



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Jennifer Maguire

**SUBJECT:** 2006-2007 MID-YEAR  
BUDGET REVIEW REPORT –  
SUPPLEMENTAL ACTION

**DATE:** 02-01-07

Approved

*Kay Winer*

Date

*2/2/07*

**COUNCIL DISTRICT:** N/A

## **REASON FOR SUPPLEMENTAL MEMORANDUM**

To include a technical adjustment that was inadvertently omitted from the original Mid-Year Budget Review Report.

## **RECOMMENDATION**

It is recommended that the City Council:

- 1) Adopt the following Appropriation Ordinance amendments in the City Hall Debt Service Fund:
  - a. Increase the City Hall Debt Service appropriation in the amount of \$594,704; and
  - b. Decrease the City Hall Garage Debt Service appropriation in the amount of \$594,704.
- 2) Adopt the following Appropriation Ordinance amendments in the Ice Centre Revenue Fund:
  - a. Increase the Transfer for Debt Service Payment for the Ice Centre appropriation in the amount of \$72,615; and
  - b. Decrease the Ending Fund in the amount of \$72,615.

## **OUTCOME**

Approval of this appropriation adjustment will allow for the payment of debt obligations on outstanding Lease Revenue Bonds.

## **BACKGROUND**

The Mid-Year Budget Review Report dated January 30, 2007 was forwarded to the City Council for consideration at the February 13, 2007 City Council meeting.

## **ANALYSIS**

These appropriation actions are necessary to ensure sufficient funding for debt service payments related to the Civic Center and Ice Centre. In the Civic Center, higher debt service payments are scheduled due to the conversion of some of the bonds from variable-rate to fixed-rate debt. Lower debt service on the Civic Center Off-Site Parking Garage is anticipated due to the conversion of those bonds from fixed-rate debt to variable-rate debt and a delay in the issuance of a portion of the Parking Garage bonds due to the delay in the completion of the project. Bonds related to the Ice Centre are variable rate. Based on higher than anticipated interest rates, an appropriation adjustment is necessary to fund the projected payments of these bonds scheduled in 2006-2007.

## **POLICY ALTERNATIVES**

Not Applicable

## **PUBLIC OUTREACH/INTEREST**

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

The above criteria do not apply, however, this memo will be posted on the City's website for the February 13, 2007 Council agenda.

## **COORDINATION**

This memorandum has been coordinated with the Finance Department.

## **FISCAL/POLICY ALIGNMENT**

These actions is consistent with the Council-approved Budget Strategy to balance the City's ability and capacity to continue providing essential services to the community, revive the economy, build strong neighborhoods, and stabilize the City's budget.

**COST SUMMARY/IMPLICATIONS**

These technical adjustments would allow debt service payments to occur as scheduled and planned at no additional cost to the General Fund.

**BUDGET REFERENCE**

Fund #	Appn #	Appn. Name	Total Appn.	Amt. for Contract	2006-2007 Adopted Operating Budget	Last Budget Action (Date, Ord. No.)
210	3451	City Hall Debt Service	\$19,345,130	N/A	XI-16	N/A
210	3452	City Hall Garage Debt Service	\$821,788	N/A	XI-16	N/A
432	0005	Transfer for Debt Service Payment for the Ice Centre	\$2,336,604	N/A	XI-40	N/A

**CEQA**

Not a Project

  
JENNIFER MAGUIRE  
Acting Budget Director

For questions please contact KENN LEE, CAPITAL BUDGET COORDINATOR, CITY MANAGER'S OFFICE, 408-535-8136.