

Non-departmental

Department Summary *Non-departmental*



DEPARTMENT DESCRIPTION:

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

	<u>2007-08</u> <u>Actual</u>	<u>2008-09</u> <u>Amended</u> <u>Budget</u>	<u>2008-09</u> <u>Estimated</u>	<u>2009-10</u> <u>Budget</u>
EXPENDITURES BY PROGRAM:				
Debt Service	\$3,111,749	\$4,916,363	\$4,914,748	\$4,259,428
Interfund transfers	1,971,645	8,284,468	6,875,775	5,493,841
Reserve contributions		966,207		550,000
	<u>\$5,083,394</u>	<u>\$14,167,038</u>	<u>\$11,790,523</u>	<u>\$10,303,269</u>

EXPENDITURES BY FUND

General Fund	\$592,851	\$407,064	\$407,063	\$300,986
Gas tax fund	325,000			
Special Police Fund	5,741	64,128	40,128	
Low & Mod Income		250,000	250,000	50,000
Economic Development	(5,603)	150,000	150,000	
Housing CDBG	(3,436)			
Water	743,137	1,344,690	1,344,689	1,338,043
Wasterwater	264,465	2,580,884	2,010,589	1,894,031
Wastewater Capital Projects Fund		816,207		400,000
Humboldt Bay	196,067	435,507	285,507	434,980
Building Fund		13,000	13,000	
Information Technology Operations	11,775	67,963	67,996	
Redevelopment Admin	9,039			
Parking Meter Fund				24,926
Eureka Public Financing Authority	678,343	678,343	678,343	678,343
Eureka Redevelopment Agency Debt Service	2,166,015	7,359,252	6,543,208	5,181,960
Eureka Redevelopment Agency Capital Projects	100,000			
Total Resources	<u>\$5,083,394</u>	<u>\$14,167,038</u>	<u>\$11,790,523</u>	<u>\$10,303,269</u>

Non-Departmental



DEPARTMENT Non-departmental

PROGRAM: Debt service

PROGRAM DESCRIPTION:

Debt service includes Capital Leases, Revenue Bonds and Interfund Advances

	<u>2007-08</u> <u>Actual</u>	<u>2008-09</u> <u>Amended</u> <u>Budget</u>	<u>2008-09</u> <u>Estimated</u>	<u>2009-10</u> <u>Budget</u>
PROGRAM EXPENDITURES:				
Debt Service	<u>\$3,111,749</u>	<u>\$4,916,363</u>	<u>\$4,914,748</u>	<u>\$4,259,428</u>
EXPENDITURES BY FUND:				
General Fund	\$ 244,354	\$ 256,022	\$ 256,021	\$ 256,021
Water	694,439	1,344,690	1,344,689	1,338,043
Wasterwater	194,798	265,121	265,121	259,527
Humboldt Bay	149,512	285,507	285,507	284,980
Information Technology Operations	11,775	67,963	67,996	-
Parking Meter Fund	-	-	-	24,926
Eureka Public Financing Authority	678,343	678,343	678,343	678,343
Eureka Redevelopment Agency Debt Service	1,138,528	2,018,717	2,017,071	1,417,588
Total	<u>\$3,111,749</u>	<u>\$4,916,363</u>	<u>\$4,914,748</u>	<u>\$4,259,428</u>



Bonds Payable

Bonds payable as of June 30, 2009 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 loan agreements between the Agency and the Authority, and other revenues Authority pursuant 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.

555,000

Total revenue bonds

\$ 15,805,000

Long-Term Purchase Agreements Payable

Long-term purchase agreements payable as of June 30, 2009 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 lien and pledge of such revenues. The bonds are not secured by the taxing power of the City of Eureka.

7,240,000

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.

3,075,000

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.

3,395,000

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.

1,705,000

Total long-term purchase agreements payable

15,415,000

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

2,267,052

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, 2009, 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		California Infrastructure Bank Loan
					Humboldt Bay Fund	Humboldt Bay Fund	
2010	678,343	991,933	260,389	114,763	174,282	174,282	161,737
2011	678,343	986,064	261,864	114,194	174,282	174,282	161,395
2012	678,343	989,169	263,189	113,288	174,282	174,282	161,043
2013	1,658,342	991,334	264,299	112,044	174,282	174,282	160,682
2014-18	8,275,687	4,933,138	1,303,394	219,006	871,410	871,410	797,616
2019-23	8,233,651	4,903,008	1,296,406		871,410	871,410	786,912
2024-2028	1,638,400	3,829,481	1,295,250		871,410	871,410	311,416
2029-2032		469,825	255,938		174,290	174,290	
Subtotal	21,841,109	18,093,951	5,200,728	673,294	3,485,648	3,485,648	2,540,800
Less interest	(6,591,109)	(6,073,951)	(1,805,728)	(118,294)	(1,218,596)	(1,218,596)	(540,800)
Total amount due at 6/30/09	15,250,000	12,020,000	3,395,000	555,000	2,267,052	2,267,052	2,000,000

Capital Leases

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

	Inception Date	Original Amount	Principal Balance at 6/30/09	Interest Rate	Date of Final Payment
General Fund					
Fire Truck	March 17, 2006	501,277	358,939	4.39%	July 15, 2013
City Hall remodel Phase I	July 19, 2005	925,000	653,794	4.01%	July 19, 2015
City Hall remodel Phase II	July 24, 2006	270,000	207,736	4.69%	July 24, 2015
Water Fund					
Automated Water Meter Readers	December 19, 2006	2,853,500	2,116,181	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 FY2009-10 budget includes \$1,000,000 in principal and \$261,850 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, 2009 (the most recent calculation date) is shown below:

Total assessed value of all real and personal property	\$2,163,384,312
Debt limit percentage	<u>3.75%</u>
Total debt limit	81,126,912
Amount of debt applicable to debt limit	<u>-</u>
Legal debt margin	<u>\$ 81,126,912</u>

Non-Departmental



DEPARTMENT Non-departmental
 PROGRAM: Reserve Contributions

PROGRAM DESCRIPTION:

	<u>2007-08 Actual</u>	<u>2008-09 Amended Budget</u>	<u>2008-09 Estimated</u>	<u>2009-10 Budget</u>
PROGRAM EXPENDITURES:				
Reserve Contributions	\$0	\$966,207	\$0	\$550,000

EXPENDITURES BY FUND:

Sewer Fund				
Wastewater Capital Projects Fund		816,207		400,000
Harbor Fund		150,000		150,000
Total	\$ -	\$ 966,207	\$ -	\$ 550,000

Reserve contributions are budgeted in order to demonstrate that resources intended to be used in this way are not available for other uses. While the contributions are made, they don't appear in the estimated column, because reserves funds do remain a part of Working Capital. The following table shows year-end reserve fund balances.

	<u>6/30/2008 Actual</u>	<u>6/30/2009 Actual</u>	<u>6/30/2010 Actual</u>
Sewer Treatment Plant Reserve balance	312,823	462,823	612,823
Sewer Collection System Reserve Balance	521,494	771,494	1,021,494
Harbor Reserve Balance	706,550	806,550	906,550
Boat Basin Dredging/Capital Reserve Balance	103,520	153,520	203,520

Non-Departmental



DEPARTMENT Non-departmental
PROGRAM: Interfund transfers

PROGRAM DESCRIPTION:

Interfund transfers primarily represent operating subsidies.

	<u>2007-08</u> <u>Actual</u>	<u>2008-09</u> <u>Amended</u> <u>Budget</u>	<u>2008-09</u> <u>Estimated</u>	<u>2009-10</u> <u>Budget</u>
Interfund transfers	<u>\$ 1,971,645</u>	<u>\$ 8,284,468</u>	<u>\$ 6,875,775</u>	<u>\$ 5,493,841</u>
EXPENDITURES BY FUND				
General Fund	\$348,497	\$151,042	\$151,042	\$44,965
Low and Moderate Income Housing	-	250,000	250,000	50,000
Economic Development	(5,603)	150,000	150,000	-
Housing CDBG	(3,436)	-	-	-
Gas Tax	325,000	-	-	-
Special Police	5,741	64,128	40,128	-
Water	48,698	-	-	-
Wasterwater	69,667	2,315,763	1,745,468	1,634,504
Humboldt Bay	46,555	-	-	-
Building Fund	-	13,000	13,000	-
Redevelopment Administration	9,039	-	-	-
Eureka Redevelopment Agency Debt Service	1,027,487	5,340,535	4,526,137	3,764,372
Eureka Redevelopment Agency Capital Projects	100,000	-	-	-
Total	<u>\$ 1,971,645</u>	<u>\$ 8,284,468</u>	<u>\$ 6,875,775</u>	<u>\$ 5,493,841</u>

Non-departmental Interfund Transfers



OPERATING TRANSFERS	<u>2008-09 Estimated Actual</u>	<u>2009-10 Proposed</u>	<u>Purpose</u>
TO GENERAL FUND From ERA Debt Service Fund	75,000		To support Old Town Security
TO CDBG OTHER - TPA From RLF Econ Dev PI Fund	150,000		Operating Subsidy
TO HOME PROGRAM INCOME From Low & Mod Housing Fund	250,000	50,000	Repay amount previously transferred
TO SUPPLIMENTAL LAW ENFORCEMENT FUND From Traffic Offender Fund	25,128		Operating Subsidy
TO VEHICLE ABATEMENT FUND From Traffic Offender Fund From General Fund	15,000 76,612		Operating Subsidy Operating Subsidy
Sub total	<u>91,612</u>		
TO DEMOLITION PROJECTS FUND From Building Fund	13,000		Operating Subsidy
TO HAZARDOUS MATERIALS RESPONSE FUND From General Fund	29,633		Operating Subsidy
TO LOW AND MODERATE INCOME HOUSING FUND From ERA Debt Service Fund From ERA Debt Service Fund	100,000 1,041,427	100,000 992,152	Deficit Payment 20% Setaside
Sub total	<u>1,141,427</u>	<u>1,092,152</u>	
TO ERA CAPITAL PROJECTS FUND From ERA Debt Service Fund From ERA Debt Service Fund	1,235,470 678,343	426,003 678,343	To fund capital projects Debt Service Payment
TO WASTEWATER CAPITAL PROJECTS From Wastewater Fund	1,745,468	1,634,504	Capital Reserves
TO HUMBOLDT BAY OPERATING FUND From ERA Debt Service Fund	433,897	433,370	Subsidize Humboldt Bay Fund Obligations
TO BUILDING FUND From General Fund	44,797	44,965	Operating Subsidy
TO REDEVELOPMENT ADMINISTRATION From ERA Debt Service Fund	962,000	1,134,504	Operating Subsidy
GRAND TOTAL	<u><u>6,875,775</u></u>	<u><u>5,493,841</u></u>	

