



TO: Mayor and Council
FROM: Tom Crawford, CFO
CC: Steven D. Powers, City Administrator
SUBJECT: Retirement System
DATE: May 1, 2015

Question #106: Why is the investment income in FY 2016 half of that of FY 2013? Where there any structural changes to the retirement system that brought about these changes? (Councilmember Kailasapathy)

Response: In FY13 the actual return on investments was approx. 12%. When the retirement system budgets future investment income like in FY16, it uses a 7% rate which is supported by long-term returns. The difference between the 7% expected and the actual is the primary reason for difference in investment income. The retirement system has not made any major structural changes.



TO: Mayor and Council

FROM: Tom Crawford, CFO
Susan Pollay, Executive Director, DDA

CC: Steven D. Powers, City Administrator

SUBJECT: DDA

DATE: May 1, 2015

Question #107: For FY 2016 Other Services amount to \$8.3 million the DDA refers to contracted services. Kindly provide details of the services. DDA holds money in its budgets to provide itself “flexibility” in terms of funding ad hoc projects that come up. Please provide details of monies set aside in this manner. (Councilmember Kailasapathy)

Response:

The Other Services category is made up primarily of the following services:

Engineering and Consulting	\$1,126,936	(Parking \$800K TIF \$300K)
Parking Contractor Expenses	\$6,194,664	(All Parking Fund)
Utilities	\$ 640,672	(All Parking Fund)

In each of the funds the DDA has budgeted, but hasn't yet assigned, some funds for projects/grants needs that may come up during the fiscal year. The Housing fund has \$100,000 of such funds for FY 2016 for example. The majority of the unassigned funds in both TIF and Parking have now been assigned by the DDA Board for future projects and for the Fourth and William stair elevator project.



TO: Mayor and Council

FROM: Tom Crawford, CFO

CC: Steven D. Powers, City Administrator

SUBJECT: SmartZone & LDFA

DATE: May 1, 2015

Question #108: During last year's budget session as well as during LDFA's presentation to Council it was discussed that growing tax capture in the SmartZone area would/could be set aside to add fiber network in the downtown area. Is that idea been abandoned? I see we are using up some of the fund balance accumulated in the prior years' being used up for incubator expansion (a). Which facility is being expanded per expansion (a)? Kindly provide some details regarding this expansion? (Councilmember Kailasapathy)

Response: The idea has not been abandoned. An official project has not yet been presented to the LDFA for consideration. The incubator is located at 330 E Liberty St. (located next to Liberty Plaza). The incubator utilizes the first floor and a portion of the second floor. The renovation would be to the newly leased fourth floor (6,600 square feet). The fourth floor will be utilized by companies who have grown past a couple of employees (and therefore not containable on the first floor) but are not mature enough to lease market space. The expectation is that a company would be ready to exit the fourth floor incubator space within 12 months.