

*Non-departmental*



# Department Summary

# Non-departmental



**DEPARTMENT DESCRIPTION:**

The non-departmental section includes debt service, interfund transfers and reserve contributions.

	<u>2006-07 Actual</u>	<u>2007-08 Amended Budget</u>	<u>2007-08 Estimated</u>	<u>2008-09 Budget</u>
<b>EXPENDITURES BY PROGRAM:</b>				
Debt Service	\$3,863,886	\$6,206,299	\$4,457,039	\$4,944,706
Interfund transfers	1,798,696	4,650,545	3,365,614	5,705,566
Reserve contributions	0	550,000	550,000	550,000
<b>Total</b>	<b><u>\$5,662,582</u></b>	<b><u>\$11,406,844</u></b>	<b><u>\$8,372,653</u></b>	<b><u>\$11,200,272</u></b>

	<u>2006-07 Actual</u>	<u>2007-08 Amended Budget</u>	<u>2007-08 Estimated</u>	<u>2008-09 Budget</u>
<b>EXPENDITURES BY FUND:</b>				
General Fund	\$379,103	\$968,836	\$604,518	\$330,452
Gas Tax Fund	350,000	350,000	325,000	
Econ Dev/Revolving Loan Fund	106,115			
Police Special Revenue		5,741	5,741	\$116,740
CDBG Housing	32,213			
Low & Moderate Income Housing				\$250,000
Water Fund	683,522	1,330,215	1,336,570	\$1,344,690
Wastewater Fund	121,987	661,826	661,841	\$867,325
Wastewater Capital Fund				\$400,000
Humboldt Bay Fund	164,017	436,440	365,693	\$435,507
Information Technology Fund	6,190	69,772	68,034	67,963
Redevelopment Administration	11,672			
Eureka Public Financing Authority	678,343	678,343	678,343	678,343
Eureka Redevelopment Agency Capital Fund	100,000	100,000	-	
Eureka Redevelopment Agency Debt Service Fund	3,029,420	6,805,671	4,326,913	6,709,252
<b>Total</b>	<b><u>\$5,662,582</u></b>	<b><u>\$11,406,844</u></b>	<b><u>\$8,372,653</u></b>	<b><u>\$11,200,272</u></b>

# Non-departmental



DEPARTMENT Non-departmental  
PROGRAM: Debt service

## PROGRAM DESCRIPTION:

Debt service includes Capital Leases, Revenue Bonds and Interfund Advances.

	<u>2006-07 Actual</u>	<u>2007-08 Amended Budget</u>	<u>2007-08 Estimated</u>	<u>2008-09 Budget</u>
<b>PROGRAM EXPENDITURES:</b>				
Debt Service	\$3,863,886	\$6,206,299	\$4,457,039	\$4,944,706
Total Expenditures	<u>\$3,863,886</u>	<u>\$6,206,299</u>	<u>\$4,457,039</u>	<u>\$4,944,706</u>

	<u>2006-07 Actual</u>	<u>2007-08 Amended Budget</u>	<u>2007-08 Estimated</u>	<u>2008-09 Budget</u>
<b>EXPENDITURES BY FUND:</b>				
General Fund	129,950	620,339	256,021	256,022
Water Fund	683,522	1,330,215	1,336,570	1,344,690
Wastewater Fund	121,987	261,826	261,841	265,121
Humboldt Bay Fund	164,017	286,440	215,693	285,507
Information Technology Fund	6,190	69,772	68,034	67,963
Eureka Public Financing Authority	678,343	678,343	678,343	678,343
Eureka Redevelopment Agency Debt Service Fund	2,079,877	2,959,364	1,640,537	2,047,060
Total	<u>\$3,863,886</u>	<u>\$6,206,299</u>	<u>\$4,457,039</u>	<u>\$4,944,706</u>



**Bonds Payable**

Bonds payable as of June 30, 2008 are comprised of the following revenue bond issues:

2003 Tax Allocation Revenue Refunding Bonds, issued by Eureka Public Financing Authority (Authority), in the amount of \$15,250,000. Of the total bonds issued, \$13,140,000 were to refund the Authority's outstanding 1993 Tax Allocation Revenue Bonds, refinance a loan agreement between Six Rivers National Bank and the Eureka Redevelopment Agency (Agency), and to refinance a loan between the City of Eureka and the Agency. A portion of the proceeds was used to fund reserve accounts established under loan agreements between the Authority and the Agency and to pay the costs of issuing the bonds. The bond issue consisted of the following: \$15,250,000 serial bonds carrying interest rates of 4.00% to 4.80% and maturing in annual increments of \$1,000,000 to \$1,600,000 with maturity dates of November 1 each year from 2012 through 2023.

These bonds are secured by a first lien on and pledge of all the amounts payable by the Agency and the Authority pursuant to loan agreements between the Agency and the Authority, and other revenues specified in the indenture. Each loan agreement is secured by a first pledge of and lien on the incremental tax revenues received by the Agency from redevelopment project areas. Each loan is additionally secured by a first and exclusive pledge of and lien upon all of the money held in the Reserve Account established with respect to the related loan. These bonds are payable solely from the revenues discussed in this paragraph and are not secured by the general taxing power of the City of Eureka.

\$15,250,000

1973 Municipal Harbor Improvement Bonds due in annual installments of \$35,000 to \$105,000 through July 1, 2014; interest at 6.75%. Used to build a fish plant and dock facilities in Humboldt Bay. These bonds are payable exclusively from the revenues of an enterprise comprising the City's municipal harbor, and are secured by a lien and pledge of such revenues. The bonds are not secured by the taxing power of the City of Eureka.

630,000

Total revenue bonds

\$ 15,880,000

**Long-Term Purchase Agreements Payable**

Long-term purchase agreements payable as of June 30, 2007 are comprised of the following revenue bond issues:

On April 18, 2000, June 25, 2002, and May 20, 2003 the City, along with other California cities, entered into installment purchase agreements with the California Statewide Communities Development Authority (CSCDA), a joint exercise of powers agency which issued bonds to finance and refinance certain public capital improvements of the program participants and to pay the costs incurred in issuing the bonds.

CSCDA Wastewater Revenue Bonds(Pooled Financing Program), Series 2005C principal amount of \$8,110,000, due in annual installments through April 1, 2026; interest rates at 2.60% to 5.00%. Proceeds were used to advance refund the City's CSCDA 2000A Water and Wastewater Revenue Bonds. These bonds are payable exclusively from the City's Wastewater, and are secured by a lieu and pledge of such revenues. The bonds are not secured by the taxing power of the City of Eureka.

7,545,000

CSCDA Water Revenue Bonds (Pooled Financing Program), Series 2002B principal amount of \$3,625,000, due in annual installments of \$131,938 to \$254,286 through April 1, 2028; interest at 4.00% to 5.25%. Used to finance various Water Utility projects. These bonds are payable exclusively from the revenues of the City's Water Utility, and are secured by a lien and pledge of such revenues. The bonds are not secured by the taxing power of the City of Eureka. The first principal payment was made October 2003.

3,175,000

CSCDA Wastewater Revenue Bonds (Pooled Financing Program), Series 2003A principal amount of \$4,040,000 due in annual installments of \$233,339 to \$264,989 through April 1, 2029; interest at 2.00% to 5.25%. Used to finance various Wastewater Utility projects. These bonds are payable exclusively from the revenues of the City's Wastewater Utility, and are secured by a lien and pledge of such revenues. The bonds are not secured by the taxing power of the City of Eureka. Payments include interest and principal, the first payment was made October 2003.

3,510,000

CSCDA Water Revenue Bonds (Pooled Financing Program), Series 2006A principal amount of \$1,570,000, due in annual installments of \$118,125 to \$123,919 through October 1, 2031; interest at 3.25% to 4.60%. Used to finance various Water Utility projects. These bonds are payable exclusively from the revenues of the City's Water Utility, and are secured by a lien and pledge of such revenues. The bonds are not secured by the taxing power of the City of Eureka. The first principal payment was made October 2006.

1,750,000

Total long-term purchase agreements payable

15,980,000

**Intergovernmental loans payable are comprised of the following:**

On September 26, 1996, the City and Redevelopment Agency jointly entered into a loan and operation contract with the California Department of Boating and Waterways for the purpose of repairing and refurbishing the Eureka Boat Basin. The loan of \$2,750,000 is payable at 4.5% interest, over 30 years.

\$2,336,205

On February 1, 2008, the Redevelopment Agency entered into a loan contract with the California Infrastructure Bank for the purpose of constructing the C Street Market Square Improvement Projects to accommodate the Fisherman's Terminal Building. The loan of \$2,000,000 is payable at 2.83% interest over 17 years.

\$2,000,000



**Long-term Debt Summary**

The annual requirements to amortize outstanding bonded and purchase agreement indebtedness as of June 30, 2008, are as follows:

Fiscal Year Ending 6/30	EPFA - EPFA Debt Service Fund	CSCDA Bonds - Water Fund	CSCDA Bonds - Wastewater Fund	Harbor Bonds - Humboldt Bay Fund	California Department of Boating and Waterways Loan - Humboldt Bay Fund	California Infrastructure Bank Loan
2009	678,343	991,556	264126	114,993	174,282	70,750
2010	678,343	991,933	260389	114,763	174,282	161,737
2011	678,343	996,064	261864	114,194	174,282	161,395
2012	678,343	989,169	263189	113,288	174,282	161,043
2013-17	8,282,000	4,942,890	1307193	331,050	871,410	799,583
2018-22	8,242,544	4,907,102	1296794		871,410	789,173
2023-27	3,281,536	4,275,181	1297788		871,410	467,869
2028-32		832,613	513513		348,572	
Subtotal	22,519,452	18,926,508	5,464,856	788,288	3,659,930	2,611,550
Less interest	(7,269,452)	(6,456,508)	(1,954,856)	(158,288)	(1,323,725)	(617,550)
Total amount due at 6/30/08	15,250,000	12,470,000	3,510,000	630,000	2,336,205	1,994,000

**Capital Leases**

The City is indebted on various capital leases which are listed in the table below:

	Inception Date	Original Amount	Principal Balance at 6/30/08	Interest Rate	Date of Final Payment
<b>General Fund</b>					
Fire Truck	March 17, 2006	501,277	444,886	4.39%	July 15, 2013
City Hall remodel Phase I	July 19, 2005	925,000	767,895	4.01%	July 19, 2015
City Hall remodel Phase II	July 24, 2006	270,000	245,199	4.69%	July 24, 2015
<b>Information Technology Fund</b>					
Incode Software	November 1, 2004	310,000	67,043	4.07%	November 1, 2008
<b>Water Fund</b>					
Automated Water Meter Readers	December 19, 2006	2,904,129	2,617,697	4.17%	December 19, 2016

**Interfund Advances**

The Redevelopment Agency is indebted to the City General Fund, Water Fund and Wastewater Fund for various projects. Interest accrues on these advances and each year. During the budget process, it is determined whether interest and/or principal will be paid. The FY2008-09 budget includes \$950,000 in principal and \$347,967 in interest.

**Legal Debt Margin**

The City has a legal debt limitation not to exceed 3.75% of the assessed value of all real and personal property within the city limits. This applies to bonds, notes or any other type of general obligation debt. The following types of obligations are not considered in determining the debt limitation: Any long-term debt which is secured by specific revenue sources, and where the general taxing authority of the City is specifically excluded as a funding source for the obligation; and short-term securities repaid with current revenues.

The legal debt margin for the City as of June 30, 2007 (the most recent calculation date) is shown below:

Total assessed value of all real and personal property	\$ 1,899,833,280
Debt limit percentage	<u>3.75%</u>
Total debt limit	71,243,748
Amount of debt applicable to debt limit	<u>-</u>
Legal debt margin	<u>\$ 71,243,748</u>

# Non-departmental



**DEPARTMENT:** Non-departmental  
**PROGRAM:** Reserve Contributions

**PROGRAM DESCRIPTION:**

Reserve contributions are generally required by provisions included in debt agreements or grant agreements.

	<u>2006-07 Actual</u>	<u>2007-08 Amended Budget</u>	<u>2007-08 Estimated</u>	<u>2008-09 Budget</u>
<b>PROGRAM EXPENDITURES:</b>				
Reserve Contributions	\$0	\$550,000	\$550,000	\$550,000
Total Expenditures	\$0	\$550,000	\$550,000	\$550,000

	<u>2006-07 Actual</u>	<u>2007-08 Amended Budget</u>	<u>2007-08 Estimated</u>	<u>2008-09 Budget</u>
<b>EXPENDITURES BY FUND:</b>				
Wastewater Fund		\$400,000	\$400,000	
Wastewater Capital Fund				\$400,000
Humboldt Bay Fund		150,000	150,000	150,000
Total		\$550,000	\$550,000	\$550,000

# Non-departmental



**DEPARTMENT:** Non-departmental  
**PROGRAM:** Interfund transfers

**PROGRAM DESCRIPTION:**

Interfund transfers primarily represent operating subsidies.

	<u>2006-07 Actual</u>	<u>2007-08 Amended Budget</u>	<u>2007-08 Estimated</u>	<u>2008-09 Budget</u>
<b>PROGRAM EXPENDITURES:</b>				
Interfund transfers	\$1,798,696	\$4,650,545	\$3,365,614	\$5,705,566
<b>Total Expenditures</b>	<b>\$1,798,696</b>	<b>\$4,650,545</b>	<b>\$3,365,614</b>	<b>\$5,705,566</b>

	<u>2006-07 Actual</u>	<u>2007-08 Amended Budget</u>	<u>2007-08 Estimated</u>	<u>2008-09 Budget</u>
<b>EXPENDITURES BY FUND:</b>				
General Fund	\$249,153	\$348,497	\$348,497	\$74,430
Gas Tax Fund	350,000	350,000	325,000	
Econ Dev/Revolving Loan Fund	106,115			
Police Special Revenue		5,741	5,741	116,740
CDBG Housing	32,213			
Wastewater Fund				602,204
Low & Moderate Income Housing				250,000
Redevelopment Administration	11,672			
Eureka Redevelopment Agency Debt Service Fund	949,543	3,846,307	2,686,376	4,662,192
Eureka Redevelopment Agency Capital Fund	100,000	100,000	-	
<b>Total</b>	<b>\$1,798,696</b>	<b>\$4,650,545</b>	<b>\$3,365,614</b>	<b>\$5,705,566</b>



**Interfund Transfers**

	<u>2007-08</u> <u>Estimated</u> <u>Actual</u>	<u>2008-09</u> <u>Proposed</u>	<u>Purpose</u>
<b>OPERATING TRANSFERS</b>			
TO GENERAL FUND FROM:			
Gas Tax Fund-2105	100,000		To support operations of Maintenance/Engineering
Gas Tax Fund-2106	100,000		To support operations of Maintenance/Engineering
Gas Tax Fund-2107	125,000		To support operations of Maintenance/Engineering
Redevelopment Debt		75,000	To support Old Town Security
Total	<u>325,000</u>	<u>75,000</u>	
TO HAZARDOUS MATERIALS RESPONSE FUND FROM:			
General Fund	25,123	29,633	Operating Subsidy
TO LOW AND MODERATE INCOME HOUSING FUND FROM:			
ERA Debt Service Fund	100,000	100,000	Deficit Payment
ERA Debt Service Fund	878,009	953,295	20% Setaside
Total	<u>978,009</u>	<u>1,053,295</u>	
TO ERA CAPITAL PROJECTS FUND - E.T. FROM:			
ERA Debt Service Fund	802,125	2,000,000	Capital Subsidy
TO REDEVELOPMENT ADMINISTRATION FROM:			
ERA Debt Service Fund	806,242	1,100,000	Operating Subsidy
TO HOME PROGRAM INCOME FROM:			
Low & Mod Housing		250,000	Repay amount previously transferred
TO TRANSIT FUND FROM:			
General Fund	190,000	0	Operating Subsidy
TO HUMBOLDT BAY OPERATING FUND FROM:			
ERA Debt Service Fund		283,897	Subsidize Humboldt Bay Fund Obligations
ERA Debt Service Fund	100,000	150,000	Subsidize Humboldt Bay Fund Obligations
Total	<u>100,000</u>	<u>433,897</u>	
TO BUILDING FUND FROM:			
General Fund	55,630	44,797	Operating Subsidy
TO WASTEWATER CAPITAL PROJECTS FROM:			
Wastewater		602,204	Capital Reserves
TO VEHICLE ABATEMENT FUND FROM:			
Drug Asset Fund	0	76,612	Operating Subsidy
Traffic Offender Fund		15,000	Operating Subsidy
General Fund	72,895		
Total	<u>72,895</u>	<u>91,612</u>	
TO SUPPLEMENTAL LAW ENFORCEMENT FUND FROM:			
Traffic Offender Fund		25,128	Operating Subsidy
TO TRAFFIC OFFENDER FUND FROM:			
Special Police Vehicle Theft Fund	5,741		Operating Subsidy
General Fund	4,849		Operating Subsidy
Total	<u>10,590</u>	<u>0</u>	
<b>GRAND TOTAL</b>	<u><b>3,365,614</b></u>	<u><b>5,705,566</b></u>	

