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DEPARTMENT OF
GENERAL SERVICES

OFFICE OF THE DIRECTOR

CITY OF SACRAMENTO
CALIFORNIA

5730 - 24TH STREET
BUILDING FOUR
SACRAMENTO, CA
95822-3699

916-449-5548

February 15, 1990

DIVISIONS:

COMMUNICATIONS
FACILITY MANAGEMENT
FLEET MANAGEMENT
PROCUREMENT SERVICES

Budget and Finance Committee
Transportation and Community Development Committee
Sacramento, California

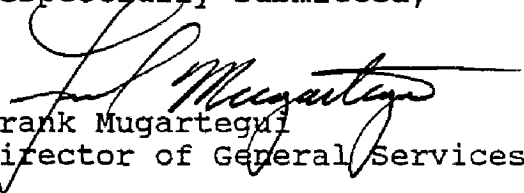
Honorable Members in Session

SUBJECT: **IMPACT OF SMUD RATE INCREASES**

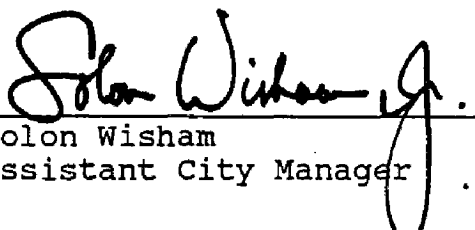
SUMMARY

The attached report is being submitted to the Budget and Finance Committee and Transportation and Community Development Committee for information only. It is scheduled to be provided to the City Council at the February 27, 1990 meeting.

Respectfully submitted,


Frank Mugartegui
Director of General Services

FOR COMMITTEE INFORMATION:


Solon Wisham
Assistant City Manager

February 20, 1990
All Districts

ADM9.237



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City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: IMPACT OF SMUD RATE INCREASES

SUMMARY

This is an informational report providing the City Council with an overview of the January 1, 1990 SMUD electricity rate increases on the City's annual Operating Budget.

BACKGROUND

The City of Sacramento has 908 SMUD accounts with various rate structures, demand level accounts, etc. In order to come up with a reasonable estimate of the annual cost increase for electrical use, staff worked with SMUD representatives. Exhibit I provides a functional overview of the impact of the rate increase on the City's Operating Budget.

FINANCIAL DATA

The annualized increased cost for the City is estimated to be \$835,911, or 12.3% overall. Its impact on the General Fund (101) will be approximately \$314,000. At its mid-year review, the Budget Office will advise Council of the amount of augmentation required for the current FY 89-90 Operating Budget.

POLICY CONSIDERATIONS

This is an operational cost of doing business that has limited policy options other than reinforcing the City's Energy Conservation Program of investing in conservation measures to mitigate energy consumption.

City Council
February 15, 1990
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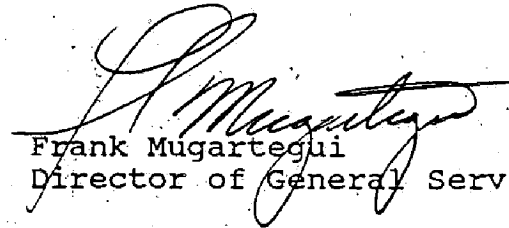
M/WBE EFFORTS

Since SMUD is the City's only source for purchase of electricity, M/WBE effort is not possible in this area.

RECOMMENDATION

This is an informational report requiring no City Council action.

Respectfully submitted,


Frank Mugartegui
Director of General Services

FOR COUNCIL INFORMATION:

Walter J. Slipe
City Manager

Enclosure (1)

February 27, 1990
All Districts

ADM9.236

EXHIBIT I

CITY OF SACRAMENTO
 SCHEDULE OF FUNCTIONAL
 1/1/90 SMUD RATE INCREASE IMPACT

Fund	Function	Annual Costs		Increases	
		Prior	New	Cost	%
101	Animal Control	\$ 6,432	\$ 7,390	\$ 958	15.9
419	Community Center	333,811	407,249	73,438	21.9
101	Data Management	64,403	78,829	14,426	22.4
101	Fire Department	108,266	113,030	4,764	4.4
101	Libraries	60,466	62,401	1,935	3.2
101	Office Buildings/ Corp Yards	265,801	317,366	51,565	19.4
412	Parking Lots	287,391	337,110	49,719	17.3
101	Parks/Community Services	669,499	717,033	47,534	7.1
101	Police Department	163,833	191,685	27,852	17.0
415	Solid Waste	24,216	26,105	1,889	7.8
101	Street Lighting	1,041,594	1,196,000	154,406	14.8
101	Traffic Signals	357,108	367,821	10,713	3.0
414/25	Sewer/Drainage	1,424,623	1,578,480	153,857	10.8
413	Water	2,023,790	2,266,645	242,855	12.0
	TOTALS	<u>\$6,831,233</u>	<u>\$7,667,144</u>	<u>\$835,911</u>	<u>12.3%</u>

2/9/90