENT OF  
FINANCE

CITY OF SACRAMENTO  
CALIFORNIA

CITY HALL  
ROOM 14  
915 I STREET  
SACRAMENTO, CA  
95814-2696

BUDGET DIVISION

June 11, 1989

916-449-5845

Budget and Finance Committee  
Sacramento, California

Honorable Members in Session:

SUBJECT: Report Back on General Fund Payment for City Utilities

SUMMARY

This report responses to the Budget & Finance Committee's request for information relative to General Fund payments to the City's utility services.

BACKGROUND

During the discussion of the in-lieu franchise fee proposed in the 1989-90 Operating Budget, the Committee requested a report back detailing the General Fund payments for water, sewer, solid waste, and flood control services. The General Fund supports operations such as fire houses, libraries, neighborhood community centers, parks, and most administrative offices.

FINANCIAL

An inventory of all services used by various City offices is being assembled. Given the time constraints, a indepth analysis can not be provided for the budget hearings. However, preliminary results from the intial review indicate the following:

1. The General Fund paid approximately \$260,000 for City utility services in fiscal year 1987-88.
2. On balance, General Funded operations pay for water, sewer, and flood control services, but do not pay for garbage service, although several exceptions exist.
3. Although the inventory is not complete, Public Works estimates that the value of the solid waste service to City Hall, Libraries, Fire Stations, and Police facilities totals \$68,000. Landfill

disposal services for Parks and Tree Services vegetation is also provided with a value of approximately \$45,000. Additionally, the cost of the centralized hauling and disposal of solid waste material generated from park sites may be provide at no cost by the enterprise funds (\$170,000).

POLICY ISSUES

The report raises the issue of the mechanism of payment for City utility services.

RECOMMENDATION

This report is for information only.

Respectfully submitted,



MICHAEL D. MCGRANE  
Sr. Management Analyst

Approved for Information:



JACK R. CRIST  
Deputy City Manager

Contact Person:  
Michael D. McGrane  
Sr. Management Analyst  
Finance Department 449-5845

All Districts  
June 19, 1989