

## **NON-DEPARTMENTAL**

The Non-Departmental Section is a collection of programs which are independent of the City's service and support functions. This collection includes the General Administration program, Legal Services, the Community Grants and Community Events programs, Workers Compensation Insurance program, the Risk Management/Liability program, 2001 Bond Debt Service, the Library Capital Maintenance Trust Fund, and the KSAR 15 Community Access Television Trust Fund. These are all considered non-departmental as the programs represent functions outside of established service operations.

The Non-Departmental section represents non-operational receipts and general expenses (such as tax revenues, interest, retiree and unemployment expenses, assessment taxes, and audit recovery fees) citywide insurance (Liability Insurance and Workers Compensation), contracted legal services, grant funding to outside agencies, debt service funding for the City's 2001 General Obligation Bond to rebuild the City's Library, and two Trust Funds. One Trust Fund accounts for the Library 2001 Series Bond's remaining funds for capital improvement uses on the library building, and the other Trust Fund accounts for Community Access Television Foundation's PEG fee funds.

### **BUDGET OVERVIEW**

The Non-Departmental Section's General Administration program accounts for the majority of the City's revenues. Property Tax, Sales Tax, Transient Occupancy Tax, Business License Tax, Franchise Fees, Vehicle License Fees, and other city-based General Fund revenues are accounted for within the General Administration Program as these receipts represent allocations to the City which are not based on departmental functions. Expenses in this program are general city expenses not tied to departments (such as retiree insurance premiums, business license and sales tax audit fees, and assessment tax. The Legal Services program represents attorney time and expenses provided to the City from external firms. The Community Grants and Community Events are funding programs for city allocations to external agencies and non-profit groups.

As Non-Departmental programs are extraneous to administrative support or departmental service operations, staffing is limited to minimal oversight of the two insurance programs: Risk Management/Liability, and Workers Comp. These are structured as Internal Service Funds to charge back the centralized expenses to departments. Staffing for these programs are represented in the City Manager's budget as the home department for Workers Comp, and the Recreation & Facilities Department for Liability, but includes the position allocations in the insurance programs for funding.

The GO Bond program accounts for receipts and payments associated with the City's 2001 debt to remodel and enlarge the Library Building. The remaining two programs are Trust Funds. The Library Improvement Fund accounts for remaining funds from the GO Bond which are restricted to building improvements. The KSAR program accounts for public funds received on behalf of the non-profit Community Access Television group.

CITY OF SARATOGA  
NON DEPARTMENTAL

GENERAL FUND REVENUES AND EXPENDITURES

	2007/08	2008/09	2009/10	2009/10	2010/11
	Actuals	Actuals	Adjusted	Estimated	Adopted
<b>REVENUES</b>					
Taxes	11,297,826	11,518,164	11,390,500	11,372,636	11,129,600
Intergovernmental Revenues	195,391	120,123	85,000	104,420	60,000
Fees, Licenses and Permits	150	-	-	-	-
Charge for Services	71,743	4,441	-	-	-
Interest Income	615,731	363,149	170,000	97,419	90,000
Rental Income	79,869	85,667	84,000	87,615	85,000
Other Sources	5,782	1,913	-	3,407	-
<b>TOTAL REVENUES</b>	<b>\$12,266,492</b>	<b>\$12,093,457</b>	<b>\$11,729,500</b>	<b>\$11,665,496</b>	<b>\$11,364,600</b>
Operating Transfers In	2,275,254	153,732	325,842	325,842	249,550
<b>TOTAL REVENUE &amp; TRANSFERS IN</b>	<b>\$14,541,746</b>	<b>\$12,247,189</b>	<b>\$12,055,342</b>	<b>\$11,991,338</b>	<b>\$11,614,150</b>
<b>EXPENDITURES</b>					
Salaries and Benefits	49,963	11,134	66,200	14,335	35,200
Operating Expenditures					
<i>Materials &amp; Supplies</i>	66,862	59,587	38,250	31,749	30,600
<i>Fees &amp; Charges</i>	53,156	21,900	13,275	7,672	14,150
<i>Consultants &amp; Contract Services</i>	284,077	326,837	312,963	293,855	357,865
<i>Meetings, Events &amp; Training</i>	6,447	1,300	1,500	-	1,000
<i>Community Grants &amp; Events</i>	189,934	162,669	208,006	203,758	181,376
Total Operating Expenditures	600,476	572,293	573,994	537,034	584,991
Fixed Assets	-	-	-	-	-
Internal Service Charges	353,932	382,984	329,343	329,343	335,432
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,004,371</b>	<b>\$ 966,411</b>	<b>\$ 969,537</b>	<b>\$ 880,712</b>	<b>\$ 955,623</b>
Operating Transfers Out	3,764,304	1,571,727	650,000	650,000	605,000
<b>TOTAL EXP &amp; TRANSFERS OUT</b>	<b>\$ 4,768,674</b>	<b>\$ 2,538,138</b>	<b>\$ 1,619,537</b>	<b>\$ 1,530,712</b>	<b>\$ 1,560,623</b>

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TOTAL NON-DEPARTMENTAL EXPENDITURES BY PROGRAM

	2007/08 Actuals	2008/09 Actuals	2009/10 Adjusted	2009/10 Estimated	2010/11 Adopted
<b>GENERAL FUND</b>					
General Administration	532,476	482,787	454,805	441,285	464,667
Legal Services	281,961	320,955	306,726	235,669	309,580
Community Grants	167,538	149,803	193,156	188,356	160,676
Community Events	22,396	12,866	14,850	15,402	20,700
<b>TOTAL GENERAL FUND</b>	<b>\$ 1,004,371</b>	<b>\$ 966,411</b>	<b>\$ 969,537</b>	<b>\$ 880,712</b>	<b>\$ 955,623</b>
<b>INTERNAL SERVICES FUNDS</b>					
Risk Management	191,125	230,050	342,861	217,366	343,464
Workers Compensation	199,265	195,622	265,881	202,136	222,791
<b>TOTAL INTERNAL SERVICES</b>	<b>\$ 390,390</b>	<b>\$ 425,672</b>	<b>\$ 608,742</b>	<b>\$ 419,502</b>	<b>\$ 566,256</b>
<b>DEBT SERVICE FUNDS</b>					
2001 General Obligation Bond	1,015,941	1,014,550	1,015,556	1,015,276	1,019,656
<b>TOTAL DEBT SERVICE FUNDS</b>	<b>\$ 1,015,941</b>	<b>\$ 1,014,550</b>	<b>\$ 1,015,556</b>	<b>\$ 1,015,276</b>	<b>\$ 1,019,656</b>
<b>TRUST FUNDS</b>					
Library Capital Improvement Fund	7,782	38,893	15,000	5,458	-
KSAR 15 Trust Fund	30,000	-	100,000	47,465	174,977
<b>TOTAL TRUST FUNDS</b>	<b>\$ 37,782</b>	<b>\$ 38,893</b>	<b>\$ 115,000</b>	<b>\$ 52,923</b>	<b>\$ 174,977</b>
<b>TOTAL DEPT EXPENDITURES</b>	<b>\$ 2,448,484</b>	<b>\$ 2,445,526</b>	<b>\$ 2,708,835</b>	<b>\$ 2,368,413</b>	<b>\$ 2,716,511</b>
<b>TRANSFERS OUT</b>					
General Fund	3,764,304	1,571,727	650,000	650,000	605,000
Internal Service Funds	-	-	-	-	75,000
Trust Funds	-	310,000	405	405	351,360
<b>TOTAL TRANSFERS OUT</b>	<b>\$ 3,764,304</b>	<b>\$ 1,881,727</b>	<b>\$ 650,405</b>	<b>\$ 650,405</b>	<b>\$ 1,031,360</b>
<b>TOTAL EXP &amp; TRANSFERS OUT</b>	<b>\$ 6,212,788</b>	<b>\$ 4,327,252</b>	<b>\$ 3,359,240</b>	<b>\$ 3,018,818</b>	<b>\$ 3,747,871</b>

CITY OF SARATOGA  
NON DEPARTMENTAL

NON-DEPARTMENTAL STAFFING

*Full Time Equivalents (FTE)*

<i>City Staff</i>	<b>2007/08 Funded</b>	<b>2008/09 Funded</b>	<b>2009/10 Funded</b>	<b>2010/11 Funded</b>
Recreation & Facilities Director	-	-	0.20	0.20
City Clerk	0.25	0.25	-	-
Human Resources Manager	0.05	0.05	0.05	0.05
<b>Total FTEs</b>	<b>0.30</b>	<b>0.30</b>	<b>0.25</b>	<b>0.25</b>

<i>Temporary Staff Hours</i>	<b>2007/08 Funded</b>	<b>2008/09 Funded</b>	<b>2009/10 Funded</b>	<b>2010/11 Funded</b>
Clerical	-	-	-	-
HR Administrative Assistant I, II	100	-	-	200
<b>Total Annual Hours</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>200</b>

## GENERAL ADMINISTRATION

The General Administration program represents revenues and expenditures that are not specifically generated as a result of departmental operations. Tax Revenues, Intergovernmental Revenues, Interest and Rental Income, and Operating Transfers-In are the primary non-service based revenue sources for the City, and account for approximately 70% of the City's Total General Fund Operating Revenues each year. General Administration expenditures are minimal in comparison, as program expenditures are limited to fund citywide general expenses and internal service charges for general use areas or non-departmental functions.

### BUDGET OVERVIEW

The FY 2010/11 budgeted General Administration Tax Revenues reflect a small decrease overall, as a result of the ongoing economic recession. Property Tax revenues are expected to be impacted slightly from the countywide rate of foreclosures and lower housing prices, resulting in a negative growth rate. Sales Tax revenues are expected to remain flat; however receipts will increase slightly due to the elimination of the prior year's \$35,000 payback for overpayment of estimated taxes. Business License Taxes are expected to remain at the prior year's level, however this is lower than in the past years due to a decrease in the Supplemental Business Tax - which is based on building construction permits. In correlation, a continued decrease in Construction Tax revenues is also expected.

Most Franchise Fee Taxes are expected to remain flat; however a significant decrease in gas prices caused an unexpected 25% drop in PG&E Gas Franchise Fees in FY 2009/10. As it is unknown if this decrease in fees will continue, a lower revenue figure was budgeted as a precaution. Transient Occupancy Tax dropped significantly in line with the struggling economy, and is budgeted at the lower FY 2009/10 revenue level. Interest income is at an historic low, declining significantly from prior years. The City's investments are limited to the LAIF investment pool, which is seeing the lowest rate in their 32 plus year history. Hovering under 1%, for most of FY 2009/10, interest income is expected to stay low during FY 2010/11.

The General Administration program represents non-service functions, and as such, there are no staffing, objectives, or key services assigned to this program. Budgeted expenses represent general expenses, such as retiree medical insurance administration fees, unemployment insurance fees, funding for employee termination and retirement payouts, Sales Tax and Business License audit finding fees, and several Internal Services charges which account for general public usage of the building maintenance expenses, most notably an allocation for the Civic Theater/Council Chambers and the Civic Center buildings. The General Administration program also contains all Transfers In and Transfers Out for the General Fund.

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GENERAL ADMINISTRATION

GENERAL FUND REVENUES AND EXPENDITURES

	2007/08	2008/09	2009/10	2009/10	2010/11
	Actuals	Actuals	Adjusted	Estimated	Adopted
<b>REVENUES</b>					
Taxes					
<i>Property Tax</i>	7,922,815	8,155,362	8,175,500	8,194,364	8,022,600
<i>Sales Tax</i>	1,057,977	1,043,034	910,000	954,574	910,000
<i>Transient Occupancy Tax</i>	211,532	151,378	140,000	144,151	120,000
<i>Business License Tax</i>	290,996	321,347	325,000	303,990	305,000
<i>Other Taxes</i>	191,188	190,328	165,000	111,899	120,000
<i>Franchise Tax</i>	1,623,318	1,656,716	1,675,000	1,663,657	1,652,000
Intergovernmental Revenues	195,391	120,123	85,000	104,420	60,000
Fees, Licenses and Permits	-	-	-	-	-
Charge for Services	-	-	-	-	-
Interest Income	615,731	363,149	170,000	97,419	90,000
Rental Income	79,869	85,667	84,000	87,615	85,000
Other Sources	5,782	1,913	-	3,407	-
<b>TOTAL REVENUES</b>	<b>\$12,194,599</b>	<b>\$12,089,017</b>	<b>\$11,729,500</b>	<b>\$11,665,496</b>	<b>\$11,364,600</b>
Operating Transfers In	2,275,254	153,732	325,842	325,842	249,550
<b>TOTAL REV &amp; TRANSFERS IN</b>	<b>\$14,469,853</b>	<b>\$12,242,749</b>	<b>\$12,055,342</b>	<b>\$11,991,338</b>	<b>\$11,614,150</b>
<b>EXPENDITURES</b>					
Salaries and Benefits	49,963	11,134	66,200	14,335	35,200
Operating Expenditures					
<i>Materials &amp; Supplies</i>	66,746	59,088	37,750	31,713	30,500
<i>Fees &amp; Charges</i>	52,937	19,929	11,275	6,292	12,150
<i>Consultants &amp; Contract Services</i>	5,811	11,586	12,000	61,365	53,200
<i>Meetings &amp; Training</i>	4,874	87	-	-	-
Total Operating Expenditures	130,368	90,690	61,025	99,370	95,850
Fixed Assets	-	-	-	-	-
Internal Service Charges	352,145	380,963	327,580	327,580	333,617
<b>TOTAL EXPENDITURES</b>	<b>\$ 532,476</b>	<b>\$ 482,787</b>	<b>\$ 454,805</b>	<b>\$ 441,285</b>	<b>\$ 464,667</b>
Operating Transfers Out	3,764,304	1,571,727	650,000	650,000	605,000
<b>TOTAL OPERATING BUDGET</b>	<b>\$ 4,296,780</b>	<b>\$ 2,054,514</b>	<b>\$ 1,104,805</b>	<b>\$ 1,091,285</b>	<b>\$ 1,069,667</b>

## LEGAL SERVICES

The City of Saratoga contracts with the firm Shute, Mihaly & Weinberger LLP to provide City Attorney services, advice, and representation on legal matters to ensure that City actions and activities are legally sound. The City also utilizes the Wittwer & Parkins LLP firm for land use/development attorney services.

The City Attorney firms pursue or defend the City in litigation matters as directed by the City Council, manage litigation costs, and provide the City with a monthly status report of all outstanding litigation, case updates, and potential lawsuits. The City Attorney reviews all proposed ordinances and resolutions requiring City Council action to ensure proper format and content, reviews staff reports for reasoned and sound commentary, identifies policy options and alternatives, and provides direction, recommendations, and appropriate summaries consistent with Council requirements. Additional contract city attorney services include review and recommendations on legislative issues, recommendations on environmental review requirements and preparation of environmental review documents, review of bid requests, vendor contract documents, purchase and sale agreements, code enforcement matters, and the preparation and/or review of contractual agreements with other agencies. The City Attorney attends the bi-monthly City Council meetings, and special City Council sessions as needed.

### BUDGET OVERVIEW

The FY 2010/11 budget does not include revenues. Prior year revenues reflect reimbursements received for legal representation in development lawsuits. Applicants who have development applications in process under the deposit fee development process reimburse the City for legal services if the project utilizes attorney time for appeals in the Planning Commission or City Council meetings. Reimbursements would also result from applicants requesting research and information from the City, or from legal services related to environmental reviews. However, as the majority of development projects fall under the flat fee schedule process now, reimbursement revenues are now less likely to occur.

Budgeted expenditures are primarily comprised of regular on-going City Attorney services. The basic contract City Attorney services amount increases each year based on the Consumer Price Index (CPI) cost of living increase from the prior year. If needed, the budget includes funding for potential litigation expenditures, based on the City Attorney's estimate of outstanding and future litigation. As there are no imminent litigations pending, this funding was not included in FY 2010/11. In addition, Council directed staff to further reduce attorney costs in light of budgetary restraints, and to reduce the attorney services line item by \$50,000 from the contract amount to reflect this reduced usage.

The City Attorney occupies an office when on-site; therefore a small allocation of building maintenance internal service charges is also included.

CITY OF SARATOGA  
NON DEPARTMENTAL

LEGAL SERVICES

GENERAL FUND REVENUES AND EXPENDITURES

	2007/08	2008/09	2009/10	2009/10	2010/11
	Actuals	Actuals	Adjusted	Estimated	Adopted
<b>REVENUES</b>					
Taxes	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-
Fees, Licenses and Permits	150	-	-	-	-
Charge for Services	71,743	4,441	-	-	-
Other Sources	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ 71,893</b>	<b>\$ 4,441</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>EXPENDITURES</b>					
Salaries and Benefits	-	-	-	-	-
Operating Expenditures					
<i>Materials &amp; Supplies</i>	116	499	500	36	100
<i>Fees &amp; Charges</i>	219	1,971	2,000	1,379	2,000
<i>Consultants &amp; Contract Service</i>	278,266	315,251	300,963	232,490	304,665
<i>Meetings &amp; Training</i>	1,573	1,213	1,500	-	1,000
Total Operating Expenditures	280,174	318,934	304,963	233,906	307,765
Fixed Assets	-	-	-	-	-
Internal Service Charges	1,787	2,021	1,763	1,763	1,815
<b>TOTAL EXPENDITURES</b>	<b>\$ 281,961</b>	<b>\$ 320,955</b>	<b>\$ 306,726</b>	<b>\$ 235,669</b>	<b>\$ 309,580</b>

KEY SERVICES

- Provides sound legal advice for the City, and represents the City regarding litigation matters
- Attends City Council meetings to provide legal guidance
- Drafts and/or reviews staff reports, resolutions, and proposed ordinances
- Prepares and/or reviews contractual agreements with other agencies
- Reviews and makes recommendations on legislative issues
- Reviews bid requests, vendor contract documents, and purchase and sale agreements
- Provides legal advice on code enforcement matters
- Makes recommendations on environmental review requirements and preparation of environmental review documents

## COMMUNITY GRANTS

The Community Grants program was established to consolidate the City's grant support to outside agencies into one program, in order to provide a historical funding reference. The program includes funding from the City as well as from the Community Development Block Grant (CDBG) program's allocation for Human Service grants. CDBG funding will be transferred into this General Fund program for distribution. By policy, one-time Community Grant distributions match the CDBG funding estimated grant amount, with the distribution determined by Council each year. On-going grants listed in the grant schedule represent contract services or county-wide support services.

Grant amounts listed only illustrate the dollar amounts provided to the service groups and non-profit agencies. On occasion, the City may also contribute in-kind services, such as staff support, sheriff services, or street sweeping.

### BUDGET OVERVIEW

For FY 2010/11, the City is to be provided with a total of \$28,550 of CDBG funding for Human Service Grants, which the Council allocated to the Saratoga Area Senior Coordinating Council (SASCC) for support of adult daycare services. In addition, the City provided \$132,126 of community grant funding to a variety of other non-profit organizations.

The City allocates grant funding to local organizations to support the services these groups provide to the Saratoga community, including the Saratoga Chamber of Commerce for business support, the public access television station KSAR 15 for public information broadcasts of council and commission meetings, and SASCC for operational support of the Senior Center. The Senior Center provides an assortment of services – such as Blood Pressure Checks, Podiatric Checks, Tax Assistance, Vision Screening, Hearing Tests, Senior Nutrition Programs, Fifty-Five Alive Driving Program, Flu Shots, and other non-cost-recovery services that the senior population finds valuable.

This year's Community Service Grants will help to fund several non-profit group programs which support the Saratoga community, such as: the United Way's 211 program; the Catholic Charities Ombudsmen program; the Housing Trust of Santa Clara County; and the West Valley Community Services food and housing assistance programs. The Council also provides funding to special interest groups. Grants for FY 2010/11 include funding for the Shady Shakespeare group, the Saratoga Foothill Club, and the Silicon Valley Wildlife Association.

The distribution of grant funding for FY 2010/11 and the three prior years is illustrated in the Grant Schedule on the following pages.

CITY OF SARATOGA  
NON DEPARTMENTAL

COMMUNITY GRANTS

GENERAL FUND REVENUES AND EXPENDITURES

	2007/08	2008/09	2009/10	2009/10	2010/11
	Actuals	Actuals	Adjusted	Estimated	Adopted
<b>REVENUES</b>					
Taxes	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-
Fees, Licenses and Permits	-	-	-	-	-
Charge for Services	-	-	-	-	-
Other Sources	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ -</b>				
<b>EXPENDITURES</b>					
Salaries and Benefits	-	-	-	-	-
Operating Expenditures					
<i>Materials &amp; Supplies</i>	-	-	-	-	-
<i>Fees &amp; Charges</i>	-	-	-	-	-
<i>Consultants &amp; Contract Services</i>	-	-	-	-	-
<i>Meetings &amp; Training</i>	-	-	-	-	-
<i>Community Grants</i>	167,538	149,803	193,156	188,356	160,676
Total Operating Expenditures	167,538	149,803	193,156	188,356	160,676
Fixed Assets	-	-	-	-	-
Internal Service Charges	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 167,538</b>	<b>\$ 149,803</b>	<b>\$ 193,156</b>	<b>\$ 188,356</b>	<b>\$ 160,676</b>

CITY OF SARATOGA  
NON DEPARTMENTAL

COMMUNITY GRANTS

	2007/08	2008/09	2009/10	2010/11
	<u>Grants</u>	<u>Grants</u>	<u>Grants</u>	<u>Grants</u>
<b><i>Community Service Support Groups - Ongoing Grants</i></b>				
SASCC Service Support	21,000	21,000	21,000	21,000
SASCC Supplemental Support	18,000	18,000	18,000	18,000
KSAR Community Access Grant	25,000	27,800	30,000	27,600
Chamber of Commerce Annual Support	11,000	11,332	11,672	12,024
United Way 211 Funding	2,000	2,000	2,000	2,000
Housing Trust of Santa Clara County	-	-	25,000	25,000
<b><i>Total Community Service - Ongoing Grants</i></b>	<b>77,000</b>	<b>80,132</b>	<b>107,672</b>	<b>105,624</b>
<b><i>Community Service Support Groups - One Time Grants</i></b>				
<b><i>SASCC</i></b>				
Adult Daycare Support	-	1,268	8,344	3,938
<b><i>KSAR</i></b>				
Supplemental Service Support	20,700	-	-	-
Video Conversion Grant	-	2,175	-	-
Media Arts Mentoring Program	-	-	4,617	1,313
<b><i>Chamber of Commerce</i></b>				
Banner Fee Grant	600	-	-	-
City Map Gant	-	4,832	-	-
Website & IT Upgrade Grant	5,000	-	-	-
Membership Subsidy Grant	1,000	-	-	-
<b><i>Other Non-Profit Organizations</i></b>				
Historical Museum Annual Support	4,288	4,288	4,288	-
Historical Museum Supplemental Support	6,640	-	-	-
Silicon Valley Wildlife Service Support	-	4,212	4,212	1,275
Walden West School Foundation	2,100	-	-	-
Saratoga Foothill Club	8,600	-	13,500	688
SCC Supervisors - Spay Pgm	320	-	-	-
Shady Shakespeare Theater Co.	-	-	2,500	375
West Valley Community Services - Food Pantry Van	2,400	-	-	-
West Valley Community Services	-	15,164	15,164	14,913
Children's Health Insurance Assistance	3,326	-	-	-
Catholic Charities Ombudsmen Funding	-	5,000	5,000	4,000
<b><i>Total Community Service One-Time Grant</i></b>	<b>54,974</b>	<b>36,939</b>	<b>57,625</b>	<b>26,502</b>
<b><i>CDBG Funded Public Service Grants</i></b>				
SASCC Adult Daycare Support	32,000	32,732	27,859	28,550
West Valley Community Services Support	3,564	-	-	-
<b><i>Total CDBG Funded Grants</i></b>	<b>35,564</b>	<b>32,732</b>	<b>27,859</b>	<b>28,550</b>
<b><i>Total Grants</i></b>	<b>167,538</b>	<b>149,803</b>	<b>193,156</b>	<b>160,676</b>



## COMMUNITY EVENTS

The Community Events program was established in the FY 2008/09 budget to consolidate the City's provisions for community events into one program. This includes including prior year funding for community events originally distributed from the Community Grants program to this new Community Events program for historical reference.

Community Events are promoted by the City in an effort to build community, however external groups or volunteers are responsible for staffing and organization most of the events . This occurs at many different levels, including events to celebrate days of recognition, such as the Fourth of July, Memorial Day, and Arbor Day, and general festive celebrations, such as the Village Tree Lighting Ceremony, the Mustard Faire, and the Taste of Saratoga/Art & Wine Festival events. The City also sponsors celebrations to honor segments of the community, and to highlight such occurrences as facility openings or groundbreaking in order to increase awareness of a new or improved community facility and publicly thank supporters and contributors.

### BUDGET OVERVIEW

For FY 2010/11, funding is provided for several ongoing events: the Mustard Faire to celebrate Saratoga's orchard heritage; the Chamber's annual Art & Wine Festival in the Village to promote the shops and restaurants; the annual tree lighting ceremony to celebrate the start of the holiday season; and the annual citywide garage sale event to promote reuse, recycle, and reduce environmental efforts. The City will hold special ground breaking or grand openings throughout the year on an as needed basis. For FY 2010/11, funding was set aside for the anticipated Joe's Trail Opening ceremony. A small amount of unallocated funding is set aside for events which may emerge throughout the year.

The City also provides in-kind services for some events. In past years, the City and Sheriff's Office have provided staff support for a one-day Art and Wine Festival. Council Members are also sometimes available to volunteer or hold meet and greets at events. The expenditure budget and distribution of event grant funding for FY 2010/11 and three prior years is illustrated in the schedules on the following pages.

CITY OF SARATOGA  
NON DEPARTMENTAL

COMMUNITY EVENTS

GENERAL FUND REVENUES AND EXPENDITURES

	2007/08	2008/09	2009/10	2009/10	2010/11
	Actuals	Actuals	Adjusted	Estimated	Adopted
<b>REVENUES</b>					
Taxes	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-
Fees, Licenses and Permits	-	-	-	-	-
Charge for Services	-	-	-	-	-
Other Sources	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ -</b>				
<b>EXPENDITURES</b>					
Salaries and Benefits	-	-	-	-	-
Operating Expenditures					
<i>Materials &amp; Supplies</i>	-	-	-	-	-
<i>Fees &amp; Charges</i>	-	-	-	-	-
<i>Consultants &amp; Contract Service</i>	-	-	-	-	-
<i>Meetings &amp; Training</i>	-	-	-	-	-
<i>Community Grants &amp; Events</i>	22,396	12,866	14,850	15,402	20,700
Total Operating Expenditures	22,396	12,866	14,850	15,402	20,700
Fixed Assets	-	-	-	-	-
Internal Service Charges	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 22,396</b>	<b>\$ 12,866</b>	<b>\$ 14,850</b>	<b>\$ 15,402</b>	<b>\$ 20,700</b>

CITY OF SARATOGA  
NON DEPARTMENTAL

COMMUNITY EVENTS

	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
	<b>Grants</b>	<b>Grants</b>	<b>Grants</b>	<b>Grants</b>
<i><b>Chamber of Commerce Events</b></i>				
Celebrate Saratoga - Teen Scene	10,000	-	-	-
Celebrate Saratoga - Fun Zone	4,900	-	-	-
Celebrate Saratoga - Event Support	4,996	-	-	-
Taste of Saratoga /Art & Wine Festival	-	3,299	4,258	5,000
Annual Tree Lighting	-	-	1,037	3,600
<i><b>General Community Events</b></i>				
Unspecified Event Funding	-	-	-	2,500
Mustard Faire	2,000	3,649	4,000	4,000
Sister City 25th Anniversary	-	-	-	-
Arbor Day Celebration	-	78	100	100
Memorial Day Event (Banner)	300	-	-	-
Fourth of July Event	-	1,547	-	-
Cancer Society - Relay	200	-	-	-
Citywide Garage Sale	-	4,270	5,000	5,000
<i><b>Facility Opening Events</b></i>				
Fellowship Hall Opening	-	-	104	-
Joe's Trail at Saratoga DeAnza Trail Opening	-	23	-	500
KMP Groundbreaking / Opening	-	-	138	-
<i><b>Total Community Events</b></i>	<b>22,396</b>	<b>12,866</b>	<b>14,636</b>	<b>20,700</b>



## **RISK MANAGEMENT / LIABILITY FUND**

The City is a member of the Association of Bay Area Government (ABAG) insurance pool, a self-insurance program established in 1986 which provides general liability, auto, property insurance, and risk management services to thirty-one (31) cities within the Bay Area. Each member chooses a self-insured retention ranging from \$25,000 to \$250,000, which is reflected in premium rates. The insurance pool pays claims up to a limit of \$5 million. To provide further protection, the association purchases another \$15 million of excess insurance coverage, for a total of \$20 million per occurrence limit. Coverage provides protection for Bodily Injury, Property Damage, Personal Injury, and Public Officials Errors and Omissions claims, and minimizes the City's exposure to losses as a result of City policy or actions. The City's annual premium allows for a self coverage retention level of \$25,000 per occurrence.

The City submits claim information to the ABAG agency, and ABAG staff follows up with other parties and insurance firms, acting as the City's insurance agent. In addition, ABAG provides risk management policy guidelines to effectively identify and analyze risks, implement best practices to minimize risks, training, and grant incentives for safety programs.

### **BUDGET OVERVIEW**

The Risk Management/Liability Fund is an Internal Service Fund program which provides for the cost of the program to be offset with service charge-backs to the departments. The charge-backs allow for the cost of the program to be allocated to the departments in order to more fully recognize operational costs. For FY 2010/11, premium costs are budgeted at \$222,845, which represents a \$2,600 net decrease from the prior year estimated ABAG premium. The decrease stems from the elimination of two premium categories which are not typically charged against: Legal Costs and Risk Management Services. These offset the increases in Administration, General Liability, and Property premiums.

The FY 2010/11 budget also includes three large ABAG grants which have matching revenues and expenditures. The Safety Framework Program Grant will provide \$10,000 to develop risk management policies, procedures, and standards. A \$3,000 Risk Management Training Grant will be used to send staff to a Playground Safety Training course, and a \$25,000 ABAG safety improvement grant will be utilized for playground safety projects.

Additional program expenses include .20 FTE staffing for program administration by the Recreation and Facilities Director. Funding for attorney services and claim expenditures was eliminated in this budget year as these City expenses are funded through the Legal Services program. A pass-through liability program solely for claim expenses and reimbursements is included as a second program in this fund.

With the General Fund's budget difficulties this fiscal year, \$25,000 of the Risk Management Fund Balance will be transferred back to the General Fund. Sufficient reserves remain in the fund.

CITY OF SARATOGA

NON DEPARTMENTAL

RISK MANAGEMENT / LIABILITY

SUMMARY OF REVENUES AND EXPENDITURES

	2007/08	2008/09	2009/10	2009/10	2010/11
	Actuals	Actuals	Adjusted	Estimated	Adopted
<b>SOURCE OF FUNDS</b>					
<b>Beginning Fund Balance</b>					
Undesignated	24,079	152,768	226,950	226,950	268,640
<b>Total Beginning Fund Balance</b>	<b>\$ 24,079</b>	<b>\$ 152,768</b>	<b>\$ 226,950</b>	<b>\$ 226,950</b>	<b>\$ 268,640</b>
<b>Revenues</b>					
Taxes	-	-	-	-	-
Intergovernmental Revenues	-	16,791	-	(423)	54,000
Fees, Licenses and Permits	2,352	83	5,000	252	2,500
Charge for Services	-	-	-	-	-
Other Sources	28,826	1,090	50,000	9,227	25,000
Internal Service Charges	288,636	286,268	250,000	250,000	200,000
<b>Total Revenues</b>	<b>\$ 319,814</b>	<b>\$ 304,232</b>	<b>\$ 305,000</b>	<b>\$ 259,056</b>	<b>\$ 281,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>\$ 343,893</b>	<b>\$ 457,000</b>	<b>\$ 531,950</b>	<b>\$ 486,007</b>	<b>\$ 550,140</b>
<b>USE OF FUNDS</b>					
<b>Expenditures</b>					
Salaries and Benefits	33,582	8,798	32,406	23,673	41,321
Operating Expenditures					
<i>Materials &amp; Supplies</i>	3,653	11,998	-	6,656	54,000
<i>Fees &amp; Charges</i>	14,206	45,745	75,000	(21,362)	25,000
<i>Consultant &amp; Contract Services</i>	-	1,119	10,000	-	-
<i>Meetings &amp; Training</i>	618	839	-	470	-
<i>Insurance Premiums</i>	139,066	161,550	225,455	207,929	222,845
Fixed Assets	-	-	-	-	-
Internal Service Charges	-	-	-	-	298
<b>Total Expenditures</b>	<b>\$ 191,125</b>	<b>\$ 230,050</b>	<b>\$ 342,861</b>	<b>\$ 217,366</b>	<b>\$ 343,464</b>
<b>Operating Transfers</b>					
Transfer Out	-	-	-	-	50,000
<b>Total Operating Transfers</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,000</b>
<b>Ending Fund Balance</b>					
Undesignated	152,768	226,950	189,089	268,640	156,676
<b>Total Ending Fund Balance</b>	<b>\$ 152,768</b>	<b>\$ 226,950</b>	<b>\$ 189,089</b>	<b>\$ 268,640</b>	<b>\$ 156,676</b>
<b>TOTAL USE OF FUNDS</b>	<b>\$ 343,893</b>	<b>\$ 457,000</b>	<b>\$ 531,950</b>	<b>\$ 486,007</b>	<b>\$ 550,140</b>

CITY OF SARATOGA

NON DEPARTMENTAL

**RISK MANAGEMENT / LIABILITY**

**FY 2010/11 OBJECTIVES**

**Premium Management** –In an effort to minimize insurance claims, ABAG offers safety training in areas which produce a high liability risk. The City will continue to pursue available training programs, attend seminars, and workshops in an effort to emphasize safety and minimize premiums.

**ABAG Safety Framework Program Grant** –Staff will utilize the Safety Framework Grant to establish policies, procedures, and create safety standards to improve overall workplace safety, thereby minimizing risk factors.

**ABAG Risk Management Training Grant** - Staff will utilize grant funding to attend a Playground Safety Training Workshop to augment safety at city playground facilities.

**ABAG Risk Management Program Grant** – This grant will fund safety improvements and preventative maintenance at selected playground facilities recommended by ABAG inspectors, in the effort to reduce liability exposure and limit the number and amount of claims received.

**KEY SERVICES**

- Facilitate implementation of risk management best practices to increase public and staff’s safety, and reduce the City’s liabilities
- Facilitate claim processing and reimbursements for the City, in coordination with the staff, the City Manager, and the City Attorney

**RISK MANAGEMENT / LIABILITY STAFF**

*Full Time Equivalents (FTE)*

	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
<i>City Staff</i>	<b>Funded</b>	<b>Funded</b>	<b>Funded</b>	<b>Funded</b>
Recreation & Facilities Director	-	-	0.20	0.20
City Clerk	0.25	0.25	-	-
Human Resources Manager	-	-	-	-
<b>Total FTE's</b>	<b>0.25</b>	<b>0.25</b>	<b>0.20</b>	<b>0.20</b>

	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
<i>Temporary Staff</i>	<b>Funded</b>	<b>Funded</b>	<b>Funded</b>	<b>Funded</b>
Clerical	-	-	-	-
HR Administrative Assistant I, II	-	-	-	-
<b>Total Annual Hours</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

CITY OF SARATOGA

NON DEPARTMENTAL

**RISK MANAGEMENT / LIABILITY**

<b>Performance Objectives and Measures</b>	<b>2007/08 Actual</b>	<b>2008/09 Actual</b>	<b>2009/10 Estimated</b>	<b>2010/11 Budget</b>
1. <i>Provide timely, comprehensive Risk Management services to the City to reduce liability and claims costs.</i>				
a. Contracts reviewed for compliance with Liability Insurance requirements within 48 hours of receipt:	<i>Information not available</i>	<i>Information not available</i>	100%	100%
b. Number of Liability Claims processed within 48 hours of receipt:	<i>Information not available</i>	<i>Information not available</i>	100%	100%
c. Quarterly City-owned facility inspections conducted:	<i>Information not available</i>	<i>Information not available</i>	100%	100%

<b>Activity and Workload Highlights</b>	<b>2007/08 Actual</b>	<b>2008/09 Actual</b>	<b>2009/10 Estimated</b>	<b>2010/11 Budget</b>
1 ABAG risk management annual goals and objectives -- ADA transition plan and Playground improvement plans:	<i>Information not available</i>	<i>Information not available</i>	<i>Information not available</i>	2
2 Regular inspections and reporting -- streets, sidewalks, urban forest, parks, buildings, and equipment:	<i>Information not available</i>	<i>Information not available</i>	<i>Information not available</i>	12
3 Number of Liability Claims received:	<i>Information not available</i>	<i>Information not available</i>	<i>Information not available</i>	12

## **WORKERS COMPENSATION FUND**

The City is a member of the Association of Bay Area Government's (ABAG) insurance pool for Workers' Compensation coverage. The workers' compensation program provides insurance benefit coverage for an employee's work-related illness and injuries.

The Workers Compensation pool allows the City to share risk with other jurisdictions as Saratoga is too small to self-insure independently. ABAG's shared risk pool has four members and is managed by a third party administrator, Gregory Bragg & Associates, to handle the day-to-day workers' compensation claims administration. The City self-insures through this pool up to \$250,000, and belongs to the Local Agency Workers' Compensation Excess (LAWCX) Joint Powers Authority for the purpose of pooling for excess insurance.

### **BUDGET OVERVIEW**

The annual revenue appropriation for this fund represents the service charge-back to the departments, based on the program's operational costs and the level of risk for the various job classifications. Program costs covered in the internal service rates include \$201,195 for the Workers Compensation Insurance premium fees and another \$20,000 budgeted for claims. Another \$27,250 is budgeted for program expenses which include: staff costs; wellness grant supplies; and ergonomic evaluations. There is .05 FTE of the Human Resource Manager's position and 200 hours of HR Assistant budgeted for the administration of this program.

With the General Fund's budget difficulties this fiscal year, \$25,000 of the Workers Compensation Fund Balance will be transferred back to the General Fund. Sufficient reserves remain in the fund.

CITY OF SARATOGA  
NON DEPARTMENTAL

WORKERS COMPENSATION

SUMMARY OF REVENUES AND EXPENDITURES

	2007/08	2008/09	2009/10	2009/10	2010/11
	Actuals	Actuals	Adjusted	Estimated	Adopted
<b>SOURCE OF FUNDS</b>					
<b>Beginning Fund Balance</b>					
Undesignated	-	37,735	113,033	113,033	188,591
<b>Total Beginning Fund Balance</b>	<b>\$ -</b>	<b>\$ 37,735</b>	<b>\$ 113,033</b>	<b>\$ 113,033</b>	<b>\$ 188,591</b>
<b>Revenues</b>					
Taxes	-	-	-	-	-
Intergovernmental Revenues	-	10,000	10,000	10,000	10,000
Fees, Licenses and Permits	-	-	-	-	-
Charge for Services	-	-	-	-	-
Other Sources	-	-	-	17,694	-
Internal Service Charges	247,000	260,920	250,000	250,000	215,000
<b>Total Revenues</b>	<b>\$ 247,000</b>	<b>\$ 270,920</b>	<b>\$ 260,000</b>	<b>\$ 277,694</b>	<b>\$ 225,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>\$ 247,000</b>	<b>\$ 308,655</b>	<b>\$ 373,033</b>	<b>\$ 390,727</b>	<b>\$ 413,591</b>
<b>USE OF FUNDS</b>					
<b>Expenditures</b>					
Salaries and Benefits	7,817	8,424	8,700	8,711	16,474
Operating Expenditures					
<i>Materials &amp; Supplies</i>	-	10,737	10,000	10,503	10,000
<i>Fees &amp; Charges</i>	-	-	-	-	-
<i>Consultants &amp; Contract Service</i>	-	715	6,000	348	1,000
<i>Meetings &amp; Training</i>	-	-	-	-	-
<i>Insurance Premiums</i>	191,448	175,745	241,181	182,575	195,195
Operating Expenditures	191,448	187,197	257,181	193,425	206,195
Fixed Assets	-	-	-	-	-
Internal Service Charges	-	-	-	-	122
<b>Total Expenditures</b>	<b>\$ 199,265</b>	<b>\$ 195,622</b>	<b>\$ 265,881</b>	<b>\$ 202,136</b>	<b>\$ 222,791</b>
<b>Operating Transfers</b>					
Transfer Out	-	-	-	-	25,000
<b>Total Operating Transfers</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,000</b>
<b>Ending Fund Balance</b>					
Undesignated	47,735	113,033	107,152	188,591	165,800
<b>Total Ending Fund Balance</b>	<b>\$ 47,735</b>	<b>\$ 113,033</b>	<b>\$ 107,152</b>	<b>\$ 188,591</b>	<b>\$ 165,800</b>
<b>TOTAL USE OF FUNDS</b>	<b>\$ 247,000</b>	<b>\$ 308,655</b>	<b>\$ 373,033</b>	<b>\$ 390,727</b>	<b>\$ 413,591</b>

**WORKERS COMPENSATION**

**FY 2010/11 OBJECTIVES**

*Wellness Program Initiative (funded by ABAG Grant)* - The Human Resources Division will continue its wellness program initiative and account for all costs associated with the operation of the program. Statistically, the wellness program initiative has proven successful in minimizing the exposure to incidents which may cause loss to the City or injury to its employees. The Wellness Program Initiative will continue to provide benefits to employees that result in increasing productivity, reducing absenteeism, reducing health care costs, and improving morale.

*Workers Compensation Employee and Supervisor Awareness* – The Human Resources Division will improve employees’ (both injured workers and supervisors) understanding of the workers ‘compensation program through educational materials and training, including providing reports to management regarding status of claims and settlements.

**KEY SERVICES**

- Minimize the City’s exposure to losses through work safety, employee wellness, and ergonomic programs
- Coordinate the Worker Compensation Program with third party administrator
- Provide timely reporting of employee injury reports
- Provide information to employees regarding workers’ compensation insurance

**WORKERS COMPENSATION STAFF**

*Full Time Equivalent (FTE)*

	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
<i>City Staff</i>	<b>Funded</b>	<b>Funded</b>	<b>Funded</b>	<b>Funded</b>
Recreation & Facilities Director	-	-	-	-
City Clerk	-	-	-	-
Human Resources Manager	0.05	0.05	0.05	0.05
<b>Total FTE's</b>	<b>0.05</b>	<b>0.05</b>	<b>0.05</b>	<b>0.05</b>

*Temporary Staff*

	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
	<b>Funded</b>	<b>Funded</b>	<b>Funded</b>	<b>Funded</b>
Clerical	-	-	-	-
HR Administrative Assistant I, II	100	-	-	200
<b>Total Annual Hours</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>200</b>

CITY OF SARATOGA  
NON DEPARTMENTAL

**WORKERS COMPENSATION**

<b>Performance Objectives and Measures</b>	<b>2007/08 Actual</b>	<b>2008/09 Actual</b>	<b>2009/10 Estimated</b>	<b>2010/11 Budget</b>
1. <i>Provide effective, efficient, and timely claims administration, working closely with supervisors, injured workers and workers compensation insurance carrier.</i>				
a. Managing workers compensation claims process and reporting requirements to ensure compliance with current workers compensation laws and City policies and procedures.	100%	100%	100%	100%
b. Regularly inspect injury claim files to insure they are up to date, including all applicable information is in the file.	100%	100%	100%	100%
c. Keep procedures up to date and ensure employees have been trained and are well-versed in the claims process.	100%	100%	100%	100%

<b>Activity and Workload Highlights</b>	<b>2007/08 Actual</b>	<b>2008/09 Actual</b>	<b>2009/10 Estimated</b>	<b>2010/11 Budget</b>
1 New claims (based on date of claim):	8	7	1	1
2 Closed claims (based on date closed):	4	10	1	1
3. Lost time in full work days:	42	214	275	177

## **SERIES 2001 GENERAL OBLIGATION BOND DEBT SERVICE**

The City of Saratoga's General Obligation Bonds, Series 2001 (Saratoga Library Expansion Project) were issued by the City of Saratoga pursuant to Chapter 4 of Division 4 of Title 4 of the California Government Code, and a resolution of the Saratoga City Council authorizing the issuance of the Bonds. The Bonds were approved by more than two-thirds of the electors of the City voting at a general municipal election held on March 7, 2000. The Bonds were issued to improve, renovate, and expand the Saratoga Community Library and to pay for the issuance costs of the Bonds.

Bonds constitute general obligations of the City, and the vote to approve the bond authorized the establishment of a property tax levy to fund debt service payments. The property tax levy is added to Saratoga property owner's annual property tax bill, collected by the County Assessor, and subsequently submitted to the City. The principal and interest on the bonds is payable on February 1 and August 1 of each year, commencing February 1, 2002, and ending August 1, 2031. Saratoga uses the Bank of New York Western Trust Company as its fiscal agent to administer the debt servicing of the bonds.

To ensure compliance with IRS Code and US Treasury Obligations, NBS Government Services provides services related to arbitrage rebate calculations and consulting services. NBS will also assist in compliance with the annual disclosure regulations of the SEC continuing disclosure Rule 15c.2-12.

### **BUDGET OVERVIEW**

The FY 2010/11 revenue budget reflects the estimated total of Saratoga property owners' property tax levy which is collected along with their annual property taxes and interest earned on the fund's balance. The assessed levy is calculated to obtain a slight underfunding of the annual debt service in order to utilize a portion of the fund balance over the life of the loan; however with increasing property values, the bond assessment collected has exceeded projections in the last few years. This is expected to decrease in FY 2010/11 with the negative growth rate.

A reserve is maintained in this Debt Service Fund provides for late or non-payments of property tax levies and ensures cash is available in the fund for bond payments prior to tax levy receipts. The fund balance is reduced minimally each year, and will be fully eliminated at the close of the bond debt service in 2031.

CITY OF SARATOGA  
NON DEPARTMENTAL

LIBRARY GO BOND DEBT SERVICE

SOURCE & USE OF FUNDS

	2007/08	2008/09	2009/10	2009/10	2010/11
	Actuals	Actuals	Adjusted	Estimated	Adopted
<b>SOURCES OF FUNDS</b>					
<b>Beginning Fund Balance</b>					
Designated	-	-	-	-	-
Undesignated	746,556	853,619	931,360	931,360	892,592
<b>Total Beginning Fund Balance</b>	<b>\$ 746,556</b>	<b>\$ 853,619</b>	<b>\$ 931,360</b>	<b>\$ 931,360</b>	<b>\$ 892,592</b>
<b>Revenues</b>					
Taxes	1,112,515	1,077,093	950,000	971,198	950,000
Intergovernmental Revenues	-	-	-	-	-
Fees, Licenses and Permits	-	-	-	-	-
Charge for Services	-	-	-	-	-
Other Sources	-	-	-	-	-
Interest	10,489	15,198	10,000	5,311	5,000
<b>Total Revenues</b>	<b>\$1,123,004</b>	<b>\$ 1,092,291</b>	<b>\$ 960,000</b>	<b>\$ 976,509</b>	<b>\$ 955,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>\$1,869,560</b>	<b>\$ 1,945,910</b>	<b>\$ 1,891,360</b>	<b>\$ 1,907,869</b>	<b>\$ 1,847,592</b>
<b>USE OF FUNDS</b>					
<b>Expenditures</b>					
Salaries and Benefits	-	-	-	-	-
Operating Expenditures	-	-	-	-	-
Debt Service	1,015,941	1,014,550	1,015,556	1,015,276	1,019,656
Fixed Assets	-	-	-	-	-
Internal Service Charges	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$1,015,941</b>	<b>\$ 1,014,550</b>	<b>\$ 1,015,556</b>	<b>\$ 1,015,276</b>	<b>\$ 1,019,656</b>
<b>Operating Transfers</b>					
Transfer Out	-	-	-	-	-
<b>Total Operating Transfers</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Ending Fund Balance</b>					
Designated	-	-	-	-	-
Undesignated	853,619	931,360	875,804	892,592	827,936
<b>Total Ending Fund Balance</b>	<b>\$ 853,619</b>	<b>\$ 931,360</b>	<b>\$ 875,804</b>	<b>\$ 892,592</b>	<b>\$ 827,936</b>
<b>TOTAL USE OF FUNDS</b>	<b>\$1,869,560</b>	<b>\$ 1,945,910</b>	<b>\$ 1,891,360</b>	<b>\$ 1,907,869</b>	<b>\$ 1,847,592</b>

CITY OF SARATOGA  
NON DEPARTMENTAL

LIBRARY GO BOND DEBT SERVICE

2001 Series General Obligation Bonds  
Debt Schedule

Fiscal Year	Interest Rate	August Annual Principal	August Interest Payment	February Interest Payment	Annual Interest	Fiscal Year Debt Service	Bond Principal Balance @ YE
<i>Initial Bond Offering at May 9, 2001</i>							<b>15,000,000</b>
2001/02	5.000%	-	-	588,942	588,942	588,942	15,000,000
2002/03	5.000%	60,000	392,628	391,128	783,756	843,756	14,940,000
2003/04	5.000%	245,000	391,128	385,003	776,131	1,021,131	14,695,000
2004/05	5.000%	255,000	385,003	378,628	763,631	1,018,631	14,440,000
2005/06	5.000%	270,000	378,628	371,878	750,506	1,020,506	14,170,000
2006/07	5.000%	280,000	371,878	364,878	736,756	1,016,756	13,890,000
2007/08	6.000%	295,000	364,878	356,028	720,906	1,015,906	13,595,000
2008/09	6.000%	310,000	356,028	346,728	702,756	1,012,756	13,285,000
2009/10	6.000%	330,000	346,728	336,828	683,556	1,013,556	12,955,000
<b>2010/11</b>	<b>6.000%</b>	<b>350,000</b>	<b>336,828</b>	<b>326,328</b>	<b>663,156</b>	<b>1,013,156</b>	<b>12,605,000</b>
2011/12	6.000%	370,000	326,328	315,228	641,556	1,011,556	12,235,000
2012/13	5.000%	395,000	315,228	305,353	620,581	1,015,581	11,840,000
2013/14	5.000%	415,000	305,353	294,978	600,331	1,015,331	11,425,000
2014/15	5.000%	435,000	294,978	284,103	579,081	1,014,081	10,990,000
2015/16	5.000%	455,000	284,103	272,728	556,831	1,011,831	10,535,000
2016/17	5.000%	440,000	272,728	261,728	534,456	974,456	10,095,000
2017/18	5.000%	460,000	261,728	250,228	511,956	971,956	9,635,000
2018/19	5.000%	485,000	250,228	238,103	488,331	973,331	9,150,000
2019/20	5.000%	510,000	238,103	225,353	463,456	973,456	8,640,000
2020/21	5.125%	535,000	225,353	211,644	436,997	971,997	8,105,000
2021/22	5.125%	565,000	211,644	197,166	408,809	973,809	7,540,000
2022/23	5.125%	590,000	197,166	182,047	379,213	969,213	6,950,000
2023/24	5.125%	625,000	182,047	166,031	348,078	973,078	6,325,000
2024/25	5.250%	655,000	166,031	148,838	314,869	969,869	5,670,000
2025/26	5.250%	690,000	148,838	130,725	279,563	969,563	4,980,000
2026/27	5.250%	730,000	130,725	111,563	242,288	972,288	4,250,000
2027/28	5.250%	765,000	111,563	91,481	203,044	968,044	3,485,000
2028/29	5.250%	805,000	91,481	70,350	161,831	966,831	2,680,000
2029/30	5.250%	850,000	70,350	48,038	118,388	968,388	1,830,000
2030/31	5.250%	890,000	48,038	24,675	72,713	962,713	940,000
2031/32	5.250%	940,000	24,675	-	24,675	964,675	-
<b>TOTALS</b>		<b>15,000,000</b>	<b>7,480,416</b>	<b>7,676,730</b>	<b>15,157,146</b>	<b>30,157,146</b>	
<i>Total Bond Principal</i>							15,000,000
<i>Total Bond Interest</i>							15,157,146
<i>Total Cost of Bond</i>							<b>30,157,146</b>

**LIBRARY GO BOND DEBT SERVICE**

**LEGAL DEBT MARGIN**

The California Government Code Section 43605 states:

*A city shall not incur an indebtedness for public improvements which exceeds in the aggregate 15 percent of the assessed value of all real and personal property of the city. Within the meaning of this section, "indebtedness" means bonded indebtedness of the city payable from the proceeds of taxes levied upon taxable property in the city.*

This schedule calculates the City of Saratoga's legal debt margin by determining the 15% debt limit and comparing this limit to the City's outstanding debt at the end of the fiscal year so as to determine the difference between the two. Only certain types of debt are subject to the legal debt limit, most prominently General Obligation Bond debt. Therefore while this schedule recognizes all types of long-term debt, the total debt is reduced by that debt not subject to the legal debt limit, as well as amounts held in sinking funds for debt repayment.

The City's debt structure currently includes only a General Obligation Bond.

**LEGAL DEBT MARGIN COMPUTATION**

**FY 2010/11**

Assessed Secured Property Valuation for FY 2009/10		\$ 9,956,550,298
Debt Limitation (15% of assessed value)		15%
Bonded Debt Limit		\$ 1,493,482,545
 Outstanding Bonded Debt at 6/30/10		
2001 Series General Obligation Bond	12,955,000	
TOTAL Outstanding Debt	\$ 12,955,000	
 LESS Debt not subject to limit:		
Special Assessment Bonds	-	
Special Revenue Bonds	-	
Certificate of Participation Debt	-	
Amounts held in Sinking Funds	-	
TOTAL Debt not subject to limit:	\$ -	
 Amount of Debt Subject to Limit:		\$ 12,955,000
 <b>LEGAL DEBT MARGIN</b>		<b>\$ 1,480,527,545</b>



## **LIBRARY CAPITAL IMPROVEMENT TRUST FUND**

The Library Capital Improvement Trust Fund accounts for the remaining bond proceeds from the sale of the 2001 Library General Obligation Bonds. These Trust Fund monies are not City funds; the City merely acts in a fiduciary capacity to administer the use of these funds in accordance with the bond issuance.

The Library Bond passed by voters in March 2000 specified the bond's proceeds be used to improve, renovate, and expand the Saratoga Community Library and to pay costs of the issuance of the bonds. Funds cannot be used for annual maintenance, administrative expenses, furniture, fixtures, library equipment, or staffing costs. With bond funds remaining after the Library Building renovation was completed, bond counsel clarified that the remaining funds could be used for improvements to the Library building or site with a life of more than a year.

A Citizen's Oversight Committee was required by the bond measure to ensure that Library renovation and expansion funds are used in accordance with the intention of the voters. After the building was primarily completed, the Citizen's Oversight Committee was disbanded. In FY 2006/07, the Library Commission accepted the duties of the Citizen's Oversight Committee as part of the Library Commission function. These duties require the review and approval of staff's proposed capital improvement projects and contract costs, for budget approval by the City Council.

### **BUDGET OVERVIEW**

With the anticipation that the improvement funds will be utilized for several capital improvement projects in FY 2010/11, the remaining funds from the bond issue set aside for this purpose will be transferred to the CIP Library Improvement project at the start of the fiscal year.

The Library Commission and the new Library Manager will review and approve all proposed projects and design work prior to proposals going to the City Council for approval. The City's Facilities Manager will oversee and coordinate the planned projects as the Library is a City owned building.

CITY OF SARATOGA  
NON DEPARTMENTAL

LIBRARY CAPITAL IMPROVEMENT TRUST FUND

<b>SOURCE &amp; USE OF FUNDS</b>					
	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2009/10</b>	<b>2010/11</b>
	<b>Actuals</b>	<b>Actuals</b>	<b>Adjusted</b>	<b>Estimated</b>	<b>Adopted</b>
<b>SOURCES OF FUNDS</b>					
<b>Beginning Fund Balance</b>					
Designated	-	-	-	-	-
Undesignated	684,553	693,929	354,395	354,395	351,360
<b>Total Beginning Fund Balance</b>	<b>\$ 684,553</b>	<b>\$ 693,929</b>	<b>\$ 354,395</b>	<b>\$ 354,395</b>	<b>\$ 351,360</b>
<b>Revenues</b>					
Intergovernmental Revenues	-	-	-	-	-
Fees, Licenses and Permits	-	-	-	-	-
Charge for Services	-	-	-	-	-
Other Sources	-	-	-	-	-
Interest Income	17,158	9,358	10,000	2,828	-
<b>Total Revenues</b>	<b>\$ 17,158</b>	<b>\$ 9,358</b>	<b>\$ 10,000</b>	<b>\$ 2,828</b>	<b>\$ -</b>
<b>Operating Transfers</b>					
Transfer In	-	-	-	-	-
<b>Total Operating Transfers</b>	<b>\$ -</b>				
<b>TOTAL SOURCE OF FUNDS</b>	<b>\$ 701,711</b>	<b>\$ 703,287</b>	<b>\$ 364,395</b>	<b>\$ 357,223</b>	<b>\$ 351,360</b>
<b>USE OF FUNDS</b>					
<b>Expenditures</b>					
Salaries and Benefits	-	-	-	-	-
Operating Expenditures	-	-	-	-	-
Fixed Assets	7,782	38,893	15,000	5,458	-
Internal Service Charges	-	-	-	-	-
<b>Total Expenditures</b>	<b>7,782</b>	<b>38,893</b>	<b>15,000</b>	<b>5,458</b>	<b>-</b>
<b>Operating Transfers</b>					
Transfer Out	-	310,000	405	405	351,360
<b>Total Operating Transfers</b>	<b>\$ -</b>	<b>\$ 310,000</b>	<b>\$ 405</b>	<b>\$ 405</b>	<b>\$ 351,360</b>
<b>Ending Fund Balance</b>					
Designated	-	-	-	-	-
Undesignated	693,929	354,395	348,990	351,360	-
<b>Total Ending Fund Balance</b>	<b>\$ 693,929</b>	<b>\$ 354,395</b>	<b>\$ 348,990</b>	<b>\$ 351,360</b>	<b>\$ -</b>
<b>TOTAL USE OF FUNDS</b>	<b>\$ 701,711</b>	<b>\$ 703,287</b>	<b>\$ 364,395</b>	<b>\$ 357,223</b>	<b>\$ 351,360</b>

## **KSAR COMMUNITY ACCESS TELEVISION TRUST FUND**

The KSAR Community Access Television (CATV) Trust Fund accounts for Public, Education, and Government (PEG) fee funds deposited with the City by the CATV Foundation Board, which are held in trust for investment purposes until utilized by the KSAR board. The funds on deposit are included in the City's investment portfolio, and accrue interest at the same rate as the rest of the City's deposits, but are not City Funds.

### **BUDGET OVERVIEW**

The FY 2010/11 budget reflects revenues received under the new State based cable contract which allocates 1% of cable revenues to the local community public television foundation. In Saratoga, both Comcast and AT&T provide cable services to the community. AT&T began operations under the State's 1% allocation rule in FY 2006/07; however the Comcast contract did not expire until September 30, 2008 and therefore did not fall under the State contract until October 1, 2008 with the requirement to submit the 1% PEG fee to KSAR. Franchise Fee revenues are expected to provide approximately \$68,000 in FY 2010/11. In addition to the revenues, interest earnings based on fund balance and current interest rates is expected to bring in approximately \$500 over the next year.

As these PEG Franchise Fee revenues are to be utilized solely for capital expenditures, KSAR moved their operating funds from this trust fund to a separate savings account in FY 2009/10. This allows KSAR access as needed to these operational funds, leaving the Trust Fund moneys to build a base for capital expenditures. The full amount of funds is budgeted for withdrawal to allow KSAR flexibility in the use of their funds.

CITY OF SARATOGA  
NON DEPARTMENTAL

**KSAR TRUST FUND**

<b>SOURCE &amp; USE OF FUNDS</b>					
	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2009/10</b>	<b>2010/11</b>
	<b>Actuals</b>	<b>Actuals</b>	<b>Adjusted</b>	<b>Estimated</b>	<b>Adopted</b>
<b>SOURCES OF FUNDS</b>					
<b>Beginning Fund Balance</b>					
Designated	-	-	-	-	-
Undesignated	64,862	38,661	84,603	84,603	109,842
<b>Total Beginning Fund Balance</b>	<b>\$ 64,862</b>	<b>\$ 38,661</b>	<b>\$ 84,603</b>	<b>\$ 84,603</b>	<b>\$ 109,842</b>
<b>Revenues</b>					
Taxes / Franchise Fees	2,096	44,947	64,000	72,238	68,000
Intergovernmental Revenues	-	-	-	-	-
Fees, Licenses and Permits	-	-	-	-	-
Charge for Services	-	-	-	-	-
Other Sources	-	-	-	-	-
Interest Income	1,703	994	1,200	466	500
<b>Total Revenues</b>	<b>\$ 3,799</b>	<b>\$ 45,942</b>	<b>\$ 65,200</b>	<b>\$ 72,704</b>	<b>\$ 68,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>\$ 68,661</b>	<b>\$ 84,603</b>	<b>\$ 149,803</b>	<b>\$ 157,307</b>	<b>\$ 178,342</b>
<b>USE OF FUNDS</b>					
<b>Expenditures</b>					
Salaries and Benefits	-	-	-	-	-
Operating Expenditures	-	-	-	-	-
Fixed Assets	-	-	-	-	-
Funds Withdrawal	30,000	-	100,000	47,465	174,977
<b>Total Expenditures</b>	<b>\$ 30,000</b>	<b>\$ -</b>	<b>\$ 100,000</b>	<b>\$ 47,465</b>	<b>\$ 174,977</b>
<b>Operating Transfers</b>					
Transfer Out	-	-	-	-	-
<b>Total Operating Transfers</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Ending Fund Balance</b>					
Designated	-	-	-	-	-
Undesignated	38,661	84,603	49,803	109,842	3,365
<b>Total Ending Fund Balance</b>	<b>\$ 38,661</b>	<b>\$ 84,603</b>	<b>\$ 49,803</b>	<b>\$ 109,842</b>	<b>\$ 3,365</b>
<b>TOTAL USE OF FUNDS</b>	<b>\$ 68,661</b>	<b>\$ 84,603</b>	<b>\$ 149,803</b>	<b>\$ 157,307</b>	<b>\$ 178,342</b>