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DEPARTMENT OF
FINANCE

BUDGET DIVISION

CITY OF SACRAMENTO
CALIFORNIA

April 5, 1988

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

916-449-5845

Budget and Finance Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: CAPITAL PROGRAM BUDGET ADJUSTMENTS REFLECTING THE
1987-88 DEBT ISSUE

SUMMARY

A number of capital program budget adjustments are recommended to properly reflect the intent of the 1987-88 debt issue. There are three principal reasons for these adjustments: (1) a debt funded project has yet to be budgeted at all; (2) the project cost estimate changed between the time it was budgeted and the time it was financed; or (3) the project was initially budgeted in the General Fund and needs to be moved to the General Fund Debt Fund. In some instances more than one of the listed conditions exists. In all cases the appropriations being established are supported by the proceeds of the 1987-88 Debt Issue.

BACKGROUND

The 1987-88 Debt Issue included the following capital projects with debt financing as indicated:

Public Safety System II	\$1,962,485
Solid Waste 90 Gallon Containers	3,618,900
Utility Customer Info System (UCIS)	976,100
GEO Information System	120,000
Building Permit Management System	80,000
Police Substation I	4,967,600
Community Center Expansion Phase I	12,398,423
Towe Ford Museum Acquisition	1,775,300

Of these projects, the Solid Waste 90 Gallon Containers, the GEO Information System, and the Building Permit Management System have yet to be budgeted and need to have budgets established to permit expenditure of the funds. The Public Safety System II and the Police Substation were originally budgeted in the General Fund and need to be transferred to the General Fund Debt Fund for proper accounting. There has

also been an increase to the Police Substation project budget which was included in the debt financing estimates. The UCIS and Community Center Projects are budgeted in the correct funds but each require an increase to the budgeted amount and the allocation of debt proceeds as revenue to the associated funds.

FINANCIAL

The budget adjustments required to properly reflect the 1987-88 COP are discussed here on an individual project basis. This is necessary due to the different circumstances involved with each of the projects.

Public Safety System II (Various): This project was included in the 1987-88 Capital Improvement Budget as a General Fund debt financed project. The project had originally been listed as a General Fund cash project but was designated for debt financing in the adoption of the Approved Budget. The original project budget was \$1,962,485 and included in Fund 101 (General Fund). This project will be defunded in the General Fund and rebudgeted in the Debt Proceeds Fund. The Police and Fire Departments originally created numerous subproject budgets within the General Fund. The debt funded project will be contained in a single budget to better accommodate project management.

Solid Waste 90 Gallon Containers: The 1987-88 Capital Improvement Budget did not include a project for the acquisition of 90 Gallon Containers for the Solid Waste Division of Public Works. The Debt Issue included \$3,618,900 for this purpose. A capital project budget will be created within the Solid Waste Fund for this purpose with debt proceeds as the offsetting revenue source.

Utility Customer Information System (AA26): A capital project budget was added to the 1987-88 Capital Improvement Budget on September 23, 1988 for the purpose of acquiring and implementing a Utility Customer Information System. The approved budget for this project is \$976,100 and includes support from the Water, Sewer, Drainage, and Solid Waste Funds. The debt proceeds will be distributed amongst the same four enterprise funds as offsetting revenue.

GEO Information System: This project has not been previously included in the Capital Improvement Budget for 1987-88. The Debt Financed budget for this automated mapping system for the Planning and Development Department is \$120,000. This project budget will be established in Fund 703, the 1987-88 General Fund Debt Proceeds Fund.

Building Permit Management System: This project was not

previously budgeted and will require the establishment of a new capital project within the 1987-88 General Fund Debt Proceeds Fund. The \$80,800 included in the debt financing for this project will be budgeted for equipment acquisition.

Police Substation #1 (BA41) : This project was included in the 1987-1988 General Fund capital budget with a total budget of \$3,500,000. The project was designated for debt financing in the CIP. Prior to the debt issue an updated estimate of project costs was prepared and on that basis the project was financed for a \$4,967,600 budget. The budget for this project will be defunded in Fund 101 (General Fund) and rebudgeted in Fund 703 (1987-88 Debt) at the higher cost.

Community Center Expansion (PA11): This project was included in the Community Center Fund CIP for 1987-88 with indication of intended debt financing. The adopted budget included \$13,100,000 for this project. The debt issue includes \$12,398,423 for this project after the deduction of funds for the purchase of the Towe Ford Museum. The budget for this project will need to be decreased to reflect the debt financing and the Community Center revenue budget amended to reflect the receipt of debt proceeds.

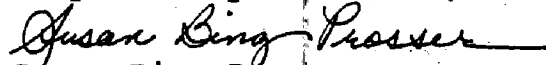
Towe Ford Museum Acquisition: This project has not been previously budgeted. Based on the action of the City Council, \$1,775,300 of the COP proceeds is to be used for the acquisition of the Towe Ford Museum site at 2200 Front Street. This budget will be created within the Community Center Fund with debt proceeds budgeted as offsetting revenue.

In summary, the budget adjustments recommended will implement the intent of the 1987 COP issue.

RECOMMENDATION


It is recommended that the Budget and Finance Committee approve the attached resolution amending the Capital Improvement Budget to properly reflect the 1987 COP debt financing of various capital projects.

Respectfully submitted,



Susan Bing Prosser
Senior Management Analyst

Recommendation approved:


Jack R. Crist
Deputy City Manager

April 26, 1988
All Districts

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

RESOLUTION AMENDING THE CAPITAL IMPROVEMENT AND REVENUE BUDGETS OF VARIOUS FUNDS IN ORDER TO ESTABLISH THE BUDGETS FOR THE PROJECTS INCLUDED IN THE 1987-88 CERTIFICATE OF PARTICIPATION FINANCING

WHEREAS, the City of Sacramento has secured debt financing for specified capital improvement projects, and

WHEREAS, a number of revisions to the current budget are necessary to correctly distribute the proceeds from the debt issue to the various projects and funds involved.

NOW THEREFORE, BE IT RESOLVED THAT, the City Council of the City of Sacramento does hereby amend the capital improvement budget as follows:

1. That the General Fund (101) appropriations to the Public Safety System Phase II are deleted from the following Organizations in the amounts indicated due to lack of offsetting revenue:

Dispatch Trn-Joint	(101-500-EA56-4630)	<\$60,000>
Network Exps-Police	(101-500-EA61-4462)	<78,000>
	(101-500-EA61-4630)	<180,092>
X & Y Geofile-Joint	(101-500-EA66-4462)	<25,000>
Data Entry-Police	(101-500-EA71-4630)	<30,651>
Conversion/3 Police	(101-500-EA76-4802)	<37,100>
Conversion/2 Police	(101-500-EA81-4802)	<96,000>
PSSP Pro Mgt-Joint	(101-500-EA86-4802)	<280,000>
RMS Software-Police	(101-500-EA91-4462)	<125,000>
Conversion/1 Police	(101-500-EA96-4802)	<65,000>
Operational-Joint	(101-500-EB01-4462)	<37,049>
DA Interface-Police	(101-500-EB06-4630)	<7,290>
5th Channel-Police	(101-500-EB16-4630)	<113,600>
Graphic/Map-Joint	(101-500-EB11-4462)	<146,500>
CAD Landline-Fire	(101-500-FA86-4462)	<100,700>
RMS Software-Fire	(101-500-FA91-4462)	<100,000>
Conversion/3-Fire	(101-500-FA96-4802)	<80,000>
Conversion/2-Fire	(101-500-FB01-4802)	<40,000>
Network Exps-Fire	(101-500-FB06-4630)	<280,503>
Conversion/1-Fire	(101-500-FB11-4802)	<80,000>

TOTAL

<\$ 1,962,485>

2. That the Public Safety System Phase II be rebudgeted to a new capital project Fund 703 (1987 COP) based on the deposit of \$1,962,485 in debt proceeds into this Fund for the PSSP II Project:

Consultants (703-500-XXX-4802)	\$	678,100
Computer Supplies (703-500-XXX-4462)		612,249
Equipment (703-500-XXX-4630)		672,136

TOTAL	\$	1,962,485

3. That the revenue budget for the Solid Waste Fund be amended to include \$ 3,618,000 in debt proceeds (415-500-XXX-3770) for the purpose of purchasing 90 gallon refuse containers.

4. That the capital improvement budget be amended to include a new project for the Purchase Of 90 Gallon Refuse Containers to be budgeted as follows from the Solid Waste Fund:

Small Tools (415-500-XXX-4461)	\$3,618,000
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5. That the revenue budgets for the Water, Sewer, Drainage and Solid Waste Funds be amended to reflect the distribution of debt proceeds from the 1987 COP for the Utility Customer Information System as follows:

Water Fund (413-500-AA26-3770)	\$	224,505
Sewer Fund (414-500-AA26-3770)		146,415
Drainage Fund (425-500-AA26-3770)		390,440
Solid Waste Fund (415-500-AA26-3770)		214,740

TOTAL	\$	976,100

6. That the Capital Improvement Budget be amended to establish a new project for the GEO Information System within Fund 703 (1987 COP) based on the receipt of debt proceeds in the amount of \$120,000 for the GEO Information project:

Equipment (703-500-XXX-4630)	\$ 120,000
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7. That the Capital Improvement Budget be amended to establish a new project for the Building Permit Management System within Fund 703 (1987 COP) based on the receipt of debt proceeds in the amount of \$80,000 for this project:

Equipment (703-500-XXX-4630)	\$ 80,000
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8. That the General Fund (101) appropriations in the amount of \$3,500,000 to the Police Substation #1 project be deleted due to a lack of offsetting revenue. The appropriations to be deleted are as follows:

Consultant (101-500-BA41-4802)	< \$ 142,925>
Land (101-500-BA41-4810)	< 375,000>
Bldgs & Improvements (101-500-BA41-4820)	<2,811,587>
Administration (101-500-BA41-4840)	<43,170>
Project Inspection (101-500-BA41-4848)	<65,746>
Art in Public Places (101-500-BA41-4860)	<65,572>

TOTAL	<\$ 3,500,000>

9. That the Capital Improvement Budget be amended reflect funding for the Police Substation #1 project from Fund 703 (1987 COP) based on the receipt of debt proceeds in the amount of \$4,967,600 for this project:

Moving Expenses (703-500-BA41-4268)	\$ 60,000
Contingency (703-500-BA41-4414)	98,078
Equipment/Furniture (703-500-BA41-4630)	510,600
Feasibility Study (703-500-BA41-4801)	9,800
Studies, Plans & Design (703-500-BA41-4802)	1,500
Site purchase and Prep (703-500-BA41-4810)	834,706
Construction (703-500-BA41-4820)	2,841,127
Consulting Engineers (703-500-BA41-4821)	8,220
Material Testing (703-500-BA41-4822)	4,395
Printing (703-500-BA41-4823)	7,500
Construction Contingency (703-500-BA41-4826)	226,090
Indirect Charges (703-500-BA41-4831)	45,743
Architect/Engineer (703-500-BA41-4841)	153,040
Art in Public Places (703-500-BA41-4860)	61,572
Gen. Fund Salaries (703-500-BA41-4880)	67,557
Gen. Fund Benefits (703-500-BA41-4881)	25,689
Other Fund Salaries (703-500-BA41-4882)	8,682
Other Fund Benefits (703-500-BA41-4883)	3,301

TOTAL	\$4,967,600

10. That the Community Center Fund (419) revenue budget be amended to reflect the receipt of \$12,398,423 in debt proceeds for the Community Center Expansion Project (419-500-PA11-3770).

11. That the Capital Improvement Budget be amended to reduce the appropriations to the Community Center Expansion project based on lower than anticipated offsetting debt proceeds revenue:

Land (419-500-PA11-4810)	<\$ 701,577 >
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12. That the Community Center Fund (419) Revenue Budget be amended to reflect the receipt of \$1,775,300 in debt proceeds for the Towe Ford Museum Acquisition (419-500-XXX-3770).

13. That the Capital Improvement Budget be amended to establish a new project for the Towe Ford Museum Acquisition as follows:

Buildings & Improvements (419-500-XXX-4820) \$1,775,300

MAYOR

ATTEST:

CITY CLERK