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CITY OF SACRAMENTO

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# CITY OF SACRAMENTO

## DEPARTMENT OF FINANCE

August 1, 1985  
FA: 85367:BM:KMF

ADMINISTRATION  
BUDGET DIVISION  
REVENUE DIVISION  
ACCOUNTING DIVISION

JACK R. CRIST  
Director of Finance

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT:** Loan Agreement with the Sacramento Local Conservation Corps

### SUMMARY

This report recommends that the City Council approve the attached request (see Exhibit A) from the Sacramento Local Conservation Corps (SLCC) to approve a new loan of \$15,000 and to extend the repayment date of their current loan from June 30, 1985 to June 30, 1986.

### BACKGROUND

Attached is a letter and proposal justification from the SLCC which provides the basis and background of their request.

### FINANCIAL

Funding for the requested loan would be provided by the General Fund Administrative Contingency.

### RECOMMENDATION

It is recommended that the Council adopt the attached resolution authorizing the City Manager to execute a new loan agreement with the SLCC

APPROVED  
BY THE CITY COUNCIL

AUG 20 1985

OFFICE OF THE  
CITY CLERK

AC 85028

for \$15,000 and to amend the current loan agreement to extend the repayment date from June 30, 1985 to June 30, 1986. The new loan agreement and existing loan amendment are attached as Exhibit B.

Respectfully submitted,

*Betty Masuoka*

BETTY MASUOKA  
Budget Officer

RECOMMENDATION APPROVED:

*Walter J. Slipe Jr.*

For:

WALTER J. SLIPE  
City Manager

Attachment

All Districts  
August 20, 1985

**RESOLUTION NO. 85-618**

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

**RESOLUTION AUTHORIZING LOAN AGREEMENT WITH  
THE SACRAMENTO LOCAL CONSERVATION CORPS**

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF SACRAMENTO THAT:

1. The City Manager is hereby authorized and directed to execute a loan agreement with the Sacramento Local Conservatrion Corps for \$15,000, and
2. Renegotiate the existing loan with the Sacramento Local Conservation Corps to extend the repayment date to June 30, 1986.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

**APPROVED**  
BY THE CITY COUNCIL

AUG 20 1985

OFFICE OF THE  
CITY CLERK



## Sacramento Local Conservation Corps

Cosumnes River College  
3401 Center Parkway  
Sacramento, CA 95823  
(916) 423-3139

June 20, 1985

Honorable Anne Rudin, Mayor  
City Hall  
915 I Street, Room 205  
Sacramento, CA 95814

Dear Mayor Rudin:

The Sacramento Local Conservation Corps respectfully requests an extension of the current \$15,000 no-interest loan from the City. The new terms of said loan would be: (a) no interest, and (b) repayment due upon the completion of the 1985-1986 fiscal year audit by the California Conservation Corps. The Sacramento Local Conservation Corps further requests an additional loan of \$15,000 under the same terms.

Since January 1, 1985, the Sacramento Local Conservation Corps has operated as a provider of public service conservation work in the greater Sacramento area. In addition to performing valuable conservation work for the City of Sacramento, the Sacramento Local Conservation Corps operates as a nonprofit corporation for the purpose of target-employing low income, minority youth, and high school dropouts, aged 18-23 years of age. This population is seen by youth and justice experts as having a high potential for criminal behavior, resignation to the welfare system, or a lifetime of periodic employment at the lowest wage levels.

The SLCC will direct its activities toward the end of taking youth off the streets in a structured program to provide said youth with basic job responsibility and discipline. The SLCC as such becomes a preventive program in the reduction of crime.

We are a jobs training, education and work program. Corpsmembers will perform hard, physical labor for a minimum of 32 hours a week at minimum wage. They will perform what is referred to as Public Service Conservation Work, which consists of stream clearance, tree planting, public park development, landscaping, trail construction, historical restoration, etc. We may also respond to natural disasters such as floods and wildland fires. Corpsmembers who survive our program of "hard work, low pay, and miserable conditions" will

Rudin Letter  
Page two

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have the work ethic inculcated within them. They will further be required to attend a fifth day of educational programming in the areas of G.E.D. Preparation, Literacy Coursework, Career Development (i.e. resume writing, portfolio organization), and Conservation Awareness.

In addition to that support already provided the SLCC by the City and County of Sacramento, many corporations such as Chevron USA, Bank of America, Pacific Bell, and Wismer and Becker Contracting Engineers have already contributed significant support to our organization.

The Sacramento Local Conservation Corps appreciates the concern and support already in evidence by the business community, by the City Council, and many officials in County government. We hope that the City's continued support will be reified by the SLCC's activities as a provider of services that will have wide-spread community impact. If you desire any further information, please feel free to contact us.

Sincerely,



Gary Van Dorst  
Operations Manager



Ronald M. Espinoza  
Executive Director



# Sacramento Local Conservation Corps

## PROPOSAL JUSTIFICATION

You will note from the attached projected Budget for fiscal year 1985-1986, that the Sacramento Local Conservation Corps will need to raise approximately \$157,000 based on the premise that the State will continue to fund us at our present level. It should additionally be stated that the attached budget contains no figure to cover contingencies (i.e. no emergency monies) and no cash reserve, for the purpose of covering our operations expenses for one month. It could easily be argued that the maintenance of such a reserve is a sound business practice. It should also be understood that the SLCC bills the State in arrears and that the State retains or withholds 10% of all monies invoiced to the State on a bimonthly basis, a fact which progressively exacerbates our cash flow problem.

The Sacramento Local Conservation Corps projects approximately \$75,000 to \$145,000 in project reimbursement for this next year. However, this will still leave a shortfall of \$40,000 to \$105,000. The SLCC continues to investigate other means of raising monies (e.g. foundation grants, direct mail contributions, etc.). However, none of these means of raising funds is assured and none of these means of raising funds will offset the possible shortfall for July 1986.

It is more than likely that the SLCC will find itself without funding for a period of time at the beginning of this next fiscal year. Assuming that those budget items assuring us of continued State funding at our present level pass by July 1, there could still be a delay in said funds being available to us right away. This would certainly necessitate the need to have one month's worth of operating expenses in order to avert a possible shut-down and lay off of personnel. Although passage of the above-mentioned budget items would be retroactive to July 1, such an interruption of our services would be costly and deleterious to the overall program.

The Sacramento Local Conservation Corps does not request a loan of \$15,000 from the City of Sacramento without having earned such a request. Since our inception on January 1, 1985, the Sacramento Local Conservation Corps has performed 5611 hours of non-reimbursed project work for the City of Sacramento, as of June 1, 1985. Since our start-up necessarily involved some delay, with respect to placing a full complement of personnel in the field, it is fair to project an increase in the number of non-reimbursed hours provided the City over the course of a year. Indeed, 5611 hours at the normal reimbursement rate of \$6.51 per manhour comes to a total of \$36,527.61 worth of free labor provided the City. This labor multiplied by

two plus an adjustment for our start-up would more than reimburse the City for the amount of our loan request. It should additionally be emphasized that the City is reimbursed far more than the possible savings or dollar amount of conservation work provided it. The SLCC provides many intangible but valuable services to the City inasmuch as we are a program of youth employment training.

Further, the SLCC has performed a total of 1,378 non-reimbursed man-hours within the confines of the City of Sacramento, as of June 1, 1985. These project services have been performed for Los Rios Community College District, the Sacramento Safety Center, and such nonprofit organizations as the Sacramento Tree Foundation, Stanford Settlement House, and the Sacramento Science Center and Junior Museum. All total, this labor would be worth \$8,970.78 at the normal reimbursement rate of \$6.51 per manhour.

The Sacramento Local Conservation Corps has determined that there is at least several years worth of valuable conservation work to be performed in the greater Sacramento area; all of this work would additionally satisfy the criteria set forth by the Public Resources Code of the State of California. The SLCC has also determined, based on figures provided by the U.S. Census Bureau and the Employment Development Department, that there are 1500 plus youth, aged 18-23 just in the major targeted areas of recruitment, accessible to us at any given time.

We believe that we will be unable to carry out our objectives as a significant provider of youth training and employment services in conjunction with public service conservation work without the aforementioned loan request. Such a request is necessary for overcoming our cash flow problem, and possible lack of funding at the beginning of this upcoming fiscal year.

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Sacramento Local Conservation Corps

FY 1985-86  
BUDGET-SUMMARY

EXPENDITURES

I. Salaries

A.	Administrative Staff	143,604.00
B.	Supervisory Staff	59,700.00
C.	Corpsmember Stipends	270,800.00
	Total	474,104.00

II. Benefits

A.	Administrative Staff	18,960.94
B.	Supervisory Staff	15,516.25
C.	Corpsmembers	91,050.09
	Total	125,527.28

III. Operating Expenses

A.	Administrative Overhead	51,100.00
B.	Operating Equipment	10,300.00
C.	Transportation	55,500.00
	Total	116,900.00

IV. Academic Expenses

		12,000.00
	Total	12,000.00

		728,531.28
	Total Expenses	728,531.28

REVENUES

I.	<u>State Grant (CCC)</u>	571,740.80
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II.	<u>Project Reimbursement</u>	145,000.00
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III.	<u>Other Grants</u>	10,890.48
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IV.	<u>Interest Income</u>	900.00
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		728,531.28
	Total Revenue	728,531.28

6/18/85



PROJECT BUDGET

SALARIES

A. Administrative Staff	
1. Executive Director \$3000/month x 12 months	\$36000
2. Operations Manager \$2275/month x 12 months	\$27300
3. Field Work Coordinator \$2200/month x 12 months	\$26400
4. Education/Training Coordinator \$1850/month x 12 months	\$22200
5. Administrative Assistant \$1150/month x 12 months	\$13800
6. Business Services Officer (Contract Employee) \$1492/month x 12 months	\$17904
TOTAL PART A	<u>\$143604</u>
B. Supervisory Staff	
1. Field Supervisor (1) \$1075/month x 12 months	12900
2. Field Supervisor (3) \$900/month x 12 months	32400
3. Landscape Supervisor \$1200/mo x 12 mos	14400
TOTAL PART B	<u>59700</u>
C. Corpsmembers at \$3.35 an hour x 200 work days x 50 corpsmembers	\$268000
Crew Leaders at 15% increase x 100 work days x 5 Crew Leaders	2000
Specialist at 15% increase x 200 work days	<u>800</u>
TOTAL PART C	<u>270800</u>
TOTAL SALARIES	<u>474104</u>

6/10/85

PROJECT BUDGET

SALARIES

A. Administrative Staff

1. Executive Director		
\$3000/month x 12 months		\$36000
2. Operations Manager		
\$2275/month x 12 months		\$27300
3. Field Work Coordinator		
\$2200/month x 12 months		\$26400
4. Education/Training Coordinator		
\$1850/month x 12 months		\$22200
5. Administrative Assistant		
\$1150/month x 12 months		\$13800
6. Business Services Officer (Contract Employee)		
\$1492/month x 12 months		<u>\$17904</u>

TOTAL PART A \$143604

B. Supervisory Staff

1. Field Supervisor (1)		12900
\$1075/month x 12 months		
2. Field Supervisor (3)		32400
\$900/month x 12 months		
3. Landscape Supervisor \$1200/mo x 12 mos		<u>14400</u>

TOTAL PART B 59700

C. Corpsmembers at \$3.35 an hour x 200 work days		
x 50 corpsmembers		\$268000
Crew Leaders at 15% increase x 100 work days		2000
x 5 Crew Leaders		

    Specialist at 15% increase x 200 work days 800

TOTAL PART C 270800

TOTAL SALARIES 474104

6/10/85

II. BENEFITS

A.	FICA at 7.05%	
	1. Administrative Staff	\$ 8861.85
	2. Supervisory Staff	4208.85
	3. Corpsmembers	19029.71
B.	Life Insurance (.35 per \$1000)	
	1. Administrative Staff	\$ 87.50
	2. Supervisory Staff	\$ 87.50
	3. Corpsmembers	\$ 875.00
C.	State Unemployment Insurance at 3.5%	
	1. Administrative Staff	\$ 4399.50
	2. Supervisory Staff	2089.50
	3. Corpsmembers	9447.38
D.	Federal Unemployment Insurance	
	1. Administrative Staff \$56 x 5 x 2	\$ 560.00
	2. Supervisory Staff \$56 x 5 x 2	\$ 560.00
	3. Corpsmembers	2160.00
E.	Health Insurance at \$63.24 per person	
	1. Administrative Staff	\$ 3794.40
	2. Supervisory Staff	\$ 3794.40
	3. Corpsmembers	\$37944.00
F.	Workers' Compensation	
	1. Administrative Staff at 1.49%	\$ 1184.55
	2. Clerical Staff at .53%	\$ 73.14
	3. Supervisory Staff at 8.0%	4776.00
	4. Corpsmembers at 8.0%	21594.00
	<u>SUBTOTALS</u>	
	1. Administrative and Clerical Staff	\$ 18960.94
	2. Supervisory Staff	15516.25
	3. Corpsmembers	91050.09
	TOTAL BENEFITS	<u>125527.28</u>

### III. OPERATING EXPENSES

#### A. Administrative Overhead

1. Insurance	
a. Liability	\$ 3500
b. Errors and Omissions	\$ 2500
2. Legal	\$ 7500
3. Accounting, Bookkeeping, Payroll	\$ 5500
5. Taxes, Licenses	\$ 250
6. Duplication	\$ 4200
7. Office Machines, Equipment, Servicing	\$ 1000
8. Stationary and Supplies	\$ 3600
9. Telephone	\$ 5700
10. Postage/Delivery	\$ 750
11. Rent/Cosumnes River College	\$12000
12. Recruitment/Publicity	\$ 1400
13. Annual Audit and Tax Returns	\$ 2000
14. Per diem	<u>1200</u>

#### TOTAL ADMINISTRATIVE OVERHEAD

51100

#### B. Operating Equipment

1. Equipment purchase: Over \$500	\$ 1500
2. Equipment purchase: Under \$500	\$ 1000
3. Equipment rental	\$ 800
4. Tools (new purchases)	\$ 6000
5. Repairs & Maintenance & Replacement Tools/Equipment	<u>\$ 1000</u>

#### TOTAL OPERATING EQUIPMENT

\$10300

#### C. Transportation

1. Vehicles (includes repair & maintenance)	
a. 5 vans	\$32000
b. Owned vehicles	\$ 2000
2. Vehicle Insurance	\$13000
3. Gasoline and Oil	<u>\$ 8500</u>

#### TOTAL TRANSPORTATION

\$55500

### IV. ACADEMIC EXPENSES

A. Contractural instruction, books, journals, and all other related academic expenses	\$12000
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#### TOTAL ACADEMIC EXPENSES

\$12000

#### TOTAL PROPOSED BUDGET FOR PROJECT

728,531.28

III. OPERATING EXPENSES

A. Administrative Overhead	
1. Insurance	
a. Liability	\$ 3500
b. Errors and Omissions	\$ 2500
2. Legal	\$ 7500
3. Accounting, Bookkeeping, Payroll	\$ 5500
5. Taxes, Licenses	\$ 250
6. Duplication	\$ 4200
7. Office Machines, Equipment, Servicing	\$ 1000
8. Stationary and Supplies	\$ 3600
9. Telephone	\$ 5700
10. Postage/Delivery	\$ 750
11. Rent/Cosumnes River College	\$12000
12. Recruitment/Publicity	\$ 1400
13. Annual Audit and Tax Returns	\$ 2000
14. Per diem	1200

TOTAL ADMINISTRATIVE OVERHEAD 51100

B. Operating Equipment	
1. Equipment purchase: Over \$500	\$ 1500
2. Equipment purchase: Under \$500	\$ 1000
3. Equipment rental	\$ 800
4. Tools (new purchases)	\$ 6000
5. Repairs & Maintenance & Replacement Tools/Equipment	\$ 1000

TOTAL OPERATING EQUIPMENT \$10300

C. Transportation	
1. Vehicles (includes repair & maintenance)	
a. 5 vans	\$32000
b. Owned vehicles	\$ 2000
2. Vehicle Insurance	\$13000
3. Gasoline and Oil	\$ 8500

TOTAL TRANSPORTATION \$55500

IV. ACADEMIC EXPENSES

A. Contractural instruction, books, journals, and all other related academic expenses	\$12000
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TOTAL ACADEMIC EXPENSES \$12000

TOTAL PROPOSED BUDGET FOR PROJECT 728,531.28

August 28, 1985

Sacramento Local Conservation Corps  
8401 Center Parkway  
Sacramento, CA 95823

Dear Gentlemen:

On August 20, 1985, the Sacramento City Council adopted Resolution No. 85-618 authorizing the execution of Agreement No. 85028 for a \$15,000 loan and renegotiation of the existing \$15,000 loan.

Enclosed are four (4) copies of said agreement executed by the City as authorized by the attached certified resolution.

Upon final execution, please return three (3) copies of said agreement to the Office of the City Clerk for the City's distribution.

Sincerely,

LORRAINE MAGANA, CITY CLERK

Janice Beaman  
Deputy City Clerk

JB/dah/7  
Enclosures

cc: Finance Department



# CITY OF SACRAMENTO

## OFFICE OF THE CITY CLERK

915 I STREET  
CITY HALL ROOM 203

SACRAMENTO, CALIFORNIA 95814  
TELEPHONE (916) 449-5426

LORRAINE MAGANA  
CITY CLERK

February 20, 1986

Sacramento Local Conservation Corps  
Consumnes River College  
3401 Center Parkway  
Sacramento, CA 95823

Attention: Gary Van Dorst

Dear Mr. Van Dorst:

On August 20, 1985, the Sacramento City Council adopted a resolution authorizing a loan agreement with your agency, and renegotiating an existing loan, extending the repayment date to June 30, 1986.

Enclosed, for your records, is one fully certified copy of said agreement and authorizing resolution.

Sincerely,

Lorraine Magana  
City Clerk

Janice Beaman  
Deputy City Clerk

JB/dek 7  
Enclosure

cc: Finance  
Risk Management