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DEPARTMENT OF  
FINANCE

CITY OF SACRAMENTO  
CALIFORNIA

CITY HALL  
ROOM 14  
915 I STREET  
SACRAMENTO, CA  
95814-2685

December 14, 1988  
FA:88195:BM:KMF

916-449-5736

Budget and Finance  
Sacramento, California

BETTY MASUOKA  
DIRECTOR OF  
FINANCE

Honorable Members in Session:

**SUBJECT:** Appropriation of Interest to SHRA from the RAC's  
Account and Debt Service Reserve with Fiscal Agent

**SUMMARY**

The attached report is submitted to you for review and recommendation prior to consideration by the City Council.

**RECOMMENDATION**

It is recommended that the City Council adopt the following two resolutions. The first is a City resolution which authorizes the appropriation of \$65,053 to SHRA on a one-time basis and that hereafter on an annual basis beginning with FY 1988-89, the interest accruing to the RACS account and the Debt Service reserve held by the fiscal agent also be appropriated to SHRA. The annual interest for FY 1988-89 is estimated to be \$803,000. The actual appropriation to SHRA will be adjusted to equal actual interest earnings from the referenced accounts. The second is a Redevelopment Agency resolution appropriating \$27,000 for an interior planning and design contract for the Central Library with the firm of Kaplan, McLaughlin, Diaz.

Respectfully submitted,

BETTY MASUOKA  
Director of Finance

Attachment

RECOMMENDATION APPROVED:

  
JACK R. CRIST  
Deputy City Manager

All Districts  
January 3, 1988



DEPARTMENT OF  
FINANCE

CITY OF SACRAMENTO  
CALIFORNIA

December 5, 1988  
FA:88195:BM:KMF

CITY HALL  
ROOM 14  
915 I STREET  
SACRAMENTO, CA  
95814-2685

916-449-5736

BETTY MASUOKA  
DIRECTOR OF  
FINANCE

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT:** Appropriation of Interest to SHRA from the RAC's  
Account and Debt Service Reserve with Fiscal Agent

**SUMMARY**

This report recommends that the interest income accruing to the RACS account in the General Fund and the Debt Service reserve held by the Fiscal Agent in the LRT COP Retirement Fund (541) be annually appropriated to the Sacramento Housing and Redevelopment Agency for their use.

**BACKGROUND**

In 1985 the City Council approved a financing plan for Light Rail. As part of this plan, a number of accounts were established including the RACS Account in the General Fund and the Debt Service Reserve in the LRT COP Retirement Fund.

The RACS account was funded with the payments received from SHRA during the capitalized interest period of the Light Rail project and proceeds from various Safe Harbor Lease transactions. The Council adopted policy stated that this account could be used to: provide one year's debt service reserve as a protection to the City, provide a safety net to the Light Rail project during the construction period, provide the required Safe Harbor indemnification reserve, reimburse the City for costs incurred in connection with the project, defease COP certificates, or reimburse SHRA for their debt service contributions to the project.

As of June 30, 1988, the balance in the General Fund RACS account was \$6,268,950. Since the construction project is complete and the one year debt service and indemnification reserves have been fully funded the distribution of the remaining or "excess" amount in the RACS account needs to be clarified. After deducting one year's debt service and the Safe Harbor indemnification reserve there is a remaining balance of \$66,053. It is recommended that

this "excess" amount be appropriated to SHRA. It is further recommended that each fiscal year the Council appropriate to SHRA the interest that shall continue to accrue to the RACS account. On an annual basis it is estimated by the Treasurer that these interest earnings will be about \$501,000.

Another account which was established as part of the financing was the Debt Service Reserve which is held by the fiscal agent. This amount is equivalent to one year's maximum annual debt service. The interest on this amount will be returned to the City each year on December 2nd. On December 2, 1988, and annually thereafter until the COP is paid off an estimated \$300,000 will be returned to the City. It is recommended that the interest earnings from this reserve be annually appropriated to SHRA. The Agency has indicated that on an on-going basis they will use these funds for their housing modernization and development program. On a one time basis, however, the Agency shall appropriate \$27,000 for the Central Library Interior Planning and Design Contract with the firm of Kaplan, McLaughlin, Diaz.

**FINANCIAL**

The following table summarizes the status of the RACS account in the General Fund as of June 30, 1988. Based on these numbers the amount recommended to be appropriated to SHRA on a one-time basis is \$65,053.

**RACS ACCOUNT  
INCEPTION TO JUNE 30, 1988**

SHRA Payments	\$7,250,000
Safe Harbor Proceeds	2,234,620
Interest Earnings	1,082,066
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	10,566,686
	-----
RT Drawdowns	(4,297,736)
Debt Service Reserve	(2,933,706)
Safe Harbor Indemnification	(3,270,191)
	-----
"Excess" Balance	\$65,053
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For fiscal year 1988-89, the interest earnings recommended for appropriation to SHRA are summarized below. In future years this appropriation will be built into the Manager's Proposed budget to be approved by Council.

1988-89 INTEREST APPROPRIATION

RACS Account	\$501,000
Reserve Fund Held by Fiscal Agent	302,000
	-----
	\$803,000
	=====

RECOMMENDATION

It is recommended that the City Council adopt the following two resolutions. The first is a City resolution which authorizes the appropriation of \$65,053 to SHRA on a one-time basis and that hereafter on an annual basis beginning with FY 1988-89, the interest accruing to the RACS account and the Debt Service reserve held by the fiscal agent also be appropriated to SHRA. The annual interest for FY 1988-89 is estimated to be \$803,000. The actual appropriation to SHRA will be adjusted to equal actual interest earnings from the referenced accounts.

The second is a Redevelopment Agency resolution appropriating \$27,000 for an interior planning and design contract for the Central Library with the firm of Kaplan, McLaughlin, Diaz.

This report has been prepared in cooperation with the City Treasurer, the City/County Librarian and the Redevelopment Agency.

Respectfully submitted,

BETTY MASUOKA  
Director of Finance

RECOMMENDATION APPROVED:

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WALTER J. SLIPE  
City Manager

All Districts  
January 10, 1988

# RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

RESOLUTION APPROPRIATING \$65,053, PLUS THE INTEREST EARNED ON THE RACS ACCOUNT AND THE DEBT SERVICE RESERVE HELD BY THE FISCAL AGENT DURING FY 1988-89 TO THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

WHEREBY, the City Council has previously approved the use of the interest earning from the RACS Account in the General Fund for reimbursement to SHRA for their debt service contributions to the Light Rail Construction Project;

THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:

1. \$65,053 is appropriated from the RACS Account to SHRA as a one time payment, and
2. The interest earned by the RACS Account during FY 1988-89 is hereby appropriated to SHRA. For 1988-89 this amount is estimated to be \$501,000 and is to be paid quarterly as earned, and
3. The interest earned in FY 1988-89 on the Debt Service Reserve held by the Fiscal Agent shall be recognized in the Revenue Budget Fund 541 and is hereby appropriated to SHRA. For FY 1988-89 this amount is estimated to be \$302,000. Interest earned on cash held by the City in Fund 541 shall continue to be transferred to the General Fund, and
4. Annually hereafter the City Manager shall address future interest appropriations in the Proposed Budget.

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MAYOR

ATTEST:

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CLERK

# RESOLUTION NO.

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF

## CONTRACT FOR INTERIOR DESIGN SERVICES FOR THE CENTRAL LIBRARY PROJECT

Whereas, the Agency requires the services of a design consultant to prepare plans for furnishings, fixtures and equipment for the interior of the Central Library as developed under the Central Library Expansion Project; and

Whereas, Kaplan McLaughlin and Diaz is obligated to provide architectural services for the Central Library Expansion Project and is most able to provide interior plans by virtue of its knowledge and experience with said Project; and

Whereas, the Agency desires to enter into a contract with Kaplan, McLaughlin and Diaz for preparation of such interior plans.

NOW, THEREFORE, BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO:

Section 1: The Executive Director is authorized to enter into an agreement, as approved by Agency Counsel, with the architectural firm of Kaplan, McLaughlin and Diaz for the preparation of plans for the interior of the expanded Central Library. The maximum compensation payable to said firm shall not exceed \$27,000.

Section 2: The Agency will employ interest earnings from the City's RACS account in its General Fund, to be reimbursed to the Agency to implement this contract.

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CHAIR

ATTEST:

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SECRETARY