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# CITY OF SACRAMENTO

## DEPARTMENT OF FINANCE

BUDGET DIVISION

February 20, 1986  
FA:86082:BM:KMF

Budget and Finance Committee  
Sacramento, CA

Honorable Members in Session:  
Subject: 1985-86 Midyear Review

### SUMMARY

This report provides an update on City revenues for the current year, and provides 5-year fund balance projections for the General Fund as well as each of the Enterprise funds. The following briefly summarizes the overall position of each of the major funds which has been reviewed. Detail on each of these funds as well as the smaller funds which have been reviewed can be found in Attachments 4 and 5.

General Fund. With the reduction of General Revenue Sharing in the current year and its assumed elimination in 1986-87, the General Fund must rely on over \$3 million in "one time fixes" for the next two fiscal years and an erosion of the Reserve for Economic Uncertainty in order to maintain base line services and augmentations for seven new police officers each year, staffing for Fire Stations 7 and 11, a \$1.5 million subsidy to Light Rail beginning in March 1987, and the Financial Management Information System and hardware. Beginning in 1989-90 it is projected that the growth in the other General Fund resources will again be at a level to allow for other service level increases and an improved level of capital improvements. The write-up on the General Fund (Attachment 3) also addresses the financial inability of the fund to provide for a midyear augmentation of additional police officers.

Water Fund. In order to alleviate a decline in Net Operating Income as well as a potential fund balance deficit in 1990-91, a 5%-10% annual increase in user fees is indicated. In addition, if a substantial increase in water treatment plant capacity is to be provided during the next five years a substantial increase in the Water Development Fee will be required. The current average fee is \$169 per equivalent dwelling unit. The fee recommended in the Metcalf and Eddy study was an average of \$2,000 per equivalent dwelling unit.

Solid Waste Fund. Assuming the construction of a transfer station in 1987-88 and an augmentation of the Automatic Lift Container ("90-Gallon") program to 10,000 new cans each year a rate increase of 18%-24% will be required in 1986-87 with subsequent annual rate increases of 5%-10% in order to keep the fund out of deficit.

Sewer Fund. Without taking into account the prospect of separating the combined brick sewer and storm drainage system in the central area the fund will still require annual rate increases of 10%-20% with the higher rate increases necessary in the earlier years. This is due to user fees which do not grow as fast as operating expenses and which have not been set at a level to accomodate normal capital improvement requirements. In addition, beginning in 1986-87 the Sewer Fund will be responsible for paying for its own administrative costs which are currently borne by the Water Fund.

Storm Drainage Fund. The Storm Drainage fund was established this year in order to more accurately account for the costs of this service and to avoid any cross subsidies between the Storm Drainage and Sewer functions. In order to avoid deficit fund balances, it will be necessary to increase Storm Drainage rates in the neighborhood of 20% in 1986-87. Subsequent annual rate increases of 5%-10% will also be required to keep the fund in a positive position. These rate increases reflect the need to cover growing operating expenses with revenues that naturally grow at less than the inflation rate. More substantial rate increases may be in order during the next five years once the Drainage Master Plan is developed and the fund can no longer rely on the interest proceeds from the Flood and Drainage Bond fund to pay for its capital requirements.

Parking Fund. Assuming the construction of the East End Garage in 1986-87, the Parking Fund will require a rate increase in that year of 10%-15% in order to cover debt service requirements. Subsequent rate increase requirements will be substantially lower assuming no new program requirements other than staffing the new garage.

Community Center Fund. This fund balance is projected to grow substantially over the next five years due primarily to the growth in Transient Occupancy Tax revenues. The projection does not take into account a specific date for undertaking the Exhibit Hall Expansion and/or the Memorial Auditorium rennovation, but rather assumes that the growing fund balance will be used to finance the project.

February Storm Damage. The severe storms which have affected the Sacramento area during February will likely have significant cost implications for the General Fund, and Water, Sewer, and Storm Drainage funds. The cost of the immediate emergency measures which have been undertaken will not be known for a couple of weeks. In addition, it is possible that other future capital expenditures for infrastructure repair will also be required as a result of the current situation. Staff will report back at a later date when the full extent of the damage can be assessed.

The detail for the revenue update and each of the 5-year fund balance projections are contained in the following 5 attachments:

- Attachment 1 - 1985-86 Midyear Revenue Update, All Funds; and Resolution Adopting Midyear Projections
- Attachment 2 - 5-Year Revenue Projection, All Funds
- Attachment 3 - 5-Year General Purpose Fund Balance Projection
- Attachment 4 - 5-Year Enterprise Fund Balance Projections
- Attachment 5 - 5-Year Internal Service Fund Balance Projections

RECOMMENDATION

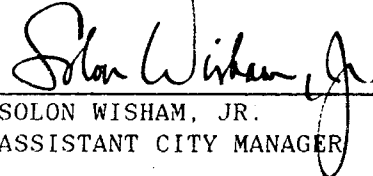
Staff requests that the Budget and Finance Committee recommend approval to the City Council of the attached Resolution adopting the Midyear Revenue updates and appropriating the new resources to Fund Balance. The 5-Year forecasts are for information only.

Respectfully Submitted,

  
BETTY MASUOKA  
BUDGET OFFICER

Attachments

RECOMMENDATION APPROVED:

  
SOLON WISHAM, JR.  
ASSISTANT CITY MANAGER

All Districts  
February 25, 1986

Table 1-1 is an update to the revenue schedule that was adopted in conjunction with the 1985-86 Approved Budget. The updates are based on new information regarding revenue sources (such as the reduction in Revenue Sharing), year-to-date collection information, and updates to the City's econometric forecasting model as prepared by Patterson Research Associates. The revenues that Patterson specifically projects are: Property Tax, Sales and Use Tax, Utility Users Tax, Business Tax, and Transfer Tax. His economic projections are also utilized in forecasting interest sensitive revenues such as construction related fees.

The following is a summary, by fund affected, of the major changes from the revenue projections adopted in the Approved Budget. Funds not listed are not projected to deviate significantly from the current revenue schedule.

#### GENERAL FUND

Taxes. General Fund tax revenues are up over the Approved Budget projection by \$3.4 million or 3.9%, due in most part to a \$686,000 (or 2.2%) increase in Property Taxes, a \$799,000 (or 2.8%) increase in Sales and Use Taxes, an \$847,000 (or 78%) increase in Residential Construction Taxes and a \$1,093,000 (or 5.0%) increase in Utility Users Tax revenues.

The increases in Property, Sales and Use, and Residential Construction Taxes reflects the continuation of relatively low interest rates and strong local economy. The increase in the Utility Users Taxes reflects changes in usage and rates.

Licenses and Permits. These revenues are up overall by \$368,000 or 12.1%. The predominant factor is a \$374,000 (or 20.8%) increase in Construction Permit revenues; another confirmation of the strength of the construction sector at this time.

Intergovernmental Revenues. Revenues received from other governmental agencies, such as the State or County, are up by \$235,000 or 1.9%. The relative stability of these revenues is largely a reflection of the stabilization of State reimbursements for the Motor Vehicle License Fees. The large fluctuations in the estimates for Fire District Reimbursements and Miscellaneous Non-State Revenues is due to changes in the classification of these revenue sources.

Charges for Current Services. Overall, these revenues are up by \$417,000, or 5.4%. Major changes include a \$900,000 increase in Engineering Fees (which will result in a corresponding increase in expenditures), offset by revenue decreases in Sidewalk Repair charges and Interdepartmental Direct Charges. The latter represents payment for work performed by General Funded staff for the Enterprise funds.

## REVENUE SHARING

The projection for the City's Revenue Sharing entitlement is based upon an 8% reduction of the April and July, 1986 payments. The July payment is included in the current year.

## GAS TAXES

The \$835,000 increase in this fund is a result of accounting for the SB300 monies received from the State for street and road repairs in the Gas Tax fund. Actual Gas Tax revenues (excluding SB300) and interest are down by \$223,000.

## FAIRYTALE TOWN

Fairytale Town revenues are up by \$91,000 or 44% due to the inclusion of William Land Park concession revenue within this fund. Park concessions are normally deposited in the General Fund.

## WATER FUND

Water Fund revenues are up by \$1,339,000 (or 9.4%) due to significant increases in Gas Royalties, Water Development Fees, and Interest income. It is projected at this time that the Water Fund will benefit from the Gas Royalties for at most one more year as it is being tapped out at a faster than previously anticipated rate.

## SEWER FUND

Current year Sewer Fund revenues are projected at \$999,000 (or 18%) above the adopted level. Approximately half of the increase is a one-time increase due to late billings to Regional Sanitation which were not received in 1984-85. The other change which appears to be significant is in the Sewer Revenue Bond category. The increase (+352,000) does not actually help the fund because it is a result of the way in which the actual revenues are accounted for. When these revenues are actually received they are used to offset a payable to Regional Sanitation. In essence, for planning purposes, the full amount to be received is projected, but the actual accounting of it splits the resource between revenues and reductions in expenditures.

## COMMUNITY CENTER FUND

The increase in the Community Center Fund revenues (\$352,000 or 6.5%) is attributable to higher than anticipated Transient Occupancy Revenues. The increase from this source (\$362,000) more than offset revenue losses resulting from cancelled Symphony dates and the closure of the Memorial Auditorium.

GOLF FUND

Golf Fund revenues are up in the current year by \$238,000 (11.8%) due in most part to the good fall weather which facilitated an overall increase in rounds played, and the specific increase in Senior Golfer rounds.

TABLE 1-1  
1985-86 MIDYEAR REVIEW  
REVENUE SCHEDULE

| REVENUE                     | (\$ in 000's)                         | 1983-84<br>ACTUAL | 1984-85<br>ACTUAL | 1985-86<br>APPROVED | 1985-86<br>MIDYEAR | CHG FROM<br>APPROVED |
|-----------------------------|---------------------------------------|-------------------|-------------------|---------------------|--------------------|----------------------|
| <b>GENERAL FUND-101</b>     |                                       |                   |                   |                     |                    |                      |
| <b>TAXES</b>                |                                       |                   |                   |                     |                    |                      |
| 3101                        | Property Tax - General                | 23,217            | 25,133            | 28,236              | 29,101             | 865                  |
| 3125                        | Property Tax - Debt Service           | 915               | 992               | 845                 | 845                | 0                    |
| 3127                        | Property Tax - Supplemental Roll      | --                | 234               | 1,139               | 960                | -179                 |
| 3108                        | Sales and Use Tax                     | 24,125            | 27,149            | 28,699              | 29,498             | 799                  |
| 3112                        | Utility Users Tax                     | 16,298            | 19,531            | 21,839              | 22,932             | 1,093                |
| 3110                        | Business Operations Tax               | 2,280             | 2,587             | 2,591               | 2,430              | -161                 |
| 3111                        | Real Property Transfer Tax            | 2,654             | 2,534             | 2,946               | 3,123              | 177                  |
| 3113                        | Admissions Tax                        | 236               | 173               | 0                   | 0                  | 0                    |
| 3120                        | Residential Construction Tax          | 1,687             | 1,400             | 1,086               | 1,933              | 847                  |
| 3126                        | In-Lieu Property Tax (Ent)            | 620               | 655               | 667                 | 667                | 0                    |
|                             | <b>Subtotal: TAXES</b>                | <b>\$72,032</b>   | <b>\$80,388</b>   | <b>\$88,048</b>     | <b>\$91,489</b>    | <b>\$3,441</b>       |
| <b>LICENSES AND PERMITS</b> |                                       |                   |                   |                     |                    |                      |
| 3201                        | Animal Licenses                       | 101               | 100               | 120                 | 105                | -15                  |
| 3203                        | Construction Permits                  | 2,351             | 2,067             | 1,800               | 2,174              | 374                  |
| 3228                        | Franchises                            | 588               | 633               | 690                 | 730                | 40                   |
| 3205                        | Home Occupation Permits               | 34                | 37                | 30                  | 30                 | 0                    |
| 3208                        | Emergency Permits                     | 9                 | 0                 | 1                   | 1                  | 0                    |
| 3209                        | Taxicab Permits                       | 26                | 26                | 25                  | 28                 | 1                    |
| 3210                        | Driveway Permits                      | 2                 | 2                 | 2                   | 2                  | 0                    |
| 3212                        | Dance Permits                         | 3                 | 1                 | 2                   | 2                  | 0                    |
| 3213                        | Special Use Permits                   | 71                | 63                | 70                  | 59                 | -11                  |
| 3214                        | Street Vendor Permits                 | 11                | 12                | 12                  | 9                  | -3                   |
| 3216                        | Sign & Billboard Permits              | 19                | 23                | 23                  | 23                 | 0                    |
| 3217                        | Wrecking Permits                      | 2                 | 4                 | 2                   | 4                  | 2                    |
| 3218                        | Oversize Vehicle Permits              | 2                 | 2                 | 2                   | 2                  | 0                    |
| 3219                        | Alley Parking Permits                 | 5                 | 6                 | 5                   | 5                  | 0                    |
| 3220                        | Bingo Licenses                        | 46                | 66                | 50                  | 76                 | 26                   |
| 3222                        | Explosive Permits                     | -1                | 0                 | 0                   | 0                  | 0                    |
| 3223                        | House Moving Permits                  | 3                 | 3                 | 3                   | 10                 | 7                    |
| 3224                        | Flood Zone Permit Fee                 | 1                 | 0                 | 0                   | 0                  | 0                    |
| 3225                        | Amusement Arcade Licenses             | 1                 | 0                 | 0                   | 6                  | 6                    |
| 3226                        | Burglar Alarm Permits                 | 139               | 74                | 25                  | 48                 | 23                   |
| 3227                        | Excavation Permits                    | 23                | 21                | 30                  | 30                 | 0                    |
| 3229                        | Adult Business Licenses               | 15                | 5                 | 5                   | 1                  | -4                   |
| 3230                        | Cable TV Construction Permit          | 0                 | 0                 | 136                 | 60                 | -76                  |
| -                           | Fire Inspection Fees                  | 0                 | 0                 | 0                   | 0                  | 0                    |
| -                           | Miscellaneous                         | 0                 | 0                 | 2                   | 0                  | -2                   |
|                             | <b>Subtotal: LICENSES AND PERMITS</b> | <b>\$3,451</b>    | <b>\$3,145</b>    | <b>\$3,035</b>      | <b>\$3,403</b>     | <b>\$368</b>         |

| REVENUE                      | (\$ in 000's) | 1983-84<br>ACTUAL | 1984-85<br>ACTUAL | 1985-86<br>APPROVED | 1985-86<br>MIDYEAR | CHG FROM<br>APPROVED |
|------------------------------|---------------|-------------------|-------------------|---------------------|--------------------|----------------------|
| 0801 FINES AND FORFEITS      |               | 1,071             | 1,165             | 1,343               | 1,194              | -149                 |
| Subtotal: FINES AND FORFEITS |               | \$1,071           | \$1,165           | \$1,343             | \$1,194            | \$-149               |

#### USE OF MONEY AND PROPERTY

|                                       |  |         |         |         |         |       |
|---------------------------------------|--|---------|---------|---------|---------|-------|
| 3401 Investment Interest              |  | 4,307   | 3,157   | 3,000   | 3,092   | 92    |
| 3402 Property/Equipment Rental        |  | 148     | 203     | 202     | 150     | -52   |
| 3404 Concessions                      |  | 81      | 112     | 95      | 200     | 105   |
| 3408 Interest on Receivables          |  | 127     | 110     | 83      | 83      | 0     |
| 3436 Interest-County Held Funds       |  | 350     | 334     | 350     | 350     | 0     |
| - Gain/Loss Sale of Improvement Bonds |  | --      | -44     | 0       | 0       | 0     |
| Subtotal: USE OF MONEY & PROPERTY     |  | \$5,013 | \$3,872 | \$3,730 | \$3,875 | \$145 |

#### INTERGOVERNMENTAL REVENUES

|  |  |          |          |          |          |       |
|--|--|----------|----------|----------|----------|-------|
| 3502 Homeowners Exemption              |  | 1,363    | 1,340    | 1,452    | 1,376    | -76   |
| 3503 Business Inventory Exemption      |  | 20       | 0        | 0        | 0        | 0     |
| 3504 Vehicle License Fee (VLF)         |  | 59       | 7,705    | 7,099    | 7,487    | 388   |
| 3506 Cigarette Tax                     |  | 922      | 958      | 954      | 954      | 0     |
| 3505 Trailer Coach In-Lieu Tax         |  | 77       | 77       | 70       | 76       | 6     |
| 3507 Other State In-Lieu Taxes         |  | 26       | 0        | 21       | 21       | 0     |
| 3514 Off Highway VLF                   |  | 6        | 6        | 6        | 6        | 0     |
| 3536 Supplemental Subvention           |  | --       | 640      | 520      | 512      | -8    |
| 1 State Grants                         |  | 29       | 85       | 89       | 8        | -81   |
| 13 Federal Grants                      |  | 12       | 1        | 0        | 0        | 0     |
| 3515 County - Library                  |  | 442      | 623      | 400      | 500      | 100   |
| 3516 County - Museum and History       |  | 111      | 91       | 128      | 150      | 22    |
| 3532 County - Metropolitan Art         |  | 56       | 50       | 54       | 73       | 19    |
| 3520 POST Reimbursement                |  | 196      | 392      | 247      | 247      | 0     |
| 3521 Other Agency Police Reimbursement |  | 31       | 62       | 45       | 45       | 0     |
| 3526 Other State Revenue               |  | 97       | 174      | 257      | 356      | 99    |
| 3530 SHRA Reimbursement                |  | 12       | 5        | 150      | 227      | 77    |
| 3535 Fire District Reimbursement       |  | --       | 0        | 372      | 806      | 434   |
| - Cable Commission Reimbursement       |  | --       | 0        | 143      | 0        | -143  |
| 3517 Misc Non-State Revenues           |  | 6,601    | 893      | 652      | 50       | -602  |
| Subtotal: INTERGOVERNMENTAL            |  | \$10,060 | \$13,102 | \$12,659 | \$12,894 | \$235 |

#### CHARGES FOR CURRENT SERVICE

|                                   |  |       |       |       |       |     |
|-----------------------------------|--|-------|-------|-------|-------|-----|
| 3659 Parking Meter - Collections  |  | 1,594 | 1,653 | 1,768 | 1,789 | 21  |
| 3658 Parking Meter - Construction |  | 40    | 66    | 58    | 60    | 2   |
| 3603 Subdivision Map - Planning   |  | 64    | 44    | 44    | 48    | 4   |
| 3604 Rezoning Fees                |  | 80    | 42    | 37    | 37    | 0   |
| 3605 Variance Fees                |  | 40    | 21    | 23    | 25    | 2   |
| 3606 Appeal Fees                  |  | 4     | 4     | 3     | 3     | 0   |
| 3607 Map/Publication Sales        |  | 18    | 22    | 22    | 22    | 0   |
| 3611 Plan Check Fee               |  | 1,117 | 1,084 | 1,031 | 1,151 | 120 |

| REVENUE                                     | (\$ in 000's)                    | 1983-84<br>ACTUAL | 1984-85<br>ACTUAL | 1985-86<br>APPROVED | 1985-86<br>MIDYEAR | CHG FROM<br>APPROVED |
|---|----------------------------------|-------------------|-------------------|---------------------|--------------------|----------------------|
| <b>CHARGES FOR CURRENT SERVICES (cont.)</b> |                                  |                   |                   |                     |                    |                      |
| 3628  | EIS Fees                         | 46                | 28                | 27                  | 32                 | 5                    |
| 3624  | Demolition Charges               | 26                | 16                | 20                  | 16                 | -4                   |
| 3639  | Compliance Fees                  | 2                 | 3                 | 2                   | 6                  | 4                    |
| 3634  | Subdivision Map - Pub Works      | 37                | 32                | 30                  | 30                 | 0                    |
| 3621  | Development - Street Signs       | 22                | 18                | 22                  | 22                 | 0                    |
| 3613  | St/Sidewalk/Curb Repairs         | 225               | 80                | 300                 | 100                | -200                 |
| 3651  | Eng Fees/Assessment Districts    | 1,306             | 1,829             | 1,000               | 1,900              | 900                  |
| 3655  | Energy Audit                     | 2                 | 1                 | 1                   | 1                  | 0                    |
| 3652  | Planned Unit Development         | 3                 | 2                 | 2                   | 2                  | 0                    |
| 3653  | R-Plan Review                    | 4                 | 3                 | 5                   | 3                  | -2                   |
| 3657  | Sidewalk Maint Assess District   | 0                 | 15                | 0                   | 0                  | 0                    |
| 3645  | 1915 Admin Cost                  | 50                | 0                 | 50                  | 48                 | -2                   |
| 3612  | Animal Shelter                   | 24                | 26                | 24                  | 28                 | 4                    |
| 3609  | Police Fees and Charges          | 117               | 146               | 85                  | 120                | 35                   |
| 3608  | Police Services                  | 18                | 26                | 199                 | 70                 | -129                 |
| 3610  | Fire Report Fees                 | 2                 | 2                 | 2                   | 2                  | 0                    |
| 3662  | Fire Permits                     | 0                 | 14                | 130                 | 130                | 0                    |
| 3663  | Hazardous Materials              | 0                 | 0                 | 14                  | 14                 | 0                    |
| 3614  | Weed Abatement                   | 124               | 177               | 100                 | 100                | 0                    |
| 3617  | Swimming Pools                   | 56                | 76                | 65                  | 65                 | 0                    |
| 3618  | Community Service Fees           | 19                | 19                | 19                  | 23                 | 4                    |
| 3631  | Crocker Art Admissions           | 29                | 36                | 41                  | 36                 | -5                   |
| 3620  | Zoo                              | 437               | 438               | 578                 | 548                | -30                  |
| 3622  | Development - Trees              | 30                | 24                | 40                  | 31                 | -9                   |
| 3615  | Library Fines and Fees           | 34                | 21                | 34                  | 34                 | 0                    |
| 3666  | Interdepartmental Direct Charges | 1,179             | 1,121             | 1,734               | 1,383              | -35                  |
| 3642  | Central Service Fee              | 6                 | 0                 | 0                   | 0                  | 0                    |
| 3648  | Treasurer Investment Fee         | 127               | 198               | 151                 | 171                | 20                   |
| 3643  | Miscellaneous                    | 16                | 1                 | 10                  | 2                  | -8                   |
| 3669  | Plumbers Certificate Fee         | --                | --                | --                  | 36                 | 36                   |
| Subtotal: CHRGs FOR CURRENT SERVICE         |                                  | \$6,898           | \$7,288           | \$7,671             | \$8,088            | \$417                |
| <b>MISCELLANEOUS</b>                        |                                  |                   |                   |                     |                    |                      |
| 3701  | Real/Personal Prop Sales         | 6                 | 104               | 65                  | 65                 | 0                    |
| 3704  | Salvage                          | 32                | 28                | 50                  | 50                 | 0                    |
| 3705  | Gifts and Donations              | --                | 94                | 0                   | 10                 | 10                   |
| 3719  | 1915 Pen/Int (Redemption)        | 64                | 139               | 65                  | 125                | 60                   |
| 3720  | 1915 Pen/Int (Current)           | 17                | 19                | 15                  | 18                 | 3                    |
| 3728  | Workers Comp Offset              | 4                 | 1                 | 3                   | 3                  | 0                    |
| 3727  | Third Party Recovery             | 98                | 127               | 100                 | 100                | 0                    |
| 3709  | Miscellaneous                    | 422               | 474               | 300                 | 300                | 0                    |
| Subtotal: MISCELLANEOUS                     |                                  | \$641             | \$986             | \$598               | \$671              | \$73                 |
| <b>TOTAL GENERAL FUND</b>                   |                                  | <b>\$99,166</b>   | <b>\$109,946</b>  | <b>\$117,084</b>    | <b>\$121,614</b>   | <b>\$4,530</b>       |

| REVENUE                                       | (\$ in 000's)           | 1983-84<br>ACTUAL | 1984-85<br>ACTUAL | 1985-86<br>APPROVED | 1985-86<br>MIDYEAR | CHG FROM<br>APPROVED |
|---|-------------------------|-------------------|-------------------|---------------------|--------------------|----------------------|
| <b>OTHER GOVERNMENTAL FUNDS</b>               |                         |                   |                   |                     |                    |                      |
| <b>REVENUE SHARING-211</b>                    |                         |                   |                   |                     |                    |                      |
| 3513  | Entitlement             | 4,923             | 4,876             | 4,925               | 5,334              | 409                  |
| 3401  | Interest                | 281               | 86                | 250                 | 0                  | -250                 |
| Subtotal: Revenue Sharing                     |                         | \$5,204           | \$4,962           | \$5,175             | \$5,334            | \$159                |
| <b>GAS TAX FUND-202,203,247</b>               |                         |                   |                   |                     |                    |                      |
| 3509  | 2106 Revenue            | 1,577             | 1,493             | 1,500               | 1,466              | -34                  |
| 3401  | 2106 Interest           | 303               | 293               | 250                 | 208                | -42                  |
| 3709  | 2106 Miscellaneous      | 64                | 0                 | 70                  | 0                  | -70                  |
| 3509  | 2107 Revenue            | 2,847             | 2,735             | 2,700               | 2,622              | -78                  |
| 3401  | 2107 Interest           | 3                 | 0                 | 0                   | 1                  | 1                    |
| 3509  | 2107.5 Revenue          | 10                | 10                | 10                  | 10                 | 0                    |
| 3401  | 2107.5 Interest         | 1                 | 1                 | 1                   | 1                  | 0                    |
| 3509  | SB 300                  | --                | --                | --                  | 1,058              | 1058                 |
| Subtotal: GAS TAX FUND                        |                         | \$4,805           | \$4,532           | \$4,531             | \$5,366            | \$835                |
| <b>TRAFFIC SAFETY FUND-208</b>                |                         |                   |                   |                     |                    |                      |
| 3401  | Fines and Forfeits      | 1,037             | 959               | 1,051               | 983                | -68                  |
| 3401  | Interest                | 157               | 193               | 120                 | 148                | 28                   |
| 3408  | Interest on Receivables | 166               | 129               | 89                  | 89                 | 0                    |
| Subtotal: TRAFFIC SAFETY FUND                 |                         | \$1,360           | \$1,281           | \$1,260             | \$1,220            | \$-40                |
| <b>MAJOR STREET CONSTRUCTION FUND-209</b>     |                         |                   |                   |                     |                    |                      |
| 3641  | Taxes                   | 2,644             | 2,985             | 2,855               | 3,009              | 154                  |
| Subtotal: MAJOR ST CONSTRUCTION               |                         | \$2,644           | \$2,985           | \$2,855             | \$3,009            | \$154                |
| <b>POCKET AREA SEWER MAINTENANCE FUND-240</b> |                         |                   |                   |                     |                    |                      |
| 3401  | Interest                | 67                | 248               | 115                 | 48                 | -67                  |
| Subtotal: POCKET AREA SEWER MAINT             |                         | \$67              | \$248             | \$115               | \$48               | \$-67                |
| <b>ASSESSMENT BOND REGISTRATION FUND-232</b>  |                         |                   |                   |                     |                    |                      |
| 3643  | Misc Current Services   | 52                | 65                | 88                  | 248                | 160                  |
| 3401  | Interest                | 6                 | 11                | 20                  | 7                  | -13                  |
| Subtotal: ASSESSMENT BOND REG                 |                         | \$58              | \$76              | \$108               | \$255              | \$147                |

| REVENUE   | (\$ in 000's)             | 1983-84<br>ACTUAL | 1984-85<br>ACTUAL | 1985-86<br>APPROVED | 1985-86<br>MIDYEAR | CHG FROM<br>APPROVED |
|---|---------------------------|-------------------|-------------------|---------------------|--------------------|----------------------|
| <b>BIKEWAY/TDA FUND-243/235</b>                 |                           |                   |                   |                     |                    |                      |
| 3401  | Interest                  | 60                | 60                | 60                  | 41                 | -19                  |
| 3509  | State Gas Tax             | 93                | 123               | 123                 | 134                | 11                   |
| Subtotal: BIKEWAY/TDA FUND                      |                           | \$153             | \$183             | \$183               | \$175              | \$-8                 |
| <b>QUIMBY ACT FUND-710</b>                      |                           |                   |                   |                     |                    |                      |
| 3709  | Developer Charges         | 1,219             | 981               | 943                 | 912                | -31                  |
| 3401  | Interest                  | 88                | 218               | 75                  | 129                | 54                   |
| Subtotal: QUIMBY ACT FUND                       |                           | \$1,307           | \$1,199           | \$1,018             | \$1,041            | \$23                 |
| <b>BRIDGE CONSTRUCTION FUND-249</b>             |                           |                   |                   |                     |                    |                      |
| 3629  | Taxes                     | 110               | 35                | 50                  | 50                 | 0                    |
| 3401  | Interest                  | 13                | 18                | 13                  | 13                 | 0                    |
| Subtotal: BRIDGE CONSTRUCTION FUND              |                           | \$123             | \$53              | \$83                | \$83               | \$0                  |
| <b>FLOOD &amp; DRAINAGE FUND-737</b>            |                           |                   |                   |                     |                    |                      |
| 3401  | Interest                  | 290               | 300               | 275                 | 200                | -75                  |
| Subtotal: FLOOD & DRAINAGE FUND                 |                           | \$290             | \$300             | \$275               | \$200              | \$-75                |
| <b>CDBG FUND-205</b>                            |                           |                   |                   |                     |                    |                      |
| 3513  | Intergovernmental Revenue | 1,690             | 2,204             | 1,483               | 2,043              | 560                  |
| 3523  | CDBG Jobs Bill            | --                | 199               | 0                   | 0                  | 0                    |
| 3709  | Miscellaneous             | --                | 0                 | 506                 | 506                | 0                    |
| Subtotal: CDBG FUND                             |                           | \$1,690           | \$2,403           | \$1,989             | \$2,549            | \$560                |
| <b>SHRA FUND-206</b>                            |                           |                   |                   |                     |                    |                      |
| 3513  | Intergovernmental Revenue | 2,051             | 1,507             | 1,782               | 2,754              | 972                  |
| Subtotal: SHRA FUND                             |                           | \$2,051           | \$1,507           | \$1,782             | \$2,754            | \$972                |
| <b>S NATOMAS COMMUNITY IMPROVEMENT FUND-795</b> |                           |                   |                   |                     |                    |                      |
| 3604  | Rezoning Fees             | 308               | 395               | 335                 | 400                | 65                   |
| 3401  | Interest                  | 42                | 74                | 40                  | 48                 | 8                    |
| Subtotal: S NATOMAS COMM IMP FUND               |                           | \$350             | \$469             | \$375               | \$448              | \$73                 |

| REVENUE                        | (\$ in 000's)                 | 1983-84<br>ACTUAL | 1984-85<br>ACTUAL | 1985-86<br>APPROVED | 1985-86<br>MIDYEAR | CHG FROM<br>APPROVED |
|--------------------------------|-------------------------------|-------------------|-------------------|---------------------|--------------------|----------------------|
| <b>CAPITAL GRANTS FUND-248</b> |                               |                   |                   |                     |                    |                      |
| -                              | County Grants                 | --                | 0                 | 0                   | 0                  | 0                    |
| 3517                           | Misc Other Agency Revenue     | 643               | 22                | 8,405               | 6,785              | -1,620               |
| 3511                           | State Grants                  | 240               | 908               | 0                   | 0                  | 0                    |
| 3513                           | Federal Aid to Urban Areas    | 43                | 8                 | 386                 | 0                  | -386                 |
| Subtotal: CAPITAL GRANTS FUND  |                               | \$926             | \$938             | \$8,791             | \$6,785            | \$-2,006             |
| <b>HISTORY CENTER FUND</b>     |                               |                   |                   |                     |                    |                      |
| 3618                           | Community Service Fees        | --                | --                | --                  | 142                | 142                  |
| Subtotal: HISTORY CENTER FUND  |                               | \$0               | \$0               | \$0                 | \$142              | \$142                |
| <b>OPERATING GRANTS-250</b>    |                               |                   |                   |                     |                    |                      |
| 3511                           | State Grants                  | 249               | 595               | 532                 | 50                 | -482                 |
| 3513                           | Federal Grants                | 266               | 249               | 337                 | 614                | 277                  |
| 3517                           | Misc Other Agency Revenue     | 89                | 18                | 770                 | 95                 | -675                 |
| 3526                           | Other State Revenue           | 11                | 4                 | 0                   | 0                  | 0                    |
| 3530                           | Redevelopment Agency Services | 0                 | 0                 | 0                   | 145                | 145                  |
| Subtotal: OPERATING GRANTS     |                               | \$615             | \$866             | \$1,639             | \$904              | \$-735               |
| <b>CULTURAL ARTS FUND-571</b>  |                               |                   |                   |                     |                    |                      |
| 3618                           | Community Service Fees        | 417               | 462               | 466                 | 502                | 36                   |
| 3402                           | Rental of Real Property       | 19                | 27                | 0                   | 0                  | 0                    |
| Subtotal: CULTURAL ARTS FUND   |                               | \$436             | \$489             | \$466               | \$502              | \$36                 |
| <b>SPORTS FUND-574</b>         |                               |                   |                   |                     |                    |                      |
| 3402                           | Rental of Real Property       | 31                | 35                | 37                  | 37                 | 0                    |
| 3618                           | Community Service Fees        | 262               | 239               | 249                 | 249                | 0                    |
| 3709                           | Miscellaneous                 | 9                 | 3                 | 2                   | 2                  | 0                    |
| Subtotal: SPORTS FUND          |                               | \$302             | \$277             | \$288               | \$288              | \$0                  |
| <b>TOURS FUND-575</b>          |                               |                   |                   |                     |                    |                      |
| 3707                           | Tour Receipts                 | 51                | 56                | 55                  | 110                | 55                   |
| 3709                           | Miscellaneous                 | 0                 | 0                 | 0                   | 0                  | 0                    |
| Subtotal: TOURS FUND           |                               | \$51              | \$56              | \$55                | \$110              | \$55                 |

| REVENUE                                | (\$ in 000's)                        | 1983-84<br>ACTUAL | 1984-85<br>ACTUAL | 1985-86<br>APPROVED | 1985-86<br>MIDYEAR | CHG FROM<br>APPROVED |
|--|--------------------------------------|-------------------|-------------------|---------------------|--------------------|----------------------|
| <b>BUILDING RENTAL FUND-587</b>        |                                      |                   |                   |                     |                    |                      |
| 3402                                   | Rental of Real Property              | 35                | 38                | 78                  | 72                 | -6                   |
| 3709                                   | Miscellaneous                        | 9                 | 10                | 0                   | 0                  | 0                    |
| Subtotal: BUILDING RENTAL FUND         |                                      | \$44              | \$48              | \$78                | \$72               | \$-6                 |
| <b>MAINTENANCE ASSESSMENT FUND-225</b> |                                      |                   |                   |                     |                    |                      |
| 3517                                   | Revenue from Agency other than State | --                | --                | --                  | 104                | 104                  |
| Subtotal: MAINTENANCE ASSESSMENT       |                                      | \$0               | \$0               | \$0                 | \$104              | \$104                |
| <b>FAIRYTALE TOWN FUND-589</b>         |                                      |                   |                   |                     |                    |                      |
| 3618                                   | User Fees and Charges                | 159               | 144               | 175                 | 175                | 0                    |
| 3404                                   | Concessions                          | 17                | 61                | 32                  | 118                | 86                   |
| 3709                                   | Miscellaneous                        | 2                 | 0                 | 0                   | 5                  | 5                    |
| Subtotal: FAIRYTALE TOWN FUND          |                                      | \$178             | \$205             | \$207               | \$298              | \$91                 |
| <b>ANIMAL AQUISITION FUND-251</b>      |                                      |                   |                   |                     |                    |                      |
| 3701                                   | Sale of Personal Property            | --                | --                | --                  | 11                 | 11                   |
| Subtotal: ANIMAL AQUISITION FUND       |                                      | \$0               | \$0               | \$0                 | \$11               | \$11                 |
| <b>TOTAL OTHER GOVERNMENTAL FUNDS</b>  |                                      | <b>\$22,654</b>   | <b>\$23,077</b>   | <b>\$31,253</b>     | <b>\$31,678</b>    | <b>\$425</b>         |
| <b>ENTERPRISE FUNDS</b>                |                                      |                   |                   |                     |                    |                      |
| <b>WATER FUND-413</b>                  |                                      |                   |                   |                     |                    |                      |
| 3601                                   | User Fees and Charges                | 10,403            | 10,266            | 11,633              | 11,533             | -100                 |
| 3706                                   | Lien Collections                     | 320               | 203               | 212                 | 174                | -38                  |
| 3401                                   | Interest                             | 842               | 1,138             | 754                 | 1,226              | 472                  |
| 3709                                   | Miscellaneous                        | 231               | 175               | 202                 | 115                | -87                  |
| 3635                                   | Water Development Fees               | 257               | 440               | 178                 | 680                | 502                  |
| 3721                                   | Gas Royalties                        | 1,007             | 1,211             | 900                 | 1,430              | 530                  |
| 3667                                   | Tap Sales                            | --                | 365               | 306                 | 366                | 60                   |
| 3528                                   | Charges to Regional Sanitation       | --                | 0                 | 32                  | 32                 | 0                    |
| 3666                                   | Interdepartmental Direct Charges     | --                | 132               | 30                  | 30                 | 0                    |
| Subtotal: WATER FUND                   |                                      | \$13,060          | \$13,930          | \$14,247            | \$15,586           | \$1,339              |

| REVENUE                        | (\$ in 000's)                  | 1983-84<br>ACTUAL | 1984-85<br>ACTUAL | 1985-86<br>APPROVED | 1985-86<br>MIDYEAR | CHG FROM<br>APPROVED |
|--------------------------------|--------------------------------|-------------------|-------------------|---------------------|--------------------|----------------------|
| <b>SEWER FUND-414</b>          |                                |                   |                   |                     |                    |                      |
| 3601                           | User Fees - Sewer              | 2,600             | 2,649             | 3,435               | 3,335              | -100                 |
| 3661                           | User Fees - Storm Drainage     | 3,148             | 3,465             | 0                   | 0                  | 0                    |
| 3706                           | Lien Collections               | 384               | 232               | 53                  | 104                | 51                   |
| 3528                           | Charges to Regional Sanitation | 1,025             | 560               | 1,071               | 1,645              | 574                  |
| 3401                           | Interest                       | 800               | 723               | 237                 | 396                | 159                  |
| 3517                           | Sewer Revenue Bond             | 275               | 61                | 239                 | \$591              | 352                  |
| 3668                           | Sewer Connection Fee           | 269               | 246               | 250                 | 295                | 45                   |
| 3635                           | Sewer Development Fee          | 0                 | 0                 | 105                 | 73                 | -32                  |
| 3709                           | Miscellaneous                  | 41                | 45                | 55                  | 5                  | -50                  |
| Subtotal: SEWER FUND           |                                | \$8,542           | \$7,981           | \$5,445             | \$6,444            | \$999                |
| <b>STORM DRAINAGE FUND-425</b> |                                |                   |                   |                     |                    |                      |
| 3601                           | User Fees                      | --                | 0                 | 4,212               | 4,212              | 0                    |
| 3716                           | Lien                           | --                | 0                 | 70                  | 59                 | -11                  |
| 3401                           | Interest                       | --                | 0                 | 194                 | 10                 | -184                 |
| Subtotal STORM DRAINAGE FUND   |                                | --                | \$0               | \$4,476             | \$4,281            | \$-195               |
| <b>SOLID WASTE FUND-415</b>    |                                |                   |                   |                     |                    |                      |
| 3601                           | User Fees and Charges          | 11,438            | 11,864            | 14,816              | 14,816             | 0                    |
| 3627                           | Lawn & Garden Refuse Tax       | 2,226             | 2,339             | 2,413               | 2,413              | 0                    |
| 3706                           | Lien Collections               | 576               | 366               | 237                 | 201                | -36                  |
| 3781                           | Vegetal Waste                  | 0                 | 0                 | 52                  | 0                  | -52                  |
| 3657                           | Sidewalk Maint Assess District | 34                | 53                | 90                  | 0                  | -90                  |
| 3526                           | Other Agency Revenue           | 28                | 21                | 30                  | 30                 | 0                    |
| 3401                           | Interest                       | 83                | 98                | 90                  | 358                | 268                  |
| 3709                           | Miscellaneous                  | 18                | 3                 | 20                  | 50                 | 30                   |
| Subtotal: SOLID WASTE FUND     |                                | \$14,403          | \$14,744          | \$17,748            | \$17,868           | \$120                |
| <b>PARKING FUND-412</b>        |                                |                   |                   |                     |                    |                      |
| 3602                           | User Fees and Charges          | 5,084             | 5,321             | 5,750               | 6,072              | 322                  |
| 3402                           | Rental of Real Property        | 847               | 397               | 398                 | 397                | -1                   |
| 3401                           | Interest - Enterprise          | 320               | 338               | 556                 | 416                | -140                 |
| 3401                           | Interest - Authority           | 288               | 291               | 544                 | 300                | -244                 |
| 3517                           | Other Agency Revenue           | 192               | 178               | 283                 | 194                | -89                  |
| 3709                           | Miscellaneous                  | 10                | 0                 | 0                   | 0                  | 0                    |
| Subtotal: PARKING FUND         |                                | \$6,721           | \$6,525           | \$7,531             | \$7,379            | \$-152               |

| REVENUE                          | (\$ in 000's)                 | 1983-84<br>ACTUAL | 1984-85<br>ACTUAL | 1985-86<br>APPROVED | 1985-86<br>MIDYEAR | CHG FROM<br>APPROVED |
|----------------------------------|-------------------------------|-------------------|-------------------|---------------------|--------------------|----------------------|
| <b>COMMUNITY CENTER FUND-419</b> |                               |                   |                   |                     |                    |                      |
| 3402                             | Rental-Real Property          | 722               | 897               | 850                 | 840                | -10                  |
| 3405                             | Box Office Fees               | 115               | 160               | 135                 | 142                | 7                    |
| 3122                             | Transient Occupancy Tax       | 3,391             | 3,795             | 3,905               | 4,267              | 362                  |
| 3404                             | Rents and Concessions         | 193               | 240               | 220                 | 201                | -19                  |
| 3401                             | Interest                      | 23                | 46                | 50                  | 50                 | 0                    |
| 3709                             | Miscellaneous                 | 454               | 174               | 20                  | 17                 | -3                   |
| 3403                             | Rental-Equipment              | 51                | 62                | 52                  | 76                 | 24                   |
| 3406                             | Catering Fees                 | 100               | 121               | 118                 | 119                | 1                    |
| 3760                             | Community Center Service Fees | 24                | 23                | 30                  | 20                 | -10                  |
| Subtotal: COMMUNITY CENTER FUND  |                               | \$5,073           | \$5,518           | \$5,380             | \$5,732            | \$352                |
| <b>BOAT HARBOR FUND-417</b>      |                               |                   |                   |                     |                    |                      |
| 3221                             | Slip Fees                     | 221               | 253               | 293                 | 285                | -8                   |
| 3711                             | Oil and Gas Sales             | 137               | 133               | 135                 | 135                | 0                    |
| 3401                             | Interest                      | 37                | 38                | 35                  | 43                 | 8                    |
| 3642                             | Central Support Charges       | 11                | 28                | 12                  | 12                 | 0                    |
| 3709                             | Miscellaneous                 | 13                | 10                | 21                  | 15                 | -6                   |
| Subtotal: BOAT HARBOR FUND       |                               | \$419             | \$462             | \$496               | \$490              | \$-6                 |
| <b>GOLF FUND-418</b>             |                               |                   |                   |                     |                    |                      |
| 3618                             | User Fees and Charges         | 1,852             | 1,805             | 1,658               | 1,870              | 212                  |
| 3404                             | Rents and Concessions         | 258               | 430               | 260                 | 260                | 0                    |
| 3401                             | Interest                      | 115               | 148               | 100                 | 127                | 27                   |
| 3709                             | Miscellaneous                 | 0                 | 0                 | 1                   | 0                  | -1                   |
| Subtotal: GOLF FUND              |                               | \$2,225           | \$2,383           | \$2,019             | \$2,257            | \$238                |
| <b>CAMP SACRAMENTO FUND-424</b>  |                               |                   |                   |                     |                    |                      |
| 3618                             | User Fees and Charges         | 113               | 147               | 240                 | 187                | -53                  |
| 3709                             | Miscellaneous                 | 1,294             | 305               | 3                   | 2                  | -1                   |
| 3401                             | Interest                      | 0                 | 0                 | 0                   | 1                  | 1                    |
| Subtotal: CAMP SACRAMENTO FUND   |                               | \$1,407           | \$452             | \$243               | \$190              | \$-53                |
| <b>TOTAL ENTERPRISE FUNDS</b>    |                               | <b>\$51,850</b>   | <b>\$51,995</b>   | <b>\$57,585</b>     | <b>\$60,227</b>    | <b>\$2,642</b>       |
| <b>INTERNAL SERVICE FUNDS</b>    |                               |                   |                   |                     |                    |                      |
| <b>FLEET MANAGEMENT FUND-420</b> |                               |                   |                   |                     |                    |                      |
| 3401                             | Interest                      | 285               | 380               | 300                 | 300                | 0                    |
| 3709                             | Miscellaneous                 | 101               | 219               | 150                 | 150                | 0                    |
| Subtotal: FLEET MANAGEMENT       |                               | \$386             | \$599             | \$450               | \$450              | \$0                  |

| REVENUE                             | (\$ in 000's) | 1983-84<br>ACTUAL | 1984-85<br>ACTUAL | 1985-86<br>APPROVED | 1985-86<br>MIDYEAR | CHG FROM<br>APPROVED |
|-------------------------------------|---------------|-------------------|-------------------|---------------------|--------------------|----------------------|
| <b>RISK MANAGEMENT FUND-421</b>     |               |                   |                   |                     |                    |                      |
| 401                                 | Interest      | 777               | 726               | 1,050               | 1,044              | -6                   |
| 3709                                | Miscellaneous | 10                | 1,769             | 20                  | 20                 | 0                    |
| Subtotal: RISK MANAGEMENT           |               | \$787             | \$2,495           | \$1,070             | \$1,064            | \$-6                 |
| <b>CENTRAL SERVICES FUND-434</b>    |               |                   |                   |                     |                    |                      |
| 3709                                | Miscellaneous | 1                 | 0                 | 0                   | 0                  | 0                    |
| Subtotal: CENTRAL SERVICES          |               | \$1               | \$0               | \$0                 | \$0                | \$0                  |
| <b>TOTAL INTERNAL SERVICE FUNDS</b> |               | <b>\$1,174</b>    | <b>\$3,094</b>    | <b>\$1,520</b>      | <b>\$1,514</b>     | <b>\$-6</b>          |
| <b>GRAND TOTAL CITY REVENUES</b>    |               | <b>\$174,844</b>  | <b>\$188,112</b>  | <b>\$207,442</b>    | <b>\$215,033</b>   | <b>\$7,591</b>       |

The 5-year revenue forecast plays a key role in the 5-year fund balance projections and therefore becomes an important part of any long range planning effort. However, due to the difficulties in projecting the timing and magnitude of changes in the economy these forecasts must be taken more of an indication of the direction in which the various revenue sources will be moving and not as an exact prediction. Table 2-1 presents the 5-year revenue forecast for all funds as well as a current year update and 5 years of history.

For each revenue, staff has assumed the continuation of the current tax or rate structures as well as the continuation of current law. The exception to this is the treatment of Revenue Sharing. In the current year staff has assumed an 8% reduction of the remaining two payments for this year (April 1986 and July 1986, the latter of which is accrued to the current year). In 1986-87, staff is assuming that the payment normally received in October will be totally eliminated. Under prior federal action the October payment had already been reduced by about 35%.

Revenue projections for the Enterprise funds are based on current rates. Rate adjustments and the effects on revenues are discussed in Attachment 4.

TABLE 2-1  
CITY OF SACRAMENTO  
5-YEAR REVENUE FORECAST

| CATEGORY                         | 1980-81<br>ACTUAL | 1981-82<br>ACTUAL | 1982-83<br>ACTUAL | 1983-84<br>ACTUAL | 1984-85<br>ACTUAL | 1985-86<br>APPROVED | 1985-86<br>MIDYEAR | 1986-87<br>Revised | 1987-88<br>Revised | 1988-1989<br>Revised | 1989-90<br>Revised | 1990-91<br>Revised |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|--------------------|--------------------|--------------------|----------------------|--------------------|--------------------|
| Property Tax - General           | 17,686            | 18,765<br>8.10    | 21,514<br>14.65   | 23,217<br>7.92    | 25,133<br>8.25    | 28,236<br>12.35     | 29,101<br>15.79    | 33,356<br>14.82    | 37,705<br>13.04    | 42,337<br>12.28      | 46,389<br>9.59     | 49,141<br>5.91     |
| Property Tax - Supplemental Roll | 0                 | 0<br>N/A          | 0<br>N/A          | 0<br>N/A          | 234<br>N/A        | 1,139<br>386.75     | 960<br>310.26      | 1,035<br>7.81      | 1,174<br>13.43     | 0<br>-100.00         | 0<br>N/A           | 0<br>N/A           |
| Property Tax - Debt Service      | 0                 | 822<br>N/A        | 819<br>-.36       | 916<br>11.72      | 992<br>8.42       | 845<br>-14.82       | 845<br>-14.82      | 843<br>-.24        | 842<br>-.12        | 850<br>.95           | 842<br>-.94        | 848<br>.71         |
| Sales and Use Tax                | 18,777            | 20,425<br>8.78    | 20,436<br>.05     | 24,125<br>18.05   | 27,149<br>12.53   | 28,699<br>5.71      | 29,498<br>8.65     | 31,652<br>7.30     | 33,799<br>6.78     | 36,298<br>7.39       | 39,077<br>7.66     | 40,810<br>4.43     |
| Utility Users Tax                | 6,882             | 8,120<br>17.99    | 8,981<br>10.60    | 16,298<br>81.47   | 19,531<br>19.84   | 21,839<br>11.82     | 22,932<br>17.41    | 25,974<br>13.27    | 28,836<br>11.02    | 33,439<br>15.98      | 39,005<br>16.65    | 43,100<br>10.50    |
| Business Operations Tax          | 1,798             | 1,853<br>3.17     | 2,041<br>10.15    | 2,280<br>11.71    | 2,587<br>13.46    | 2,591<br>.15        | 2,430<br>-6.07     | 2,725<br>12.14     | 2,944<br>6.04      | 3,189<br>8.32        | 3,413<br>7.02      | 3,685<br>7.97      |
| Real Property Transfer Tax       | 1,897             | 1,407<br>-25.83   | 1,626<br>15.57    | 2,654<br>83.22    | 2,534<br>-4.52    | 2,946<br>16.26      | 3,123<br>23.24     | 3,341<br>6.98      | 3,556<br>6.44      | 3,529<br>-.70        | 3,464<br>-1.84     | 3,256<br>-6.00     |
| Admissions Tax                   | 137               | 116<br>-15.33     | 178<br>53.45      | 236<br>32.58      | 173<br>-26.89     | 0<br>-100.00        | 0<br>-100.00       | 0<br>N/A           | 0<br>N/A           | 0<br>N/A             | 0<br>N/A           | 0<br>N/A           |
| Residential Construction Tax     | 1,066             | 543<br>-49.06     | 798<br>46.96      | 1,087<br>111.40   | 1,400<br>-17.01   | 1,086<br>-22.43     | 1,933<br>38.07     | 1,619<br>-16.24    | 1,701<br>5.06      | 1,744<br>2.53        | 1,787<br>2.47      | 1,832<br>2.52      |
| In-Lieu Property Tax (Ent)       | 0                 | 0<br>N/A          | 0<br>N/A          | 620<br>N/A        | 655<br>5.65       | 667<br>1.83         | 667<br>1.83        | 665<br>-.30        | 679<br>2.11        | 693<br>2.06          | 717<br>3.46        | 721<br>.56         |
| Misc. Licenses & Permits         | 691               | 795<br>-10.77     | 803<br>1.01       | 1,100<br>36.99    | 1,078<br>-2.00    | 1,235<br>14.56      | 1,229<br>14.01     | 1,401<br>14.00     | 1,475<br>5.28      | 1,518<br>2.92        | 1,543<br>1.65      | 1,536<br>-.52      |
| Construction Permits             | 1,471             | 1,064<br>-27.67   | 1,607<br>51.03    | 2,351<br>46.30    | 2,087<br>-12.08   | 1,800<br>-12.92     | 2,174<br>5.18      | 2,282<br>4.97      | 2,434<br>6.60      | 2,495<br>2.51        | 2,557<br>2.48      | 2,621<br>2.50      |
| Fines and Forfeits               | 765               | 899<br>17.52      | 1,140<br>26.81    | 1,071<br>-6.05    | 1,165<br>8.78     | 1,343<br>15.28      | 1,194<br>2.49      | 1,224<br>2.51      | 1,255<br>2.53      | 1,286<br>2.47        | 1,318<br>2.40      | 1,351<br>2.50      |
| Use of Money and Property        | 1,291             | 2,746<br>112.70   | 2,912<br>6.05     | 5,013<br>72.15    | 3,872<br>-22.76   | 3,730<br>-3.67      | 3,875<br>.08       | 3,645<br>-5.94     | 3,783<br>3.79      | 3,868<br>2.25        | 3,935<br>1.73      | 3,943<br>.20       |
| Homeowners Exemption             | 1,338             | 1,301<br>-2.77    | 1,367<br>5.07     | 1,363<br>-.29     | 1,340<br>-1.69    | 1,452<br>8.36       | 1,376<br>2.69      | 1,398<br>1.60      | 1,418<br>1.43      | 1,438<br>1.41        | 1,458<br>1.39      | 1,478<br>1.37      |

| CATEGORY                     | 1980-81<br>ACTUAL | 1981-82<br>ACTUAL      | 1982-83<br>ACTUAL      | 1983-84<br>ACTUAL       | 1984-85<br>ACTUAL        | 1985-86<br>APPROVED     | 1985-86<br>MIDYEAR       | 1986-87<br>Revised      | 1987-88<br>Revised      | 1988-1989<br>Revised    | 1989-90<br>Revised      | 1990-91<br>Revised      |
|------------------------------|-------------------|------------------------|------------------------|-------------------------|--------------------------|-------------------------|--------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| State Subventions            | 7,374             | 4,646<br>-36.99        | 2,099<br>-54.82        | 1,110<br>-47.12         | 9,386<br>745.50          | 8,670<br>-7.63          | 9,056<br>-3.52           | 9,088<br>.35            | 9,113<br>.28            | 9,118<br>.05            | 9,107<br>.54            | 9,328<br>1.76           |
| Gen Fund Reimbursements      | 2,012             | 1,696<br>-15.71        | 2,131<br>25.65         | 7,587<br>256.03         | 2,376<br>-68.68          | 2,637<br>6.78           | 2,462<br>3.62            | 2,258<br>-8.29          | 2,434<br>7.79           | 2,595<br>6.61           | 2,798<br>7.82           | 3,009<br>7.54           |
| Parking Meters and Fees      | 1,059             | 1,153<br>8.88          | 1,301<br>12.84         | 1,634<br>25.60          | 1,719<br>5.20            | 1,826<br>6.22           | 1,849<br>7.56            | 2,016<br>9.03           | 2,115<br>4.91           | 2,220<br>4.96           | 2,317<br>4.37           | 2,419<br>4.40           |
| Development & Construction   | 2,143             | 1,371<br>-36.02        | 1,694<br>23.56         | 3,046<br>79.81          | 3,244<br>6.50            | 2,619<br>-19.27         | 3,482<br>7.34            | 2,711<br>-22.14         | 2,809<br>3.61           | 2,837<br>1.00           | 2,878<br>1.45           | 2,908<br>1.04           |
| Public Safety Fees           | 223               | 271<br>21.52           | 270<br>-37             | 285<br>5.56             | 391<br>37.19             | 554<br>41.69            | 464<br>19.67             | 693<br>49.35            | 694<br>.14              | 695<br>.14              | 695<br>.00              | 696<br>.14              |
| Leisure Service Fees         | 945               | 660<br>-30.16          | 561<br>-15.00          | 605<br>7.84             | 614<br>1.49              | 777<br>26.55            | 737<br>20.03             | 862<br>16.96            | 920<br>6.73             | 964<br>4.78             | 1,008<br>4.58           | 1,054<br>4.56           |
| Misc. General Fund Revenue   | 5,145             | 4,583<br>-10.92        | 2,575<br>-43.81        | 1,969<br>-23.53         | 2,306<br>17.12           | 2,493<br>8.11           | 2,227<br>-3.43           | 1,879<br>-24.61         | 1,733<br>3.22           | 1,789<br>3.23           | 1,847<br>3.24           | 1,907<br>3.25           |
| Operating Transfers          | 1,747             | 1,400<br>-19.86        | 975<br>-30.36          | 0<br>-100.00            | 0<br>N/A                 | 0<br>N/A                | 0<br>N/A                 | 0<br>N/A                | 0<br>N/A                | 0<br>N/A                | 0<br>N/A                | 0<br>N/A                |
| <b>TOTAL GENERAL FUND</b>    | <b>74,645</b>     | <b>74,636<br/>-.01</b> | <b>75,828<br/>1.60</b> | <b>99,166<br/>30.78</b> | <b>109,946<br/>10.87</b> | <b>117,084<br/>6.49</b> | <b>121,614<br/>10.61</b> | <b>130,467<br/>7.28</b> | <b>141,419<br/>8.39</b> | <b>152,902<br/>8.12</b> | <b>166,225<br/>8.71</b> | <b>175,642<br/>5.67</b> |
| Revenue Sharing Fund         | 5,666             | 5,979<br>5.52          | 5,733<br>-4.11         | 5,204<br>-9.23          | 4,962<br>-4.65           | 5,175<br>4.29           | 5,334<br>7.49            | 0<br>-100.00            | 0<br>N/A                | 0<br>N/A                | 0<br>N/A                | 0<br>N/A                |
| Gas Tax Fund                 | 3,122             | 3,028<br>-3.01         | 3,869<br>27.77         | 4,805<br>24.19          | 4,632<br>-5.68           | 4,531<br>-.02           | 5,366<br>18.40           | 5,066<br>-5.59          | 4,315<br>-14.82         | 4,321<br>.14            | 4,328<br>.16            | 4,328<br>.00            |
| Traffic Safety Fund          | 890               | 777<br>-12.70          | 1,337<br>72.07         | 1,360<br>1.72           | 1,281<br>-5.81           | 1,260<br>-1.64          | 1,220<br>-4.76           | 1,220<br>.00            | 1,186<br>-2.79          | 1,217<br>2.01           | 1,247<br>2.47           | 1,274<br>2.17           |
| Major Street Constr Fund     | 2,016             | 1,328<br>-34.13        | 1,637<br>23.27         | 2,644<br>61.51          | 2,985<br>12.00           | 2,855<br>-4.36          | 3,009<br>.80             | 3,009<br>.00            | 3,329<br>10.63          | 3,412<br>2.40           | 3,498<br>2.52           | 3,585<br>2.40           |
| Pocket Sewer Fund            | 102               | 125<br>22.55           | 0<br>-100.00           | 67<br>N/A               | 248<br>270.15            | 115<br>-53.63           | 48<br>-80.65             | 48<br>.00               | 50<br>4.17              | 51<br>2.00              | 52<br>1.96              | 52<br>.00               |
| Assessment Bond Registration | 0                 | 0<br>N/A               | 0<br>N/A               | 58<br>N/A               | 76<br>31.03              | 108<br>42.11            | 255<br>235.53            | 255<br>.00              | 57<br>-77.65            | 57<br>.00               | 58<br>1.75              | 58<br>.00               |
| Bikeway/TDA Fund             | 152               | 184<br>21.05           | 168<br>-8.70           | 153<br>-8.93            | 183<br>19.61             | 183<br>.00              | 175<br>-4.37             | 186<br>6.29             | 201<br>8.06             | 217<br>7.96             | 234<br>7.83             | 251<br>7.26             |

| CATEGORY                   | 1980-81<br>ACTUAL | 1981-81<br>ACTUAL | 1982-83<br>ACTUAL | 1983-84<br>ACTUAL | 1984-85<br>ACTUAL | 1985-86<br>APPROVED | 1985-86<br>MIDYEAR | 1986-87<br>Revised | 1987-88<br>Revised | 1988-89<br>Revised | 1989-90<br>Revised | 1990-01<br>Revised |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Park Development Fund      | 1,088             | 543<br>-49.00     | 0<br>-100.00      | 0<br>N/A          | 0<br>N/A          | 0<br>N/A            | 0<br>N/A           | 0<br>N/A           | 0<br>N/A           | 0<br>N/A           | 0<br>N/A           | 0<br>N/A           |
| Quinby Act Fund            | 0                 | 3<br>N/A          | 225<br>7400.00    | 1,307<br>480.89   | 1,199<br>-8.28    | 1,018<br>-15.10     | 1,041<br>-13.18    | 483<br>-53.60      | 5,089<br>953.62    | 1,977<br>-61.15    | 673<br>-65.96      | 707<br>5.05        |
| Bridge Construction Fund   | 74                | 66<br>-10.81      | 48<br>-27.27      | 123<br>158.25     | 53<br>-58.91      | 63<br>18.87         | 63<br>18.87        | 63<br>.00          | 49<br>-22.22       | 49<br>.00          | 49<br>.00          | 49<br>.00          |
| Flood & Drainage Fund      | 438               | 518<br>18.28      | 332<br>-35.91     | 290<br>-12.65     | 300<br>3.45       | 275<br>-8.33        | 200<br>-33.33      | 200<br>.00         | 200<br>.00         | 200<br>.00         | 200<br>.00         | 200<br>.00         |
| Sup Retire Contrib Fund    | 0                 | 10<br>N/A         | 0<br>-100.00      | 0<br>N/A          | 0<br>N/A          | 0<br>N/A            | 0<br>N/A           | 0<br>N/A           | 0<br>N/A           | 0<br>N/A           | 0<br>N/A           | 0<br>N/A           |
| Urban Action Grant Fund    | 0                 | 292<br>N/A        | 0<br>-100.00      | 0<br>N/A          | 0<br>N/A          | 0<br>N/A            | 0<br>N/A           | 0<br>N/A           | 0<br>N/A           | 0<br>N/A           | 0<br>N/A           | 0<br>N/A           |
| Fire Sta 11 Constr Fund    | 0                 | 0<br>N/A          | 353<br>N/A        | 0<br>-100.00      | 0<br>N/A          | 0<br>N/A            | 0<br>N/A           | 0<br>N/A           | 0<br>N/A           | 0<br>N/A           | 0<br>N/A           | 0<br>N/A           |
| CDBG Fund                  | 6,181             | 4,204<br>-31.76   | 2,505<br>-40.41   | 1,690<br>-32.53   | 2,403<br>42.19    | 1,989<br>-17.23     | 2,549<br>6.08      | 1,395<br>-45.27    | 1,633<br>17.06     | 1,524<br>-6.67     | 1,593<br>4.53      | 1,662<br>4.33      |
| SIIRA Fund                 | 396               | 4,687<br>1083.59  | 1,932<br>-58.78   | 2,051<br>6.16     | 1,507<br>-26.52   | 1,782<br>18.25      | 2,754<br>82.75     | 1,200<br>-66.43    | 1,260<br>5.00      | 1,403<br>11.35     | 1,754<br>25.02     | 1,440<br>-17.90    |
| CETA Fund                  | 5,080             | 86<br>-98.31      | 0<br>-100.00      | 0<br>N/A          | 0<br>N/A          | 0<br>N/A            | 0<br>N/A           | 0<br>N/A           | 0<br>N/A           | 0<br>N/A           | 0<br>N/A           | 0<br>N/A           |
| Capital Grants Fund        | 511               | 607<br>18.79      | 996<br>64.09      | 926<br>-7.03      | 938<br>1.30       | 8,791<br>837.21     | 6,785<br>623.35    | 2,966<br>-56.29    | 4,240<br>42.95     | 2,109<br>-50.26    | 9,040<br>328.64    | 7,422<br>-17.90    |
| History Center Fund        | 0                 | 0<br>N/A          | 775<br>N/A        | 0<br>-100.00      | 0<br>N/A          | 0<br>N/A            | 142<br>N/A         | 300<br>111.27      | 300<br>.00         | 350<br>16.67       | 450<br>28.57       | 500<br>11.11       |
| Operating Grants Fund      | 0                 | 0<br>N/A          | 340<br>N/A        | 615<br>80.88      | 866<br>40.81      | 1,639<br>89.26      | 904<br>4.39        | 1,104<br>22.12     | 1,089<br>-1.36     | 1,126<br>3.40      | 1,165<br>3.46      | 1,172<br>.80       |
| S Natomas Comm Improvement | 0                 | 0<br>N/A          | 0<br>N/A          | 350<br>N/A        | 469<br>34.00      | 375<br>-20.04       | 448<br>-4.48       | 447<br>-.22        | 449<br>.45         | 451<br>.45         | 452<br>.22         | 452<br>.00         |
| Cultural Arts Fund         | 0                 | 0<br>N/A          | 316<br>N/A        | 436<br>37.97      | 489<br>12.16      | 466<br>-4.70        | 502<br>2.66        | 771<br>53.59       | 771<br>.00         | 771<br>.00         | 771<br>.00         | 771<br>.00         |
| Sports Fund                | 0                 | 0<br>N/A          | 215<br>N/A        | 302<br>40.47      | 277<br>-8.28      | 288<br>3.97         | 288<br>3.97        | 291<br>1.04        | 291<br>.00         | 293<br>.69         | 293<br>.00         | 295<br>.68         |

| CATEGORY   | 1980-81<br>ACTUAL | 1981-81<br>ACTUAL       | 1982-83<br>ACTUAL      | 1983-84<br>ACTUAL       | 1984-85<br>ACTUAL      | 1985-86<br>APPROVED     | 1985-86<br>MIDYEAR      | 1986-87<br>Revised      | 1987-88<br>Revised     | 1988-89<br>Revised      | 1989-90<br>Revised     | 1990-91<br>Revised     |
|--|-------------------|-------------------------|------------------------|-------------------------|------------------------|-------------------------|-------------------------|-------------------------|------------------------|-------------------------|------------------------|------------------------|
| Tours Fund                                       | 0                 | 0<br>N/A                | 80<br>N/A              | 51<br>-36.25            | 56<br>9.80             | 55<br>-1.79             | 110<br>96.43            | 116<br>5.45             | 122<br>5.17            | 128<br>4.92             | 134<br>4.69            | 141<br>5.22            |
| Building Rental Fund                             | 0                 | 0<br>N/A                | 26<br>N/A              | 44<br>69.23             | 48<br>9.09             | 78<br>62.50             | 72<br>50.00             | 108<br>50.00            | 114<br>5.56            | 116<br>1.75             | 119<br>2.59            | 122<br>2.52            |
| Maintenance Assessment                           | 0                 | 0<br>N/A                | 0<br>N/A               | 0<br>N/A                | 0<br>N/A               | 0<br>N/A                | 104<br>N/A              | 109<br>4.81             | 116<br>5.50            | 120<br>4.35             | 126<br>5.00            | 133<br>5.56            |
| Fairytale Town Fund                              | 0                 | 0<br>N/A                | 145<br>N/A             | 178<br>22.76            | 205<br>15.17           | 207<br>.98              | 298<br>46.37            | 300<br>.67              | 307<br>2.33            | 324<br>5.54             | 341<br>5.25            | 359<br>5.28            |
| Animal Aquisition Fund                           | 0                 | 0<br>N/A                | 0<br>N/A               | 0<br>N/A                | 0<br>N/A               | 0<br>N/A                | 11<br>N/A               | 6<br>-45.45             | 6<br>.00               | 6<br>.00                | 6<br>.00               | 6<br>.00               |
| <b>TOTAL OTHER GOVERNMENTAL</b>                  | <b>25,674</b>     | <b>22,437</b><br>-12.61 | <b>21,032</b><br>-6.26 | <b>22,654</b><br>7.71   | <b>23,077</b><br>1.87  | <b>31,253</b><br>35.43  | <b>31,678</b><br>37.27  | <b>19,643</b><br>-37.99 | <b>25,173</b><br>28.15 | <b>20,222</b><br>-19.67 | <b>26,583</b><br>31.46 | <b>24,979</b><br>-6.03 |
| Water Fund                                       | 9,155             | 9,407<br>2.75           | 10,190<br>8.32         | 13,060<br>28.16         | 13,930<br>6.66         | 14,247<br>2.28          | 15,566<br>11.89         | 14,946<br>-4.11         | 14,531<br>-2.78        | 14,801<br>1.86          | 15,000<br>1.34         | 14,407<br>-3.95        |
| Sewer Fund                                       | 6,810             | 7,362<br>11.38          | 7,707<br>4.69          | 8,542<br>10.83          | 7,981<br>-6.87         | 5,445<br>-31.78         | 6,444<br>-19.26         | 5,795<br>-10.07         | 5,521<br>-4.73         | 5,608<br>1.58           | 5,706<br>1.75          | 5,808<br>1.79          |
| Storm Drainage Fund                              | 0                 | 0<br>N/A                | 0<br>N/A               | 0<br>N/A                | 0<br>N/A               | 4,476<br>N/A            | 4,281<br>N/A            | 4,367<br>2.01           | 4,455<br>2.02          | 4,544<br>2.00           | 4,635<br>2.00          | 4,728<br>2.01          |
| Solid Waste Fund                                 | 9,589             | 11,502<br>19.95         | 12,082<br>5.04         | 14,403<br>19.21         | 14,744<br>2.37         | 17,748<br>20.37         | 17,868<br>21.19         | 17,414<br>-2.54         | 17,094<br>-1.84        | 16,840<br>-1.49         | 16,584<br>-1.52        | 16,334<br>-1.51        |
| Parking Fund                                     | 4,740             | 5,251<br>10.78          | 4,539<br>-13.56        | 6,721<br>48.07          | 6,525<br>-2.92         | 7,531<br>15.42          | 7,379<br>13.09          | 7,349<br>-.41           | 7,120<br>-3.12         | 7,645<br>7.37           | 8,084<br>5.74          | 8,258<br>2.15          |
| Community Center Fund                            | 3,405             | 4,241<br>24.55          | 4,213<br>-.66          | 5,073<br>20.41          | 5,518<br>8.77          | 5,360<br>-2.50          | 5,732<br>3.88           | 5,661<br>-.89           | 5,968<br>5.05          | 6,197<br>3.84           | 6,458<br>4.21          | 6,732<br>4.24          |
| Boat Harbor Fund                                 | 340               | 365<br>7.35             | 391<br>7.12            | 419<br>7.16             | 462<br>10.26           | 496<br>7.36             | 490<br>6.06             | 534<br>8.98             | 641<br>20.04           | 742<br>15.78            | 797<br>7.41            | 853<br>7.03            |
| Golf Fund  | 1,463             | 1,673<br>14.35          | 1,843<br>10.16         | 2,225<br>20.73          | 2,383<br>7.10          | 2,019<br>-15.27         | 2,257<br>-5.29          | 2,153<br>-4.61          | 2,069<br>-3.90         | 2,078<br>.43            | 2,087<br>.43           | 2,097<br>.48           |
| Camp Sacramento Fund                             | 0                 | 207<br>ERROR            | 177<br>-14.49          | 1,407<br>694.92         | 452<br>-67.87          | 243<br>-46.24           | 190<br>-57.96           | 246<br>29.47            | 243<br>-1.22           | 243<br>.00              | 243<br>.00             | 243<br>.00             |
| Internal Service Funds                           | 1,876             | 1,863<br>-.69           | 1,524<br>-18.20        | 1,174<br>-22.97         | 3,094<br>163.54        | 1,520<br>-50.87         | 1,514<br>-51.07         | 1,520<br>.40            | 1,520<br>.00           | 1,520<br>.00            | 1,520<br>.00           | 1,520<br>.00           |
| <b>TOTAL ENTERPRISE AND<br/>INTERNAL SERVICE</b> | <b>37,178</b>     | <b>41,871</b><br>12.62  | <b>42,666</b><br>1.90  | <b>53,024</b><br>24.28  | <b>55,089</b><br>3.89  | <b>59,105</b><br>7.29   | <b>61,741</b><br>12.08  | <b>60,005</b><br>-2.81  | <b>59,162</b><br>-1.40 | <b>60,218</b><br>1.78   | <b>61,114</b><br>1.49  | <b>60,980</b><br>-.22  |
| <b>GRAND TOTAL</b>                               | <b>137,497</b>    | <b>138,944</b><br>1.05  | <b>139,526</b><br>.42  | <b>174,844</b><br>25.31 | <b>188,112</b><br>7.59 | <b>207,442</b><br>10.28 | <b>215,033</b><br>14.31 | <b>210,115</b><br>-2.29 | <b>225,754</b><br>7.44 | <b>233,342</b><br>3.36  | <b>253,922</b><br>8.82 | <b>261,601</b><br>3.02 |

The revenue projections in the preceeding section provides important information with respect to the fiscal situation of the City both in the current year and the projection period. However, the bottom line comes in when projected revenues are compared against projected expenditures, or, to put it more broadly, when projected total resources are compared to projected total requirements. The result of such a comparison is a projection of General Purpose fund balance.

General Purpose revenues include all General Fund revenues as well as transfers from other funds for nonenterprise direct operating program support and indirect operating program support for the enterprises. The major General Fund revenue sources are the Property Tax, Sales and Use Tax, Utility Users Tax, fines, permits, licenses and fees, investment income, and intergovernmental revenues.

Transfers into the General Fund include Revenue Sharing, Gas Tax, Traffic Safety, Community Development Block Grant (CDBG), and various operating grants. Transfers are made usually from funds with restricted use, but which can be used for otherwise general funded expenses. The result is a "freeing up" of equal amounts of General Funds which are not restricted.

#### MIDYEAR ESTIMATES

Table 3-1 provides an update of the current year ending fund balance projection as well as a five year projection. The Approved 1985-86 General Purpose budget is compared against the current Midyear projection with the variance depicted in the third column. The Ending Fund Balance for the current year is up by \$1,757,000. This is explained by a higher than anticipated beginning fund balance and offsetting increases in revenues and expenditures. Both revenues and expenditures are projected to come in within 2.4% of the original estimates as presented in the Approved Budget. Specific changes in the current year estimates are highlighted in the footnotes to the table.

#### ADMINISTRATIVE CONTINGENCY

During the current year, approximately \$2.5 million has been spent from the Administrative Contingency. The remaining balance is approximately 75,000. It is recommended that \$500,000 be added to the Contingency to cover any unanticipated costs for the remainder of the year. If expenditures from Contingency are kept within the \$575,000 then the projected General Fund balance at June 30, 1986 should be about \$2.6 million. As can be seen in the projections, any erosion of this amount could jeopardize the fund's ability to sustain the program levels proposed for the subsequent years.

## FORECAST ASSUMPTIONS

The forecast period (1986-87 through 1990-91) generally assumes no structural changes with respect to revenues and expenditures. The key assumptions used are listed below:

- o All currently approved positions are filled and total employee service costs grow by 5.5% each year.
- o Other Service and Supplies, and Equipment costs grow at a rate of 5% each year.
- o Revenue Sharing is completely eliminated in the City's fiscal year 1986-87.
- o Every effort will be made to maintain the Reserve for Economic Uncertainty at a level equal to 4% of resources. If this is not possible, then every effort will be made to restore the Reserve to the 4% level at the earliest possible opportunity.

In addition to the above basic assumptions, staff also included a limited number of program augmentations. Aside from the augmentations specified below, all other program and staffing levels are assumed to remain at the current 1985-86 levels.

- o With the adoption of the 1985-86 Budget, the City Manager proposed a program to add 7 new police officer positions to the budget each year from 1986-87 through 1989-90. Including the 25 officers which were added in 1985-86, this would bring the total new officer positions up to 53 by the end of the projection period. The 5-year General Purpose projection assumes the full implementation of this program.
- o The projection assumes that staffing for an engine company will be provided for Fire Station 11 and that a truck company will be added to Fire Station 7. The two companies will be added at different points after the beginning of 1986-87 so as to minimize the first year costs.
- o It is assumed that the City will provide on-going support to Regional Transit for the operation of Light Rail beginning in March, 1987. The 1986-87 subsidy would be \$500,000. Annual subsidies thereafter are set at \$1,500,000. This amount represents approximately half of the annual operating deficit of Light Rail.
- o The annual cost of the Financial Management Information System (FMIS) has been included beginning in 1986-87. Current year costs will be covered within the existing CIP allocation. The on-going costs associated with FMIS include an estimated \$466,000 per year for debt service for a seven year period with the remaining portion of the annual allocation an estimate of the

cost of operations and maintenance. Some additional future software/hardware upgrades are also included to allow for the migration of existing applications off of the Sperry Univac and on to the new mainframe by 1988.

- o In order to maximize available cash in 1986-87, a number of current and proposed Capital projects will be recommended for debt financing. The annual debt service for these projects is estimated at \$550,000 per year. The financing of currently funded projects will free up available cash, and the financing of proposed projects will maximize the useage of that cash. Staff will come back to the Budget and Finance Committee and City Council with a complete report on this subject at a later date.

#### 5-YEAR OUTLOOK

The outlook for the General Purpose budget for the next 5 years is one of delayed optimism. A relatively strong local economy will keep revenues in a pattern of real growth. However, the total loss of Revenue Sharing, which represents about 4% of total General Purpose resources, reduces the base from which to grow. Therefore, the City's revenue growth cannot be translated into program growth until the loss of Revenue Sharing has been absorbed, which is projected to take several years.

Another indication of the impact of the loss of Revenue Sharing is the current deficits which appear in 1986-87 and 1987-88 (see line labeled "Total Current Surplus (Deficit) on Table 3-1). The significance of these deficits is that current resources will not cover operating and capital costs. Such deficits are in deviation from prior adopted Council policy to maintain a current surplus. An exception to this policy is being proposed as a means for absorbing the loss of Revenue Sharing without reductions to currently planned service levels. A "current surplus" is projected in 1988-89, and each year thereafter at increasing levels.

One Time Fixes Necessary. In order to compensate for the loss of Revenue Sharing, without impacting currently planned service levels, it will be necessary to rely on several "one-time fixes" for the next couple of years. The magnitude of these fixes are shown under "OTHER FUND SOURCES" on Table 3-1. In 1986-87, the \$1,820,000 represents a number of currently funded capital improvement projects which have not yet been completed. It is proposed that these projects be debt financed and the amounts currently appropriated for them be returned as a resource to the General Fund. The other one time fixes in 1987-88 are the defunding of the remaining COP reserve (\$458,000) and the payment of \$1 million from the Sacramento Housing and Redevelopment Agency for reimbursement of funds used to purchase land for the Central Library capital project.

The "fixes" in 1986-87 do work to maximize cash flow, but will result in a higher overall cost for the projects being financed. The defunding of the COP reserve in 1987-88 could have an unspecified, though probably not substantial, negative impact on the City's overall standing in the financial community. The reserve was established as a Council policy and is not strictly required by the financing.

Reduction of the Reserve for Economic Uncertainty. In order to minimize the impact of the loss of Federal Revenue Sharing, it will be necessary to reduce the Reserve for Economic Uncertainty below the 4% level. In 1986-87, no contribution will be made to the reserve which will result in the coverage dropping to 3.82%. In 1987-88, it will be necessary to actually transfer \$900,000 from the Reserve back into the General Fund operating budget. This is largely the result of the Light Rail subsidy increasing to \$1.5 million in that year and the other revenues still not having compensated for the loss of Revenue Sharing. The reserve will reach a period low of 2.74% in 1988-89, after which a two-year phase in will return it to a 4% level by 1990-91.

Minimal Operating Program Growth. In 1986-87, it is assumed that along with the current base budget, funding for seven new police officers, two new fire station companies, four months of Light Rail subsidy the FMIS system can be funded. In 1987-88, the Light Rail subsidy is provided for a full year but otherwise the only new staffing assumed is an additional seven police officers. With a projected fund balance in that year of \$7,000 there is no room to accommodate other operating program increases. However, beginning in 1989-90 there will be a growing fund balance from which program augmentations could be funded; even with the continued addition of the seven new police officers each year. This is the basis for depicting the overall outlook as one of "delayed optimism".

Delayed Capital Program. Not surprisingly, the Capital Improvement Program is also projected to endure almost three more years of minimal expenditures before a substantial program can be undertaken. The five year General Fund CIP program is estimated at \$21.75 million as compared to identified needs of almost \$35 million.

Acceleration of Police Staffing. Staff was specifically requested to report back on the feasibility of accelerating the program to add 53 new police officer positions over a five year period. A total of 25 new positions were added in 1985-86, and 7 more were to be added each year thereafter for at least four years.

Due to the limited fund balance that is projected at the end of 1986-87 and 1987-88 it does not appear feasible to add more new officer positions at this time. The \$13,000 fund balance projected at the end of 1986-87 plus the \$1.9 million in the Administrative Contingency leaves an extremely small cushion to absorb any estimation errors or mandated program augmentations which might arise.

TABLE 3-1

GENERAL PURPOSE  
5-YEAR FUND BALANCE PROJECTION  
SUMMARY OF REVENUES, APPROPRIATIONS AND CHANGES IN FUND BALANCES FOR FISCAL YEARS 1985-91

| (\$ in 000's)                         |                     |                    | VARIANCE:                  |   | 1986-87<br>ESTIMATE | 1987-88<br>ESTIMATE | 1988-89<br>ESTIMATE | 1989-90<br>ESTIMATE | 1990-91<br>ESTIMATE |
|---------------------------------------|---------------------|--------------------|----------------------------|---|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                       | 1985-86<br>APPROVED | 1985-86<br>MIDYEAR | Favorable<br>(Unfavorable) |   |                     |                     |                     |                     |                     |
| BEGINNING FUND BALANCE (Deficit)      | 289                 | 2,024              | 1,735                      | a | 2,591               | 13                  | 7                   | 78                  | 1,989               |
| CURRENT RESOURCES:                    |                     |                    |                            |   |                     |                     |                     |                     |                     |
| Revenues                              | 117,084             | 121,614            | 4,530                      | b | 130,467             | 141,419             | 152,902             | 166,225             | 175,642             |
| Operating Transfers In                | 20,552              | 19,363             | ( 1,189)                   | c | 13,039              | 13,123              | 13,845              | 14,606              | 15,410              |
| TOTAL Current Resources               | 137,636             | 140,977            | 3,341                      |   | 143,506             | 154,542             | 166,747             | 180,831             | 191,052             |
|                                       |                     |                    |                            |   | 1.79%               | 7.69%               | 7.90%               | 8.45%               | 5.65%               |
| CURRENT REQUIREMENTS                  |                     |                    |                            |   |                     |                     |                     |                     |                     |
| Current Operations:                   |                     |                    |                            |   |                     |                     |                     |                     |                     |
| Employee Services                     | 103,065             | 101,639            | 1,426                      | d | 108,516             | 113,942             | 119,639             | 125,621             | 131,902             |
| Other Services & Supplies             | 27,966              | 30,522             | ( 2,556)                   | e | 29,364              | 30,833              | 32,374              | 33,993              | 35,692              |
| Equipment                             | 1,628               | 1,931              | ( 303)                     |   | 2,028               | 2,129               | 2,236               | 2,348               | 2,465               |
| Debt Service                          | 2,967               | 2,967              | 0                          |   | 3,016               | 2,975               | 3,046               | 2,892               | 2,911               |
| CIP Labor/Supply Offset               | ( 2,509)            | ( 1,818)           | ( 691)                     | f | ( 1,909)            | ( 2,014)            | ( 2,125)            | ( 2,242)            | ( 2,365)            |
| Additions to Reserves                 | 559                 | 559                | 0                          |   | 0                   | ( 900)              | 0                   | 750                 | 2,315               |
| Transfers Out                         | 0                   | 125                | ( 125)                     |   | 0                   | 0                   | 0                   | 0                   | 0                   |
| Administrative Contingency            | -                   | 500                | ( 500)                     | g | 1,900               | 2,000               | 2,000               | 3,500               | 3,750               |
| * Net FMIS Costs                      | -                   | -                  | 0                          |   | 1,010               | 1,048               | 1,269               | 1,039               | 1,040               |
| * Add'l 7 Police Officers/yr to 89-90 | -                   | -                  | 0                          | h | 364                 | 701                 | 1,078               | 1,495               | 1,535               |
| * Fire Stations 7 & 11                | -                   | -                  | 0                          |   | 565                 | 1,242               | 1,358               | 1,475               | 1,591               |
| * Light Rail Subsidy                  | -                   | -                  | 0                          |   | 500                 | 1,500               | 1,500               | 1,500               | 1,500               |
| Subtotal Current Operations           | 133,676             | 136,425            | ( 2,749)                   |   | 145,354             | 153,456             | 162,376             | 172,371             | 182,337             |
|                                       |                     |                    |                            |   | 6.55%               | 5.57%               | 5.81%               | 6.16%               | 5.78%               |
| Capital Improvements:                 |                     |                    |                            |   |                     |                     |                     |                     |                     |
| CIP Pay-as-you-go                     | 3,807               | 4,377              | ( 570)                     | i | 2,000               | 2,000               | 3,750               | 6,000               | 8,000               |
| CIP Debt Financed                     | -                   | -                  | 0                          |   | 550                 | 550                 | 550                 | 550                 | 550                 |
| Subtotal Capital Improvements         | 3,807               | 4,377              | ( 570)                     |   | 2,550               | 2,550               | 4,300               | 6,550               | 8,550               |
| TOTAL Current Requirements            | 137,483             | 140,802            | ( 3,319)                   |   | 147,904             | 156,006             | 166,676             | 178,921             | 190,887             |
| TOTAL CURRENT SURPLUS (Deficit)       | 153                 | 175                | 22                         |   | ( 4,398)            | ( 1,463)            | 71                  | 1,911               | 165                 |
| OTHER FUND SOURCES (Uses)             | 392                 | 392                | 0                          |   | 1,820               | 1,458               |                     |                     |                     |
| ENDING FUND BALANCE (Deficit)         | \$834               | \$2,591            | \$1,757                    | j | \$13                | \$7                 | \$78                | \$1,989             | \$2,154             |
| Reserve for Economic Uncertainty      | 5,477               | 5,477              | -                          |   | 5,477               | 4,577               | 4,577               | 5,327               | 7,642               |
| Percent of Current Resources          | 3.98%               | 3.89%              | -                          |   | 3.82%               | 2.96%               | 2.74%               | 2.95%               | 4.00%               |

FOOTNOTES TO GENERAL FUND BALANCE PROJECTIONS

- a. As detailed in an October 10, 1985 report to the Budget and Finance Committee, the expected fund balance increased primarily due to a 3% increase in revenues. This increase permitted the funding of the Risk Management reserves (\$900,000), Code Enforcement (\$560,000), Fast Track Building (\$293,000), City Hall Basement (\$250,000), etc.
- b. The following shows the increase over the anticipated Approved Budget tax revenues:

|                          | Amount<br>(000's) | Changed From<br>Approved |
|--------------------------|-------------------|--------------------------|
|                          | -----             | -----                    |
| Property Tax             | \$ 686            | 2.2%                     |
| Sales Tax                | 799               | 2.8                      |
| Utility Users Tax        | 1,093             | 5.0                      |
| Residential Construction | 847               | 78.0                     |
| Charges for Service      | 417               | 5.4                      |
| Other                    | 631               | 2.9                      |
|                          | -----             | -----                    |
|                          | \$4,530           | 3.9%                     |
|                          | =====             | =====                    |

The increase in Charges for Current Services is due to a \$900,000 increase in Engineering Fees. This increase partially explains the corresponding increase in expenses (see footnote e).

- c. The decrease in operating transfers to the General Fund reflects an overall decrease of \$2.1 million offset by a \$900,000 increase in Gas Tax transfers.
- d. The lower labor expenses results from higher salary savings and lower costs relative to anticipated group benefits.
- e. The increase of Service and Supply costs over the approved reflects the spending from contingency (\$900,000 liability reserve, Code Enforcement \$336,000, Fast Track Building \$130,000) and the increase in engineering costs (\$900,000 offset by fees).
- f. The decrease in CIP Labor Offset is attributable to factors such as timing of projects and a reclassification of offset money to revenue accounts.
- g. Estimated Administrative Contingency spending to the end of the year.
- h. This line assumes seven additional police officers being added in each year from 1986-87 through 1989-90 starting at \$38,000 per officer with other initial year costs of \$98,000 (\$30,000 per each group of seven officers in the following years).

- i. Pay-as-you-go refers to projects which are paid for out of available resources as opposed to debt financed projects. The increase in General Government CIP spending reflects the remodeling of the City Hall Basement, the Meadowood Project, the Franklin & 12th Project, and other miscellaneous items.
- j. This surplus is needed to carryover to fiscal year 1986-87 offset the loss of Revenue Sharing.

The City's enterprises operate much like businesses. Each enterprise fund is expected to be self-supporting by recovering its costs through the assessment of fees to those who use the service. This situation is quite different from the general purpose programs which require levying of Citywide taxes for their major form of support.

In this section, each of the nine City enterprise funds is analyzed. A 5-year forecast of revenues and fund balances is provided, as well as an analysis of financial trends covering the past years which have a bearing on fund performance. The analysis of each fund indicates any particular weaknesses, with comments on the need for any future studies or actions where appropriate.

The following assumptions have been used in each of the analysis unless specifically stated otherwise:

- o Growth in user fees and charges has been assumed at the current level of growth in accounts. Specific rate increases have not been assumed in the fund balance projections.
- o Interest income assumes no significant changes in interest rates.
- o It is assumed that there will be no new operational programs unless specifically stated.
- o It is assumed that Employee Service costs will grow at a rate of 5.5% per annum for the full projection period.
- o Service and supply costs have been assumed to grow at a rate of 5% per year.
- o Historical levels of annual equipment costs have been assumed, and have been escalated by 5% each year.

In each case where deficits arise in the fund balance projections based on the above assumptions and any others identified in the specific write ups, staff has identified the level of rate increase which would be required to bring the fund into balance. Any other program augmentations will probably require supplemental rate increases.

Each fund write up includes an abbreviated fund balance projection chart depicting the assumptions as described. In addition, the Exhibits at the end of this attachment are the unabridged versions of the fund balance tables.

The following terms are used in connection with each enterprise:

Net Earnings: Operating deficits (losses) in the enterprise funds are distinct indicators of emerging problems that may include the inability to maintain current service levels, insufficient funds to meet debt service requirements, inadequate capital investment, or inadequate rates to achieve full cost recovery.

"Net earnings" is defined as operating expenses, (including interest expense on bonds and depreciation) versus net operating income (user fees, rents and concessions, and interest earned on investments including operating transfers).

Bond Coverage. The bond covenants for revenue bonds (as applies to Water and Sewer bonds), require revenues to be maintained in excess of operating expenditures by an amount at least equal to 30% of annual debt service. This is expressed as a ratio of 1.30. Such "net revenue" is required to provide security for the bondholder. For one year prior to the sale of new revenue bonds this "net revenue" should be maintained at 50% of annual debt service (a ratio of 1.5%).

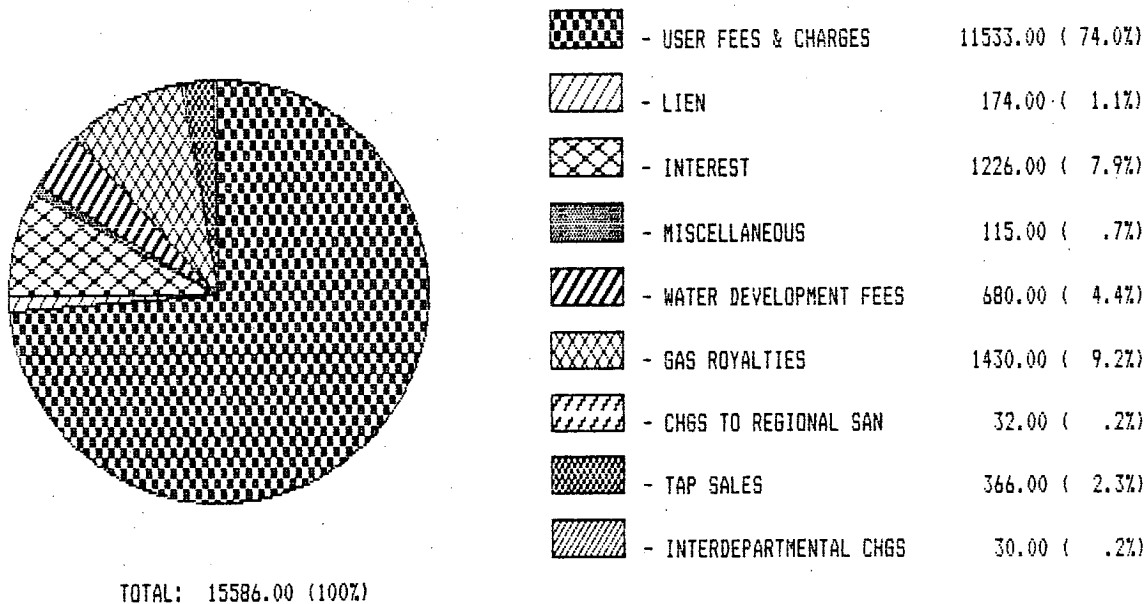
Certificates of Participation (COP's) do not require the above bond coverage because, in simplified terms, the project being financed is held as collateral in case of default. The Solid Waste fund has utilized COP financing for the Vegetal Waste facility and the Landfill.

The City's Water Enterprise operation is responsible for water production, water distribution and the monitoring of local water quality. It also plays a key role in the development and administration of the area's groundwater management plan.

Water Fund revenues are gathered from a variety of service charges including user fees, tap sales, and development payments. The use of these monies is restricted by bond covenants to the maintenance and operation of the water system, extensions and improvements to infrastructure, and the repayment of bond principal and interest costs.

Figure 1

WATER FUND REVENUE 1985-86 \$000'S OMITTED



## FIVE YEAR FUND BALANCE PROJECTION

The fund balance projections are presented on Table 4-1. The following specific assumptions were made in developing the fund balance projections:

- o User fee revenues will grow at the current rate of 2.3% annually as a result of new users coming into the system.
- o Average of 4,000 Equivalent Dwelling Units (EDU's) annually.
- o Water Treatment plant capacity expansion costing \$40 million to be undertaken in 1988-89. Expansion to be debt financed.
- o Utility cost increases (which are a part of Other Service and Supply costs) to increase by 15% annually.

The five year fund balance projection shows a deficit appearing in 1990-91 due to it being the first year in which a debt service payment from the fund is required. During the prior two years, the interest only payments required during the construction/expansion of the water treatment facility would be paid from a debt financed reserve account.

An earlier indication of fund problems is reflected in the continuous decline in Net Operating Income. The reductions indicate that the Operating revenues, which include user fees and charges, are not keeping up with Operating Expenses. The significant decline between 1986-87 and 1987-88 is attributable in large part to the projection that Gas Royalty revenues will be tapped out at that point. The decline of net operating income is further exacerbated by the assumption that ongoing operating expenses will grow faster than revenues sans any rate changes.

Rate Increase Required. In order to eliminate the deficit in 1990-91 and to reverse the declining trend in Net Operating Income, a 5%-10% annual increase in User Fees will be necessary. In addition, a substantial increase in Water Development Fees will be needed to cover the debt service costs of expansion.

Water Treatment Expansion. The expansion issue is currently being studied by the consulting firm of Brown and Caldwell and should be completed in August of 1986. This study will provide much needed information regarding which sites can be expanded and to what capacities, versus whether or not a new plant is required.

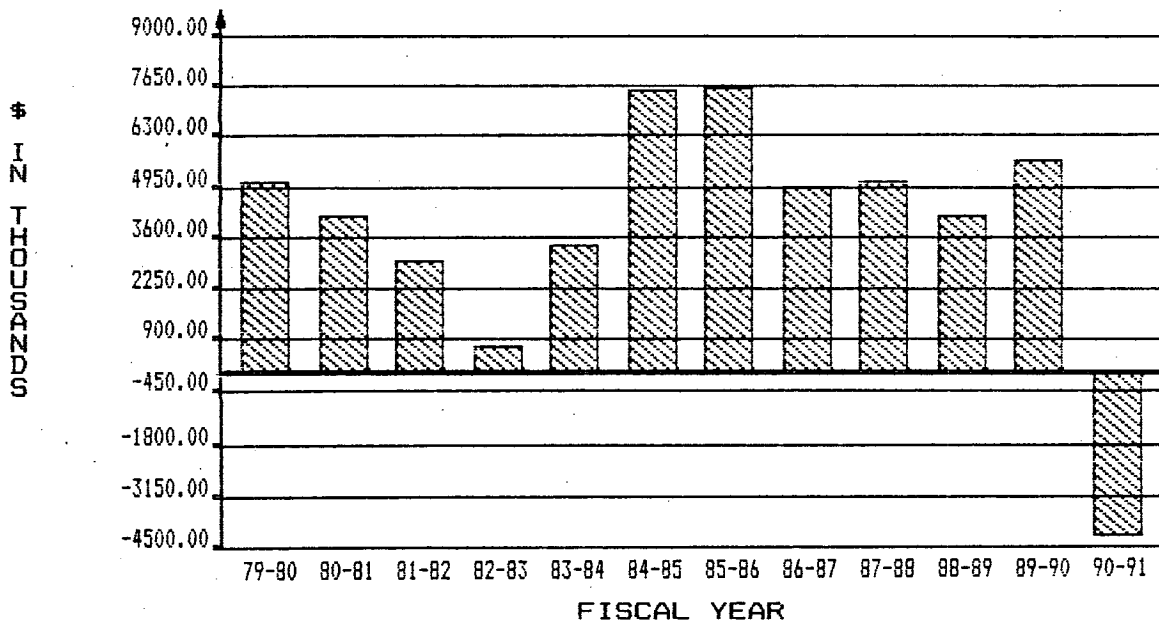
Water Development Fee Increase. An earlier consultant study (Metcalf and Eddy) made recommendations as to the financing of future expansion. Staff recommends that the expansion be debt financed and also that the debt service payments be supported primarily by Water Development Fees and secondarily by user fees. The increase of Water Development Fees is supported by the consultant study under the concept of "equity". The reasoning is that existing water customers have already paid for the current water treatment, storage, and transmission system and should therefore be held harmless against the cost of new infrastructure caused by

new development. The current average Water Development Fee paid per EDU is \$169. The Metcalf and Eddy study recommended that the fee be increased to an average of \$2,000 per EDU. Based on current projections a phase in to this rate over the next couple of years would allow for sufficient revenues to cover the debt service costs. The phase in schedule will be affected by whatever policy is adopted regarding the treatment of infill development. The justification for also relying on user fees is that additional capacity is required to accomodate the demands of existing customers.

TABLE 4-1

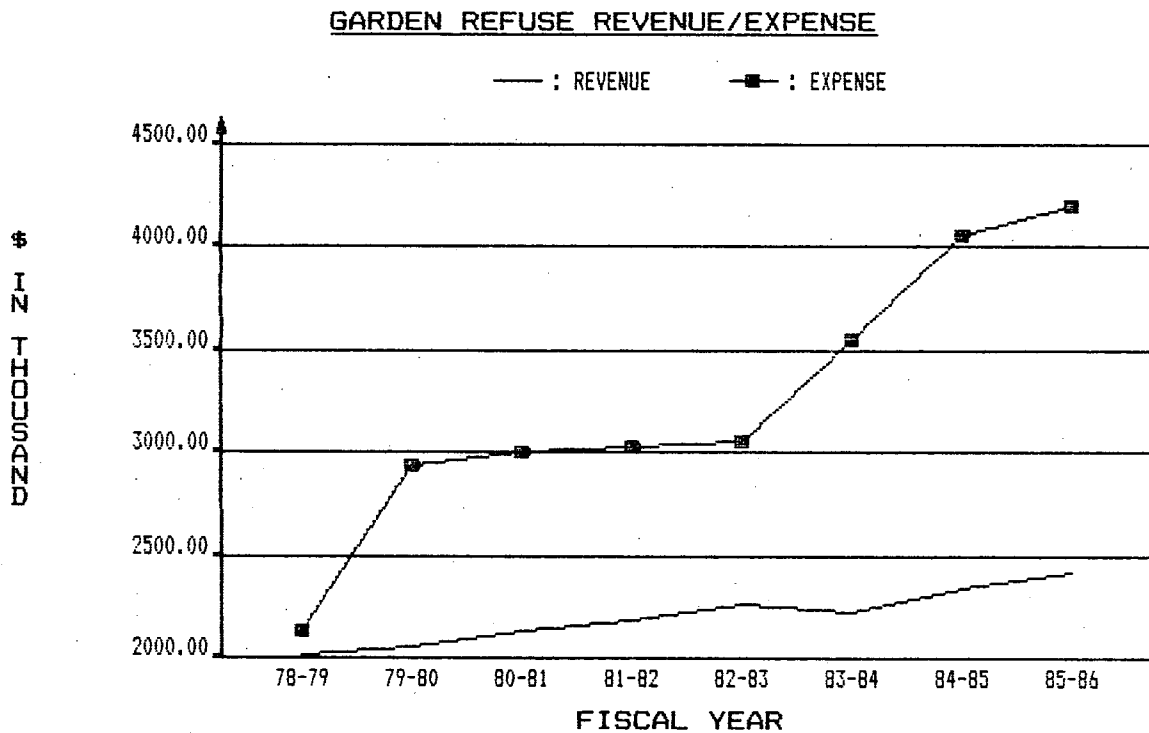
| WATER FUND FINANCIAL HISTORY & PROJECTIONS | ACTUAL<br>1984-85 | PROPOSED<br>1985-86 | PROJECTED<br>1986-87 | PROJECTED<br>1987-88 | PROJECTED<br>1988-89 | PROJECTED<br>1989-90 | PROJECTED<br>1990-91 |
|--|-------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total Operating Revenues                   | \$12,475,000      | \$14,215,000        | \$13,606,439         | \$13,385,139         | \$13,670,325         | \$13,962,150         | \$14,260,771         |
| Total Operating Expenses                   | \$9,976,000       | \$11,540,066        | \$11,601,060         | \$12,250,692         | \$12,940,206         | \$13,672,112         | \$16,721,653         |
| Net Operating Income (Loss)                | \$2,499,000       | \$2,674,934         | \$2,005,379          | \$1,134,447          | \$730,119            | \$290,038            | (\$1,403,307)        |
| Net Nonoperating Revenue (Expense)         | \$1,132,000       | \$668,827           | \$687,151            | \$565,973            | (\$3,393,918)        | (\$2,163,051)        | (\$5,376,479)        |
| Net Change to Retained Earnings            | \$3,631,000       | \$3,343,761         | \$2,692,530          | \$1,700,420          | (\$2,663,799)        | (\$1,873,012)        | (\$6,779,786)        |
| Increase in Long-Term Liabilities          |                   |                     |                      |                      | \$52,878,725         |                      |                      |
| Capital Improvement Projects/Equipment     | \$2,650,000       | \$3,795,069         | \$5,851,000          | \$2,007,000          | \$40,332,505         | \$2,178,288          | \$2,274,652          |
| Decrease in Long-Term Liabilities          | \$120,000         | \$770,000           | \$785,000            | \$820,000            | \$850,000            | \$880,000            | \$2,133,649          |
| Other Changes to Working Capital           | \$3,778,012       | \$1,276,640         | \$1,289,406          | \$1,302,300          | (\$9,950,177)        | \$6,351,977          | \$1,341,761          |
| Beginning Fund Balance                     | \$2,879,951       | \$7,518,963         | \$7,574,295          | \$4,920,231          | \$5,095,952          | \$4,178,197          | \$5,598,874          |
| Net Total Available Resources - Ending     | \$7,518,963       | \$7,574,295         | \$4,920,231          | \$5,095,952          | \$4,178,197          | \$5,598,874          | (\$4,247,451)        |

WATER FUND BALANCE PROJECTIONS



The Solid Waste Enterprise is responsible for refuse collection and disposal, street sweeping, household hazardous waste collection, neighborhood cleanup and, in the current year, Toxics Commission technical staff support. Solid Waste fees must support all of these services as well as provide a 50% subsidy to the garden refuse collection program. The Lawn and Garden Excise Tax produces approximately one half of the funds required to support that program.

Figure 2



FIVE YEAR FUND BALANCE PROJECTIONS

The fund balance projections for the Solid Waste Fund are presented on Table 4-2. The assumptions included in developing these projections are:

- o User fee revenue will continue to decline at the current rate of 2.0% annually. This factor takes into consideration growth in accounts, the impact of switching between types of service (e.g. going from backyard to curbside service pickup) and the impact of 10,000 automatic lift containers replacing existing service.

- o No change in daily tonnage requirement at the existing landfill. Any reduction in the current amount will require the City to incur additional costs in the form of "tipping fees" at an alternative disposal site.
- o Construction of a transfer station in 1987-88 at a cost of \$4.6 million which will be financed over a 20 year period as well as the potential cash purchase of a landfill site.
- o 10,000 Automatic Lift Containers ("90-gallon containers") to be acquired each year on a cash basis.
- o The phase out of 1 FTE per 2,500 Automatic Lift Containers put into service.
- o No other change in existing service levels including neighborhood cleanups, litter abatement, street sweeping and lawn and garden refuse collection.
- o No implementation of a waste-to-energy alternative.

Rate Increase Required. The fund balance projection shows a negative fund balance as early as next fiscal year. Without an immediate rate increase in the 18%-24% range in 1986-87 and annual rate increases in the subsequent years of 5%-10%, the fund will not be able to meet its operational requirements. On going increases are required because the normal costs of operation are increasing at a minimum rate of 5-6% per year while revenues are projected to decrease at a rate of 2.0% per year. The increase in operation costs are further impacted due to the closure of the existing landfill which was begun in 1985-86.

Automatic Lift Container Program. The 10,000 Automatic Lift Containers proposed for 1986-87 will allow for the completion of the North Sacramento areas which are without curbs and gutters and which therefore must containerize their lawn and garden clippings, and for the remaining infill areas. This will permit the conversion of one five-day route. The 10,000 can proposal is double the amount that is planned for the current year. By accelerating to 10,000 cans per year, it will take between five and seven years to complete the conversion of residential accounts pending a decision regarding the Central City service area. This schedule will also accommodate the absorption of staff in converting to the less labor intensive Automatic Lift Container program, as well as the purchase of side loading vehicles within the current fleet management replacement cycle.

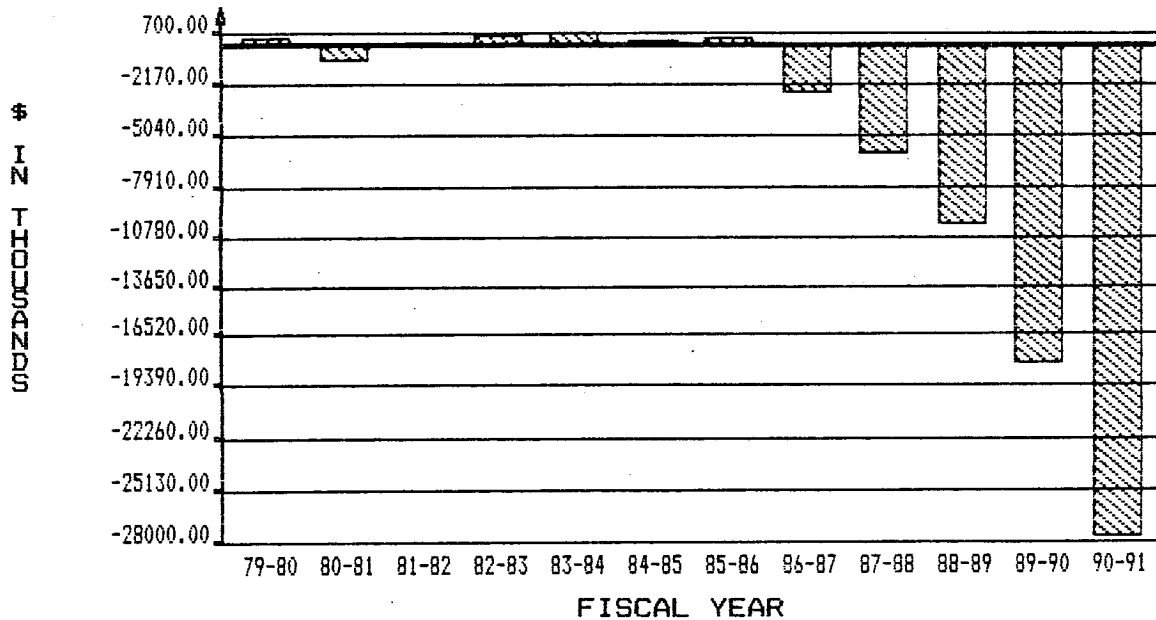
Rate Study. During the current year the distribution of costs associated with the various rate categories (e.g. backyard vs. automatic lift container) is being studied and may require a shift in the revenues generated by each category, though the overall revenue requirements of the fund will not be impacted. The study will also quantify the subsidies received by non-fee generating services (e.g. street sweeping) or services with limited income producing potential (e.g. Lawn and Garden Refuse Tax). Staff will present the findings of the study along with appropriate

recommendations at a later date. Also under study is whether the Lawn and Garden Tax should be recommended for repeal and replaced with a user fee for those persons who wish to have the service.

TABLE 4-2

| SOLID WASTE FINANCIAL HISTORY & PROJECTIONS | ACTUAL<br>1984-85 | PROJECTED<br>1985-86 | PROJECTED<br>1986-87 | PROJECTED<br>1987-88 | PROJECTED<br>1988-89 | PROJECTED<br>1989-90 | PROJECTED<br>1990-91 |
|---|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total Operating Revenues                    | 14,643,000        | 17,510,000           | 17,350,612           | 17,095,553           | 16,841,037           | 16,587,111           | 16,333,818           |
| Total Operating Expenses                    | 14,683,000        | 15,989,977           | 17,446,432           | 18,364,785           | 19,331,313           | 22,341,631           | 23,475,743           |
| NET OPERATING INCOME (LOSS)                 | ( 40,000)         | 1,520,023            | ( 95,820)            | ( 1,269,233)         | ( 2,490,275)         | ( 5,754,521)         | ( 7,141,925)         |
| Net Nonoperating Revenue (Expense)          | ( 619,000)        | ( 279,017)           | ( 516,117)           | ( 976,839)           | ( 782,304)           | ( 1,005,093)         | ( 934,806)           |
| NET CHANGE TO RETAINED EARNINGS             | ( 659,000)        | 1,241,006            | ( 611,937)           | ( 2,246,072)         | ( 3,272,579)         | ( 6,759,614)         | ( 8,076,731)         |
| COP Proceeds                                | 5,000,000         |                      | 0                    | 6,010,088            |                      |                      |                      |
| Capital Improvement Projects/Equipment      | 3,061,000         | 929,904              | 1,680,000            | 5,335,500            | 671,400              | 616,220              | 644,481              |
| Decrease in Long-Term Liabilities           | 252,000           | 225,404              | 564,312              | 609,111              | 656,956              | 781,298              | 852,301              |
| Other Changes to Working Capital            | ( 1,420,466)      | 12,120               | ( 67,759)            | ( 1,267,678)         | 583,445              | 12,612               | 12,738               |
| Beginning Fund Balance                      | 673,466           | 281,000              | 378,818              | ( 2,545,190)         | ( 5,993,463)         | ( 10,010,953)        | ( 18,155,473)        |
| NET TOTAL AVAILABLE RESOURCES               | 281,000           | 378,818              | ( 2,545,190)         | ( 5,993,463)         | ( 10,010,953)        | ( 18,155,473)        | ( 27,716,248)        |

SOLID WASTE FUND BALANCE PROJECTIONS

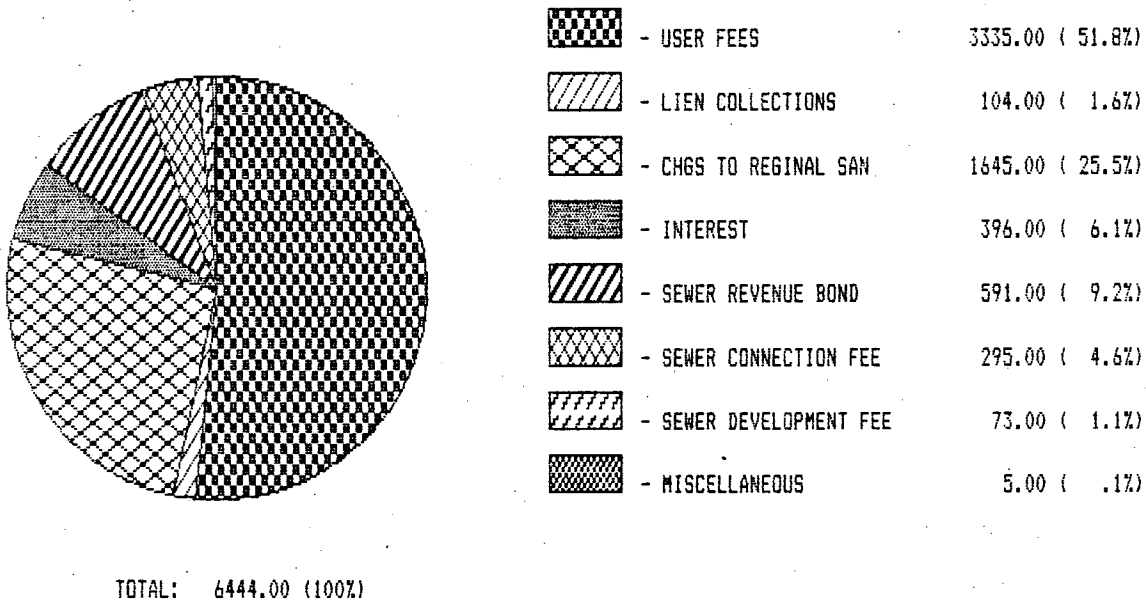


The Sewer Fund Enterprise is responsible for sewer maintenance activities which includes inspection, cleaning, repair and removal of stoppages in sanitary sewers, installing manholes, new services, cleanout and sewer main extensions; inspecting customer-owned grease interceptors; and monitoring discharges into the sewer system.

Sewer service revenues are generated from a variety of service charges including user fees, development, and connection payments and also reimbursement from the Regional Sanitation District for operational support to the district.

Figure 3

SEWER FUND REVENUE 1985-86 \$000'S OMITTED



FIVE YEAR FUND BALANCE PROJECTIONS

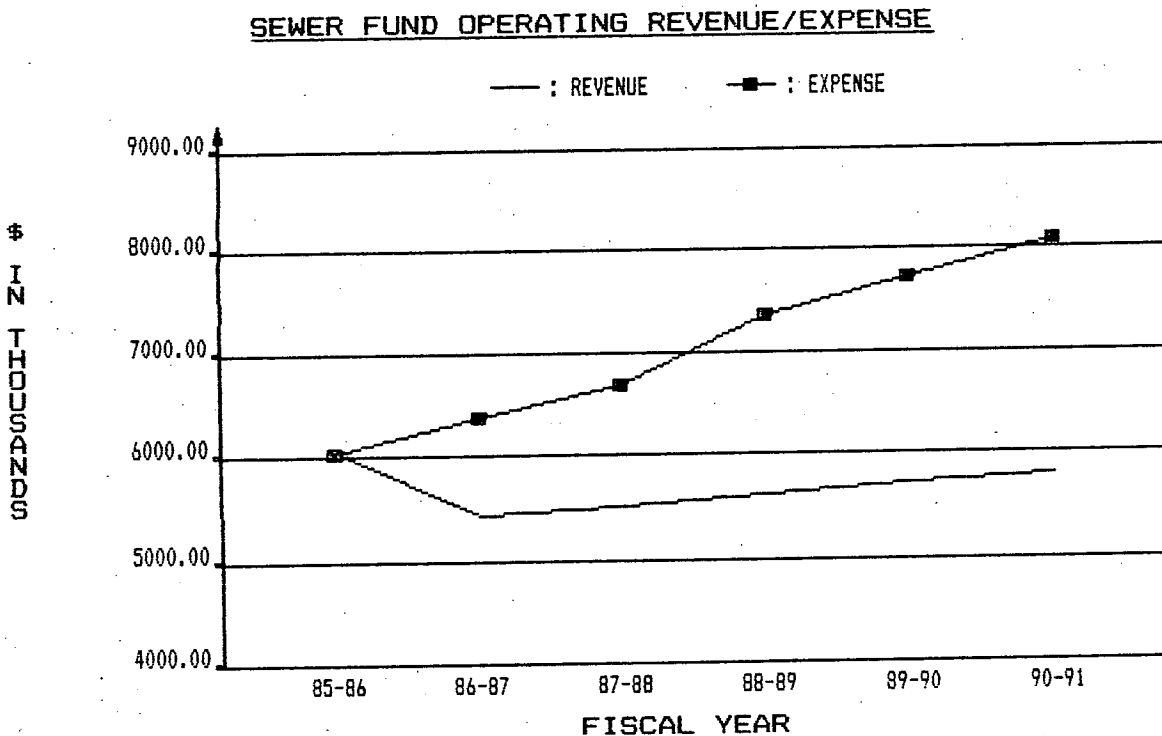
The fund balance projections for the Sewer Fund are presented on Table 4-3. The assumptions included in developing these projections are:

- o User fees grow at the current rate of 1.6% annually.
- o Utility cost increases (which are a part of Other Service and Supply costs) experience increases of 15% annually.
- o Sewer administrative costs will be funded from the Sewer Fund rather than the Water Fund.

Under these assumptions, the Sewer Fund shows a fund balance deficit as early as 1986-87 with the severity of the deficit escalating each year. Without annual rate increases the cash deficit will continue to grow due to the relatively small revenue growth rate of 1.6% per year as compared to the employee service cost increases in the area of 5% per year and other services and supply increases ranging from 5%-15% per year.

Rate Increases Required. It is estimated that a combination of user fee and development rate increases which in total produce between 10%-20% more revenue each year will be required to eliminate the deficits and to reinstate a positive Net Operating Income position. The higher increases will be required during the immediate years. Figure 4 compares operating revenue growth with operating expenditure growth.

Figure 4

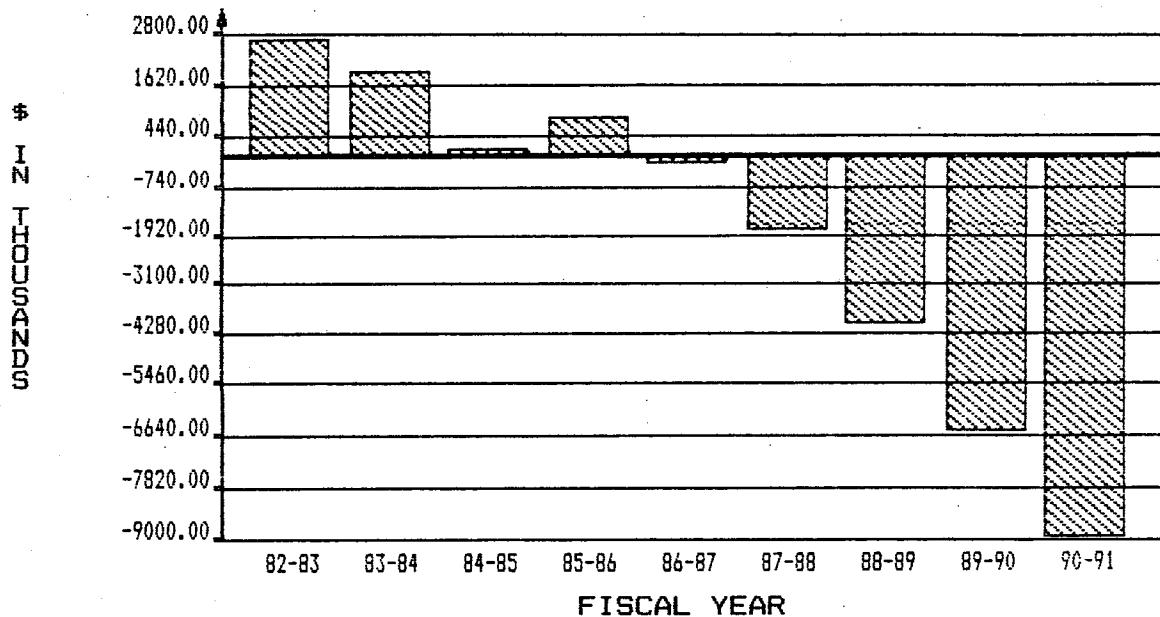


Other Issues. An important issue which is not addressed in the five year projection deals with the replacement of the City's brick sewer system and whether or not that combined sewer and storm system should be replaced with separated systems. Cost estimates range from \$10 million to rebuild the existing combined sewer and drainage system to upwards of \$100 million to separate the sewer and drainage systems. Another concern which could impact this decision revolves around the discharge requirements which are mandated by the Federal and State regulating agencies. It is more difficult to comply with stricter standards when dealing with a combined system, therefore a replacement with a combined system may not be feasible.

TABLE 4-3

| SEWER FUND FINANCIAL HISTORY & PROJECTIONS | ACTUAL<br>1984-85 | MIDYEAR<br>1985-86 | PROJECTED<br>1986-87 | PROJECTED<br>1987-88 | PROJECTED<br>1988-89 | PROJECTED<br>1989-90 | PROJECTED<br>1990-91 |
|--|-------------------|--------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total Operating Revenues                   | 7,157,000         | 6,048,000          | 5,431,165            | 5,520,939            | 5,608,343            | 5,707,029            | 5,808,119            |
| Total Operating Expenses                   | 9,252,000         | 6,029,320          | 6,367,997            | 6,670,196            | 7,362,300            | 7,720,604            | 8,098,705            |
| NET OPERATING INCOME (LOSS)                | ( 2,095,000)      | 18,680             | ( 936,832)           | ( 1,149,257)         | ( 1,753,956)         | ( 2,013,575)         | ( 2,290,586)         |
| Net Nonoperating Revenue (Expense)         | ( 172,000)        | 133,058            | 127,123              | ( 222,945)           | ( 208,320)           | ( 191,760)           | 174,240              |
| NET CHANGE TO RETAINED EARNINGS            | ( 2,267,000)      | 151,738            | ( 809,709)           | ( 1,372,202)         | ( 1,962,276)         | ( 2,205,335)         | ( 2,116,346)         |
| Capital Improvement Projects/Equipment     | 1,859,000         | 412,363            | 1,218,000            | 1,225,500            | 1,233,375            | 1,241,644            | 1,250,326            |
| Decrease in Long-Term Liabilities          |                   | 280,000            | 300,000              | 315,000              | 325,000              | 345,000              | 365,000              |
| Other Changes To Working Capital           | 2,778,409         | 1,250,380          | 1,262,884            | 1,275,513            | 1,288,268            | 1,301,150            | 1,314,162            |
| Beginning Fund Balance                     | 1,532,836         | 185,245            | 895,000              | ( 169,825)           | ( 1,807,014)         | ( 4,039,397)         | ( 6,530,226)         |
| NET TOTAL AVAILABLE RESOURCES              | \$185,245         | \$895,000          | ( \$169,825)         | (\$1,807,014)        | (\$4,039,397)        | (\$6,530,226)        | (\$8,947,736)        |

SEWER FUND BALANCE PROJECTIONS



## Storm Drainage Fund

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The Storm Drainage enterprise is responsible for the maintenance and repair of the storm drainage system and with the 77 storm pumping stations. The fund also pays for costs incurred by storm event pumping at Sumps 1 and 2, Pioneer Reservoir and the combined Wastewater Treatment Plant. Revenues required to fund these services are generated through the imposition of user fees.

### FIVE YEAR FUND BALANCE PROJECTIONS

The fund balance projections are presented on Table 4-4. The following specific assumptions were used in developing these projections:

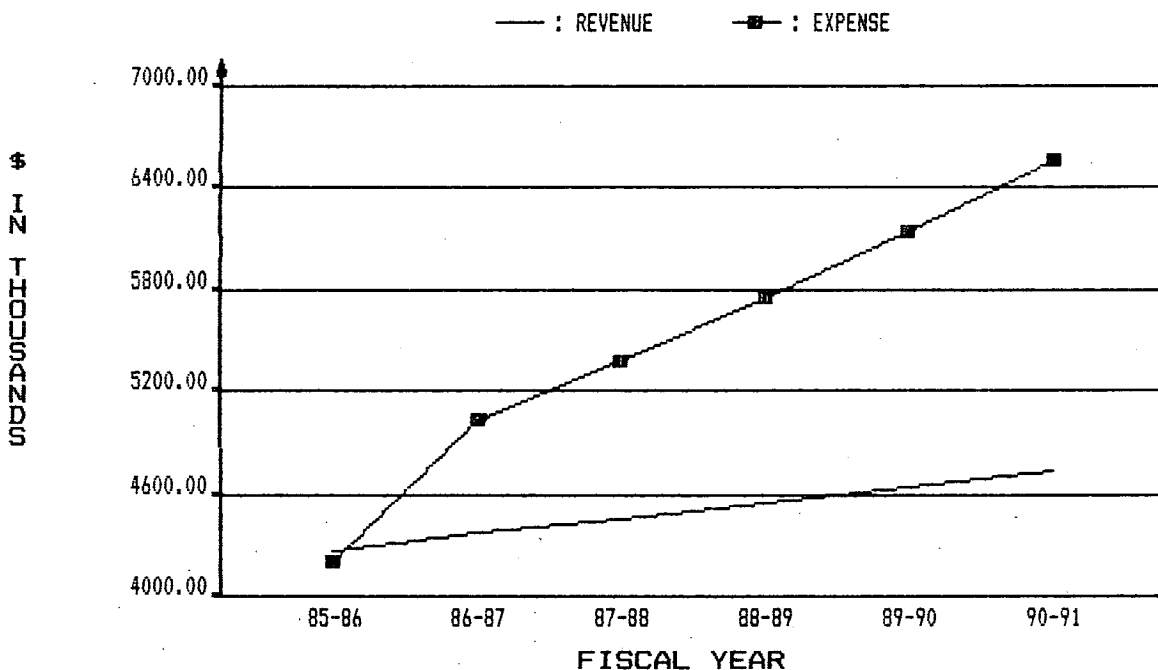
- o User fee revenue will continue to grow at the present rate of 2% annually.
- o No significant changes in Environmental Protection Agency discharge requirements, and therefore no resulting program or capital changes.
- o Utility cost increases (which are a part of Other Service and Supply costs) of 15% annually.
- o Beginning in 1988-89 there will no longer be Flood and Drainage Bond funds available to support the Storm Drainage Capital program.

The fund balance projection indicates a growing Net Operating Deficit as well as an increasing fund balance deficit. The Net Operating deficits are indicative of the user fee revenue growing at a slower rate than expenditures. This problem carries over into the fund balance deficits which is further exacerbated in 1988-89 and thereafter by the assumption that the fund will have to begin carrying the costs of its own capital program. Up to that point, interest and proceeds from the 1965 Flood and Drainage Bond are projected to be available to cover capital costs.

Rate Increases Required. Rate increases of 5%-20% will be required to maintain an adequate fund balance. The higher rate increases will be required during the immediate years. Figure 5 illustrates the growing operating shortfall which would result given no rate increases.

FIGURE 5

STORM DRAINAGE FUND OPER. REVENUE/EXPENSE



Other Issues. Capital costs associated with the development of a Drainage Master Plan, which will include the needs of North Sacramento, have not been included in the fund balance projections. It is proposed that these costs be included in the 1987-88 Capital Improvement Program. In conjunction with the master plan, the various rate categories will be analyzed and adjustments will be recommended to account for the additional capital costs of the program.

The fund balance projections do not include any operating or capital costs which might be associated with the City assuming direct responsibility for operating the American River Flood Control District. It is estimated that the assumption of this responsibility would result in the need for additional user fee increases.

It is also assumed that the development of North Natomas will not impact the Drainage Fund in that any capital improvements will be funded by

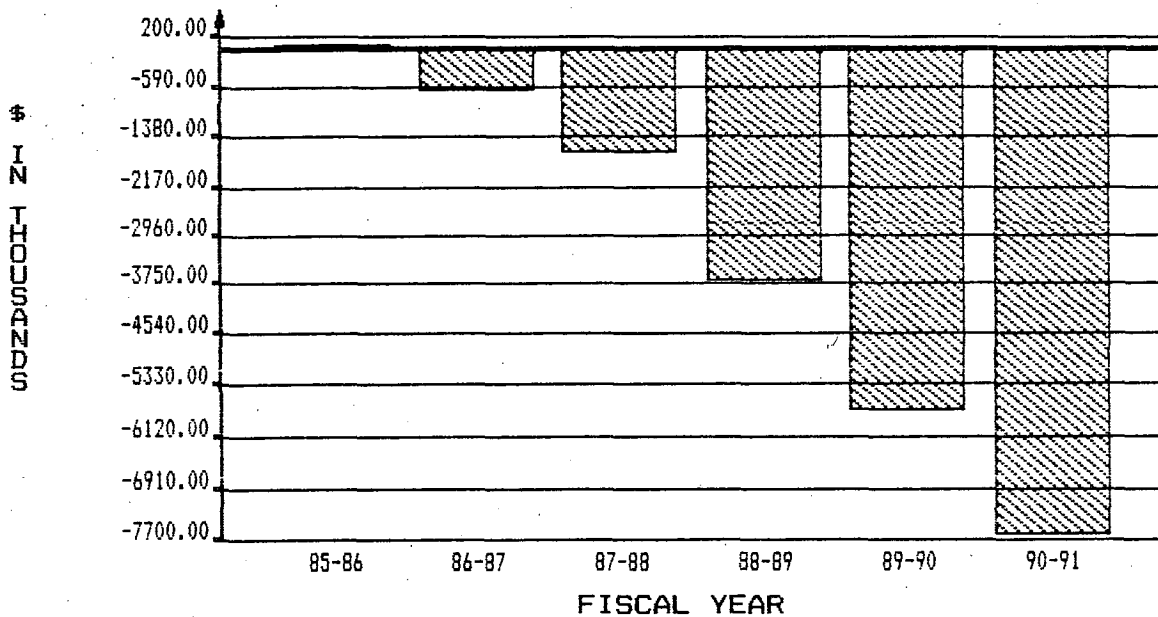
developer charges for that area and user fees will cover operations and maintenance.

Impact of February Storms. At this time the Sacramento area is experiencing severe storms which are causing significant drainage and flooding problems. The emergency nature of the situation is resulting in unanticipated operating and capital expenditures. The extent of these expenditures and the impact it may have on the current fund balance projection and future year's capital needs will not be known for a couple of weeks. If budget overruns are incurred staff will report back at that time to request additional funding. The Water and Sewer funds as well as the General Fund will also very likely be impacted with costs associated with this storm.

TABLE 4-4

| STORM DRAIN FUND FINANCIAL HISTORY & PROJECTIONS | PROPOSED<br>1985-86 | PROJECTED<br>1986-87 | PROJECTED<br>1987-88 | PROJECTED<br>1988-89 | PROJECTED<br>1989-90 | PROJECTED<br>1990-91 |
|--|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total Operating Revenues                         | 4,271,000           | 4,367,844            | 4,455,201            | 4,544,305            | 4,635,191            | 4,727,895            |
| Total Operating Expenses                         | 4,198,344           | 5,035,292            | 5,380,188            | 5,749,082            | 6,143,666            | 6,565,752            |
| NET OPERATING INCOME (LOSS)                      | 72,656              | ( 667,448)           | ( 924,987)           | ( 1,204,777)         | ( 1,508,475)         | ( 1,837,857)         |
| Net Nonoperating Revenue (Expense)               | 42,403              | 0                    | 0                    | 0                    | 0                    | 0                    |
| NET CHANGE TO RETAINED EARNINGS                  | 115,059             | ( 667,448)           | ( 924,987)           | ( 1,204,777)         | ( 1,508,475)         | ( 1,837,857)         |
| Capital Improvement Projects/Equipment           | 25,867              | 1,345,000            | 577,500              | 891,125              | 517,881              | 60,775               |
| Other Changes to Working Capital                 | 0                   | 1,295,000            | 525,000              | 0                    | 0                    | 0                    |
| Beginning Fund Balance                           | 0                   | 89,192               | ( 628,256)           | ( 1,605,744)         | ( 3,701,646)         | ( 5,728,002)         |
| NET TOTAL AVAILABLE RESOURCES                    | 89,192              | ( 628,256)           | ( 1,605,744)         | ( 3,701,646)         | ( 5,728,002)         | ( 7,626,634)         |

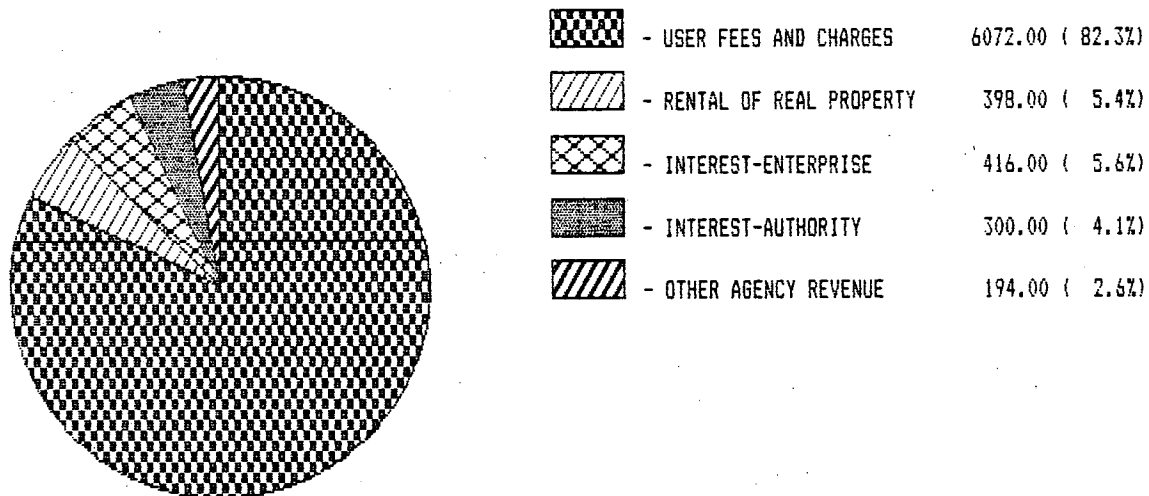
STORM DRAINAGE FUND BALANCE PROJECTIONS



The Parking Enterprise is responsible for the maintenance and operations of fourteen parking facilities in the downtown area. Revenue from hourly parking fees, monthly parking permits, and commercial rental space are used to pay for operations, maintenance, capital improvements, and annual lease payments to the Parking Authority for bond principal and interest costs. Annual lease payments are also made to the Sacramento Housing and Redevelopment Agency (SHRA). Revenues in excess of these costs may be used for general purposes. Growth in parking revenues is a function of downtown employment, population growth, and the health of downtown businesses.

Figure 6

PARKING FUND REVENUE 1985-86 \$000'S OMITTED



TOTAL: 7380.00 (100%)

## FIVE YEAR FUND BALANCE PROJECTIONS

The assumptions that were made in developing the fund balance projections on Table 4-5 are as follows:

- o East End Parking Garage capital costs of \$13,553,000 will be debt financed in 1986-87.

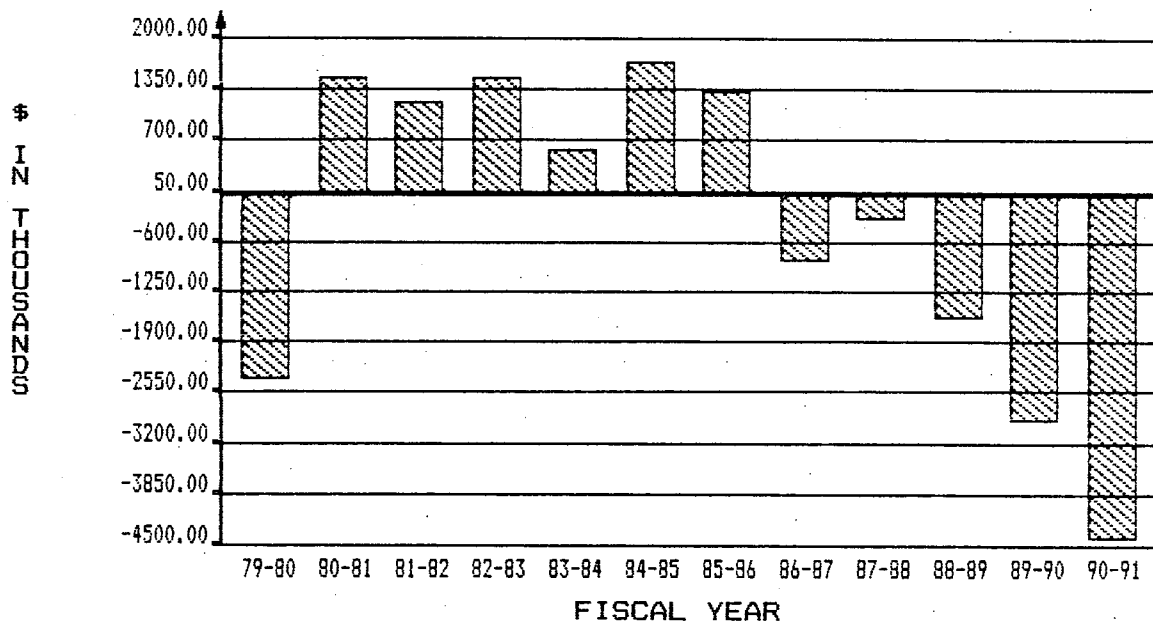
The fund projections indicate a positive but fluctuating Net Operating income throughout the forecast period. A positive Net Operating Income position infers that operating income is sufficient to cover operating expenditures; but does not however address "non-operating" expenditures such as debt service and capital. The fluctuations in net operating income are indicative of operating expenses in general outpacing normal revenue growth, but an infusion of income beginning in 1988-89 due to the operation of the East End Garage. The growing fund balance deficit is a result revenues being insufficient to cover the cost of debt service on the new garage.

Rate Increases Required. Without an annual rate increase, the negative fund balance will grow in excess of \$4,000,000 by fiscal year 1990-91. Therefore, rate increases between 2%-15% annually will be required to maintain a positive fund balance and also maintain an acceptable bond debt ratio. The higher percentage increases are required for the immediate years.

TABLE 4-5

| PARKING FUND FINANCIAL HISTORY & PROJECTIONS | ACTUAL<br>1984-85 | PROJECTED<br>1985-86 | PROJECTED<br>1986-87 | PROJECTED<br>1987-88 | PROJECTED<br>1988-89 | PROJECTED<br>1989-90 | PROJECTED<br>1990-91 |
|--|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total Operating Revenues                     | 5,723,000         | 6,469,000            | 6,547,000            | 6,626,000            | 7,151,000            | 7,640,000            | 7,764,000            |
| Total Operating Expenses                     | 5,018,000         | 5,235,416            | 5,491,974            | 5,761,794            | 6,118,518            | 6,653,336            | 6,985,810            |
| NET OPERATING INCOME (LOSS)                  | 705,000           | 1,233,584            | 1,055,026            | 864,206              | 1,032,482            | 986,664              | 778,190              |
| Net Nonoperating Revenue (Expense)           | 228,000           | 353,820              | ( 1,231,027)         | ( 1,510,134)         | ( 1,478,496)         | ( 1,404,894)         | ( 1,326,165)         |
| NET CHANGE TO RETAINED EARNINGS              | 933,000           | 1,587,404            | ( 176,001)           | ( 645,928)           | ( 446,014)           | ( 418,230)           | ( 547,975)           |
| Increase in Long-Term Liabilities            |                   |                      | 18,279,850           |                      |                      |                      |                      |
| Capital Improvement Projects/Equipment       | 1,182,000         | 2,406,884            | 16,303,000           | 434,700              | 309,225              | 254,881              | 265,775              |
| Decrease in Long-Term Liabilities            | 0                 | 485,000              | 485,000              | 510,000              | 961,279              | 1,036,300            | 1,110,124            |
| Other Changes to Working Capital             | ( 674,000)        | 943,069              | ( 3,490,540)         | 2,144,499            | 412,079              | 416,200              | 420,362              |
| Beginning Fund Balance                       | 2,610,840         | 1,687,840            | 1,326,429            | ( 848,262)           | ( 294,391)           | ( 1,598,830)         | ( 2,892,041)         |
| NET TOTAL AVAILABLE RESOURCES                | 1,687,840         | 1,326,429            | ( 848,262)           | ( 294,391)           | ( 1,598,830)         | ( 2,892,041)         | ( 4,395,554)         |

PARKING FUND BALANCE PROJECTIONS



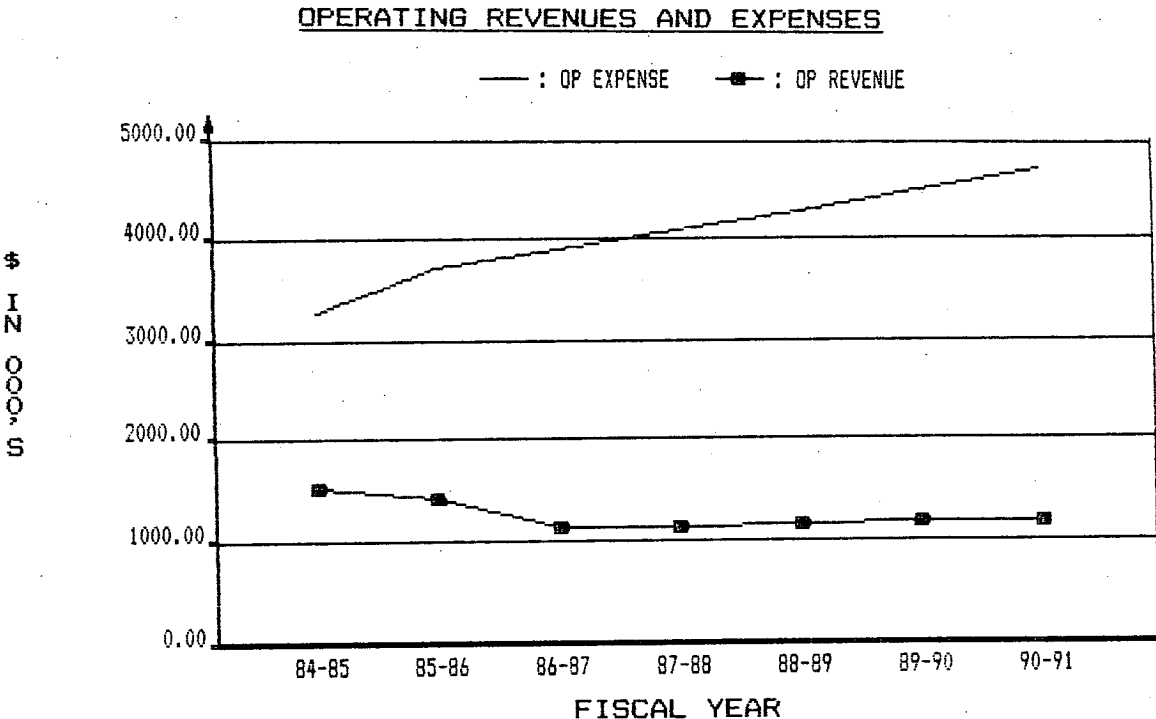
Community Center Fund

The Community Center provides facilities for business, recreation, entertainment, and educational purposes, including: conventions, banquets, trade shows, seminars, concerts, sporting events, performing arts attractions, lectures and other public events. The facilities within the Community Center Complex include the Exhibit Hall, Activity Building, a 2,436 seat Theater, and Memorial Auditorium (4,551 capacity) which is currently scheduled for closure in February 1986.

Net income to the Community Center Fund should exceed what was budgeted for 1985-86 by 7%. The increase is primarily due to a 9% rise in the amount of Transient Occupancy Tax (T/O Tax) revenues to be collected. The T/O Tax, which comprises the major source of income to the Fund, is a 10% tax on the cost of hotel/motel rooms for stays of 30 days or less. This is not revenue generated by the Center, but rather it is revenue earmarked by City Code solely for Community Center use (see Sections 41.20-41.35).

Figure 7 illustrates the reliance of the Center upon the T/O tax by showing the gap between operating expenses and operating revenues (which exclude T/O tax).

Figure 7



## FIVE YEAR FUND BALANCE PROJECTIONS

Table 4-6 provides historical and projected information relative to fund balances through 1990-91. The projection assumes that:

- o Transient Occupancy Tax revenues will increase significantly each year.
- o Debt service payments relative to a major expansion of the facility and/or the renovation of the Memorial Auditorium are not included in the projections.
- o The principal and interest on the Scofield Building are paid by the Community Center Authority and, therefore, are not included as a use of working capital.
- o The Memorial Auditorium will be closed in February, 1986.
- o The increase to the Investment in the Community Center Authority is a projection based on the average income realized by the Authority from fiscal year 1979-80 through 1985-86.

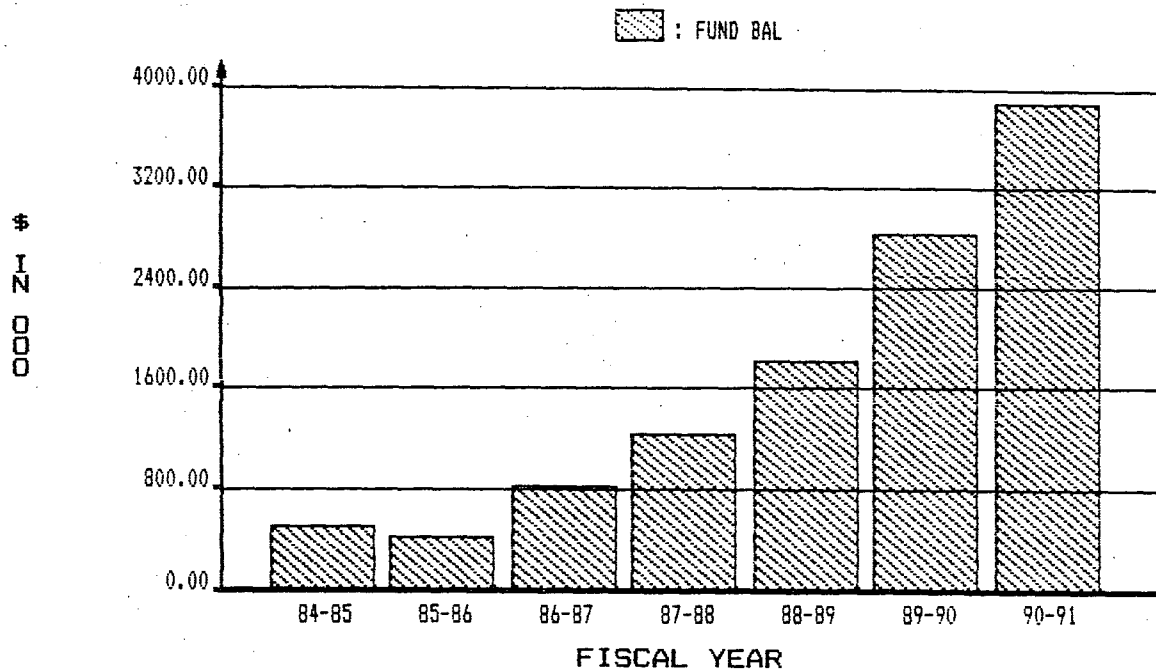
The impending closure of the Memorial Auditorium will have a relatively small impact on Fund revenue in 1985-86; approximately \$127,000 (2%) in net revenue loss is projected. The impact in 1986-87 will be about \$305,000.

Overall, the ending fund balance will be smaller than it was at the end of 84-85, but this is primarily because of \$750,000 set aside for planning costs related to facility expansion. Over the next 5 years the fund balance is expencted to significantly increase and will be used to provide seed funds for the expansion/renovation project.

TABLE 4-6

| COMMUNITY CENTER FINANCIAL HISTORY/PROJECTIONS | ACTUAL<br>1984-85 | PROJECTED<br>1985-86 | PROJECTED<br>1986-87 | PROJECTED<br>1987-88 | PROJECTED<br>1988-89 | PROJECTED<br>1989-90 | PROJECTED<br>1990-91 |
|--|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total Operating Revenues                       | 1,505,000         | 1,398,000            | 1,118,000            | 1,131,000            | 1,145,000            | 1,159,000            | 1,174,000            |
| Total Operating Expenses                       | 3,288,000         | 3,731,100            | 3,905,932            | 4,089,675            | 4,282,792            | 4,485,771            | 4,699,124            |
| NET OPERATING INCOME (LOSS)                    | ( 1,783,000)      | (2,333,100)          | ( 2,787,932)         | ( 2,958,675)         | ( 3,137,792)         | ( 3,326,771)         | ( 3,525,124)         |
| Net Nonoperating Revenue (Expense)             | 2,880,000         | 3,241,713            | 3,755,759            | 4,073,434            | 4,334,988            | 4,631,972            | 4,919,472            |
| NET CHANGE TO RETAINED EARNINGS                | 1,097,000         | 908,613              | 967,827              | 1,114,759            | 1,197,196            | 1,305,201            | 1,394,348            |
| Equipment                                      | 38,000            | 58,105               | 41,000               | 41,000               | 41,000               | 41,000               | 41,000               |
| Decrease in Long-Term Liabilities              | 542,000           | 643,017              | 686,778              | 731,853              | 778,339              | 475,000              | 525,000              |
| Proposed Capital Improvements                  |                   | 749,792              | 50,000               | 147,000              | 22,000               |                      |                      |
| Other Changes to Working Capital               | ( 5,049)          | 452,480              | 212,470              | 217,040              | 221,656              | 226,318              | 231,026              |
| Beginning Fund Balance                         | ( 4,951)          | 507,000              | 417,179              | 819,698              | 1,231,644            | 1,809,157            | 2,824,676            |
| ENDING FUND BALANCE                            | 507,000           | 417,179              | 819,698              | 1,231,644            | 1,809,157            | 2,824,676            | 3,884,050            |

COMMUNITY CENTER FUND BALANCE



The Golf Enterprise operates five golf courses at three locations: The Haggin Oaks facility has two 9-hole courses and one 18-hole course; the Bing Maloney facility has one 18-hole course, and the William Land facility has one 9-hole course. This program is responsible for the operation, maintenance, and groundskeeping duties of these facilities. The Golf Fund derives its revenues from green fees and pro shop, coffee shop and golf cart concessions from the City's five municipal golf facilities.

#### FIVE YEAR FUND BALANCE PROJECTION

Table 4-7 provides actual and projected fund balance information covering fiscal years 1984-85 through 1990-91. Figure 8 graphically illustrates the status of the projected ending fund balances. The table assumes:

- o No user fee increases.
- o Employee service costs increase annually at 5.5 percent.
- o Other service and supply costs rise 5 percent annually.
- o Capital improvements are based on department requests and include annual amounts to reserve funds for the future expansion of Bing Maloney and the development of Hansen Ranch.

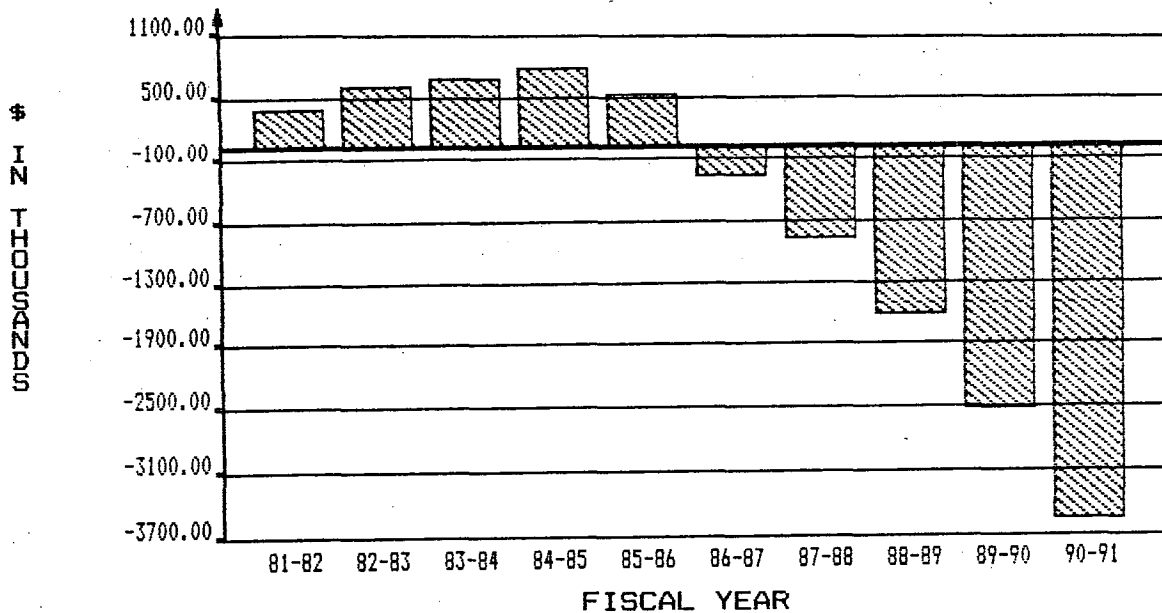
This status quo assumption results in insufficient income to cover both operation costs and capital improvements starting in 1986-87. High costs related to the reconditioning of the courses, proposed development of new facilities, and equipment purchases place a heavy strain on the fund's working capital. Moderate fee increases beginning in 1986-87 are needed to assure the fund's financial stability over the next five years.

The proposed expansion of Bing Maloney should provide at least a marginal positive cash flow to the fund. Regarding Hansen Ranch, the financial impact of this proposed new course must be carefully examined to determine the fund's ability to pay, as additional revenue would be needed to accomodate such plans.

TABLE 4-7

| GOLF FUND FINANCIAL HISTORY & PROJECTIONS | ACTUAL<br>1984-85 | BUDGET<br>1985-86 | PROJECTED<br>1986-87 | PROJECTED<br>1987-88 | PROJECTED<br>1988-89 | PROJECTED<br>1989-90 | PROJECTED<br>1990-91 |
|---|-------------------|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Average Increase in Greens Fees           | 7.23%             | ( 5.76%)          | .00%                 | .00%                 | .00%                 | .00%                 | .00%                 |
| 18-Hole Green Fee (weekdays)              | \$7.00            | \$7.00            | \$7.00               | \$7.00               | \$7.00               | \$7.00               | \$7.00               |
| Average Green Fee Per Round of Golf       | \$4.51            | \$4.25            | \$4.39               | \$4.39               | \$4.39               | \$4.39               | \$4.39               |
| Total Rounds Played                       | 400,112           | 440,000           | 410,000              | 410,000              | 410,000              | 410,000              | 410,000              |
| Total Operating Revenues                  | 2,235,248         | 2,130,000         | 2,060,000            | 2,069,000            | 2,078,000            | 2,087,000            | 2,097,000            |
| Total Operating Expenses                  | 1,795,731         | 2,123,164         | 2,234,241            | 2,351,199            | 2,474,350            | 2,604,024            | 2,740,566            |
| NET OPERATING INCOME (LOSS)               | 439,517           | 6,836             | ( 174,241)           | ( 282,199)           | ( 396,350)           | ( 517,024)           | ( 643,566)           |
| Net Nonoperating Revenue (Expense)        | 139,607           | 126,553           | 93,488               | 0                    | 0                    | 0                    | 0                    |
| NET CHANGE TO RETAINED EARNINGS           | 579,124           | 133,389           | ( 80,753)            | ( 282,199)           | ( 396,350)           | ( 517,024)           | ( 643,566)           |
| Capital Improvement Projects              | 141,368           | 373,000           | 757,000              | 357,000              | 383,000              | 408,000              | 426,000              |
| Other Changes to Working Capital          | ( 9,418)          | ( 9,109)          | 31,475               | 31,790               | 32,108               | 32,429               | 32,753               |
| Adjustments for Encumb. & Carryovers      | ( 330,234)        |                   |                      |                      |                      |                      |                      |
| Beginning Fund Balance                    | 685,816           | 783,920           | 535,200              | ( 271,078)           | ( 878,487)           | ( 1,625,729)         | ( 2,518,324)         |
| ENDING FUND BALANCE                       | 783,920           | 535,200           | ( 271,078)           | ( 878,487)           | ( 1,625,729)         | ( 2,518,324)         | ( 3,555,137)         |

GOLF FUND BALANCE PROJECTIONS



The Boat Harbor Enterprise is responsible for the operations and maintenance of the harbor located in Miller Park. The revenue to the Boat Harbor Fund is derived from slip rental fees and fuel sales. The sharp increase in revenues in fiscal year 1987-88 reflects the completion of the harbor expansion.

#### FIVE YEAR FUND BALANCE PROJECTION

Table 4-8 provides fund history and projections from 1984-85 through 1990-91. Figure 9 graphically portrays the ending fund balances. The table assumes:

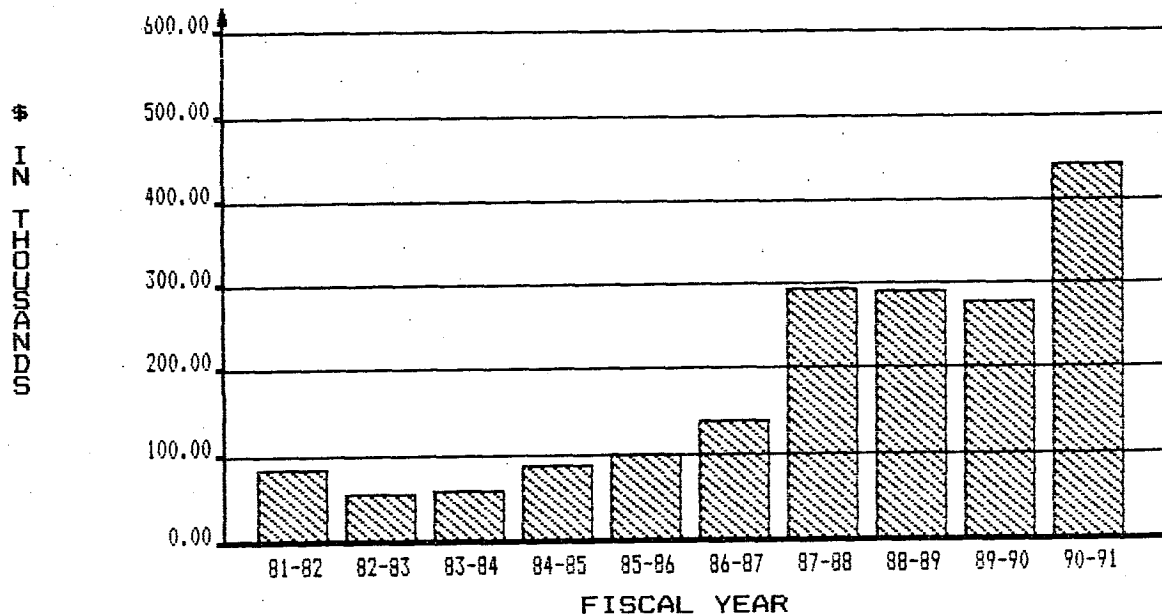
- o Annual fee increases of approximately 10 percent.
- o Employee service costs will increase 5.5 percent annually.
- o Other service and supply costs will increase 5 percent annually.
- o Capital improvements are based on department requests.
- o Fifty percent of the new berths will be leased in 1987-88, increasing to 100 percent by 1988-89.
- o Debt service payments related to the expansion project will begin in 1988-89.

The harbor expansion project, which will add approximately 280 new berths to the existing 280 berth marina, is being funded by \$5.6 million in loans from the California Department of Boating and Waterways. As part of the loan agreements, the Boat Harbor Fund must establish a minimum restricted fund reserve and maintain competitive berthing rates. The annual fee increases reflected here of approximately 10% per year are required in order for the Fund to meet the annual debt payments and to comply with these loan conditions.

TABLE 4-8

| BOAT HARBOR FINANCIAL HISTORY & PROJECTIONS | ACTUAL<br>1984-85 | BUDGET<br>1985-86 | PROJECTED<br>1986-87 | PROJECTED<br>1987-88 | PROJECTED<br>1988-89 | PROJECTED<br>1989-90 | PROJECTED<br>1990-91 |
|---|-------------------|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Average Increase in Slip Fees               |                   | 15.00%            | 10.00%               | 10.57%               | 10.60%               | 10.62%               | 10.64%               |
| Covered Berth Rate per Foot                 | \$3.35            | \$3.85            | \$4.24               | \$4.69               | \$5.18               | \$5.73               | \$6.34               |
| Total Operating Revenues                    | 386,089           | 420,000           | 456,000              | 787,000              | 1,104,000            | 1,189,000            | 1,277,000            |
| Total Operating Expenses                    | 391,684           | 432,815           | 454,066              | 576,413              | 605,115              | 635,301              | 667,050              |
| NET OPERATING INCOME (LOSS)                 | ( 5,595)          | ( 12,815)         | 1,934                | 210,587              | 498,885              | 553,699              | 609,950              |
| Net Nonoperating Revenue (Expense)          | 71,084            | 66,412            | 74,330               | 125,223              | ( 357,954)           | ( 345,698)           | ( 304,741)           |
| NET CHANGE TO RETAINED EARNINGS             | 65,489            | 53,597            | 76,264               | 335,810              | 140,931              | 208,001              | 305,209              |
| Capital Improvement Projects                | 58,737            | 2,060,000         | 3,060,000            | 737,100              | 55,000               | 120,750              | 36,000               |
| Increase in Restricted Assets               |                   |                   |                      | 150,000              | 50,000               | 50,000               | 50,000               |
| Other Changes to Working Capital            | 19,959            | 2,020,264         | 3,020,572            | 705,483              | ( 42,117)            | ( 47,636)            | ( 53,611)            |
| Adjustments for Encumb. & Carryovers        | 1,301             |                   |                      |                      |                      |                      |                      |
| Beginning Fund Balance                      | 59,438            | 87,450            | 101,311              | 138,147              | 292,340              | 286,154              | 275,769              |
| ENDING FUND BALANCE                         | 87,450            | 101,311           | 138,147              | 292,340              | 286,154              | 275,769              | 441,367              |

BOAT HARBOR FUND BALANCE PROJECTIONS



## Camp Sacramento Fund

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The Camp Sacramento Enterprise operates and maintains the facility located in the Sierras, west of Lake Tahoe. Revenue to this Fund is derived from user fees paid by vacationers.

### FIVE YEAR FUND BALANCE PROJECTION

The decrease in revenue in 1982-83 and 1983-84 reflects the closure of the Camp for repairs due to extensive snow damage. Table 4-9 provides historical as well as projections of fund balances from 1984-85 through 1990-91. This table assumes:

- o No user fee increases.
- o Employee services costs will increase 5.5 percent annually.
- o Other service and supply costs will increase 5 percent annually.
- o Capital improvements are based on department requests.
- o The facility will achieve full attendance by 1987-88.

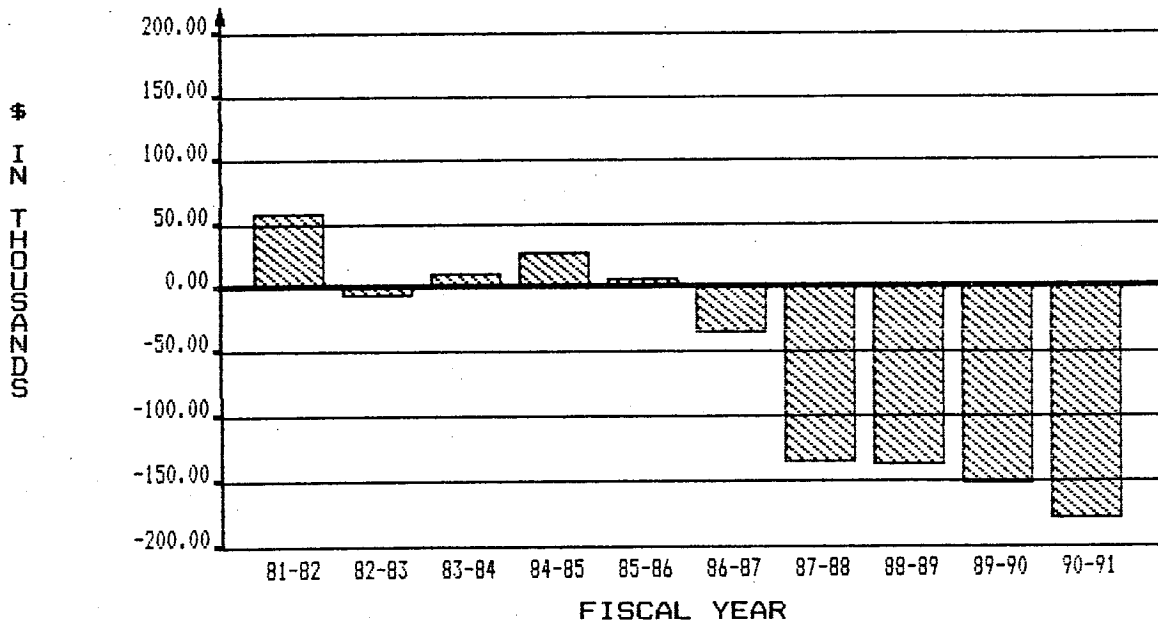
Under these assumptions, the Fund will generate negative fund balances beginning in 1986-87. Fee increases of approximately 15 percent in 1986-87 and 5 percent in 1987-88 are necessary to allow operations to generate sufficient income to restore fund balances to acceptable levels.

However, it is likely that fee increases of this magnitude will result in lower attendance and, therefore, insufficient income to cover operating expenses. Should this occur, it would be necessary for the General Fund to subsidize the continued operation of Camp Sacramento.

TABLE 4-9

| CAMP SACRAMENTO FINANCIAL HISTORY/PROJECTIONS | ACTUAL<br>1984-85 | BUDGET<br>1985-86 | PROJECTED<br>1986-87 | PROJECTED<br>1987-88 | PROJECTED<br>1988-89 | PROJECTED<br>1989-90 | PROJECTED<br>1990-91 |
|---|-------------------|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Average Increase in Camp Fees                 |                   | .00%              | .00%                 | .00%                 | .00%                 | .00%                 | .00%                 |
| Weekly Adult Rate                             | \$182.00          | \$182.00          | \$182.00             | \$182.00             | \$182.00             | \$182.00             | \$182.00             |
| Total Operating Revenues                      | 146,860           | 187,000           | 240,000              | 240,000              | 240,000              | 240,000              | 240,000              |
| Total Operating Expenses                      | 279,535           | 224,063           | 234,786              | 246,041              | 257,853              | 270,251              | 283,264              |
| NET OPERATING INCOME (LOSS)                   | ( 132,675)        | ( 37,063)         | 5,214                | ( 6,041)             | ( 17,853)            | ( 30,251)            | ( 43,264)            |
| Net Nonoperating Revenue (Expense)            | 306,891           | 2,719             | 6,112                | 3,000                | 3,000                | 3,000                | 3,000                |
| NET CHANGE TO RETAINED EARNINGS               | 174,216           | ( 34,344)         | 11,326               | ( 3,041)             | ( 14,853)            | ( 27,251)            | ( 40,264)            |
| Capital Improvement Projects                  | 155,288           |                   | 65,000               | 108,000              |                      |                      |                      |
| Other Changes to Working Capital              | 11,022            | 12,000            | 12,120               | 12,241               | 12,364               | 12,487               | 12,612               |
| Adjustments for Encumb. & Carryovers          | ( 12,948)         |                   |                      |                      |                      |                      |                      |
| Beginning Fund Balance                        | 11,075            | 28,077            | 5,733                | ( 35,821)            | ( 134,621)           | ( 137,110)           | ( 151,874)           |
| WORKING CAPITAL BALANCE - ENDING              | 28,077            | 5,733             | ( 35,821)            | ( 134,621)           | ( 137,110)           | ( 151,874)           | ( 179,526)           |

CAMP SACRAMENTO FUND BALANCE PROJECTIONS



The following are the unabridged version of the Enterprise Fund Balance projection.

| WATER FUND FINANCIAL HISTORY & PROJECTIONS    | ACTUAL<br>1981-82    | ACTUAL<br>1982-83    | ACTUAL<br>1983-84    | ACTUAL<br>1984-85    | PROPOSED<br>1985-86 | PROJECTED<br>1986-87 | PROJECTED<br>1987-88 | PROJECTED<br>1988-89 | PROJECTED<br>1989-90 | PROJECTED<br>1990-91   |
|---|----------------------|----------------------|----------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|------------------------|
| Average Annual User Fees Percent Increase     | .00%                 | 6.12%                | 16.00%               | .00%                 | 7.00%               | .00%                 | .00%                 | .00%                 | .00%                 | .00%                   |
| 6-7 Room House Monthly Rate                   | \$4.90               | \$5.20               | \$6.03               | \$6.03               | \$6.45              | \$6.45               | \$6.45               | \$6.45               | \$6.45               | \$6.45                 |
| Average Develop Fee Percent Increase          | .00%                 | .00%                 | .00%                 | .00%                 | 10.00%              | .00%                 | .00%                 | .00%                 | .00%                 | .00%                   |
| Net Development Fee                           |                      |                      |                      | \$154                | \$169               | \$169                | \$169                | \$169                | \$169                | \$169                  |
| Debt Service Payment                          | 1,412,000            | 1,320,540            | 1,314,448            | 696,276              | 1,421,683           | 1,407,444            | 1,282,510            | 1,276,317            | 1,276,690            | 7,518,817              |
| Bond Coverage Ratio                           | 1.57                 | 1.68                 | 3.64                 | 7.48                 | 3.74                | 3.29                 | 2.79                 | 3.32                 | 3.92                 | .17                    |
| <b>Operating Revenues:</b>                    |                      |                      |                      |                      |                     |                      |                      |                      |                      |                        |
| User Fees and Charges                         | 88,087,000           | 88,768,849           | 910,483,481          | 910,431,000          | 911,533,000         | 911,798,259          | 912,049,619          | 912,347,220          | 912,631,204          | 912,921,724            |
| Water Develop Fees                            |                      | 149,954              | 256,609              | 440,000              | 680,000             | 677,600              | 677,600              | 677,600              | 677,600              | 677,600                |
| Lien Collections                              | 158,000              | 177,881              | 320,055              | 193,000              | 174,000             | 230,660              | 235,965              | 241,392              | 246,944              | 252,624                |
| Tap Sales (Water Connection)                  |                      |                      |                      | 0                    | 366,000             | 366,000              | 366,000              | 366,000              | 366,000              | 366,000                |
| Rents and Concessions                         | 0                    | 10                   |                      |                      | 32,000              | 33,920               | 35,955               | 38,113               | 40,399               | 42,823                 |
| Gas Royalties                                 |                      |                      | 1,007,411            | 1,211,000            | 1,430,000           | 500,000              | 0                    | 0                    | 0                    | 0                      |
| <b>Total Operating Revenues</b>               | <b>8,245,000</b>     | <b>9,096,714</b>     | <b>11,987,556</b>    | <b>12,475,000</b>    | <b>14,215,000</b>   | <b>13,406,439</b>    | <b>13,385,139</b>    | <b>13,670,325</b>    | <b>13,962,150</b>    | <b>16,260,771</b>      |
| <b>Operating Expenses:</b>                    |                      |                      |                      |                      |                     |                      |                      |                      |                      |                        |
| Employee Services                             | 4,227,000            | 4,537,263            | 4,720,026            | 4,593,000            | 5,250,695           | 4,958,057            | 5,230,750            | 5,518,442            | 5,821,956            | 6,142,164              |
| Other Services and Supplies                   | 3,052,000            | 3,381,755            | 3,561,048            | 4,119,000            | 5,012,731           | 5,353,597            | 5,717,641            | 6,106,441            | 6,521,679            | 6,965,153              |
| Water Treatment Plant Expansion               |                      |                      |                      |                      |                     |                      |                      |                      |                      | 1,215,000              |
| Depreciation                                  | 1,205,000            | 1,229,449            | 1,228,662            | 1,264,000            | 1,276,640           | 1,289,406            | 1,302,300            | 1,315,323            | 1,328,477            | 2,399,336              |
| <b>Total Operating Expenses</b>               | <b>8,484,000</b>     | <b>9,148,467</b>     | <b>9,509,728</b>     | <b>9,976,000</b>     | <b>11,540,066</b>   | <b>11,601,060</b>    | <b>12,250,692</b>    | <b>12,940,206</b>    | <b>13,672,112</b>    | <b>16,721,653</b>      |
| <b>Net Operating Income (Loss)</b>            | <b>( 239,000 )</b>   | <b>( 51,753 )</b>    | <b>2,477,828</b>     | <b>2,499,000</b>     | <b>2,674,934</b>    | <b>2,005,379</b>     | <b>1,134,447</b>     | <b>730,119</b>       | <b>290,038</b>       | <b>( 2,460,882 )</b>   |
| <b>Nonoperating Revenues (Expenses):</b>      |                      |                      |                      |                      |                     |                      |                      |                      |                      |                        |
| Interest Income                               | 1,029,000            | 813,136              | 842,137              | 1,138,000            | 1,226,000           | 1,193,857            | 1,000,973            | 986,307              | 893,449              | 0                      |
| Other Miscellaneous Income                    | 216,000              | 231,332              | 231,021              | 307,000              | 145,000             | 145,000              | 145,000              | 1,205,275            | 2,495,000            | 145,000                |
| Interest Expense                              | ( 746,000 )          | ( 720,541 )          | ( 694,448 )          | ( 644,000 )          | ( 651,706 )         | ( 651,706 )          | ( 580,000 )          | ( 5,585,500 )        | ( 5,551,500 )        | ( 5,521,479 )          |
| Operating Transfers In (Out)                  | 0                    | 0                    | ( 5,000 )            | 351,000              | ( 50,467 )          |                      |                      |                      |                      |                        |
| <b>Net Nonoperating Revenue (Expense)</b>     | <b>499,000</b>       | <b>323,927</b>       | <b>373,710</b>       | <b>1,132,000</b>     | <b>668,827</b>      | <b>687,151</b>       | <b>565,973</b>       | <b>( 3,393,918 )</b> | <b>( 2,163,051 )</b> | <b>( 5,376,479 )</b>   |
| <b>Net Change to Retained Earnings</b>        | <b>260,000</b>       | <b>272,174</b>       | <b>2,851,538</b>     | <b>3,631,000</b>     | <b>3,343,761</b>    | <b>2,692,530</b>     | <b>1,700,420</b>     | <b>( 2,663,799 )</b> | <b>( 1,873,012 )</b> | <b>( 7,837,361 )</b>   |
| Retained Earnings (Deficit) Beginning         | 14,564,564           | 14,989,564           | 15,367,738           | 18,204,698           | 21,999,698          | 25,343,459           | 28,035,989           | 29,736,409           | 27,072,611           | 25,199,598             |
| Equity Transfers In (Out)                     | 0                    | ( 18,000 )           | ( 155,450 )          | 0                    | 0                   | 0                    | 0                    | 0                    | 0                    | 0                      |
| Depreciation on Contributed Assets            | 145,000              | 124,000              | 140,872              | 164,000              |                     |                      |                      |                      |                      |                        |
| <b>Retained Earnings (Deficit) Ending</b>     | <b>\$14,989,564</b>  | <b>\$15,367,738</b>  | <b>\$18,204,698</b>  | <b>\$21,999,698</b>  | <b>\$25,343,459</b> | <b>\$28,035,989</b>  | <b>\$29,736,409</b>  | <b>\$27,072,611</b>  | <b>\$25,199,598</b>  | <b>\$17,362,238</b>    |
| <b>Sources of Working Capital</b>             |                      |                      |                      |                      |                     |                      |                      |                      |                      |                        |
| Net Change to Retained Earnings               | 260,000              | 272,174              | 2,851,538            | 3,631,000            | 3,343,761           | 2,692,530            | 1,700,420            | ( 2,663,799 )        | ( 1,873,012 )        | ( 7,837,361 )          |
| Depreciation                                  | 1,205,000            | 1,229,449            | 1,228,662            | 1,264,000            | 1,276,640           | 1,289,406            | 1,302,300            | 1,315,323            | 1,328,477            | 2,399,336              |
| Increase in Long-Term Liabilities             | 0                    | 0                    | 0                    | 0                    |                     |                      |                      | 52,878,725           |                      |                        |
| Contributions of Assets                       | 2,827,000            | 1,621,000            | 1,227,000            | 1,570,000            |                     |                      |                      |                      |                      |                        |
| Decrease in Restricted Assets                 | 2,177,000            | 0                    | 0                    | 0                    |                     |                      |                      | 5,023,500            | 5,023,500            |                        |
| Incr. in Accts Payable from Restr. Assets     | 0                    | 37,000               | 51,000               | 321,000              |                     |                      |                      |                      |                      |                        |
| <b>Total Sources of Working Capital</b>       | <b>6,469,000</b>     | <b>3,159,623</b>     | <b>5,358,200</b>     | <b>6,786,000</b>     | <b>4,620,401</b>    | <b>3,981,936</b>     | <b>3,002,721</b>     | <b>56,553,758</b>    | <b>4,478,964</b>     | <b>( 5,438,024 )</b>   |
| <b>Uses of Working Capital:</b>               |                      |                      |                      |                      |                     |                      |                      |                      |                      |                        |
| Acquisition of Property/Plant/Equipment       | 4,810,000            | 2,974,000            | 2,377,000            | 2,650,000            | 3,795,069           | 5,851,000            | 2,007,000            | 40,332,505           | 2,178,288            | 2,274,652              |
| Decrease in Long-Term Liabilities             | 1,290,000            | 725,000              | 760,000              | 120,000              | 770,000             | 785,000              | 820,000              | 850,000              | 880,000              | 2,133,649              |
| Increase in Restricted Assets                 | 0                    | 0                    | 483,000              | 4,336,000            |                     |                      |                      | 16,289,000           |                      |                        |
| Decr. in Accts Payable from Restr. Assets     | 303,000              | 21,000               | 0                    | 0                    |                     |                      |                      |                      |                      |                        |
| Transfers to Other Funds                      | 0                    | 0                    | 155,000              | 0                    | 0                   | 0                    | 0                    | 0                    | 0                    | 0                      |
| Prior Period Adj. (vac/sick lv accrual)       | 0                    | 0                    | 0                    | 0                    |                     |                      |                      |                      |                      |                        |
| <b>Total Uses of Working Capital</b>          | <b>6,403,000</b>     | <b>3,720,000</b>     | <b>3,775,000</b>     | <b>7,106,000</b>     | <b>4,565,069</b>    | <b>6,636,000</b>     | <b>2,827,000</b>     | <b>57,471,505</b>    | <b>3,058,288</b>     | <b>4,408,301</b>       |
| <b>Working Capital Balance - Beginning</b>    | <b>1,127,316</b>     | <b>2,139,405</b>     | <b>594,600</b>       | <b>2,879,951</b>     | <b>7,518,963</b>    | <b>7,574,295</b>     | <b>4,920,231</b>     | <b>5,095,952</b>     | <b>4,178,197</b>     | <b>5,598,874</b>       |
| <b>Net Change to Working Capital</b>          | <b>66,000</b>        | <b>( 540,377 )</b>   | <b>1,583,200</b>     | <b>( 320,000 )</b>   | <b>55,332</b>       | <b>( 2,654,064 )</b> | <b>175,721</b>       | <b>( 917,555 )</b>   | <b>1,420,677</b>     | <b>( 9,844,325 )</b>   |
| <b>Current Operating Encumbrances</b>         | <b>( 48,735 )</b>    | <b>( 1,033,163 )</b> | <b>( 331,012 )</b>   | <b>( 163,888 )</b>   |                     |                      |                      |                      |                      |                        |
| <b>Prior Year Operating Encumbrances</b>      | <b>994,824</b>       | <b>48,735</b>        | <b>1,033,163</b>     | <b>331,012</b>       |                     |                      |                      |                      |                      |                        |
| <b>Working Capital Balance - Ending</b>       | <b>2,139,405</b>     | <b>594,600</b>       | <b>2,879,951</b>     | <b>2,727,963</b>     | <b>7,574,295</b>    | <b>4,920,231</b>     | <b>5,095,952</b>     | <b>4,178,197</b>     | <b>5,598,874</b>     | <b>( 4,247,451 )</b>   |
| <b>Construction Reserve (Bond Proceeds)</b>   | <b>0</b>             | <b>0</b>             | <b>0</b>             | <b>0</b>             | <b>0</b>            | <b>0</b>             | <b>0</b>             | <b>0</b>             | <b>0</b>             | <b>0</b>               |
| <b>Revenue Bond Cash Surplus</b>              | <b>3,097,000</b>     | <b>3,026,000</b>     | <b>3,921,000</b>     | <b>7,944,000</b>     |                     |                      |                      |                      |                      |                        |
| <b>CIP Project Carryover Funding</b>          | <b>( 2,258,240 )</b> | <b>( 2,882,213 )</b> | <b>( 3,391,848 )</b> | <b>( 3,153,000 )</b> |                     |                      |                      |                      |                      |                        |
| <b>Revenue Bond Surplus - Ending</b>          | <b>838,760</b>       | <b>143,787</b>       | <b>529,152</b>       | <b>4,791,000</b>     | <b>0</b>            | <b>0</b>             | <b>0</b>             | <b>0</b>             | <b>0</b>             | <b>0</b>               |
| <b>Net Total Available Resources - Ending</b> | <b>\$2,978,165</b>   | <b>\$738,387</b>     | <b>\$3,409,103</b>   | <b>\$7,518,963</b>   | <b>\$7,574,295</b>  | <b>\$4,920,231</b>   | <b>\$5,095,952</b>   | <b>\$4,178,197</b>   | <b>\$5,598,874</b>   | <b>( \$4,247,451 )</b> |

| SOLID WASTE FINANCIAL HISTORY & PROJECTIONS | ACTUAL<br>1981-82 | ACTUAL<br>1982-83 | ACTUAL<br>1983-84 | ACTUAL<br>1984-85 | PROJECTED<br>1985-86 | PROJECTED<br>1986-87 | PROJECTED<br>1987-88 | PROJECTED<br>1988-89 | PROJECTED<br>1989-90 | PROJECTED<br>1990-91 |
|---|-------------------|-------------------|-------------------|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Average Increase in All Solid Waste Rates   |                   |                   |                   |                   | 28.00%               | .00%                 | .00%                 | .00%                 | .00%                 | .00%                 |
| Monthly Curbside Rate: 1 can                |                   |                   |                   | \$5.50            | \$7.05               | \$7.05               | \$7.05               | \$7.05               | \$7.05               | \$7.05               |
| Monthly Backyard Rate: 1 can                |                   |                   |                   | \$10.75           | \$14.00              | \$14.00              | \$14.00              | \$14.00              | \$14.00              | \$14.00              |
| Monthly 90 Gallon Rate                      |                   |                   |                   | \$4.55            | \$7.05               | \$7.05               | \$7.05               | \$7.05               | \$7.05               | \$7.05               |
| <b>Operating Revenues:</b>                  |                   |                   |                   |                   |                      |                      |                      |                      |                      |                      |
| User Fees and Charges (MEMO-ITER ONLY)      | 99,054,000        | 99,436,000        | 111,358,000       | 111,864,000       | 114,816,000          | 114,499,568          | 114,181,870          | 113,862,902          | 113,542,657          | 113,221,132          |
| Lien Collections                            | 196,000           | 317,000           | 576,000           | 366,000           | 201,000              | 292,893              | 288,621              | 284,358              | 280,104              | 275,859              |
| Vegetal Waste                               |                   |                   |                   |                   | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    |
| Sidewalk Maintenance                        |                   |                   | 34,000            | 53,000            | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    |
| Other Agency                                |                   |                   | 28,000            | 21,000            | 30,000               | 30,000               | 30,000               | 30,000               | 30,000               | 30,000               |
| Miscellaneous                               |                   |                   | 18,000            |                   | 50,000               | 50,000               | 50,000               | 50,000               | 50,000               | 50,000               |
| Lawn & Garden Refuse Tax                    | 2,180,000         | 2,255,000         | 2,226,000         | 2,339,000         | 2,413,000            | 2,478,151            | 2,545,061            | 2,613,778            | 2,684,350            | 2,756,827            |
| <b>Total Operating Revenues</b>             | <b>11,430,000</b> | <b>12,098,000</b> | <b>16,240,000</b> | <b>16,643,000</b> | <b>17,510,000</b>    | <b>17,350,612</b>    | <b>17,095,553</b>    | <b>16,841,037</b>    | <b>16,587,111</b>    | <b>16,333,818</b>    |
| <b>Operating Expenses:</b>                  |                   |                   |                   |                   |                      |                      |                      |                      |                      |                      |
| Employee Services                           | 7,124,000         | 7,133,000         | 7,855,259         | 7,961,000         | 8,925,880            | 9,304,195            | 9,756,526            | 10,230,467           | 10,727,029           | 11,247,265           |
| Other Services and Supplies                 | 3,574,000         | 4,231,000         | 5,967,000         | 6,710,000         | 7,051,977            | 7,764,576            | 8,152,805            | 8,560,445            | 8,591,567            | 9,021,145            |
| Transfer Station/Sec County Increment       |                   |                   |                   |                   |                      |                      | 0                    | 0                    | 2,390,000            | 2,473,400            |
| Super Can (90 gallon)                       |                   |                   |                   |                   |                      | 365,420              | 443,091              | 527,914              | 620,423              | 721,194              |
| Depreciation                                | 13,000            | 13,000            | 14,000            | 12,000            | 12,120               | 12,241               | 12,364               | 12,487               | 12,612               | 12,738               |
| <b>Total Operating Expenses</b>             | <b>10,711,000</b> | <b>11,377,000</b> | <b>13,836,259</b> | <b>14,683,000</b> | <b>15,989,977</b>    | <b>17,446,432</b>    | <b>18,364,785</b>    | <b>19,331,313</b>    | <b>22,341,631</b>    | <b>23,475,743</b>    |
| <b>NET OPERATING INCOME (LOSS)</b>          | <b>719,000</b>    | <b>631,000</b>    | <b>403,741</b>    | <b>(40,000)</b>   | <b>1,520,023</b>     | <b>(95,820)</b>      | <b>(1,269,233)</b>   | <b>(2,490,275)</b>   | <b>(5,754,521)</b>   | <b>(7,141,925)</b>   |
| <b>Nonoperating Revenues (Expenses):</b>    |                   |                   |                   |                   |                      |                      |                      |                      |                      |                      |
| Interest Income                             |                   | 20,000            | 84,000            | 98,000            | 108,000              | 62,852               | 0                    | 0                    | 0                    | 0                    |
| Other Miscellaneous Income                  | 193,000           | 31,000            | 80,000            | 16,000            | 250,000              | 0                    | 130,912              | 277,500              | 0                    | 0                    |
| Interest Expense                            | (48,000)          | (26,000)          | (188,000)         | (424,000)         | (618,334)            | (578,969)            | (1,107,751)          | (1,059,804)          | (1,005,093)          | (934,806)            |
| Operating Transfers In (Out)                | 58,000            | 26,000            | (13,000)          | (309,000)         | (18,683)             |                      |                      |                      |                      |                      |
| <b>Net Nonoperating Revenue (Expense)</b>   | <b>211,000</b>    | <b>51,000</b>     | <b>(37,000)</b>   | <b>(619,000)</b>  | <b>(279,017)</b>     | <b>(516,117)</b>     | <b>(976,839)</b>     | <b>(782,304)</b>     | <b>(1,005,093)</b>   | <b>(934,806)</b>     |
| <b>NET CHANGE TO RETAINED EARNINGS</b>      | <b>930,000</b>    | <b>682,000</b>    | <b>366,741</b>    | <b>(659,000)</b>  | <b>1,241,006</b>     | <b>(611,937)</b>     | <b>(2,246,072)</b>   | <b>(3,272,579)</b>   | <b>(6,759,614)</b>   | <b>(8,076,731)</b>   |
| Retained Earnings (Deficit) Beginning       | 293,016           | 1,106,016         | 1,676,016         | 1,937,757         | 1,278,757            | 2,519,763            | 1,827,826            | (418,246)            | (3,690,826)          | (10,458,439)         |
| Prior Period Adjustment                     |                   |                   |                   |                   | 0                    | (80,000)             | 0                    | 0                    | 0                    | 0                    |
| Equity Transfers In (Out)                   | (117,000)         | (112,000)         | (105,000)         |                   |                      |                      |                      |                      |                      |                      |
| <b>Retained Earnings (Deficit) Ending</b>   | <b>91,106,016</b> | <b>91,676,016</b> | <b>91,937,757</b> | <b>91,278,757</b> | <b>92,519,763</b>    | <b>91,827,826</b>    | <b>(94,182,466)</b>  | <b>(93,690,826)</b>  | <b>(910,450,439)</b> | <b>(918,527,170)</b> |
| <b>Sources of Working Capital</b>           |                   |                   |                   |                   |                      |                      |                      |                      |                      |                      |
| Net Change to Retained Earnings             | 930,000           | 682,000           | 366,741           | (659,000)         | 1,241,006            | (611,937)            | (2,246,072)          | (3,272,579)          | (6,759,614)          | (8,076,731)          |
| Depreciation                                | 13,000            | 13,000            | 14,000            | 12,000            | 12,120               | 12,241               | 12,364               | 12,487               | 12,612               | 12,738               |
| Increase in Long-Term Liabilities           | 73,000            | 1,293,000         |                   |                   | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    |
| Decrease in Restricted Assets               |                   |                   |                   |                   | 0                    | 0                    | 570,958              | 570,958              | 0                    | 0                    |
| Decrease in Amt Due from Other Agencies     |                   |                   |                   |                   |                      |                      |                      |                      |                      |                      |
| CIP Proceeds                                |                   |                   | 2,279,000         | 5,000,000         |                      |                      | 6,010,088            |                      |                      |                      |
| Transfer from Waste Removal                 |                   |                   |                   |                   |                      |                      |                      |                      |                      |                      |
| Incr. in Amts Payable from Restr. Assets    |                   |                   |                   |                   | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    |
| <b>Total Sources of Working Capital</b>     | <b>1,016,000</b>  | <b>1,988,000</b>  | <b>2,659,741</b>  | <b>4,353,000</b>  | <b>1,253,126</b>     | <b>(599,696)</b>     | <b>4,347,338</b>     | <b>(2,689,134)</b>   | <b>(6,747,001)</b>   | <b>(8,063,993)</b>   |
| <b>Uses of Working Capital:</b>             |                   |                   |                   |                   |                      |                      |                      |                      |                      |                      |
| Acquisition of Property/Plant/Equipment     | 143,000           | 1,155,000         | 532,000           | 3,061,000         | 929,904              | 1,680,000            | 5,335,500            | 671,400              | 616,220              | 644,481              |
| Decrease in Long-Term Liabilities           |                   | 23,000            | 23,000            | 252,000           | 225,404              | 564,312              | 609,111              | 656,956              | 781,298              | 852,301              |
| Transfers to Other Funds                    | 117,000           | 112,000           | 105,000           | 0                 | 0                    | 80,000               | 0                    | 0                    | 0                    | 0                    |
| Prior Period Adj. (vac/sick lv accrual)     |                   |                   | 564,000           |                   |                      |                      |                      |                      |                      |                      |
| Increase in Restricted Assets               |                   |                   |                   | 2,406,000         |                      |                      | 1,851,000            |                      |                      |                      |
| Decr. in Amts Payable from Restr. Assets    |                   |                   |                   |                   |                      |                      |                      |                      |                      |                      |
| Payment to Risk Management                  |                   |                   | 1,293,000         |                   |                      |                      |                      |                      |                      |                      |
| <b>Total Uses of Working Capital</b>        | <b>260,000</b>    | <b>1,290,000</b>  | <b>2,517,000</b>  | <b>5,719,000</b>  | <b>1,155,308</b>     | <b>2,324,312</b>     | <b>7,795,611</b>     | <b>1,328,356</b>     | <b>1,397,518</b>     | <b>1,496,782</b>     |
| <b>Working Capital Balance - Beginning</b>  | <b>(808,718)</b>  | <b>(86,301)</b>   | <b>576,918</b>    | <b>673,466</b>    | <b>281,000</b>       | <b>378,818</b>       | <b>(2,545,190)</b>   | <b>(5,993,463)</b>   | <b>(10,010,953)</b>  | <b>(18,156,473)</b>  |
| Net Change to Working Capital               | 756,000           | 698,000           | 142,741           | (1,366,000)       | 97,818               | (2,924,008)          | (3,448,273)          | (4,017,490)          | (8,144,519)          | (9,568,775)          |
| Current Operating Encumbrances              | (10,460)          | (39,537)          | (115,670)         | (490,000)         |                      |                      |                      |                      |                      |                      |
| Prior Year Operating Encumbrances           | 3,926             | 10,460            | 39,537            | 115,670           |                      |                      |                      |                      |                      |                      |
| Current Year CIP Carryover                  | (48,100)          | (53,804)          | (23,864)          | (340,000)         |                      |                      |                      |                      |                      |                      |
| Prior Year CIP Carryover                    | 21,051            | 48,100            | 53,804            | 23,864            | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    |
| Available restricted surplus                |                   |                   |                   | 1,664,000         |                      |                      |                      |                      |                      |                      |
| <b>WORKING CAPITAL BALANCE - ENDING</b>     | <b>(86,301)</b>   | <b>576,918</b>    | <b>673,466</b>    | <b>281,000</b>    | <b>378,818</b>       | <b>(2,545,190)</b>   | <b>(5,993,463)</b>   | <b>(10,010,953)</b>  | <b>(18,156,473)</b>  | <b>(27,716,248)</b>  |

| SEWER FUND FINANCIAL HISTORY & PROJECTIONS | ACTUAL<br>1982-83  | ACTUAL<br>1983-84  | ACTUAL<br>1984-85  | MIDYEAR<br>1985-86 | PROJECTED<br>1986-87 | PROJECTED<br>1987-88 | PROJECTED<br>1988-89 | PROJECTED<br>1989-90 | PROJECTED<br>1990-91 |
|--|--------------------|--------------------|--------------------|--------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Sewer (6-7 Room House Monthly Rate)        |                    |                    | \$2.01             | \$2.57             | \$2.57               | \$2.57               | \$2.57               | \$2.57               | \$2.57               |
| -Percent Increase                          |                    |                    |                    | 28.00%             | .00%                 | .00%                 | .00%                 | .00%                 | .00%                 |
| -Revenue Increase                          |                    |                    |                    | 933,600            | 0                    | 0                    | 0                    | 0                    | 0                    |
| Average Develop Fee Percent Increase       |                    |                    |                    | 25.00%             | .00%                 | .00%                 | .00%                 | .00%                 | .00%                 |
| Sewer Development Fee/EDU                  |                    |                    | \$80.00            | \$100.00           | \$100.00             | \$100.00             | \$100.00             | \$100.00             | \$100.00             |
| Debt Service Payment                       | 544,000            | 544,820            | 262,940            | 530,620            | 537,120              | 537,944              | 540,633              | 536,760              | 539,240              |
| Bond Coverage Ratio                        | 1.25               | 1.71               | (.22)              | 3.13               | 1.29                 | .23                  | (.86)                | (1.33)               | (1.81)               |
| <b>Operating Revenues:</b>                 |                    |                    |                    |                    |                      |                      |                      |                      |                      |
| User Fees and Charges                      | \$4,658,000        | \$6,023,000        | \$6,925,000        |                    |                      |                      |                      |                      |                      |
| User Fees and Charges                      |                    |                    |                    | 3,335,000          | 3,368,350            | 3,402,034            | 3,436,054            | 3,470,414            | 3,505,119            |
| Sewer Development Fees                     |                    |                    |                    | 73,000             | 75,000               | 75,000               | 75,000               | 75,000               | 75,000               |
| Sewer Connection Fees                      |                    |                    |                    | 295,000            | 295,000              | 295,000              | 295,000              | 295,000              | 295,000              |
| Sewer Revenue Bonds                        |                    |                    |                    | 591,000            | 537,120              | 537,944              | 533,320              | 536,768              | 539,240              |
| Charges to Regional San                    |                    |                    |                    | 1,645,000          | 1,094,000            | 1,148,700            | 1,206,135            | 1,266,442            | 1,329,764            |
| Miscellaneous                              |                    |                    |                    | 5,000              | 5,000                | 5,000                | 5,000                | 5,000                | 5,000                |
| Lien Collections                           | 183,000            | 384,000            | 232,000            | 104,000            | 56,695               | 57,262               | 57,635               | 58,413               | 58,977               |
| Rents and Concessions                      | 1,748,000          | 1,025,000          |                    | 0                  | 0                    | 0                    | 0                    | 0                    | 0                    |
| <b>Total Operating Revenues</b>            | <b>6,589,000</b>   | <b>7,432,000</b>   | <b>7,157,000</b>   | <b>6,048,000</b>   | <b>5,431,165</b>     | <b>5,520,939</b>     | <b>5,608,343</b>     | <b>5,707,029</b>     | <b>5,808,119</b>     |
| <b>Operating Expenses:</b>                 |                    |                    |                    |                    |                      |                      |                      |                      |                      |
| Employee Services                          | 3,006,000          | 3,188,231          | 3,685,000          | 2,527,931          | 2,907,831            | 3,067,761            | 3,236,488            | 3,414,495            | 3,602,292            |
| Other Services and Supplies                | 4,044,000          | 4,414,000          | 4,329,000          | 2,251,009          | 2,197,283            | 2,326,922            | 2,837,544            | 3,004,959            | 3,182,251            |
| Depreciation                               | 1,049,000          | 1,213,000          | 1,238,000          | 1,250,380          | 1,262,884            | 1,275,513            | 1,288,268            | 1,301,150            | 1,314,162            |
| <b>Total Operating Expenses</b>            | <b>8,099,000</b>   | <b>8,815,231</b>   | <b>9,252,000</b>   | <b>6,029,320</b>   | <b>6,367,997</b>     | <b>6,670,196</b>     | <b>7,362,300</b>     | <b>7,720,604</b>     | <b>8,098,705</b>     |
| <b>NET OPERATING INCOME (LOSS)</b>         | <b>(1,510,000)</b> | <b>(1,383,231)</b> | <b>(2,095,000)</b> | <b>18,680</b>      | <b>(936,832)</b>     | <b>(1,149,257)</b>   | <b>(1,753,956)</b>   | <b>(2,013,575)</b>   | <b>(2,290,586)</b>   |
| <b>Nonoperating Revenues (Expenses):</b>   |                    |                    |                    |                    |                      |                      |                      |                      |                      |
| Interest Income                            | 799,000            | 799,000            | 723,000            | 396,000            | 364,243              | 0                    | 0                    | 0                    | 0                    |
| Other Miscellaneous Income                 | 344,000            | 303,000            | 76,000             | 0                  | 0                    | 0                    | 0                    | 0                    | 0                    |
| Interest Expense                           | (286,000)          | (275,000)          | (263,000)          | (256,780)          | (237,120)            | (222,945)            | (208,320)            | (191,760)            | (174,240)            |
| Operating Transfers In (Out)               |                    | 44,000             | (708,000)          | (6,162)            | 0                    | 0                    | 0                    | 0                    | 0                    |
| <b>Net Nonoperating Revenue (Expense)</b>  | <b>859,000</b>     | <b>871,000</b>     | <b>(172,000)</b>   | <b>133,058</b>     | <b>127,123</b>       | <b>(222,945)</b>     | <b>(208,320)</b>     | <b>(191,760)</b>     | <b>(174,240)</b>     |
| <b>NET CHANGE TO RETAINED EARNINGS</b>     | <b>(651,000)</b>   | <b>(512,231)</b>   | <b>(2,267,000)</b> | <b>151,738</b>     | <b>(809,709)</b>     | <b>(1,372,202)</b>   | <b>(1,962,276)</b>   | <b>(2,205,335)</b>   | <b>(2,116,346)</b>   |
| Retained Earnings (Deficit) Beginning      | 4,730,664          | 4,134,664          | 3,867,433          | 1,824,433          | 1,976,171            | 1,166,442            | (205,739)            | (2,168,016)          | (4,373,351)          |
| Equity Transfers In (Out)                  | (139,000)          |                    | 244,000            | 0                  | 0                    | 0                    | 0                    | 0                    | 0                    |
| Depreciation on Contributed Assets         | 194,000            | 225,000            |                    | 0                  | 0                    | 0                    | 0                    | 0                    | 0                    |
| <b>Retained Earnings (Deficit) Ending</b>  | <b>\$4,134,664</b> | <b>\$3,847,433</b> | <b>\$1,824,433</b> | <b>\$1,976,171</b> | <b>\$1,166,442</b>   | <b>(820,739)</b>     | <b>(2,168,016)</b>   | <b>(4,373,351)</b>   | <b>(6,489,697)</b>   |
| <b>Sources of Working Capital</b>          |                    |                    |                    |                    |                      |                      |                      |                      |                      |
| Net Change to Retained Earnings            | (651,000)          | (512,231)          | (2,267,000)        | 151,738            | (809,709)            | (1,372,202)          | (1,962,276)          | (2,205,335)          | (2,116,346)          |
| Depreciation                               | 1,049,000          | 1,213,000          | 1,238,000          | 1,250,380          | 1,262,884            | 1,275,513            | 1,288,268            | 1,301,150            | 1,314,162            |
| Increase in Long-Term Liabilities          |                    |                    |                    | 0                  | 0                    | 0                    | 0                    | 0                    | 0                    |
| Contributions of Assets                    | 2,801,000          | 2,301,000          | 727,000            | 0                  | 0                    | 0                    | 0                    | 0                    | 0                    |
| Decrease in Restricted Assets              | 830,000            | 301,000            | 1,482,000          | 0                  | 0                    | 0                    | 0                    | 0                    | 0                    |
| Incr. in Accts Payable from Restr. Assets  | 278,000            | 10,000             | 134,000            | 0                  | 0                    | 0                    | 0                    | 0                    | 0                    |
| <b>Total Sources of Working Capital</b>    | <b>4,307,000</b>   | <b>3,312,769</b>   | <b>1,234,000</b>   | <b>1,402,118</b>   | <b>453,175</b>       | <b>(96,689)</b>      | <b>(674,008)</b>     | <b>(904,185)</b>     | <b>(802,184)</b>     |
| <b>Uses of Working Capital:</b>            |                    |                    |                    |                    |                      |                      |                      |                      |                      |
| Acquisition of Property/Plant/Equipment    | 3,272,000          | 3,030,000          | 1,859,000          | 412,363            | 1,218,000            | 1,225,500            | 1,233,375            | 1,241,644            | 1,250,326            |
| Decrease in Long-Term Liabilities          | 270,000            | 280,000            |                    | 280,000            | 300,000              | 315,000              | 325,000              | 345,000              | 345,000              |
| Contribution to Fixed Assets               |                    |                    |                    | 0                  | 0                    | 0                    | 0                    | 0                    | 0                    |
| Transfers to Other Funds                   | 150,000            |                    | 0                  | 0                  | 0                    | 0                    | 0                    | 0                    | 0                    |
| Increase in Restricted Assets              |                    |                    |                    | 0                  | 0                    | 0                    | 0                    | 0                    | 0                    |
| Decr. in Accts Payable from Restr. Assets  | 300,000            |                    |                    |                    |                      |                      |                      |                      |                      |
| <b>Total Uses of Working Capital</b>       | <b>4,000,000</b>   | <b>3,310,000</b>   | <b>1,859,000</b>   | <b>692,363</b>     | <b>1,518,000</b>     | <b>1,540,500</b>     | <b>1,558,375</b>     | <b>1,586,644</b>     | <b>1,615,326</b>     |
| <b>Working Capital Balance - Beginning</b> | <b>1,527,758</b>   | <b>1,350,345</b>   | <b>1,532,836</b>   | <b>185,245</b>     | <b>895,000</b>       | <b>(169,825)</b>     | <b>(1,807,014)</b>   | <b>(4,039,397)</b>   | <b>(6,530,226)</b>   |
| Net Change to Working Capital              | 307,000            | 205,769            | (625,000)          | 709,755            | (1,064,825)          | (1,637,189)          | (2,232,383)          | (2,490,828)          | (2,417,510)          |
| Current Operating Encumbrances             | (520,289)          | (543,567)          | (257,000)          |                    |                      |                      |                      |                      |                      |
| Prior Year Operating Encumbrances          | 35,876             | 520,289            | 544,000            |                    |                      |                      |                      |                      |                      |
| <b>Working Capital Balance - Ending</b>    | <b>1,350,345</b>   | <b>1,532,836</b>   | <b>1,194,836</b>   | <b>895,000</b>     | <b>(169,825)</b>     | <b>(1,807,014)</b>   | <b>(4,039,397)</b>   | <b>(6,530,226)</b>   | <b>(8,947,736)</b>   |
| <b>Revenue Bond Cash Surplus:</b>          |                    |                    |                    |                    |                      |                      |                      |                      |                      |
| Accrued Interest on Revenue Bond Cash      | 5,184,000          | 4,994,000          | 3,465,000          |                    |                      |                      |                      |                      |                      |
| CIP Project Carryover Funding              | (3,854,684)        | (4,561,915)        | (4,472,000)        |                    |                      |                      |                      |                      |                      |
| Capital Encumbrances                       |                    |                    | (2,591)            |                    |                      |                      |                      |                      |                      |
| <b>Net Revenue Bond Surplus</b>            | <b>1,329,316</b>   | <b>432,085</b>     | <b>(1,009,591)</b> | <b>0</b>           | <b>0</b>             | <b>0</b>             | <b>0</b>             | <b>0</b>             | <b>0</b>             |
| <b>NET TOTAL AVAILABLE RESOURCES</b>       | <b>\$2,679,661</b> | <b>\$1,964,921</b> | <b>\$185,245</b>   | <b>\$895,000</b>   | <b>(916,825)</b>     | <b>(91,807,014)</b>  | <b>(4,039,397)</b>   | <b>(6,530,226)</b>   | <b>(8,947,736)</b>   |

| STORM DRAIN FUND FINANCIAL HISTORY & PROJECTIONS | PROPOSED<br>1985-86 | PROJECTED<br>1986-87 | PROJECTED<br>1987-88  | PROJECTED<br>1988-89  | PROJECTED<br>1989-90  | PROJECTED<br>1990-91  |
|--|---------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Storm (6-7 Room House Monthly Rate)              | \$2.16              | \$2.16               | \$2.16                | \$2.16                | \$2.16                | \$2.16                |
| -Percent Increase                                | 16.00%              | .00%                 | .00%                  | .00%                  | .00%                  | .00%                  |
| -Revenue Increase                                | 0                   | 0                    | 0                     | 0                     | 0                     | 0                     |
| <b>Operating Revenues:</b>                       |                     |                      |                       |                       |                       |                       |
| User Fees and Charges                            | 4,212,000           | 4,296,240            | 4,382,165             | 4,469,808             | 4,559,204             | 4,650,388             |
| Lien Collections                                 | 59,000              | 71,604               | 73,036                | 76,497                | 75,987                | 77,506                |
| <b>Total Operating Revenues</b>                  | <b>4,271,000</b>    | <b>4,367,844</b>     | <b>4,455,201</b>      | <b>4,546,305</b>      | <b>4,635,191</b>      | <b>4,727,895</b>      |
| <b>Operating Expenses:</b>                       |                     |                      |                       |                       |                       |                       |
| Employee Services                                | 1,382,682           | 1,458,730            | 1,538,960             | 1,623,602             | 1,712,901             | 1,807,110             |
| Other Services and Supplies                      | 2,815,662           | 3,576,563            | 3,841,229             | 4,125,480             | 4,430,765             | 4,758,642             |
| Depreciation                                     | 0                   | 0                    | 0                     | 0                     | 0                     | 0                     |
| <b>Total Operating Expenses</b>                  | <b>4,198,344</b>    | <b>5,035,292</b>     | <b>5,380,189</b>      | <b>5,749,082</b>      | <b>6,143,666</b>      | <b>6,565,752</b>      |
| <b>NET OPERATING INCOME (LOSS)</b>               | <b>72,656</b>       | <b>( 667,448)</b>    | <b>( 924,987)</b>     | <b>( 1,204,777)</b>   | <b>( 1,508,475)</b>   | <b>( 1,837,857)</b>   |
| <b>Nonoperating Revenues (Expenses):</b>         |                     |                      |                       |                       |                       |                       |
| Interest Income                                  | 10,000              | 0                    | 0                     | 0                     | 0                     | 0                     |
| Operating Transfers In (Out)                     | 32,403              | 0                    | 0                     | 0                     | 0                     | 0                     |
| <b>Net Nonoperating Revenue (Expense)</b>        | <b>42,403</b>       | <b>0</b>             | <b>0</b>              | <b>0</b>              | <b>0</b>              | <b>0</b>              |
| <b>NET CHANGE TO RETAINED EARNINGS</b>           | <b>115,059</b>      | <b>( 667,448)</b>    | <b>( 924,987)</b>     | <b>( 1,204,777)</b>   | <b>( 1,508,475)</b>   | <b>( 1,837,857)</b>   |
| Retained Earnings (Deficit) Beginning            | 0                   | 115,059              | ( 552,389)            | ( 1,477,377)          | ( 2,682,154)          | ( 4,190,629)          |
| Prior Period Adjustment                          |                     |                      |                       |                       |                       |                       |
| <b>Retained Earnings (Deficit) Ending</b>        | <b>\$115,059</b>    | <b>( \$552,389)</b>  | <b>( \$1,477,377)</b> | <b>( \$2,682,154)</b> | <b>( \$4,190,629)</b> | <b>( \$6,028,486)</b> |
| <b>Sources of Working Capital</b>                |                     |                      |                       |                       |                       |                       |
| Net Change to Retained Earnings                  | 115,059             | ( 667,448)           | ( 924,987)            | ( 1,204,777)          | ( 1,508,475)          | ( 1,837,857)          |
| Depreciation                                     | 0                   | 0                    | 0                     | 0                     | 0                     | 0                     |
| Contributions of Assets                          | 0                   | 1,295,000            | 525,000               | 0                     | 0                     | 0                     |
| Decrease in Restricted Assets                    | 0                   | 0                    | 0                     | 0                     | 0                     | 0                     |
| Incr. in Amts Payable from Restr. Assets         | 0                   | 0                    | 0                     | 0                     | 0                     | 0                     |
| <b>Total Sources of Working Capital</b>          | <b>115,059</b>      | <b>627,552</b>       | <b>( 399,987)</b>     | <b>( 1,204,777)</b>   | <b>( 1,508,475)</b>   | <b>( 1,837,857)</b>   |
| <b>Uses of Working Capital:</b>                  |                     |                      |                       |                       |                       |                       |
| Acquisition of Property/Plant/Equipment          | 25,867              | 1,345,000            | 577,500               | 891,125               | 517,881               | 60,775                |
| Decrease in Long-Term Liabilities                |                     |                      |                       |                       |                       |                       |
| Contribution to Fixed Assets                     |                     |                      |                       |                       |                       |                       |
| Increase in Restricted Assets                    |                     |                      |                       |                       |                       |                       |
| <b>Total Uses of Working Capital</b>             | <b>25,867</b>       | <b>1,345,000</b>     | <b>577,500</b>        | <b>891,125</b>        | <b>517,881</b>        | <b>60,775</b>         |
| Working Capital Balance - Beginning              | 0                   | 89,192               | ( 628,256)            | ( 1,605,744)          | ( 3,701,646)          | ( 5,728,002)          |
| Net Change to Working Capital                    | 89,192              | ( 717,448)           | ( 977,487)            | ( 2,095,902)          | ( 2,026,356)          | ( 1,898,632)          |
| Current Operating Encumbrances                   |                     |                      |                       |                       |                       |                       |
| Prior Year Operating Encumbrances                |                     |                      |                       |                       |                       |                       |
| <b>NET TOTAL AVAILABLE RESOURCES</b>             | <b>89,192</b>       | <b>( 628,256)</b>    | <b>( 1,605,744)</b>   | <b>( 3,701,646)</b>   | <b>( 5,728,002)</b>   | <b>( 7,626,634)</b>   |

| PARKING FUND FINANCIAL HISTORY & PROJECTIONS | ACTUAL<br>1981-82 | ACTUAL<br>1982-83 | ACTUAL<br>1983-84   | ACTUAL<br>1984-85 | PROJECTED<br>1985-86 | PROJECTED<br>1986-87 | PROJECTED<br>1987-88 | PROJECTED<br>1988-89 | PROJECTED<br>1989-90 | PROJECTED<br>1990-91 |
|--|-------------------|-------------------|---------------------|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Debt Service                                 |                   |                   |                     | 584,030           | 1,011,180            | 1,011,380            | 1,006,785            | 3,162,925            | 3,166,345            | 3,159,440            |
| Debt Ratio                                   |                   |                   |                     | 3.29              | 2.12                 | 2.06                 | 1.58                 | .58                  | .64                  | .58                  |
| <b>Operating Revenues:</b>                   |                   |                   |                     |                   |                      |                      |                      |                      |                      |                      |
| User Fees and Charges                        | 94,199,000        | 94,489,000        | 95,087,000          | 95,326,000        | 96,072,000           | 96,150,000           | 96,229,000           | 96,679,000           | 97,093,000           | 97,217,000           |
| Rents and Concessions                        | 295,000           | 352,000           | 379,000             | 397,000           | 397,000              | 397,000              | 397,000              | 472,000              | 567,000              | 547,000              |
| <b>Total Operating Revenues</b>              | <b>4,494,000</b>  | <b>4,841,000</b>  | <b>5,466,000</b>    | <b>5,723,000</b>  | <b>6,469,000</b>     | <b>6,547,000</b>     | <b>6,626,000</b>     | <b>7,151,000</b>     | <b>7,660,000</b>     | <b>7,764,000</b>     |
| <b>Operating Expenses:</b>                   |                   |                   |                     |                   |                      |                      |                      |                      |                      |                      |
| Employee Services                            | 1,499,000         | 1,541,000         | 1,847,000           | 1,909,000         | 2,157,186            | 2,275,831            | 2,401,002            | 2,533,057            | 2,672,375            | 2,819,356            |
| Other Services and Supplies                  | 1,987,000         | 1,645,000         | 1,389,000           | 2,713,000         | 2,678,270            | 2,812,184            | 2,952,793            | 3,100,432            | 3,255,454            | 3,418,227            |
| East End Garage Increment                    |                   |                   |                     |                   |                      |                      |                      | 72,950               | 309,307              | 327,865              |
| Depreciation                                 | 305,000           | 404,000           | 395,000             | 396,000           | 399,960              | 403,960              | 407,999              | 412,079              | 416,200              | 420,362              |
| <b>Total Operating Expenses</b>              | <b>3,791,000</b>  | <b>3,590,000</b>  | <b>3,631,000</b>    | <b>5,018,000</b>  | <b>5,235,416</b>     | <b>5,491,974</b>     | <b>5,761,794</b>     | <b>6,118,518</b>     | <b>6,653,336</b>     | <b>6,985,810</b>     |
| <b>NET OPERATING INCOME (LOSS)</b>           | <b>703,000</b>    | <b>1,451,000</b>  | <b>1,835,000</b>    | <b>705,000</b>    | <b>1,233,584</b>     | <b>1,055,026</b>     | <b>864,206</b>       | <b>1,032,482</b>     | <b>986,664</b>       | <b>778,190</b>       |
| <b>Nonoperating Revenues (Expenses):</b>     |                   |                   |                     |                   |                      |                      |                      |                      |                      |                      |
| Parking Authority Rental Percent             |                   |                   |                     | 0                 | 300,000              | 300,000              | 300,000              | 300,000              | 300,000              | 300,000              |
| Interest Income                              | 534,000           | 572,000           | 598,000             | 629,000           | 416,000              | 308,703              | 0                    | 0                    | 0                    | 0                    |
| Other Miscellaneous Income                   |                   | 135,000           | 199,000             | 189,000           | 194,000              | 423,150              | 423,150              | 423,150              | 423,150              | 423,150              |
| Interest Expense                             | ( 657,000)        | ( 635,000)        | ( 610,000)          | ( 584,000)        | ( 556,180)           | ( 526,380)           | ( 496,784)           | ( 465,060)           | ( 431,480)           | ( 396,574)           |
| East End Garage Interest Expense             |                   |                   |                     |                   |                      | ( 1,736,500)         | ( 1,736,500)         | ( 1,736,586)         | ( 1,696,564)         | ( 1,652,741)         |
| Operating Transfers In (Out)                 | 244,000           | ( 975,000)        | ( 1,009,000)        | ( 6,000)          | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    |
| <b>Net Nonoperating Revenue (Expense)</b>    | <b>121,000</b>    | <b>( 903,000)</b> | <b>( 830,000)</b>   | <b>228,000</b>    | <b>353,820</b>       | <b>( 1,231,027)</b>  | <b>( 1,510,134)</b>  | <b>( 1,478,696)</b>  | <b>( 1,404,894)</b>  | <b>( 1,326,165)</b>  |
| <b>NET CHANGE TO RETAINED EARNINGS</b>       | <b>824,000</b>    | <b>548,000</b>    | <b>1,005,000</b>    | <b>933,000</b>    | <b>1,587,404</b>     | <b>( 176,001)</b>    | <b>( 645,928)</b>    | <b>( 446,014)</b>    | <b>( 418,230)</b>    | <b>( 547,975)</b>    |
| Retained Earnings (Deficit) Beginning        | 4,562,984         | 5,386,984         | 5,934,984           | 6,939,984         | 7,872,984            | 9,460,388            | 9,284,387            | 8,638,459            | 8,192,445            | 7,774,215            |
| Prior Period Adjustments                     |                   |                   |                     | 0                 | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    |
| Equity Transfers In (Out)                    |                   |                   |                     | 0                 | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    |
| <b>Retained Earnings (Deficit) Ending</b>    | <b>95,386,984</b> | <b>95,934,984</b> | <b>96,939,984</b>   | <b>97,872,984</b> | <b>99,460,388</b>    | <b>99,284,387</b>    | <b>98,638,459</b>    | <b>98,192,445</b>    | <b>97,774,215</b>    | <b>97,226,240</b>    |
| <b>Sources of Working Capital</b>            |                   |                   |                     |                   |                      |                      |                      |                      |                      |                      |
| Net Income (Loss)                            | 824,000           | 548,000           | 1,005,000           | 933,000           | 1,587,404            | ( 176,001)           | ( 645,928)           | ( 446,014)           | ( 418,230)           | ( 547,975)           |
| Depreciation                                 | 305,000           | 404,000           | 395,000             | 396,000           | 399,960              | 403,960              | 407,999              | 412,079              | 416,200              | 420,362              |
| Increase in Long-Term Liabilities            |                   | 25,000            |                     |                   |                      | 18,279,850           |                      |                      |                      |                      |
| Contributions of Assets                      | 3,406,000         | 404,000           |                     |                   | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    |
| Decrease in Restricted Assets                | 1,441,000         | 51,000            |                     |                   | 0                    | 1,736,500            | 1,736,500            |                      |                      |                      |
| Decrease in Amt Due from Other Agencies      | 60,000            | 63,000            | 0                   | 67,000            |                      |                      |                      |                      |                      |                      |
| Equity Transfer from Parking Authority       |                   |                   |                     |                   | 544,000              |                      |                      |                      |                      |                      |
| Incr. in Acts Payable from Restr. Assets     |                   |                   | 47,000              | 292,000           | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    |
| <b>Total Sources of Working Capital</b>      | <b>6,036,000</b>  | <b>1,497,000</b>  | <b>1,447,000</b>    | <b>1,688,000</b>  | <b>2,531,364</b>     | <b>20,244,309</b>    | <b>1,498,571</b>     | <b>( 33,935)</b>     | <b>( 2,030)</b>      | <b>( 127,613)</b>    |
| <b>Uses of Working Capital:</b>              |                   |                   |                     |                   |                      |                      |                      |                      |                      |                      |
| Net Loss from Operations                     |                   |                   |                     |                   |                      |                      |                      |                      |                      |                      |
| Acquisition of Property/Plant/Equipment      | 4,068,000         | 565,000           |                     | 1,182,000         | 2,486,884            | 16,303,000           | 434,700              | 309,225              | 254,881              | 265,775              |
| Decrease in Long-Term Liabilities            | 785,000           | 430,000           | 455,000             | 0                 | 485,000              | 485,000              | 510,000              | 961,279              | 1,036,300            | 1,110,124            |
| Transfers to Other Funds                     | 296,000           |                   |                     | 0                 | 0                    | 0                    | 0                    | 0                    | 0                    | 0                    |
| Prior Period Adj. (vaca/sick lv accrual)     |                   |                   |                     |                   |                      |                      |                      |                      |                      |                      |
| Increase in Restricted Assets                |                   |                   | 239,000             | 1,034,000         |                      | 5,631,000            |                      |                      |                      |                      |
| Decr. in Acts Payable from Restr. Assets     |                   |                   | 91,000              |                   |                      |                      |                      |                      |                      |                      |
| <b>Total Uses of Working Capital</b>         | <b>5,149,000</b>  | <b>995,000</b>    | <b>785,000</b>      | <b>2,216,000</b>  | <b>2,891,884</b>     | <b>22,419,000</b>    | <b>944,700</b>       | <b>1,270,504</b>     | <b>1,291,181</b>     | <b>1,375,899</b>     |
| <b>Working Capital Balance - Beginning</b>   | <b>448,434</b>    | <b>1,346,941</b>  | <b>1,922,576</b>    | <b>2,610,840</b>  | <b>1,687,840</b>     | <b>1,326,429</b>     | <b>( 848,262)</b>    | <b>( 294,391)</b>    | <b>( 1,598,830)</b>  | <b>( 2,892,041)</b>  |
| Net Change to Retained Earnings              | 887,000           | 502,000           | 662,000             | ( 528,000)        | ( 340,520)           | ( 2,174,691)         | 553,871              | ( 1,304,439)         | ( 1,293,211)         | ( 1,503,512)         |
| Current Operating Encumbrances               | ( 197,570)        | ( 123,935)        | ( 77,671)           | ( 271,000)        |                      |                      |                      |                      |                      |                      |
| Prior Year Operating Encumbrances            | 209,077           | 197,570           | 123,935             | 98,000            | ( 891)               |                      |                      |                      |                      |                      |
| <b>WORKING CAPITAL BALANCE - ENDING</b>      | <b>1,346,941</b>  | <b>1,922,576</b>  | <b>2,610,840</b>    | <b>1,989,840</b>  | <b>1,326,429</b>     | <b>( 848,262)</b>    | <b>( 294,391)</b>    | <b>( 1,598,830)</b>  | <b>( 2,892,041)</b>  | <b>( 4,395,554)</b>  |
| Revenue Bond Surplus                         | 66,000            | 22,000            | 308,000             | 1,341,000         |                      |                      |                      |                      |                      |                      |
| CIP Carryover                                | ( 232,000)        | ( 457,000)        | ( 2,353,000)        | ( 1,563,000)      |                      |                      |                      |                      |                      |                      |
| <b>Subtotal</b>                              | <b>( 166,000)</b> | <b>( 435,000)</b> | <b>( 2,045,000)</b> | <b>( 222,000)</b> | <b>0</b>             | <b>0</b>             | <b>0</b>             | <b>0</b>             | <b>0</b>             | <b>0</b>             |
| <b>NET WORKING CAPITAL BALANCE - ENDING</b>  | <b>1,180,941</b>  | <b>1,487,576</b>  | <b>565,840</b>      | <b>1,687,840</b>  | <b>1,326,429</b>     | <b>( 848,262)</b>    | <b>( 294,391)</b>    | <b>( 1,598,830)</b>  | <b>( 2,892,041)</b>  | <b>( 4,395,554)</b>  |

| COMMUNITY CENTER FINANCIAL HISTORY/PROJECTIONS | ACTUAL<br>1984-85   | PROJECTED<br>1985-86 | PROJECTED<br>1986-87 | PROJECTED<br>1987-88 | PROJECTED<br>1988-89 | PROJECTED<br>1989-90 | PROJECTED<br>1990-91 |
|--|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Operating Revenues:</b>                     |                     |                      |                      |                      |                      |                      |                      |
| User Fees and Charges                          | 305,000             | 281,000              | 240,000              | 248,000              | 256,000              | 264,000              | 273,000              |
| Rents and Concessions                          | 1,200,000           | 1,117,000            | 878,000              | 883,000              | 889,000              | 895,000              | 901,000              |
| <b>Total Operating Revenues</b>                | <b>1,505,000</b>    | <b>1,398,000</b>     | <b>1,118,000</b>     | <b>1,131,000</b>     | <b>1,145,000</b>     | <b>1,159,000</b>     | <b>1,174,000</b>     |
| <b>Operating Expenses:</b>                     |                     |                      |                      |                      |                      |                      |                      |
| Employee Services                              | 1,452,000           | 1,275,177            | 1,345,312            | 1,419,304            | 1,497,366            | 1,579,721            | 1,666,605            |
| Other Services and Supplies                    | 1,388,000           | 2,003,443            | 2,103,615            | 2,208,796            | 2,319,236            | 2,435,197            | 2,556,957            |
| Depreciation                                   | 448,000             | 452,480              | 457,005              | 461,575              | 466,191              | 470,853              | 475,561              |
| <b>Total Operating Expenses</b>                | <b>3,288,000</b>    | <b>3,731,100</b>     | <b>3,905,932</b>     | <b>4,089,675</b>     | <b>4,282,792</b>     | <b>4,485,771</b>     | <b>4,699,124</b>     |
| <b>NET OPERATING INCOME (LOSS)</b>             | <b>( 1,783,000)</b> | <b>(2,333,100)</b>   | <b>( 2,787,932)</b>  | <b>( 2,958,675)</b>  | <b>( 3,137,792)</b>  | <b>( 3,326,771)</b>  | <b>(3,525,124)</b>   |
| <b>Nonoperating Revenues (Expenses):</b>       |                     |                      |                      |                      |                      |                      |                      |
| Interest Income                                | 46,000              | 50,000               | 70,000               | 120,000              | 100,000              | 100,000              | 100,000              |
| Transient Occupancy Tax                        | 3,795,000           | 4,267,000            | 4,480,000            | 4,704,000            | 4,939,000            | 5,186,000            | 5,445,000            |
| Other Miscellaneous Income                     | 16,000              | 17,000               | 13,000               | 13,000               | 13,000               | 13,000               | 13,000               |
| Interest Expense                               | ( 1,130,000)        | (1,092,287)          | ( 1,051,776)         | ( 1,008,101)         | ( 961,547)           | ( 911,563)           | ( 883,063)           |
| Operating Transfers In (Out)                   | ( 3,000)            |                      |                      |                      |                      |                      |                      |
| Change in Investment in ComGen Authority       | 156,000             |                      | 244,535              | 244,535              | 244,535              | 244,535              | 244,535              |
| <b>Net Nonoperating Revenue (Expense)</b>      | <b>2,880,000</b>    | <b>3,241,713</b>     | <b>3,755,759</b>     | <b>4,073,434</b>     | <b>4,334,988</b>     | <b>4,631,972</b>     | <b>4,919,472</b>     |
| <b>NET CHANGE TO RETAINED EARNINGS</b>         | <b>1,097,000</b>    | <b>908,613</b>       | <b>967,827</b>       | <b>1,114,759</b>     | <b>1,197,196</b>     | <b>1,305,201</b>     | <b>1,394,348</b>     |
| Retained Earnings (Deficit) Beginning          | 926,597             | 2,023,597            | 2,932,210            | 3,900,037            | 5,014,797            | 6,211,993            | 7,517,194            |
| Prior Period Adjustment                        |                     |                      |                      |                      |                      |                      |                      |
| Equity Transfers In (Out)                      |                     |                      |                      |                      |                      |                      |                      |
| <b>Retained Earnings (Deficit) Ending</b>      | <b>\$2,023,597</b>  | <b>\$2,932,210</b>   | <b>\$3,900,037</b>   | <b>\$5,014,797</b>   | <b>\$6,211,993</b>   | <b>\$7,517,194</b>   | <b>\$8,911,542</b>   |
| <b>Sources of Working Capital</b>              |                     |                      |                      |                      |                      |                      |                      |
| Net Income (Loss)                              | 1,097,000           | 908,613              | 967,827              | 1,114,759            | 1,197,196            | 1,305,201            | 1,394,348            |
| Depreciation                                   | 448,000             | 452,480              | 457,005              | 461,575              | 466,191              | 470,853              | 475,561              |
| Increase in Long-Term Liabilities              |                     |                      |                      |                      |                      |                      |                      |
| Contributions of Assets                        |                     |                      |                      |                      |                      |                      |                      |
| <b>Total Sources of Working Capital</b>        | <b>1,545,000</b>    | <b>1,361,093</b>     | <b>1,424,832</b>     | <b>1,576,334</b>     | <b>1,663,387</b>     | <b>1,776,054</b>     | <b>1,869,909</b>     |
| <b>Uses of Working Capital:</b>                |                     |                      |                      |                      |                      |                      |                      |
| Acquisition of Property/Plant/Equipment        | 38,000              | 58,105               | 41,000               | 41,000               | 41,000               | 41,000               | 41,000               |
| Decrease in Long-Term Liabilities              | 542,000             | 643,017              | 686,778              | 731,853              | 778,339              | 475,000              | 525,000              |
| Transfers to Other Funds                       |                     |                      |                      |                      |                      |                      |                      |
| Prior Period Adj. (vaca/sick lv accrual)       |                     |                      |                      |                      |                      |                      |                      |
| Change in Investment in ComGen Authority       | 156,000             |                      | 244,535              | 244,535              | 244,535              | 244,535              | 244,535              |
| Proposed Capital Improvements                  |                     | 749,792              | 50,000               | 147,000              | 22,000               |                      |                      |
| <b>Total Uses of Working Capital</b>           | <b>736,000</b>      | <b>1,450,914</b>     | <b>1,022,313</b>     | <b>1,164,388</b>     | <b>1,085,874</b>     | <b>760,535</b>       | <b>810,535</b>       |
| Working Capital Balance - Beginning            | ( 4,951)            | 507,000              | 417,179              | 819,698              | 1,231,644            | 1,809,157            | 2,824,676            |
| Net Change to Working Capital                  | 809,000             | ( 89,821)            | 402,519              | 411,946              | 577,513              | 1,015,519            | 1,059,374            |
| Current Operating Encumbrances                 | ( 99,000)           |                      |                      |                      |                      |                      |                      |
| Prior Year Operating Encumbrances              | 24,996              |                      |                      |                      |                      |                      |                      |
| Current Year CIP                               | ( 631,000)          |                      |                      |                      |                      |                      |                      |
| Prior Year CIP                                 | 407,955             |                      |                      |                      |                      |                      |                      |
| <b>WORKING CAPITAL BALANCE - ENDING</b>        | <b>507,000</b>      | <b>417,179</b>       | <b>819,698</b>       | <b>1,231,644</b>     | <b>1,809,157</b>     | <b>2,824,676</b>     | <b>3,884,060</b>     |

| GOLF FUND FINANCIAL HISTORY & PROJECTIONS | ACTUAL<br>1984-85  | BUDGET<br>1985-86  | PROJECTED<br>1986-87 | PROJECTED<br>1987-88 | PROJECTED<br>1988-89 | PROJECTED<br>1989-90 | PROJECTED<br>1990-91 |
|---|--------------------|--------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Average Increase in Greens Fees           | 7.23%              | ( 5.78%)           | .00%                 | .00%                 | .00%                 | .00%                 | .00%                 |
| 18-Hole Green Fee (weekdays)              | \$7.00             | \$7.00             | \$7.00               | \$7.00               | \$7.00               | \$7.00               | \$7.00               |
| Average Green Fee Per Round of Golf       | \$4.51             | \$4.25             | \$4.39               | \$4.39               | \$4.39               | \$4.39               | \$4.39               |
| Total Rounds Played                       | 400,112            | 440,000            | 410,000              | 410,000              | 410,000              | 410,000              | 410,000              |
| <b>Operating Revenues:</b>                |                    |                    |                      |                      |                      |                      |                      |
| User Fees and Charges                     | \$1,804,872        | \$1,870,000        | \$1,800,000          | \$1,800,000          | \$1,800,000          | \$1,800,000          | \$1,800,000          |
| Rents & Concessions                       | 430,376            | 260,000            | 260,000              | 269,000              | 278,000              | 287,000              | 297,000              |
| <b>Total Operating Revenues</b>           | <b>2,235,248</b>   | <b>2,130,000</b>   | <b>2,060,000</b>     | <b>2,069,000</b>     | <b>2,078,000</b>     | <b>2,087,000</b>     | <b>2,097,000</b>     |
| <b>Operating Expenses:</b>                |                    |                    |                      |                      |                      |                      |                      |
| Employee Services                         | 1,160,727          | 1,233,176          | 1,301,001            | 1,372,556            | 1,448,046            | 1,527,689            | 1,611,712            |
| Other Services and Supplies               | 604,149            | 858,824            | 901,765              | 946,853              | 994,196              | 1,043,906            | 1,096,101            |
| Depreciation                              | 30,855             | 31,164             | 31,475               | 31,790               | 32,108               | 32,429               | 32,753               |
| <b>Total Operating Expenses</b>           | <b>1,795,731</b>   | <b>2,123,164</b>   | <b>2,234,241</b>     | <b>2,351,199</b>     | <b>2,474,350</b>     | <b>2,604,024</b>     | <b>2,740,566</b>     |
| <b>NET OPERATING INCOME (LOSS)</b>        | <b>439,517</b>     | <b>6,836</b>       | <b>( 174,241)</b>    | <b>( 282,199)</b>    | <b>( 396,350)</b>    | <b>( 517,024)</b>    | <b>( 643,566)</b>    |
| <b>Nonoperating Revenues (Expenses):</b>  |                    |                    |                      |                      |                      |                      |                      |
| Interest Income                           | 147,938            | 126,553            | 93,489               | 0                    | 0                    | 0                    | 0                    |
| Other Misc. Income (Net of Expense)       | 2                  |                    |                      |                      |                      |                      |                      |
| Interest Expense                          |                    |                    |                      |                      |                      |                      |                      |
| Operating Transfers In (Out)              | ( 8,333)           |                    |                      |                      |                      |                      |                      |
| <b>Net Nonoperating Revenue (Expense)</b> | <b>139,607</b>     | <b>126,553</b>     | <b>93,489</b>        | <b>0</b>             | <b>0</b>             | <b>0</b>             | <b>0</b>             |
| <b>NET CHANGE TO RETAINED EARNINGS</b>    | <b>579,124</b>     | <b>133,389</b>     | <b>( 80,753)</b>     | <b>( 282,199)</b>    | <b>( 396,350)</b>    | <b>( 517,024)</b>    | <b>( 643,566)</b>    |
| Retained Earnings (Deficit) Beginning     | 1,196,036          | 1,775,160          | 1,908,549            | 1,827,797            | 1,545,598            | 1,149,248            | 632,224              |
| Prior Period Adjustments                  |                    |                    |                      |                      |                      |                      |                      |
| Equity Transfers In (Out)                 |                    |                    |                      |                      |                      |                      |                      |
| <b>Retained Earnings (Deficit) Ending</b> | <b>\$1,775,160</b> | <b>\$1,908,549</b> | <b>\$1,827,797</b>   | <b>\$1,545,598</b>   | <b>\$1,149,248</b>   | <b>\$632,224</b>     | <b>( \$11,342)</b>   |
| <b>Sources of Working Capital</b>         |                    |                    |                      |                      |                      |                      |                      |
| Net Change to Retained Earnings           | 579,124            | 133,389            | ( 80,753)            | ( 282,199)           | ( 396,350)           | ( 517,024)           | ( 643,566)           |
| Depreciation                              | 30,855             | 31,164             | 31,475               | 31,790               | 32,108               | 32,429               | 32,753               |
| Increase in Long-Term Liabilities         |                    |                    |                      |                      |                      |                      |                      |
| <b>Total Sources of Working Capital</b>   | <b>609,979</b>     | <b>164,553</b>     | <b>( 49,277)</b>     | <b>( 250,409)</b>    | <b>( 364,242)</b>    | <b>( 484,595)</b>    | <b>( 610,813)</b>    |
| <b>Uses of Working Capital:</b>           |                    |                    |                      |                      |                      |                      |                      |
| Acquisition of Property/Plant/Equipment   | 141,368            | 373,000            | 757,000              | 357,000              | 383,000              | 408,000              | 426,000              |
| Decrease in Long-Term Liabilities         | 40,273             | 40,273             |                      |                      |                      |                      |                      |
| Increase in Restricted Assets             |                    |                    |                      |                      |                      |                      |                      |
| Prior Period Adj. (vaca/sick lv accrual)  |                    |                    |                      |                      |                      |                      |                      |
| <b>Total Uses of Working Capital</b>      | <b>181,641</b>     | <b>413,273</b>     | <b>757,000</b>       | <b>357,000</b>       | <b>383,000</b>       | <b>408,000</b>       | <b>426,000</b>       |
| Working Capital Balance - Beginning       | 685,816            | 783,920            | 535,200              | ( 271,077)           | ( 878,487)           | ( 1,625,729)         | ( 2,518,324)         |
| Net Change to Working Capital             | 428,338            | ( 248,720)         | ( 806,277)           | ( 607,409)           | ( 747,242)           | ( 892,595)           | ( 1,036,813)         |
| Current Operating Encumbrances            | ( 36,187)          |                    |                      |                      |                      |                      |                      |
| Prior Year Operating Encumbrances         | 36,630             |                    |                      |                      |                      |                      |                      |
| Current Year CIP Carryover                | ( 626,309)         |                    |                      |                      |                      |                      |                      |
| Prior Year CIP Carryover                  | 295,632            |                    |                      |                      |                      |                      |                      |
| <b>WORKING CAPITAL BALANCE - ENDING</b>   | <b>783,920</b>     | <b>535,200</b>     | <b>( 271,077)</b>    | <b>( 878,487)</b>    | <b>( 1,625,729)</b>  | <b>( 2,518,324)</b>  | <b>( 3,555,137)</b>  |

| PORT HARBOR FINANCIAL HISTORY & PROJECTIONS               | ACTUAL<br>1984-85 | BUDGET<br>1985-86 | PROJECTED<br>1986-87 | PROJECTED<br>1987-88 | PROJECTED<br>1988-89 | PROJECTED<br>1989-90 | PROJECTED<br>1990-91 |
|---|-------------------|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Average Increase in Slip Fees Covered Berth Rate per Foot | \$3.35            | 15.00%            | 10.00%               | 10.57%               | 10.60%               | 10.62%               | 10.64%               |
|   |                   | \$3.85            | \$4.24               | \$4.69               | \$5.18               | \$5.73               | \$6.34               |
| <b>Operating Revenues:</b>                                |                   |                   |                      |                      |                      |                      |                      |
| Slip Fees (existing berths)                               | \$252,984         | \$285,000         | \$314,000            | \$314,000            | \$347,284            | \$384,166            | \$425,041            |
| Gas & Oil Concessions                                     | 133,105           | 135,000           | 142,000              | 199,000              | 209,000              | 219,000              | 230,000              |
| Slip Fees (new berths)                                    |                   |                   |                      | 274,000              | 547,716              | 585,834              | 621,959              |
| <b>Total Operating Revenues</b>                           | <b>386,089</b>    | <b>420,000</b>    | <b>456,000</b>       | <b>787,000</b>       | <b>1,104,000</b>     | <b>1,189,000</b>     | <b>1,277,000</b>     |
| <b>Operating Expenses:</b>                                |                   |                   |                      |                      |                      |                      |                      |
| Employee Services   | 152,287           | 168,542           | 177,812              | 227,591              | 240,109              | 253,315              | 267,247              |
| Other Services and Supplies                               | 208,887           | 233,458           | 245,131              | 317,387              | 333,257              | 349,920              | 367,416              |
| Depreciation  | 30,510            | 30,815            | 31,123               | 31,434               | 31,749               | 32,066               | 32,387               |
| <b>Total Operating Expenses</b>                           | <b>391,684</b>    | <b>432,815</b>    | <b>454,066</b>       | <b>576,413</b>       | <b>605,115</b>       | <b>635,301</b>       | <b>667,050</b>       |
| <b>NET OPERATING INCOME (LOSS)</b>                        | <b>( 5,595)</b>   | <b>( 12,815)</b>  | <b>1,934</b>         | <b>210,587</b>       | <b>498,885</b>       | <b>553,699</b>       | <b>609,950</b>       |
| <b>Nonoperating Revenues (Expenses):</b>                  |                   |                   |                      |                      |                      |                      |                      |
| Interest/Dividend Income                                  | 38,365            | 43,163            | 49,081               | 93,974               | 148,703              | 153,124              | 157,180              |
| Other Miscellaneous Income                                | 38,033            | 27,000            | 29,000               | 35,000               | 37,000               | 39,000               | 41,000               |
| Interest Expense  | ( 3,744)          | ( 3,751)          | ( 3,751)             | ( 3,751)             | ( 543,657)           | ( 537,822)           | ( 502,921)           |
| Operating Transfers In (Out)                              | ( 1,570)          |                   | 0                    | 0                    | 0                    | 0                    | 0                    |
| <b>Net Nonoperating Revenue (Expense)</b>                 | <b>71,084</b>     | <b>66,412</b>     | <b>74,330</b>        | <b>125,223</b>       | <b>( 357,954)</b>    | <b>( 345,698)</b>    | <b>( 304,741)</b>    |
| <b>NET CHANGE TO RETAINED EARNINGS</b>                    | <b>65,489</b>     | <b>53,597</b>     | <b>76,264</b>        | <b>335,810</b>       | <b>140,931</b>       | <b>208,001</b>       | <b>305,209</b>       |
| Retained Earnings (Deficit) Beginning                     | 468,964           | 534,453           | 588,050              | 664,314              | 1,000,124            | 1,141,055            | 1,349,056            |
| Retained Earnings (Deficit) Ending                        | \$534,453         | \$588,050         | \$664,314            | \$1,000,124          | \$1,141,055          | \$1,349,056          | \$1,654,265          |
| <b>Sources of Working Capital</b>                         |                   |                   |                      |                      |                      |                      |                      |
| Net Change to Retained Earnings                           | 65,489            | 53,597            | 76,264               | 335,810              | 140,931              | 208,001              | 305,209              |
| Depreciation  | 30,510            | 30,815            | 31,123               | 31,434               | 31,749               | 32,066               | 32,387               |
| Increase in Long-Term Liabilities                         |                   | 2,000,000         | 3,000,000            | 684,600              |                      |                      |                      |
| <b>Total Sources of Working Capital</b>                   | <b>95,999</b>     | <b>2,084,412</b>  | <b>3,107,388</b>     | <b>1,051,844</b>     | <b>172,680</b>       | <b>240,068</b>       | <b>337,596</b>       |
| <b>Uses of Working Capital:</b>                           |                   |                   |                      |                      |                      |                      |                      |
| Acquisition of Property/Plant/Equipment                   | 58,737            | 2,040,000         | 3,040,000            | 726,600              | 44,000               | 109,250              | 24,000               |
| Decrease in Long-Term Liabilities                         | 10,551            | 10,551            | 10,551               | 10,551               | 73,866               | 79,702               | 85,998               |
| Capital Maintenance Projects                              |                   | 20,000            | 20,000               | 10,500               | 11,000               | 11,500               | 12,000               |
| Increase in Restricted Assets                             |                   |                   |                      | 150,000              | 50,000               | 50,000               | 50,000               |
| <b>Total Uses of Working Capital</b>                      | <b>69,288</b>     | <b>2,070,551</b>  | <b>3,070,551</b>     | <b>897,651</b>       | <b>178,866</b>       | <b>250,452</b>       | <b>171,998</b>       |
| Working Capital Balance - Beginning                       | 59,438            | 87,450            | 101,311              | 138,148              | 292,341              | 286,154              | 275,770              |
| Net Change to Working Capital                             | 26,711            | 13,861            | 36,837               | 154,193              | ( 6,186)             | ( 10,384)            | 165,598              |
| Current Operating Encumbrances                            | ( 45,186)         |                   |                      |                      |                      |                      |                      |
| Prior Year Operating Encumbrances                         | 10,469            |                   |                      |                      |                      |                      |                      |
| Current Year CIP Carryovers                               | ( 220,681)        |                   |                      |                      |                      |                      |                      |
| Prior Year CIP Carryovers                                 | 256,699           |                   |                      |                      |                      |                      |                      |
| <b>WORKING CAPITAL BALANCE - ENDING</b>                   | <b>87,450</b>     | <b>101,311</b>    | <b>138,148</b>       | <b>292,341</b>       | <b>286,154</b>       | <b>275,770</b>       | <b>441,368</b>       |

| CAMP SACRAMENTO FINANCIAL HISTORY/PROJECTIONS      | ACTUAL<br>1984-85 | BUDGET<br>1985-86 | PROJECTED<br>1986-87 | PROJECTED<br>1987-88 | PROJECTED<br>1988-89 | PROJECTED<br>1989-90 | PROJECTED<br>1990-91 |
|--|-------------------|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Average Increase in Camp Fees<br>Weekly Adult Rate | \$182.00          | .00%              | .00%                 | .00%                 | .00%                 | .00%                 | .00%                 |
| Operating Revenues:                                |                   |                   |                      |                      |                      |                      |                      |
| User Fees and Charges                              | \$146,860         | \$187,000         | \$240,000            | \$240,000            | \$240,000            | \$240,000            | \$240,000            |
| Rents & Concessions                                |                   |                   |                      |                      |                      |                      |                      |
| Total Operating Revenues                           | 146,860           | 187,000           | 240,000              | 240,000              | 240,000              | 240,000              | 240,000              |
| Operating Expenses:                                |                   |                   |                      |                      |                      |                      |                      |
| Employee Services                                  | 71,849            | 69,013            | 72,464               | 76,087               | 79,891               | 83,886               | 88,080               |
| Other Services and Supplies                        | 196,664           | 143,050           | 150,203              | 157,713              | 165,598              | 173,878              | 182,572              |
| Depreciation                                       | 11,022            | 12,000            | 12,120               | 12,241               | 12,364               | 12,487               | 12,612               |
| Total Operating Expenses                           | 279,535           | 224,063           | 234,786              | 246,041              | 257,853              | 270,251              | 283,264              |
| NET OPERATING INCOME (LOSS)                        | ( 132,675)        | ( 37,063)         | 5,214                | ( 6,041)             | ( 17,853)            | ( 30,251)            | ( 43,264)            |
| Nonoperating Revenues (Expenses):                  |                   |                   |                      |                      |                      |                      |                      |
| Interest Income                                    | 1,479             | 719               | 3,111                | 0                    | 0                    | 0                    | 0                    |
| Other Miscellaneous Income                         |                   | 2,000             | 3,000                | 3,000                | 3,000                | 3,000                | 3,000                |
| Interest Expense                                   |                   |                   |                      |                      |                      |                      |                      |
| Insurance Settlement                               | 305,412           |                   |                      |                      |                      |                      |                      |
| Net Nonoperating Revenue (Expense)                 | 306,891           | 2,719             | 6,111                | 3,000                | 3,000                | 3,000                | 3,000                |
| NET CHANGE TO RETAINED EARNINGS                    | 174,216           | ( 34,344)         | 11,325               | ( 3,041)             | ( 14,853)            | ( 27,251)            | ( 40,264)            |
| Retained Earnings (Deficit) Beginning              | 1,324,457         | 1,498,673         | 1,464,329            | 1,475,654            | 1,472,613            | 1,457,760            | 1,430,509            |
| Equity Transfers In (Out)                          |                   | 0                 | 0                    | 0                    | 0                    | 0                    | 0                    |
| Retained Earnings (Deficit) Ending                 | \$1,498,673       | \$1,464,329       | \$1,475,654          | \$1,472,613          | \$1,457,760          | \$1,430,509          | \$1,390,245          |
| Sources of Working Capital                         |                   |                   |                      |                      |                      |                      |                      |
| Net Change to Retained Earnings                    | 174,216           | ( 34,344)         | 11,325               | ( 3,041)             | ( 14,853)            | ( 27,251)            | ( 40,264)            |
| Depreciation                                       | 11,022            | 12,000            | 12,120               | 12,241               | 12,364               | 12,487               | 12,612               |
| Total Sources of Working Capital                   | 185,238           | ( 22,344)         | 23,445               | 9,201                | ( 2,489)             | ( 14,764)            | ( 27,652)            |
| Uses of Working Capital:                           |                   |                   |                      |                      |                      |                      |                      |
| Acquisition of Property/Plant/Equipment            | 155,288           |                   | 65,000               | 108,000              |                      |                      |                      |
| Total Uses of Working Capital                      | 155,288           | 0                 | 65,000               | 108,000              | 0                    | 0                    | 0                    |
| Working Capital Balance - Beginning                | 11,075            | 28,077            | 5,733                | ( 35,822)            | ( 134,622)           | ( 137,111)           | ( 151,875)           |
| Net Change to Working Capital                      | 29,950            | ( 22,344)         | ( 41,555)            | ( 98,799)            | ( 2,489)             | ( 14,764)            | ( 27,652)            |
| Current Operating Encumbrances                     | ( 17,334)         |                   |                      |                      |                      | 0                    | 0                    |
| Prior Year Operating Encumbrances                  |                   |                   |                      |                      |                      | 0                    | 0                    |
| Current Year CIP                                   | ( 439)            |                   |                      |                      |                      |                      |                      |
| Prior Year CIP                                     | 4,825             |                   |                      |                      |                      |                      |                      |
| WORKING CAPITAL BALANCE - ENDING                   | 28,077            | 5,733             | ( 35,822)            | ( 134,622)           | ( 137,111)           | ( 151,875)           | ( 179,527)           |

Internal Service funds operate as a business to serve the needs of the rest of City government, rather than the public at large. Each department fund is billed by the internal service fund relative to the amount of service it uses. The internal service funds' annual earnings are reinvested by replacing assets or reducing costs to the departmental users.

The City currently has two Internal Service funds, the Fleet Management Fund and the Risk Management Fund. Prior to 1984-85, the City also had a Central Service Fund which provided reproduction, printing and mail delivery services. This fund has since been absorbed by the General Fund.

## Fleet Management Fund

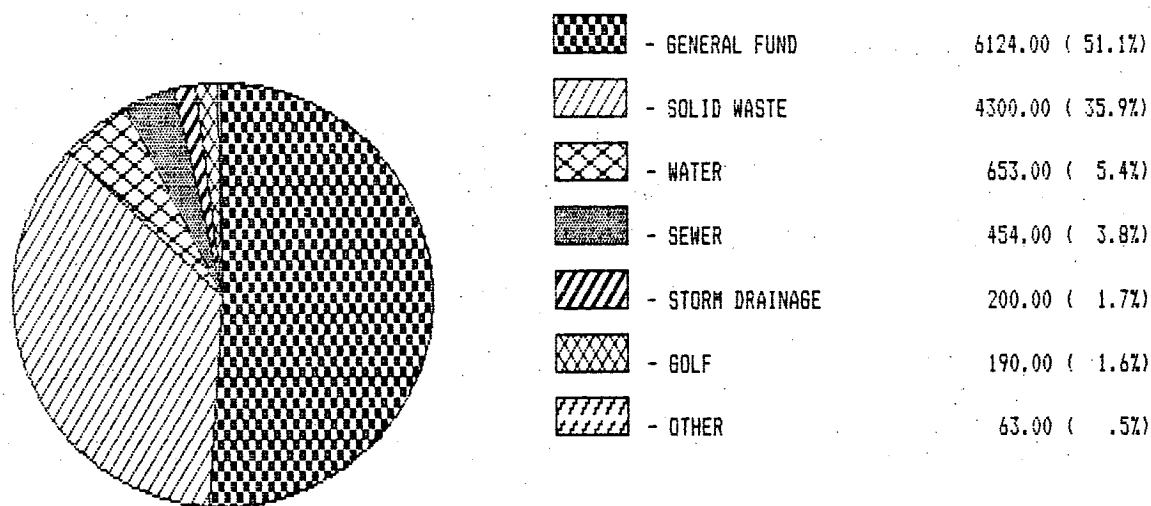
### DESCRIPTION

The Fleet Management Fund is responsible for the maintenance and repair of over 1,500 pieces of the City's vehicular equipment. As an internal service fund, the various other departments make monthly payments to the Fleet Management Fund equal to the cost of operating the equipment, plus an amount to replace the existing equipment at the end of its useful life. Operating expenses include fuel, oil, parts, repair, maintenance, and administrative overhead.

Figure 10 below, illustrates the level of contributions to Fleet Management by other funds.

Figure 10

### FLEET RENTAL CHARGES BY FUND (\$ IN 000)



TOTAL: 11984.00 (100%)

### ANALYSIS

The purpose of a fund balance in this internal service fund is to provide for rate stability. The Fleet Management Fund attempts to stabilize rates which helps the various other departments determine their operating requirements. However, stability of rental rates may conflict

with need for funds to cover volatile expenses incurred by the fund. This fund tends to have expense fluctuations in two significant areas, fuel and vehicle replacement. Over the past few years fuel prices have fluctuated wildly, however, the available fund balance has cushioned the departmental users from the effects of fuel price instability. Additionally, this fund's replacement cycle can vacillate from year to year due to the composition of the replacement schedule. In any one year more costly items, such as fire or garbage trucks, may be up for replacement. Without a fund balance, rates would have to be raised in one year and lowered the next to accommodate for such changes. Similarly, fleet staff may determine that certain types of vehicles are experiencing abnormally high repair costs. In certain instances, it is cost effective to replace vehicles before the end of their useful life if other vehicles can be operated more effectively. Fund Balance gives the Fleet Management Fund the flexibility to make cost effective decisions without a disruptive effect on the user departments.

Table 5-1 summarizes the projected 1985-86 financial condition of the fund. Current year fund balance is expected to climb to \$1,740,000. The major contributing factor to this increase over the level projected in the Approved Budget is the increase in transfers related to additions to the fleet. At the time of the Proposed Budget this fund has set rates based on the anticipated size of the fleet. The Approved Budget contained more new vehicles than expected, thus increasing rental payments to the fund.

The rather large variance in equipment expense (\$934,000) and the corresponding increase in resources from internal service billings reflects the transfer of resources from other funds for the initial purchase of additional vehicles. After the initial purchase of a vehicle, the Fleet Management Fund replaces the vehicle with resources generated through rental rates.

The 1986-87 replacement schedule is expected to be higher than in prior years due to the purchase of two fire trucks and the reconditioning of two other fire trucks. The projected 1985-86 level of available fund balance is sufficient to cover this increase as well as the other fluctuations mentioned above.

Table 5-1

## 1985-86 FLEET MANAGEMENT SUMMARY

| (\$ in 000's)                    | 1985-86<br>Approved | 1985-86<br>Midyear | Variance:<br>Favorable<br>(Unfavorable) |
|----------------------------------|---------------------|--------------------|---|
| Beginning Fund Balance (Deficit) | \$1,129             | \$1,639            | \$510                                   |
| Current Resources:               |                     |                    |   |
| Revenues                         |                     |                    |   |
| Use of Money & Property          | 300                 | 300                | 0                                       |
| Miscellaneous Revenue            | 150                 | 150                | 0                                       |
| Subtotal Revenues                | 450                 | 450                | 0                                       |
| Internal Service Billings        | 10,609              | 11,984             | 1,375                                   |
| Total Current Resources          | 11,059              | 12,434             | 1,375                                   |
| Current Requirements             |                     |                    |   |
| Current Operations:              |                     |                    |   |
| Employee Services                | 2,894               | 2,981              | ( 87)                                   |
| Other Services & Supplies        | 4,809               | 4,755              | 54                                      |
| Equipment                        | 3,297               | 4,231              | ( 934)                                  |
| Debt Service                     |                     |                    |   |
| Operating Transfers Out          | 22                  |                    |   |
| Subtotal Current Operations      | 11,022              | 11,967             | ( 967)                                  |
| Capital Improvements:            | 364                 | 366                | ( 2)                                    |
| Subtotal Capital Improvements    | 364                 | 366                | ( 2)                                    |
| Total Current Requirements       | 11,386              | 12,333             | ( 969)                                  |
| Total Current Surplus (Deficit)  | ( 327)              | 101                | 406                                     |
| Other Fund Sources (Uses)        |                     |                    |   |
| Ending Fund Balance (Deficit)    | \$802               | \$1,740            | \$916                                   |

\* Fund balance excludes the value of supply parts inventory

## Risk Management Fund

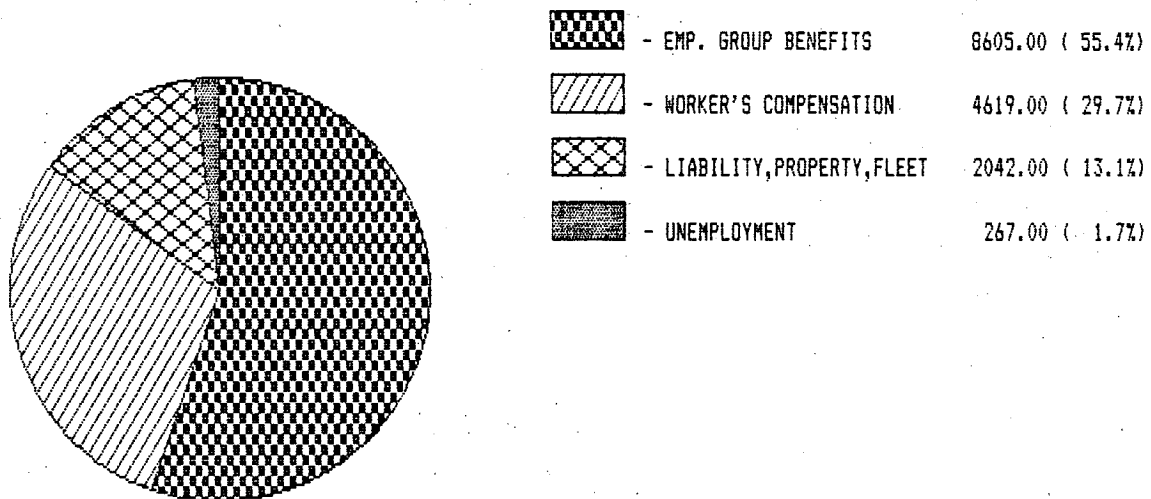
### DESCRIPTION

The Risk Management Fund was established in 1977 to consolidate the City's insurance programs. This fund administers programs for comprehensive automobile and general liability, property loss, crime coverage, worker's compensation, employee group benefits, and unemployment insurance. With the exception of employee group benefits, the City self-insures its exposures. Self-insured means that the City sets aside sufficient funds to cover a certain level of risk. The City augments the self-insured program with the purchase of excess coverage from underwriters to guard against catastrophic losses for which it would be a financial burden to attempt to self-insure.

The following figure illustrates the relative amounts of the charges billed by the Risk Management Fund.

Figure 11

### RISK MANAGEMENT CHARGES BY TYPE (\$ IN 000)



TOTAL: 15533.00 (100%)

## ANALYSIS

On October 7, 1985 the City's broker informed the City that it would be unable to obtain excess general and auto liability insurance. As a result, the City has been without excess coverage since November 20, 1985. Previously, the City was limited to \$1,000,000 loss per occurrence.

Sacramento is working with the League of California Cities and other cities to help solve this crisis facing public entities. The League and other cities are working on plans to form insurance pools. These pools would provide coverage similar to that of private insurance companies. In addition, cities are petitioning the State Legislature to limit the extent of the "joint and several" liability (commonly referred to as "deep pocket" liability). This legal doctrine exposes the City to financial liability beyond which it is responsible in an occurrence. For example, the City may be 10% responsible for an occurrence but may have to pay the entire judgment if the other 90% party is unable to pay. This "deep pocket" doctrine drastically reduces the number of underwriters willing to offer liability insurance in the face of uncertain risk levels. If the Legislature fails to take action, there is an initiative on the June ballot which would provide relief to cities. This initiative limits the liability for non-economic "pain and suffering" damages to the percentage the public entity is responsible for in each occurrence.

Another area of concern is worker's compensation. Currently, the City has a consulting firm determining the level of funding needed to support the self-insured programs. Based on their actuarial report the City reserves an amount to cover the costs of known claims, claims which have been incurred but have not been reported or valued, and a contingency amount to cover potential large losses. The actuary recommended raising the open case liability by \$2.5 million. This unexpected increase eliminated the available fund balance and left the fund with a \$1,900,000 shortfall at the beginning of the current fiscal year.

The current projection of the 1985-86 ending fund balance assumes that worker's compensation claims will be no greater than the actuarial's estimate. If this is the case then the fund's projected current worker's compensation transfers will offset the opening shortfall. However, predicting the dollar amount of claims based on limited information is difficult. Therefore, this situation will be monitored during the budget process to adjust rates to cover any increased costs. Table 5-2 shows the current worker's compensation contributions by fund.

Table 5-2

WORKER'S COMPENSATION CONTRIBUTIONS BY FUND

|                  |             |
|------------------|-------------|
| General          | \$3,338,450 |
| Water            | 247,002     |
| Sewer            | 128,406     |
| Solid Waste      | 461,836     |
| Storm Drainage   | 75,874      |
| Parking          | 103,588     |
| Golf             | 61,552      |
| Boat Harbor      | 8,085       |
| Camp Sacramento  | 2,561       |
| Community Center | 48,548      |
| Fleet Management | 143,279     |
|                  | -----       |
|                  | \$4,619,181 |
|                  | =====       |

Table 5-3 is a comparison of the Approved Budget to the Midyear Review fund balance projections. The projections show that strides have been made in reducing the effects of the unexpected by large open reserve adjustment. The negative fund balance reflects the removal of unspent excess liability premiums from available fund balance. These premiums totaling over \$600,000, were placed in the self-insured reserve. The rather large decrease in internal service billings and corresponding savings in other services and supplies results from a lower level of employee group benefits. Employee group benefits are charged to the various other funds on a dollar for dollar basis and therefore have no effect on available funds.

In summary, the Risk Management Fund is in a tentative position. Without excess liability insurance the City is facing uncovered exposures relative to catastrophic incidents.

Table 5-3

## 1985-86 RISK MANAGEMENT FUND SUMMARY

| (\$ in 000's)                    | 1985-86<br>Approved | 1985-86<br>Midyear | Variance:<br>Favorable<br>(Unfavorable) |
|----------------------------------|---------------------|--------------------|---|
| Beginning Fund Balance (Deficit) | \$265               | ( \$1,899)         | ( \$2,164)                              |
| Current Resources:               |                     |                    |   |
| Revenues                         |                     |                    |   |
| Use of Money & Property          | 1,050               | 1,044              | ( 6)                                    |
| Miscellaneous Revenue            | 20                  | 20                 | 0                                       |
| Subtotal Revenues                | 1,070               | 1,064              | ( 6)                                    |
| Internal Service Billings        | 17,047              | 15,533             | ( 1,514)                                |
| Total Current Resources          | 18,117              | 16,597             | ( 1,520)                                |
| Current Requirements             |                     |                    |   |
| Current Operations:              |                     |                    |   |
| Employee Services                | 496                 | 477                | 19                                      |
| Other Services & Supplies        | 17,850              | 14,234             | 3,616                                   |
| Equipment                        | 8                   | 8                  | 0                                       |
| Debt Service                     |                     |                    |   |
| Operating Transfers Out          |                     |                    |   |
| Subtotal Current Operations      | 18,354              | 14,719             | 3,635                                   |
| Capital Improvements:            | 0                   | 0                  | 0                                       |
| Subtotal Capital Improvements    | 0                   | 0                  | 0                                       |
| Total Current Requirements       | 18,354              | 14,719             | 3,635                                   |
| Total Current Surplus (Deficit)  | ( 237)              | 1,878              | 2,115                                   |
| Other Fund Sources (Uses)        |                     | ( 640)             | ( 640)                                  |
| Ending Fund Balance (Deficit)    | \$28                | ( \$661)           | ( \$689)                                |