

City of Sacramento

Legislation Text

File #: 2021-00294, Version: 1

Title:

Budgetary Adjustments: Reallocation of Funds for Convention Center Complex Renovation Project (M17100100)

File ID: 2021-00294

Location: Citywide

Recommendation:

Adopt a Resolution authorizing the City Manager or the City Manager's designee to: 1) transfer \$8,430,756 from the available fund balance of the 2018 Tax-Exempt Transient Occupancy Tax (TOT) Bond Fund (Fund 6330) to the expenditure budget of the Convention Center Complex Renovation and Expansion Project (M17100100); 2) transfer \$4,859,558 from the available fund balance of the 2018 Taxable TOT Bond Fund (Fund 6331) to the expenditure budget of the Convention Center Complex Renovation and Expansion Project (M17100100); and 3) transfer \$13,290,314 (Community Center Fund, Fund 6010) from the expenditure budget of the Convention Center Complex Renovation and Expansion Project (M17100100) to available fund balance.

Contact: Steven Sakakihara, Administrative Officer, (916) 808-7146; Matthew Voreyer, Convention Center General Manager, (916) 808-5503, Convention and Cultural Services Department

Presenter: None

Attachments:

- 1-Description/Analysis
- 2-Resolution

Description/Analysis

Issue Detail: Due to the ongoing COVID-19 pandemic (pandemic), the available fund balance for the Community Center Fund (Fund 6010) is estimated to be in a shortfall for Fiscal Year (FY) 2020/21. There is approximately \$13.3 million (Community Center Fund, Fund 6010) that can be removed from the expenditure budget in the Convention Center Complex Renovation and Expansion Project (M17100100, Fund 6010) and returned to available fund balance. This will help ensure the available fund balance for the Community Center Fund remains positive for FY2020/21.

The \$13.3 million that is removed from the project can be replaced by \$13.3 million from other

sources. Approximately \$8.4 million in interest earnings on the 2018 Tax-Exempt TOT Bonds and approximately \$700,000 in interest earnings on the 2018 Taxable TOT Bonds are in available fund balance and can be appropriated to the project. Additionally, approximately \$4.1 million in 2018 Taxable TOT Bond proceeds are available to appropriate to the project as well. The \$4.1 million in bond proceeds was previously committed to the Destination Sacramento Program (I02185000) but was returned to fund balance due to the ongoing pandemic.

Staff recommends the City Council to authorize the City Manager to process these transactions.

Policy Considerations: Adjustments to projects more than and including \$250,000 must be approved by City Council.

Economic Impacts: None.

Environmental Considerations: Under the California Environmental Quality Act (CEQA), continuing administrative activities, such as what is recommended in this report, does not constitute a “project”. [CEQA Guidelines section 15378(b)(2).]

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: For FY2020/21, the amount of revenue collected for TOT and user fees is lower than normal due to the on-going pandemic. This reduction in revenue is estimated to cause the available fund balance for the Community Center Fund (Fund 6010) to be in a shortfall.

There are available funds that can be allocated to the Convention Center Complex Renovation and Expansion Project (M17100100), which would allow the release of Community Center Fund (Fund 6010) resources to available fund balance. These budgetary adjustments will ensure the Community Center Fund remains positive in FY2020/21.

Financial Considerations: Approval of these recommendations will ensure the Community Center Fund (Fund 6010) remains positive for FY2020/21. Sufficient funding is available in the expenditure budget of the Convention Center Complex Renovation and Expansion Project (M17100100) and in the available fund balances of the 2018 Tax-Exempt TOT Bond Fund (Fund 6330) and the 2018 Taxable TOT Bond Fund (Fund 6331) to support the recommended budgetary adjustments. There is no impact to the General Fund.

Local Business Enterprise (LBE): Not applicable.