



City of Sacramento City Council

915 I Street, Sacramento, CA, 95814

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Meeting Date: 5/31/2011

Report Type: Consent

Title: Reimbursement of Costs between Department of Utilities (DOU) Funds and the General Fund

Report ID: 2011-00448

Location: Citywide

Recommendation: Adopt a Resolution authorizing 1) an inter-fund reimbursement from the Solid Waste Fund (Fund 6007) in the amount of \$184,229 to the General Fund (Fund 1001) for the reimbursement of Sacramento 311 services provided, and 2) an inter-fund reimbursement from the General Fund (Fund 1001) to reimburse the Water Fund (Fund 6005) for the Sacramento Zoo Offsite Water Main Extension costs plus interest.

Contact: Jamille Moens, Business Services Manager, (916) 808-5988; Salina Cheung, Program Specialist, (916) 808-1463 - Department of Utilities

Presenter: None

Department: Department Of Utilities

Division: Fiscal and Administration Svcs

Dept ID: 14001611

Attachments:

1-Description/Analysis

2-Resolution

City Attorney Review

Approved as to Form
Joe Robinson
5/24/2011 3:50:56 PM

City Treasurer Review

Prior Council Financial Policy Approval or
Outside City Treasurer Scope
Russell Fehr
5/17/2011 4:23:11 PM

Approvals/Acknowledgements

Department Director or Designee: Marty Hanneman - 5/18/2011 12:43:21 PM

Assistant City Manager: John Dangberg - 5/23/2011 4:23:20 PM



Description/Analysis

Issue:

The Department of Utilities completed the Sacramento Zoo Offsite Water Main Extension Project (ZL36) for the Department of Convention, Culture and Leisure on October 17, 2006. Approximately 540 feet of 12-inch water main was constructed for the Sacramento Zoo's new veterinary hospital at a cost of \$161,140. In accordance with Proposition 218, the costs for the water main are a General Fund expense and should be reimbursed to the Water Fund. The Department of Utilities is recommending a total reimbursement of \$184,229, which includes accumulated interest of \$23,089 at the City's "Pool A" interest rate.

In addition, due to budgetary constraints in FY2009/10 and FY2010/11 the Department of Utilities negotiated a temporary reduced contribution from the Solid Waste Fund to the General Fund for the Solid Waste Fund's fair share of costs related to the City's 311 operations. At this time, there are now sufficient resources in the Solid Waste Fund to repay the deferred fair share costs of 311 services to the General Fund. The transfer from the Solid Waste Fund to reimburse the General Fund for these costs will provide the resources necessary to reimburse the Water Fund for ZL36 expenses and interest.

Policy Considerations: The recommendations in this report appropriately account for reimbursement of services provided between City funds and are consistent with Proposition 218 requirements pertaining to the use of rate revenues.

Environmental Considerations:

California Environmental Quality Act (CEQA): This report concerns administrative activities that will not have a significant effect on the environment, and does not constitute a "project" as defined by the CEQA Guidelines (Title 14 Cal. Code Reg. § 15000 et seq.) Sections 15061(b)(3) and 15378(b)(2).

Sustainability Considerations: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: The recommended reimbursements of costs between the Solid Waste Fund, the General Fund, and the Water Fund allow the appropriate allocation of costs to be accounted for in the respective funding sources and are in compliance with Proposition 218.

Financial Considerations: This report is requesting the reimbursement of costs between the Department of Utilities, Department of General Services, and Department of Convention, Culture and Leisure through inter-fund reimbursements between the Solid Waste Fund (Fund 6007), the General Fund (Fund 1001), and the Water Fund (Fund 6005) in the amount of \$184,229.

Emerging Small Business Development (ESBD): Not applicable.



RESOLUTION NO. 2011-

Adopted by the Sacramento City Council

May 31, 2011

AUTHORIZING INTERFUND REIMBURSEMENTS BETWEEN THE SOLID WASTE FUND (FUND 6007), THE GENERAL FUND (FUND 1001), AND THE WATER FUND (FUND 6005) IN THE AMOUNT OF \$184,229 FOR COSTS RELATED TO THE PROVISION OF 311 SERVICES AND THE OFFSITE WATER MAIN EXTENSION FOR THE SACRAMENTO ZOO (ZL36)

BACKGROUND

- A. The Department of Utilities completed the Sacramento Zoo Offsite Water Main Extension Project (ZL36) on October 17, 2006. Approximately 540 feet of 12-inch water main was constructed for the Sacramento Zoo’s new veterinary hospital. The cost of this project including lost interest, totals \$184,229 (\$161,140 for the project and \$23,089 in interest at the City’s “Pool A” rate), and should be reimbursed to the Water Fund, consistent with Proposition 218’s requirements pertaining to the use of rate revenues.
- B. In addition, due to budgetary constraints in FY2009/10 and FY2010/11 the Department of Utilities negotiated a temporary reduced contribution from the Solid Waste Fund to the General Fund for the Solid Waste Fund’s fair share of costs related to the City’s 311 operations. At this time, there are now sufficient resources in the Solid Waste Fund to repay the deferred fair share costs of 311 services to the General Fund. The transfer from the Solid Waste Fund to reimburse the General Fund for these costs will provide the resources necessary to reimburse the Water Fund for the Zoo water main project expenses and interest.
- C. The above mentioned reimbursements will be accomplished through inter-fund reimbursements from the Solid Waste Fund to the General Fund and from the General Fund to the Water Fund.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The Finance Director is authorized to transfer \$184,229 from the Solid Waste Fund (Fund 6007) to the General Fund (Fund 1001) for the reimbursement of Sacramento 311 services for FY2009/10 and FY2010/11; and

Section 2. The Finance Director is authorized to transfer \$184,229 from the General Fund (Fund 1001) to the Water Fund (Fund 6005) for the reimbursement of Department of Utilities cost plus interest related to the Sacramento Zoo Offsite Water Main Extension project.