

# FINANCE DEPARTMENT

## MEMORANDUM

**TO:** Mayor Nury Martinez and Councilmembers

**FROM:** Jose E. Pulido, City Administrator  
By: Lorena Quijano, Finance Director

**DATE:** May 27, 2008

**SUBJECT:** Fiscal Year (FY) 2008-2009- Budget Study Session Part 3

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Enclosed for your information please find the following:

1. Draft General Fund Budget Requests and Recommendations for the following Departments:
  - Recreation and Community Services
    - Special Events Budget
  - City Treasurer
  - Other General Fund Divisions (*Finance Tab*)
    - Legal Fees Budget (Division 01-110 and 01-112)
    - Non-Departmental Budget (Division 01-190)
  - Special Funds
  - Enterprise Funds
  - Retirement Expenditures, including Pension Obligation Bond (POB) (*Finance Tab*)

**Draft General Fund Budget Requests  
& Recommendations**

**Recreation and Community Services**  
▪ **Special Events Budget**

**Special Events  
Fiscal Year 2008-2009  
Projections 50.4% Scale Down**

Event	Total			Revenue	Balance	Notes	Attendance	Cost Ratio
	FY07-08	7% Increase	FY08-09					
4th of July	\$ 26,335	\$ 1,843	\$ 28,178	\$ 1,200.00	\$ 26,978	No live entertainment - cost includes fireworks, fire marshal and toilets 80% of total cost remainder staff/holiday time, barricades for street closures.	8,000	\$ 3.37
Relay For Life	\$ 7,604	\$ 532	\$ 6,604	\$ -	\$ 6,604	No paid band - Cost includes generator/staff overtime, printing, part time staff, decorations, movie screen rental and ambulance, supplies for activities	2,000	\$ 3.30
Concerts	\$ 20,493	\$ 1,435	\$ 13,000	\$ 850	\$ 12,150	Remove 2 concerts-Cost includes entertainment (one headliner two concerts), sound, lights, generator rental and staff (set-up stage).	3500	\$ 3.47
El Grito	\$ 5,510	\$ 386	\$ 5,896	\$ -	\$ 5,896	No changes-Entertainment (Mariachi, Trio, Free Dancers), decorations, chair rental, stage set-up, sound, lighting and staff	450	\$ 13.10
Menudo	\$ 19,162	\$ 1,341	\$ 20,503	\$ 16,972	\$ 3,531	Revenue are budgeted to offset city expenses for Festival- Promoter responsible for Police, Public Works, Entertainment Costs and all Festival logistics. City pays for Menudo Contest: includes staff, prizes and supplies	15,000	\$ 0.24
Cesar Chavez Evnt	\$ 13,808	\$ 967	\$ 14,775	\$ 1,000	\$ 13,775	No Change-Costs include barricades and delineation from City boundaries to Cesar Chavez Park, Police support, Public Works, Stage, sound, entertainment at Cultural Arts Festival, toilets, staff and supplies	5,000	\$ 2.75
Parade	\$ 22,100.00	\$ 1,547.00		\$ -		Remove Event-Staff, barricades and logistics	2,000	\$ 11.82
Criterium	\$ 7,951.00	\$ 556.57		\$ -		Remove Event-Staff for set-up and teardown and staff for barricade coverage, barricades, hay bales	550	\$ 15.47
5Km	\$ 7,037.00	\$ 492.59				Remove Event-Staff for set-up and teardown and staff for barricade coverage, barricades, prizes and t-shirts	350	\$ 21.51
<b>Totals</b>	<b>\$ 130,000.00</b>	<b>\$ 9,100</b>	<b>\$ 88,956</b>	<b>\$ 20,022</b>	<b>\$ 68,934</b>			

Proposed \$\$ FY 2008-2009	\$ 139,100.00	Proposed \$\$ After Reductions	\$ 68,934
		Total Reduction	\$ 70,166 (\$139,100 minus \$68,934)
		Percent Reduction	50.4%

Proposed Events with changes  
Proposed Events with no changes  
Proposed Removed Events

**Special Events  
Fiscal Year 2007-2008  
Summary**

Event	Recreation			Police Department			Public Works		
	Budget	Expensed	Balance	Budget	Expensed	Balance	Budget	Expensed	Balance
4th of July	\$ 21,573.00	\$ 21,543.36	\$ 29.64	\$ 1,262.00	\$ 334.35	\$ 927.65	\$ 3,500.00	\$ 1,409.85	\$ 2,090.15
Relay For Life	\$ 2,871.00	\$ 4,423.45	\$ (1,552.45)	\$ 2,213.00	\$ 499.93	\$ 1,713.07	\$ 2,520.00	\$ 1,543.97	\$ 976.03
Concerts	\$ 17,625.00	\$ 17,083.40	\$ 541.60	\$ 1,328.00	\$ 253.34	\$ 1,074.66	\$ 1,540.00	\$ 504.64	\$ 1,035.36
El Grito	\$ 5,000.00	\$ 4,139.39	\$ 860.61	\$ -	\$ -	\$ -	\$ 510.00	\$ 1,125.79	\$ (615.79)
Menudo	\$ 3,300.00	\$ 2,877.23	\$ 422.77	\$ 11,862.00	\$ 11,522.82	\$ 339.18	\$ 4,000.00	\$ 4,926.81	\$ (926.81)
Cesar Chavez Evnt	\$ 7,900.00	\$ 7,917.82	\$ (17.82)	\$ 1,708.00	\$ 1,056.37	\$ 651.63	\$ 4,200.00	\$ 5,981.11	\$ (1,781.11)
Parade	\$ 4,000.00	\$ 5,792.25	\$ (1,792.25)	\$ 4,100.00	\$ 5,361.76	\$ (1,261.76)	\$ 14,000.00	\$ 11,656.46	\$ 2,343.54
Criterion	\$ 2,921.00	\$ -	\$ 2,921.00	\$ 1,780.00	\$ -	\$ 1,780.00	\$ 3,250.00	\$ -	\$ 3,250.00
5Km	\$ 3,700.00	\$ 4,154.11	\$ (454.11)	\$ 337.00	\$ 134.74	\$ 202.26	\$ 3,000.00	\$ 3,365.61	\$ (365.61)
<b>Totals</b>	<b>\$ 68,890.00</b>	<b>\$ 67,931.01</b>	<b>\$ 958.99</b>	<b>\$ 24,590.00</b>	<b>\$ 19,163.31</b>	<b>\$ 5,426.69</b>	<b>\$ 36,520.00</b>	<b>\$ 30,514.24</b>	<b>\$ 6,005.76</b>

Event	Total			Revenue	Balance	Status
	Budgeted	Expensed	Balance			
4th of July	\$ 26,335.00	<b>\$ 23,287.56</b>	\$ 3,047.44	\$ 825.00	<b>\$ 22,462.56</b>	COMPLETE
Relay For Life	\$ 7,604.00	<b>\$ 6,467.35</b>	\$ 1,136.65	\$ -	<b>\$ 6,467.35</b>	COMPLETE
Concerts	\$ 20,493.00	<b>\$ 17,841.38</b>	\$ 2,651.62	\$ 850.00	<b>\$ 16,991.38</b>	COMPLETE
El Grito	\$ 5,510.00	<b>\$ 5,265.18</b>	\$ 244.82	\$ -	<b>\$ 5,265.18</b>	COMPLETE
Menudo	\$ 19,162.00	<b>\$ 19,326.86</b>	\$ (164.86)	\$ 4,520.00	<b>\$ 14,806.86</b>	COMPLETE
Cesar Chavez Evnt	\$ 13,808.00	<b>\$ 14,955.30</b>	\$ (1,147.30)	\$ 565.00	<b>\$ 14,390.30</b>	COMPLETE
Parade	\$ 22,100.00	<b>\$ 22,810.47</b>	\$ (710.47)	\$ -	<b>\$ 22,810.47</b>	COMPLETE
Criterion	\$ 7,951.00	\$ -	\$ 7,951.00	\$ -	\$ -	PENDING
5Km	\$ 7,037.00	<b>\$ 7,654.46</b>	\$ (617.46)	\$ 210.00	<b>\$ 7,444.46</b>	COMPLETE
<b>Totals</b>	<b>\$ 130,000.00</b>	<b>\$ 117,608.56</b>	<b>\$ 12,391.44</b>	<b>\$ 6,970.00</b>	<b>\$ 110,638.56</b>	

**Special Events  
Fiscal Year 2008-2009  
Projections**

Event	Recreation			Police Department			Public Works		
	FY07-08	7% Increase	FY08-09	FY07-08	7% Increase	FY08-09	FY07-08	7% Increase	FY08-09
4th of July	\$ 21,573.00	\$ 1,510.11	\$ 23,083.11	\$ 1,262.00	\$ 88.34	\$ 1,350.34	\$ 3,500.00	\$ 245.00	\$ 3,745.00
Relay For Life	\$ 2,871.00	\$ 200.97	\$ 3,071.97	\$ 2,213.00	\$ 154.91	\$ 2,367.91	\$ 2,520.00	\$ 176.40	\$ 2,696.40
Concerts	\$ 17,625.00	\$ 1,233.75	\$ 18,858.75	\$ 1,328.00	\$ 92.96	\$ 1,420.96	\$ 1,540.00	\$ 107.80	\$ 1,647.80
El Grito	\$ 5,000.00	\$ 350.00	\$ 5,350.00	\$ -	\$ -	\$ -	\$ 510.00	\$ 35.70	\$ 545.70
Menudo	\$ 3,300.00	\$ 231.00	\$ 3,531.00	\$ 11,862.00	\$ 830.34	\$ 12,692.34	\$ 4,000.00	\$ 280.00	\$ 4,280.00
Cesar Chavez Evnt	\$ 7,900.00	\$ 553.00	\$ 8,453.00	\$ 1,708.00	\$ 119.56	\$ 1,827.56	\$ 4,200.00	\$ 294.00	\$ 4,494.00
Parade	\$ 4,000.00	\$ 280.00	\$ 4,280.00	\$ 4,100.00	\$ 287.00	\$ 4,387.00	\$ 14,000.00	\$ 980.00	\$ 14,980.00
Criterion	\$ 2,921.00	\$ 204.47	\$ 3,125.47	\$ 1,780.00	\$ 124.60	\$ 1,904.60	\$ 3,250.00	\$ 227.50	\$ 3,477.50
5Km	\$ 3,700.00	\$ 259.00	\$ 3,959.00	\$ 337.00	\$ 23.59	\$ 360.59	\$ 3,000.00	\$ 210.00	\$ 3,210.00
<b>Totals</b>	<b>\$ 68,890.00</b>	<b>\$ 4,822.30</b>	<b>\$ 73,712.30</b>	<b>\$ 24,590.00</b>	<b>\$ 1,721.30</b>	<b>\$ 26,311.30</b>	<b>\$ 36,520.00</b>	<b>\$ 2,556.40</b>	<b>\$ 39,076.40</b>

Event	Total			Revenue	Balance
	FY07-08	7% Increase	FY08-09		
4th of July	\$ 26,335.00	\$ 1,843.45	\$ 28,178.45	\$ 1,200.00	\$ 26,978.45
Relay For Life	\$ 7,604.00	\$ 532.28	\$ 8,136.28	\$ -	\$ 8,136.28
Concerts	\$ 20,493.00	\$ 1,434.51	\$ 21,927.51	\$ 850.00	\$ 21,077.51
El Grito	\$ 5,510.00	\$ 385.70	\$ 5,895.70	\$ -	\$ 5,895.70
Menudo	\$ 19,162.00	\$ 1,341.34	\$ 20,503.34	\$ 1,200.00	\$ 19,303.34
Cesar Chavez Evnt	\$ 13,808.00	\$ 966.56	\$ 14,774.56	\$ 600.00	\$ 14,174.56
Parade	\$ 22,100.00	\$ 1,547.00	\$ 23,647.00	\$ -	\$ 23,647.00
Criterion	\$ 7,951.00	\$ 556.57	\$ 8,507.57	\$ -	\$ 8,507.57
5Km	\$ 7,037.00	\$ 492.59	\$ 7,529.59	\$ 500.00	\$ 7,029.59
<b>Totals</b>	<b>\$ 130,000.00</b>	<b>\$ 9,100.00</b>	<b>\$ 139,100.00</b>	<b>\$ 4,350.00</b>	<b>\$ 134,750.00</b>

Note:

Concerts Amount is based on 4 concerts

**Draft General Fund Budget Requests  
& Recommendations**

**City Treasurer**

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>DIVISION</b>	<b>DIVISION NO.</b>
Treasurer	102

**NARRATIVE**

The City Treasurer is elected by the citizens of San Fernando every four years. The principal duties and responsibilities of the Treasurer are as follows: (a) receipt and custody of all funds including those funds initially received by other departments, (b) the deposit of funds, (c) custody of the warrants until the approval of the City Council, (d) the investment of funds. The City Treasurer also acts as the Treasurer for the Redevelopment Agency. The Treasurer complies with all laws governing the depositing and securing of public funds. Criteria for selecting investments and the order of priority are: (1) Safety (2) Liquidity (3) Yield. It is the City Treasurer's responsibility to accurately monitor and forecast expenditures and revenues, thus enabling her to invest funds to the fullest extent possible.

In F/Y 2008-2009, staff is not requesting additional funding. In Fiscal Year 2006-2007, the department implemented a new feature available to all residents; the option to pay their utility bill automatically by ACH, and now has more than 150 residents signed up for automatic payment. In Fiscal Year 2007-2008, the Treasurer's Office together with the Finance Dept. implemented a new cashing system that enables all Treasurer's receipts to be posted immediately into the Finance Department's accounting system. During Fiscal Year 2008-2009, this office will continue to comply with all laws, especially when it pertains to the deposit, investment and reporting of public funds.

<b>PERSONNEL</b>	<b>ACTUAL 2006-2007</b>	<b>BUDGETED 2007-2008</b>	<b>ESTIMATED 2007-2008</b>	<b>REQUESTED 2008-2009</b>
Treasurer	1.00	1.00	1.00	1.00
Treasurer Assistant	1.00	1.00	1.00	1.00
Part Time Clerk/Deputy Treasurer	0.50	0.00	0.00	0.00
Full Time Clerk/Deputy Treasurer	0.00	1.00	1.00	1.00
Total	2.50	3.00	3.00	3.00

**APPROPRIATIONS**

Personnel Services	\$ 108,750	\$ 119,417	\$ 119,417	\$ 142,688
Operating Expenses	7,600	12,350	7,000	8,900
Capital Outlay	10,000	10,000	10,000	0
Total	\$ 126,350	\$ 141,767	\$ 136,417	\$ 151,588

**SOURCE OF FUNDS**

General Fund	\$ 126,350	\$ 141,767	\$ 136,417	\$ 151,588
Total	\$ 126,350	\$ 141,767	\$ 136,417	\$ 151,588

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>DIVISION</b>		<b>DIVISION NO.</b>	
Treasurer		102	
<b>Supporting Information</b>			
<b>4100</b>		<b>PERSONNEL SERVICES</b>	<b>\$142,688</b>
<b>4200</b>		<b>OPERATING EXPENSES</b>	<b>\$8,900</b>
4220	Cellular Phone & Pager.	\$0	
4240	Reflects Treasurer's bond as required by law.	\$250	
4260	Contractual services for investments.	\$3,500	
4270	Professional services for broker fees and Safekeeping Trust Account at the Bank of California.	\$1,000	
4300	Various department supplies	\$500	
4320	Department Equipment Maintenance-Reflects annual maintenance of Cashiering System and coin counter	\$1,800	
4370	Monthly meetings & travel for California Municipal Treasurer's Association (CMTA).	\$500	
4380	Dues & memberships for CMTA.	\$150	
4390	Mileage reimbursement for Treasurer, who travels to local banks daily for reinvestment, return checks, special deposits, etc. Equal to Council (\$100/ month).	\$1,200	
<b>4500</b>		<b>CAPITAL EXPENSES</b>	
<b>TOTAL</b>		<b>\$151,588</b>	

**Draft General Fund Budget Requests  
& Recommendations**

**Other General Fund Divisions**

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>DIVISION</b>	<b>DIVISION NO.</b>
<b>Legal Services (City Attorney)</b>	<b>110</b>

**NARRATIVE**

The City Attorney serves as the Chief Legal Officer for the City of San Fernando, San Fernando Redevelopment Agency, Public Financing Authority and the Parking Authority. The City Attorney renders professional legal advice to the City Council, boards and commissions and all City Departments. The City Attorney also represents the City in court proceedings and prepares all legal documents necessary to support the ongoing operations of the City.

The City currently contracts with the firm of Richards, Watson & Gershon. General liability defense work is usually provided by other outside law firms specializing in this type of work and is budgeted in the Self Insurance Fund.

One of the reasons that estimated expenditures are higher than expected during Fiscal Year 2007-2008 resulted from the increased number of Public Records Request which the City Attorney has had to review prior to releasing any information to the public. Since Public Records Requests can fluctuate during the year, the City will be monitoring the cost throughout FY 2008-2009 and will adjust its requested amount if necessary during the Mid-Year Budget Process. The City Attorney also spent time relating to a lawsuit that was recently settled; however, those amounts have been reclassified to the Special Self Insurance Fund.

	ACTUAL 2006-2007	BUDGETED 2007-2008	ESTIMATED 2007-2008	REQUESTED 2008-2009
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None

**APPROPRIATIONS**

Operating Expenses	\$ 277,838	\$ 200,000	\$ 300,000	\$ 250,000
Total	\$ 277,838	\$ 200,000	\$ 300,000	\$ 250,000

**SOURCE OF FUNDS**

General Fund	\$ 277,838	\$ 200,000	\$ 300,000	\$ 250,000
Total	\$ 277,838	\$ 200,000	\$ 300,000	\$ 250,000

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>DIVISION</b>	<b>DIVISION NO.</b>
Legal Services (Labor Attorney)	112

**NARRATIVE**

The Legal Services Division is a new division that will be created in Fiscal Year 2008-2009 in order to account for special legal services, including consultation with expert legal professionals and subject matter experts to assist the City with its employment or labor-related issues, labor contract negotiations with its employment organizations, investigation of complaints and/or grievances, as well as consultation on day-to-day disciplinary issues, and conducting of appeals hearings.

	ACTUAL 2006-2007	BUDGETED 2007-2008	ESTIMATED 2007-2008	REQUESTED 2008-2009
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None

**APPROPRIATIONS**

Operating Expenses	\$ -	\$ -	\$ -	\$ 55,000
Total	\$ -	\$ -	\$ -	\$ 55,000

**SOURCE OF FUNDS**

General Fund	\$ -	\$ -	\$ -	\$ 55,000
Total	\$ -	\$ -	\$ -	\$ 55,000

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>DIVISION</b> Non-Departmental	<b>DIVISION NO.</b> 190
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**NARRATIVE**

The Non-Departmental budget provides for those activities that are not easily segregated into individual budgets or would cost more to segregate than economically feasible. Such items include but are not limited to: City Hall telephones, insurance, unemployment charges, computer servicing for non-Police locations, City Hall copy and fax equipment and non-utility mail costs.

The special events budget is also included in the non-departmental budget which allows these funds to be centralized. The current budget includes an allocations which is 50% of the previous years budget. Any corresponding revenue will be returned to the General Fund to help support the cost of these events.

In FY 2007-2008, the estimated budget is higher than expected due to 1) additional purchases of CDBG funds from other cities for street improvements in CBDG eligible areas; some of these purchases were made at \$0.40 cents of the dollar thus greatly enhancing the amount of street improvements that can be accomplished in the future 2) due to the payment of Edgesoft; this payment will be reimbursed by the various funds that will be using this new system 3) due to additional noticing requirements, the City has also incurred increases in postage related costs and 4) in capital equipment the increase is due to the completion of the cashiering system and the telephone upgrades in the new city yard and the two parks (paid from purchase orders related to capital equipment that had been carried forward from previous years).

	ACTUAL 2006-2007	BUDGETED 2007-2008	ESTIMATED 2007-2008	REQUESTED 2008-2009
<b>PERSONNEL</b>				
None				
<b>APPROPRIATIONS</b>				
Personnel Services	\$ 19,299	\$ 5,000	\$ 5,000	\$ 5,000
Operating Expenses	512,179	593,250	893,250	543,634
Capital Outlay	22,070	15,000	45,000	25,000
Total	\$ 553,548	\$ 613,250	\$ 943,250	\$ 573,634
<b>SOURCE OF FUNDS</b>				
General Fund	\$ 553,548	\$ 613,250	\$ 943,250	\$ 573,634
Total	\$ 553,548	\$ 613,250	\$ 943,250	\$ 573,634

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>DIVISION</b>		<b>DIVISION NO.</b>	
Non-Departmental		190	
<b>Supporting Information</b>			
<b>4100</b>	<b>PERSONNEL SERVICES</b>	<b>\$5,000</b>	
4132	Unemployment Insurance	\$5,000	
<b>4200</b>	<b>OPERATING EXPENSES</b>	<b>\$543,634</b>	
4220	Telephone	\$41,000	
4240	Insurance & Surety Bonds-Reflects costs for Property & Earthquake insurance, Employee blanket surety bonds.	\$0	
4260	Contractual Services- 1) Computer network and city wide services; payment for actuarial services related to retirement benefits and Other Post Employment Benefits (OPEB) as defined by the Governmental Accounting Standards Board (GASB): \$122,000 2) Emergency Preparedness \$60,000 3) Request Partner (or Web Q&A Module) \$6,000 4) Edgesoft 2nd year payment, offset from other funds \$100,000, net effect in Division 190 is \$0	\$188,000	
4280	Postage	\$39,000	
4300	Citywide supplies i.e. computer & fax supplies, copier & maintenance supplies, and postage for newsletters.	\$10,000	
4320	Department Equipment Maintenance	\$24,000	
4380	Subscription Dues and Memberships to League of CA Cities & Southern CA Assoc. of Governments.	\$15,000	
4430	Activities & Programs, which include the Employee Recognition Dinner @ \$5,000 and Bring our Kids to Work Day @ \$2,500	\$7,500	
4435	Bank Charges	\$200	
4450	Special Events Budget	\$68,934	
4827	Purchase of CDBG Funds	\$50,000	
4910	Transfer to Grants Fund to subsidize the Las Palmas loan repayment.	\$100,000	
<b>4500</b>	<b>CAPITAL EXPENSES</b>	<b>\$25,000</b>	
4500	Reflects the purchase of network servers and capital equipment.	\$25,000	
<b>TOTAL</b>			<b>\$573,634</b>

**Draft General Fund Budget Requests  
& Recommendations**

**Special Funds**

CITY OF SAN FERNANDO  
FY 2008-2009

Special Funds  
Executive Summary

**NARRATIVE**

Special Funds are designated for a specific purpose. Some of these funds have been designated by certain laws and regulations, which require cities to account for expenditures and revenues separately. The City also uses the Grants Fund to account for any remaining grants or projects not accounted for individually. The following is a summary of the Special Funds included in this section:

Fund Number	Description
2	<i>SLESF (Supplemental Law Enforcement Services Fund)</i>
6	<i>Self Insurance Trust Fund</i>
7	<i>Proposition "A" - Transit Development Fund</i>
8	<i>Proposition "C" - Transit Development Fund</i>
9	<i>Proposition "C" - Discretionary</i>
10	<i>Grant Fund</i>
11	<i>State Gas Tax Fund</i>
13	<i>Traffic Safety Fund</i>
14	<i>Cash In-Lieu of Parking</i>
15	<i>Local Transportation Fund (SB 325)</i>
16	<i>Air Quality Management District Fund (AQMD)</i>
17	<i>Recreation Self Sustaining Fund</i>
18	<i>Retirement Fund</i>
19	<i>Quimby Act Fees</i>
20	<i>State Asset Seizure</i>
21	<i>Federal Asset Seizure</i>
26	<i>Community Development Block Grant (CDBG)</i>
27	<i>Street Lighting</i>
29	<i>Parking and Maintenance Operations (M &amp; O)</i>
40	<i>State of Emergency</i>
41	<i>Equipment Replacement</i>
50	<i>Pavement Fund</i>

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>FUND</b>	<b>FUND NO.</b>
<b>Supplemental Law Enforcement Services SLESF/COPS</b>	<b>2</b>

**NARRATIVE**

Per the provisions of AB 3229, in 1996, the supplemental law enforcement services fund and the supplemental law enforcement oversight committee was created. The committee was created by the Los Angeles Board of Supervisors and consists of one Municipal Chief, an L.A County Sheriff, a District Attorney, County Officer and a City Manager.

In the past, Cities and Counties received 75% of these funds relative to population and exclusively to provide front line law enforcement services including anti-gang and community gang prevention programs. During the current fiscal year, the City will will use any remaining funds carried from previous years for community policing activities.

The State has proposed removing the SLESF for the upcoming year, however, should the State provide additional funding, those will be budgeted once the funds have been received.

	ACTUAL 2006-2007	BUDGETED 2007-2008	ESTIMATED 2007-2008	REQUESTED 2008-2009
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**APPROPRIATIONS**

Personnel Services	\$ 103,352	\$ 170,000	\$ 130,000	\$ -
Operating Expenses	0	0	0	0
Capital Outlay	0	0	0	22,000
Total	\$ 103,352	\$ 170,000	\$ 130,000	\$ 22,000

**SOURCE OF FUNDS**

SLESF Grant	\$ 102,857	\$ 170,000	\$ 130,000	\$ -
Total	\$ 102,857	\$ 170,000	\$ 130,000	\$ -

**Supporting Information**

<b>4100</b>	<b>PERSONNEL SERVICES</b>	<b>\$0</b>
4105	Overtime: Special Police Services	\$0
<b>4200</b>	<b>OPERATING EXPENSES</b>	<b>\$0</b>
<b>4500</b>	<b>CAPITAL EXPENSES</b>	<b>\$22,000</b>
<b>TOTAL</b>		<b>\$22,000</b>

**BALANCE SHEET**

Beginning Balance	\$ 75,470	\$ 74,975	\$ 74,975	\$ 33,186
Revenues	102,857	0	100,116	0
Expenditures	103,352	40,000	141,905	22,000
Ending Balance	\$ 74,975	\$ 34,975	\$ 33,186	\$ 11,186

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>FUND</b>	<b>FUND NO.</b>
<b>Self Insurance</b>	<b>6</b>

**NARRATIVE**

The City of San Fernando is a self-insured entity with deductible and aggregate limits. The City is a member of the Independent Cities Risk Management Authority (ICRMA). ICRMA is comprised of Southern California member cities and is organized under a Joint Powers Agreement pursuant to the California Government Code. The purpose of the Authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. Each member city has a representative on the Board of Directors. This fund is established to provide reserves to offset potential losses due to either personal or property damage.

A. Workers' Compensation: The City maintains a program of self-insurance for any liability to City employees pursuant to the Workers' Compensation Laws of the State of California. The City is self-insured for the first \$500,000 on each claim. The City participates in the ICRMA's worker's compensation program, which provides insurance coverage in excess of the self-insured amount. Worker's compensation administration fees and liability and property insurance are paid from this fund.

B. General Liability: The City belongs to the ICRMA's liability program. Specific coverage includes comprehensive and general automotive liability, personal injury, contractual liability, errors and omissions and certain other coverage. Annual premium payments are paid by member cities and are adjusted retrospectively to cover costs. San Fernando, self-insures from the first dollar to a limit of \$250,000 for all cases that fall under the contract with the ICRMA. Participating cities then share above the retention level of \$250,000 to \$20,000,000 per loss occurrence.

C. Revenues and Expenditures: This fund is reimbursed through labor allocations charged from each department. Should the fund not have sufficient monies to offset expenditures, any payments would have to be paid by the individual home department or by the General Fund.

The increase in expenditures for Fiscal Year 2007-2008 resulted from a case that was recently settled which was not covered under the ICRMA. As a result the reserves have decreased. For accounting purposes, this fund is combined and tracked with the General Fund. Since this fund will have minimal reserves at the start of the upcoming fiscal year, the General Fund will pay for the annual premiums due to ICRMA until this fund is replenished throughout the fiscal year.

	<b>ACTUAL 2006-2007</b>	<b>BUDGETED 2007-2008</b>	<b>ESTIMATED 2007-2008</b>	<b>REQUESTED 2008-2009</b>
<b>BALANCE SHEET</b>				
Beginning Balance	\$ 1,250,099	\$ 909,670	\$ 909,670	\$ 29,366
Revenues	754,634	915,000	850,000	1,166,720
Expenditures	1,095,063	900,000	1,730,304	1,150,000
Ending Balance	\$ 909,670	\$ 924,670	\$ 29,366	\$ 46,086

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>DIVISION</b>	<b>FUND NO.</b>
<b>Proposition A - Transportation Sales Tax</b>	<b>7</b>

**NARRATIVE**

This fund is to account for receipts and approved Local Transit Fund projects from a voter approved sales tax override for public transportation purposes. The cent sales tax was approved by the voters in November 1980. Twenty-five percent of total revenues, net administrative costs, are to be returned to local jurisdictions for local transit related projects. Distribution is done on a population-share basis. Projects must be approved by the Metropolitan Transit Authority (MTA) in advance of spending Proposition A funds.

<u>Public Works:</u>		<u>Recreation &amp; Community Services:</u>	
		Dial-A-Ride - 442-4260	\$ 252,000
Bus Benches	\$ 10,000	MCT Publicity - 442-4300	1,000
Bus Stop Maintenance	37,263	MCT Fuel Costs - 442-4400	23,100
Recreation Vehicle Maint.	1,500	Recreation Field Trips - 443-4260	43,000
Public Works Equipment	750	MTA Pass Subsidy (net) - 441-4260	12,326
Sub-Total	\$ 49,513	Prop A Administration - 106-4400	22,320
		Cost Allocation - 190-4480	37,000
		New Recreation Vehicle - 442-4500	35,000
		Sub-Total	\$ 425,746

	ACTUAL 2006-2007	BUDGETED 2007-2008	ESTIMATED 2007-2008	REQUESTED 2008-2009
<b>PERSONNEL</b>				
PW Maintenance Worker	0.00	0.20	0.20	0.20
Comm. Svcs Sup	0.00	0.30	0.30	0.25
Electrician Helper	0.25	0.25	0.25	0.25
Office Specialist	0.00	0.00	0.00	0.05
PW Field Supervisor II	0.05	0.05	0.05	0.05
Total	0.30	0.80	0.80	0.80

**APPROPRIATIONS**

Personnel Services	\$ 25,799	\$ 22,560	\$ 21,760	\$ 78,340
Operating Expenses	7,242	14,703	1,918	569,573
Capital Outlay	0	10,000	-	182,000
Total	\$ 33,040	\$ 47,263	\$ 23,678	\$ 829,913

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>DIVISION</b>				<b>FUND NO.</b>
<b>Proposition A - Transportation Sales Tax</b>				<b>7</b>
<b>BALANCE SHEET</b>				
Beginning Balance	\$ 821,900	\$ 944,404	\$ 944,404	\$ 984,404
Revenues	443,697	400,000	400,000	420,000
Expenditures	321,193	475,259	360,000	829,913
	944,404	869,145	984,404	\$ 574,491
<b>SOURCE OF FUNDS</b>				
Fund 07	Prop A 4480	\$ 443,697	\$ 400,000	\$ 420,000
	Total	\$ 443,697	\$ 400,000	\$ 420,000
<b>PERSONNEL SERVICES</b>				<b>\$78,340</b>
4101	190 Full Time Personnel Costs		\$46,717	
	440 Full Time Personnel Costs		\$31,622	
<b>OPERATING EXPENSES</b>				<b>\$569,573</b>
4260	Contractual Services			
	440 Mission City Transit		\$496,620	
	440 Recreation Trips		\$36,000	
	440 Publicity		\$1,000	
	190 Steam Cleaning and Graffiti Removal		\$9,500	
4300	190 Department Supplies			
0301-4300	Solvents, parts, cleaners, and replacement		\$4,603	
313-4300	313 Fuel - Bus Shelter Maintenance		\$1,250	
0442-4300	440 Fuel - Trolleys		\$20,000	
4320	190 Department Equipment Maintenance		\$300	
4340	190 Small Tools		\$300	
<b>CAPITAL PROJECTS</b>				<b>\$182,000</b>
4500	190 Capital Improvements			
	Replacement of bus benches, shelters and		\$10,000	
	Matching Funds for Trolley Purchase		\$100,000	
	Replacement Recreation Van		\$35,000	
4901	Cost Allocation		\$37,000	
<b>TOTAL</b>				<b>\$829,913</b>

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>FUND</b>	<b>FUND NO.</b>
<b>Proposition C</b>	<b>08</b>

**NARRATIVE**

This fund accounts for receipt of a half-cent sales tax allocated by the Los Angeles County Metropolitan Authority (MTA). These funds must be used to reduce traffic congestion, improve air quality, improve conditions of streets and highways utilized by public transit, reduce foreign fuel dependence, or reduce use of fossil fuels. Prior to FY 1997-98, Prop C funds were primarily used for the repayment of a loan from MTA for the City of San Fernando's share of construction costs of the Sylmar/San Fernando Metrolink Station. This year these funds will be used for surveying of Park Avenue.

<b>BALANCE SHEET</b>	<b>ACTUAL 2006-2007</b>	<b>BUDGETED 2007-2008</b>	<b>ESTIMATED 2007-2008</b>	<b>REQUESTED 2008-2009</b>
Beginning Balance	\$ 1,002,114	\$ (29,707)	\$ (29,707)	\$ 170,293
Revenues	360,909	288,400	360,000	288,400
Expenses	1,392,730	549,647	160,000	335,632
Ending Balance	\$ (29,707)	\$ (290,954)	\$ 170,293	\$ 123,061

**PERSONNEL**

Public Works Director	0.10	0.00	0.00	0.00
City Engineer	0.20	0.00	0.00	0.00
Operations Manager	0.00	0.05	0.05	0.05
Civil Engineering Assistant II	0.20	0.05	0.05	0.10
Administrative Assistant	0.10	0.00	0.00	0.00
P.W. Superintendent	0.00	0.10	0.10	0.10
P.W. Field Supervisor I	0.10	0.05	0.05	0.00
P.W. Field Supervisor II	0.00	0.05	0.05	0.05
Maintenance Helper - PT	0.10	0.00	0.00	0.00
Bldg. Maintenance Worker/Elec. Hk	0.10	0.05	0.05	0.05
Electrical Helper	0.10	0.05	0.05	0.05
P.W. Maintenance Worker	0.00	0.15	0.15	0.10
Senior Maintenance Worker	0.00	0.35	0.35	0.35
Total	1.00	0.90	0.90	0.85

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>FUND</b>		<b>FUND NO.</b>			
<b>Proposition C</b>		<b>08</b>			
<b>APPROPRIATIONS</b>	<b>ACTUAL 2006-2007</b>	<b>BUDGETED 2007-2008</b>	<b>ESTIMATED 2007-2008</b>	<b>REQUESTED 2008-2009</b>	
Personnel Services	\$ 66,917	\$ 96,839	\$ 96,839	\$ 82,824	
Operating Expenses	1,219,206	452,808	452,808	252,808	
Capital Expenses	-	-	-	-	
<b>Total</b>	<b>\$ 1,286,123</b>	<b>\$ 549,647</b>	<b>\$ 549,647</b>	<b>\$ 335,632</b>	
<b>SOURCE OF FUNDS</b>					
Fund 08 Prop C	\$ 1,286,123	\$ 549,647	\$ 549,647	\$ 335,632	
<b>Total</b>	<b>\$ 1,286,123</b>	<b>\$ 549,647</b>	<b>\$ 549,647</b>	<b>\$ 335,632</b>	
<b>PERSONNEL SERVICES</b>				<b>\$82,824</b>	
311-4101	Personnel Costs		\$82,824		
<b>190</b>		<b>OPERATING EXPENSES</b>		<b>\$152,808</b>	
0000-4480	Cost Allocation		\$36,900		
0000-4901	Transfer to General Fund:				
	Bikeway Graffiti Removal: 01-312-0470-XXXX		\$15,000		
	Bikeway Maintenance: 01-390-0470-XXXX		\$100,908		
<b>310 - 4200</b>		<b>OPERATING EXPENSES</b>		<b>\$0</b>	
0000-4270	None				
<b>311 - 4600</b>		<b>CAPITAL PROJECTS</b>		<b>\$100,000</b>	
XXXX-4600	Surveying of Park Avenue		\$100,000		
<b>TOTAL</b>				<b>\$335,632</b>	

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>DIVISION</b>	<b>FUND NO.</b>
<b>Proposition C Discretionary Grant - Metrolink Bikeway</b>	<b>9</b>

**NARRATIVE**

In July 1993, the Metropolitan Transit Authority approved the City's application for a Proposition C Discretionary Grant in the amount of \$990,900. Beginning in late fiscal year 1996-97, this grant was used to design and construct a mile-long bike path along the Metrolink Corridor in San Fernando. The bikeway project extends between Wolfskill Street and Hubbard Streets. The project was completed in October 1997.

In FY 1997-98, Prop C funds were transferred to the Facilities Maintenance Division for on-going maintenance of the bikeway. The maintenance was done by in-house personnel. Prop C funds will again be transferred in fiscal year 2007-08 for maintenance, supply, and utility costs.

	ACTUAL 2006-2007	BUDGETED 2007-2008	ESTIMATED 2007-2008	REQUESTED 2008-2009
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None

**BALANCE SHEET**

Beginning Balance	\$ 18,990	\$ 19,594	\$ 19,594	\$ 19,794
Revenues	604	200	200	200
Expenditures	0	0	0	0
Ending Balance	\$ 19,594	\$ 19,794	\$ 19,794	\$ 19,994

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>FUND</b>	<b>FUND NO.</b>
<b>GRANT FUND</b>	<b>10</b>

This fund is to account for major grants received Citywide. This fund facilitates record keeping of receipts and expenditures of outside grants as generally required by grantors.

	ACTUAL 2006-2007	BUDGETED 2007-2008	ESTIMATED 2007-2008	REQUESTED 2008-2009
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**SUMMARY OF APPROPRIATIONS:**

10-220	Police	\$ 344,491	\$ 113,000	\$ 113,000	\$ -
10-3XX	Public Works	3,635,191	4,344,283	4,344,283	852,000
10-420	Recreation and Community Services	162,299	236,958	236,958	502,902
<b>Total</b>		<b>\$ 4,141,981</b>	<b>\$ 4,694,241</b>	<b>\$ 4,694,241</b>	<b>\$ 1,354,902</b>

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

**FUND 10 PUBLIC WORKS** **DIVISION NO. 10-310**

Project Name / Number	Grant Description	Total Project Cost	Total Funding	Available Funds
<b>Park Avenue</b>				
	Maclay Avenue Street Improvements	\$1,894,000		
	Fund 8 - Surveying		\$100,000	\$1,894,000
	RDA Area 3		\$700,000	
	CDBG (Fund 26)		\$690,000	
	Prop 1B (Fund 10)		\$404,000	
	Funding		\$1,894,000	
	Projects Total Cost:		\$1,894,000	

**Total Matching Grant Funds(Fund 10) FY 08-09** **\$404,000**

Project Name / Number	Grant Description	Total Project Cost	Total Funding	Available Funds
<b>Project Date: FY2009-2011 (New Project)</b>				
	Clean Cities Program - Purchase of CNG Vehicles and Infrastructure	\$3,178,000		
	Safety Leau Grant (Fund 10)		\$2,542,000	\$448,000
	City Match - Fund 7 (other funds TBD in next FY)		\$636,000	\$100,000
	Projects Total Cost:		\$3,178,000	(\$2,630,000)

**Total Matching Grant Funds(Fund 10) FY 08-09** **\$448,000**

	ACTUAL 2006-2007	BUDGETED 2007-2008	ESTIMATED 2007-2008	REQUESTED 2008-2009
Operating Expenses	\$ 0	\$ 0	\$ 0	\$ 0
Capital Outlay	291,968	6,356,678	3,442,821	852,000
Total	\$ 291,968	\$ 6,356,678	\$ 3,442,821	\$ 852,000

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>DIVISION</b>	<b>DIVISION NO.</b>
Recreation and Community Service Department	10-420

**NARRATIVE**

This section provides a consolidated look at grants funds received from several different funding sources to fund programs as well as capital improvements. Large grant projects such as the Aquatic Center and Heritage Park are placed under the 10-310 Public Works budget. The processing of State level grants are done in this Department and the processing of Federal level grants are done in Public Works and Finance.

	ACTUAL 2006-2007	BUDGETED 2007-2008	ESTIMATED 2007-2008	REQUESTED 2008-2009
Recreation Leader I	2.1	2.1	2.1	2.1

**APPROPRIATIONS**

Operating Expenses	\$ 171,355	\$ 164,500	\$ 70,000	\$ 502,902
Total	\$ 171,355	\$ 164,500	\$ 70,000	\$ 502,902

**SOURCE OF FUNDS**

3697-3699 2000 Park Bond	15,572	0	11,030	-
3697-3700 RZH Block Grant 2001	0	0	0	36,891
3716-4260 NEA Learn Preserv	20,000	0	0	\$ 38,000
3697-3705 2002 Park Bond	2,237	65,000	0	78,400
3697-3706 RZH Block Grant 20	10,988	0	38,083	7,540
Los Angeles County Prop A	0	0	0	300,000
Total	\$ 48,797	\$ 65,000	\$ 49,113	\$ 460,831

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>DIVISION</b>	<b>DIVISION NO.</b>
Recreation and Community Service Department	10-420

**Supporting Information**

<b>4200</b>	<b>OPERATING EXPENSES</b>		<b>\$502,902</b>
XXXX	NEA -2006-2007(New Grant)		\$40,000
10-424-3653	CA Arts Council AS-06-030		\$3,000
10-424-3654	Alliance For CA Traditional Arts (ACTA)		\$6,041
3747	NEA Learning/Arts		\$20,000
	Los Angeles County Prop A - Pool		\$300,000
3697-3705	2002 Park Bond- Projects		\$78,400
	Replacement of Front Doors CC	\$8,500	
	Playground Safety Lighting CC	\$15,000	
	Facility Painting (exterior)	\$50,000	
	Gym Door Repair LP	\$4,900	
3697-3699	2000 Park Bond- Projects		\$11,030
	Park Signage	\$5,000	
	Gym Door Repair LP	\$6,030	
3697-3700	RZH 2001-Requires 30% Match		\$36,891
	Kitchen Cabinets at LP	\$750	
	Gym Door Repair LP	\$7,070	
	Replace AC - CC Park	\$14,000	
	Replacement of Trash Cans/Ftns.	\$15,071	
3697-3706	RZH 2002-		\$7,540
	Replacement of Trash Cans/Ftns.	\$7,540	
<b>TOTAL</b>			<b>\$502,902</b>

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>FUND</b>	<b>FUND NO.</b>
State Gas Tax Fund	11

**NARRATIVE**

This fund is used to account for maintenance work and capital projects associated with impacts from motor vehicle travel in the City. It is also used for capital improvements requiring matching funds for Federal funding (TEA-3) eligibility. Financing is provided by the City's share of State gasoline taxes and special legislation. Gas Tax Funds may be used for street resurfacing, maintenance of local streets, and to supplement street improvements in coordination with upcoming projects.

All grants, including Federal grants and apportionments, are tracked under Fund 10 and are designated for each proposed capital improvement as indicated therein. Funds intended for maintenance are transferred to the Public Works Department for programs in various Public Works Divisions including: Street Maintenance (311), Street Cleaning (343), Street Trees and Parkways (346), Traffic Safety (370), and Traffic Signals (371).

	ACTUAL	BUDGETED	ESTIMATED	REQUESTED
BALANCE SHEET	2006-2007	2007-2008	2007-2008	2008-2009
Beginning Balance	\$ 392,393	\$ 628,428	\$ 628,428	\$ 468,428
Revenues	655,520	560,000	560,000	560,000
Expenses	419,485	501,290	720,000	501,290
Ending Balance	\$ 628,428	\$ 687,138	\$ 468,428	\$ 527,138

**PERSONNEL**

None

**APPROPRIATIONS**

Operating Expenses	\$ 401,290	\$ 401,290	\$ 401,290	\$ 401,290
Capital Outlay	2,058	250,000	100,000	100,000
<b>Total</b>	<b>\$ 403,348</b>	<b>\$ 651,290</b>	<b>\$ 501,290</b>	<b>\$ 501,290</b>

**SOURCE OF FUNDS**

Fund 11	\$ 403,348	\$ 651,290	\$ 501,290	\$ 501,290
<b>Total</b>	<b>\$ 403,348</b>	<b>\$ 651,290</b>	<b>\$ 501,290</b>	<b>\$ 501,290</b>

**11-190 TRANSFERS \$401,290**

0000-4480	Cost Allocation	\$1,290	
0000-4901	Transfer to General Fund	\$400,000	

**11-311 CAPITAL EXPENSES \$100,000**

XXXX-4600	Park Avenue Improvements	\$100,000	
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**TOTAL \$501,290**

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>FUND</b>	<b>FUND NO.</b>
Traffic Safety	13

**NARRATIVE**

This fund is to account for receipts from traffic fines as levied by local courts. A portion of the funds are transferred to the General Fund for traffic safety purposes and the remainder are used by Public Works for traffic safety related expenditures. The fund is required by Section 1463 (b) of the California Penal Code.

	ACTUAL 2006-2007	BUDGETED 2007-2008	ESTIMATED 2007-2008	REQUESTED 2008-2009
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None

**BALANCE SHEET**

Beginning Balance	\$ 206,973	\$ 105,928	\$ 105,928	\$ 25,042
Revenues	164,023	155,000	145,000	145,000
Expenditures	265,068	90,000	225,886	112,300
Ending Balance	\$ 105,928	\$ 170,928	\$ 25,042	\$ 57,742

**APPROPRIATIONS**

Personnel Services	\$ 0	\$ 0	\$ 0	\$ 0
Operating Expenses	265,068	30,000	30,000	30,000
Capital Outlay	0	60,000	195,886	82,300
Total	\$ 265,068	\$ 90,000	\$ 225,886	\$ 112,300

**SOURCE OF FUNDS**

Fund 13	\$ 164,023	\$ 155,000	\$ 145,000	\$ 145,000
Total	\$ 164,023	\$ 155,000	\$ 145,000	\$ 145,000

**TRANSFERS \$30,000**

0000-4901	Transfer to General Fund:	\$30,000	
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**CAPITAL PROJECTS \$82,300**

0000-4600	311 Street Stripping	\$35,000	
	371 Traffic Signals & Modules - Repairs and Replacement	\$35,000	
	1 - Spare Meyer Cabinet 120/240 V.A.C. service @ \$2,000	\$2,000	
	16 loops at \$425 each	\$6,800	
	10 conflict monitors @ \$350 each	\$3,500	

**TOTAL \$112,300**

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>FUND</b>	<b>FUND NO.</b>
Cash In-lieu of Parking Fund	14

**NARRATIVE**

This fund is to account for the revenues and related expenditures from developers or builders who decide to pay a specified amount to the City of San Fernando instead of providing required parking.

During FY 1998-1999, this fund was used to purchase the lot at 1422 San Fernando Road to meet further parking needs. Beginning with FY 1999–2000, plans are to accumulate these funds for parking projects.

	ACTUAL 2006-2007	BUDGETED 2007-2008	ESTIMATED 2007-2008	REQUESTED 2008-2009
<b>PERSONNEL</b>				
None				
<b>BALANCE SHEET</b>				
Beginning Balance	\$ 71,369	\$ 71,369	\$ 71,369	\$ 71,369
Revenues	0	0	0	0
Expenditures	0	0	0	0
Ending Balance	\$ 71,369	\$ 71,369	\$ 71,369	\$ 71,369

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>DIVISION</b>	<b>FUND NO.</b>
Local Transportation	15

**NARRATIVE**

This fund accounts for local pedestrian facility development and improvement funds provided by the State through the Transportation Development Act (TDA) authorized under SB 821. These funds are annually allocated by the Metropolitan Transit Authority (MTA). The funds are designated to be used for capital pedestrian facility improvements such as sidewalks and wheelchair ramps.

	ACTUAL	BUDGETED	ESTIMATED	REQUESTED
BALANCE SHEET	2006-2007	2007-2008	2007-2008	2008-2009
Beginning Balance	\$ 21,948	\$ 27,980	\$ 27,980	\$ 32,914
MTA Revenues	14,254	14,254	14,254	14,254
Expenditures	8,222	27,390	9,320	27,390
MTA Ending Balance	\$ 27,980	\$ 14,844	\$ 32,914	\$ 19,778

**PERSONNEL**

None

**APPROPRIATIONS**

Operating Expenses	\$ 100	\$ 100	\$ 100	\$ 100
Capital Outlay	14,172	25,000	12,000	27,290
Total	\$ 14,272	\$ 25,100	\$ 12,100	\$ 27,390

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>DIVISION</b>						<b>FUND NO.</b>
Local Transportation						15
<b>SOURCE OF FUNDS</b>						
Fund 15		\$ 14,272	\$ 25,100	\$ 12,100	\$ 27,390	
Total		\$ 14,272	\$ 25,100	\$ 12,100	\$ 27,390	
<b>Supporting Information</b>						
<b>15-190 OPERATING EXPENSES</b>					<b>\$100</b>	
0000-4480	Cost Allocation			\$100		
<b>15-310 CAPITAL PROJECTS</b>					<b>\$27,290</b>	
0866-4600	Sidewalk Improvements			\$27,290		
<b>TOTAL</b>					<b>\$27,390</b>	

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>DIVISION</b>	<b>FUND NO.</b>			
Air Quality Management District	16			
<b>NARRATIVE</b>				
<p>This fund is used to account for South Coast Air Quality Management District (SCAQMD) revenues received by the City. Per AB 2766 (1990), a portion of the State Department of Motor Vehicle registration fee (\$4 per vehicle) is distributed to 89 cities in Los Angeles County. Thirty percent of fees collected are kept by the SCAQMD while 40% are distributed to cities. These funds may be used for various programs to reduce air pollution. In FY 07-08 the relocation of the City Yard required the removal of the slow fill CNG station which was previously funded with the MSRC grant. As a result, the City will not be able to obtain reimbursement; the estimated revenues for FY 07-08 reflect reimbursement from other funds to offset the cost previously incurred.</p>				
	<b>ACTUAL</b>	<b>BUDGETED</b>	<b>ESTIMATED</b>	<b>REQUESTED</b>
<b>BALANCE SHEET</b>	<b>2006-2007</b>	<b>2007-2008</b>	<b>2007-2008</b>	<b>2008-2009</b>
Beginning Balance	\$ (29,925)	\$ (59,850)	\$ (59,850)	\$ 30,453
Revenues	30,075	30,114	90,303	30,114
Operating Expenditures	60,000	0	0	60,303
Capital	0	0	0	0
Ending Balance	\$ (59,850)	\$ (29,736)	\$ 30,453	\$ 264
<b>PERSONNEL</b>				
None				
<b>APPROPRIATIONS</b>				
Operating Expenses	\$ 60,000	\$ -	\$ -	\$60,303
Total	\$ 60,000	\$ -	\$ -	\$ 0
<b>SOURCE OF FUNDS</b>				
Fund 16	\$ 60,000	\$ -	\$ -	\$60,303
<b>4500</b>	<b>CAPITAL EXPENSES</b>			<b>\$60,303</b>
	CNG Dump Truck			\$60,303
<b>TOTAL</b>				<b>\$ 264</b>

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>DIVISION</b> Self Sustaining Recreational Activities	<b>FUND NO.</b> 17
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**NARRATIVE**

Fund 17 is a self-sustaining fund which pays salaries, purchases equipment and supplies, and pays instructors on a percentage basis. The activities which generate income and make expenditures through this account include: sports leagues, excursions, day camp and classes, the after school program, the senior clubs, senior trips, and all other revenue generating ventures. An increase in program registrations and facility usage can be noted for the upcoming fiscal year. Income and expenditure forecasts have increased for FY 2007-2008 due mostly to the increase in funding and related costs associated with growth in program participation.

<b>PERSONNEL</b>	<b>ACTUAL 2006-2007</b>	<b>BUDGETED 2007-2008</b>	<b>ESTIMATED 2007-2008</b>	<b>REQUESTED 2008-2009</b>
Senior Counselors (FTE)	2.23	4.30	4.30	4.30
Ops Manager	0.00	0.00	0.00	0.25
Community Svcs Supv.	0.00	0.00	0.00	0.35
Counselor (FTE)	11.54	11.54	11.54	11.54
RCS Coord.	0.00	0.00	0.00	0.60
Program Specialist (FTE)	0.75	0.75	0.75	0.75
Recreation Leaders (FTE)	7.00	7.00	7.00	7.00
Total	19.29	15.84	22.84	24.04

<b>BALANCE SHEET</b>								
Beginning Balance	\$	290,522	\$	277,463	\$	277,463	\$	627,463
Revenue		551,464		676,455		900,000		872,055
Expenditures		564,523		698,521		550,000		879,573
Ending Balance	\$	277,463	\$	255,397	\$	627,463	\$	619,945

<b>APPROPRIATIONS</b>								
Personnel Services	\$	296,693	\$	329,126	\$	320,000	\$	517,243
Operating Expenses		264,734		338,521		338,521		360,830
Capital Outlay		3,096		1,500		1,500		1,500
<b>Total</b>	\$	564,523	\$	669,147	\$	660,021	\$	879,573

<b>SOURCE OF FUNDS</b>								
FUND 17	\$	564,523	\$	669,147	\$	660,021	\$	879,573
<b>TOTAL</b>	\$	564,523	\$	669,147	\$	660,021	\$	879,573

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>DIVISION</b>			<b>FUND NO.</b>
Self Sustaining Recreational Activities			17
<b>4100</b>	<b>PERSONNEL SERVICES</b>		<b>\$517,243</b>
<b>1333</b>	<b>Adult Basketball</b>		\$1,000
4103	Part-Time Wages - Program Specialist	\$ 1,000	
<b>1334</b>	<b>Adult Softball</b>		\$500
4103	Part-Time Wages - Program Specialist	\$500	
<b>1371</b>	<b>Gridly/Morningside</b>		
	Fulltime Salary	\$65,984	\$236,809
	Part-Time Wages	\$170,625	
4105	Overtime	\$200	
<b>1378</b>	<b>O'Melveny/SF</b>		
	Fulltime Salary	\$65,984	\$228,934
	Part-time Wages	\$162,750	
4105	Overtime	\$200	
<b>1397</b>	<b>Facility Attendants</b>		\$6,000
4103	Part-time Staff	\$6,000	
<b>1398</b>	<b>LP Senior Trips</b>		\$5,000
4103	Part-Time Wages	\$5,000	
<b>1399</b>	<b>Day Camp</b>		
4103	Part-time Wages	\$38,000	\$39,000
4105	Overtime	\$1,000	

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>DIVISION</b>		<b>FUND NO.</b>	
Self Sustaining Recreational Activities		17	
<b>OPERATING EXPENSES</b>			<b>\$234,994</b>
<b>1326</b>	<b>Karate</b>		\$4,200
4260	Contracted Services	\$4,200	
<b>1328</b>	<b>Youth Basketball</b>		\$10,000
	Master Plan	\$5,000	
4260	Contracted Services	\$5,000	
<b>1337</b>	<b>Aerobics</b>		\$750
4260	Contracted Services	\$750	
<b>1338</b>	<b>Swim Lessons</b>		\$7,500
	Master Plan	\$7,500	
<b>1339</b>	<b>Senior Line Dance</b>		\$371
4260	Contracted Services	\$371	
<b>1360</b>	<b>MMA/Grant Match</b>		\$5,000
4370	Meetings, Memberships and Travel	\$5,000	
<b>1361</b>	<b>Guitar</b>		\$2,000
4260	Contract Services	\$2,000	
<b>1362</b>	<b>Folklorico</b>		\$5,200
	Master Plan	\$2,500	
4260	Contract Services	\$2,700	
<b>1366</b>	<b>Panama Dance</b>		\$473
4260	Contract Services	\$473	
<b>1371</b>	<b>Gridly/Morningside</b>		\$12,000
4260	Contract Services	\$12,000	
<b>1378</b>	<b>O'Melveny/SF</b>		\$12,000
4260	Contract Services	\$12,000	
<b>1380</b>	<b>LP SR Checkbook</b>		\$65,000
4260	Contract Services	\$65,000	
<b>1382</b>	<b>Park Avenue Club</b>		\$5,000
	Master Plan	\$5,000	
4260	Contract Services		

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>DIVISION</b>			<b>FUND NO.</b>
<b>Self Sustaining Recreational Activities</b>			<b>17</b>
<b>1383</b>	<b>Seniors Fall</b>		\$60,000
4260	Contract Services	\$60,000	
<b>1384</b>	<b>LP Seniors Spring</b>		\$22,500
	Master Plan	\$2,500	
4260	Contract Services	\$20,000	
<b>1397</b>	<b>Facility Attendants</b>		\$9,500
	Master Plan	\$9,500	
<b>1398</b>	<b>LP Senior City Trips</b>		\$8,500
4260	Contract Services	\$6,000	
	Master Plan	\$2,500	
<b>1399</b>	<b>Day Camp</b>	\$5,000	\$5,000

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>DIVISION</b>		<b>FUND NO.</b>	
<b>Self Sustaining Recreational Activities</b>		<b>17</b>	
<b>\$4,300</b>		<b>SUPPLIES EXPENSES</b>	
		<b>\$125,837</b>	
<b>1328</b>	<b>Youth Basketball</b>		\$9,000
4300	Department Supplies	\$9,000	
<b>1333</b>	<b>Adult Basketball</b>		\$1,200
4300	Department Supplies	\$1,200	
<b>1334</b>	<b>Adult Softball</b>		\$1,200
4300	Department Supplies	\$1,200	
<b>1335</b>	<b>Swim Team</b>		\$175
4300	Department Supplies	\$175	
<b>1337</b>	<b>Aerobics</b>		\$250
4300	Department Supplies	\$250	
<b>1339</b>	<b>Senior Line Dance</b>		\$159
4300	Department Supplies	\$159	
<b>1346</b>	<b>Support Group</b>		\$300
4300	Department Supplies	\$300	
<b>1360</b>	<b>MMAP/Grant Match</b>		\$6,000
4370	Meetings, Memberships and Travel	\$5,000	
4300	Department Supplies	\$1,000	
<b>1361</b>	<b>Guitar</b>		\$400
4300	Department Supplies	\$400	
<b>1362</b>	<b>Folklorico</b>		\$900
4300	Department Supplies	\$900	
<b>1366</b>	<b>Panama Dance</b>		\$203
4300	Department Supplies	\$203	
<b>1371</b>	<b>Gridly/Morningside</b>		\$20,000
4300	Department Supplies	\$20,000	
<b>1378</b>	<b>O'Melveny/SF</b>		\$20,000
4300	Department Supplies	\$20,000	
<b>1380</b>	<b>LP SR Checkbook</b>		\$25,000
4300	Department Supplies	\$25,000	
<b>1382</b>	<b>Park Avenue Club</b>		\$700
4300	Department Supplies	\$700	

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>DIVISION</b>			<b>FUND NO.</b>	
<b>Self Sustaining Recreational Activities</b>			<b>17</b>	
<b>1383</b>	<b>Seniors Fall</b>			<b>\$0</b>
4300	Department Supplies		\$0	
<b>1384</b>	<b>LP Seniors Spring</b>			<b>\$0</b>
4300	Department Supplies		\$0	
<b>1385</b>	<b>Teen Council - Youth Services</b>			<b>\$600</b>
4300	Department Supplies		\$600	
<b>1391</b>	<b>TBC</b>			<b>\$250</b>
4300	Department Supplies		\$250	
<b>1397</b>	<b>Facility Attendant</b>		\$16,000	<b>\$16,000</b>
4300	Fourth of July Supplies	\$4,000		
4300	Department Supplies	\$12,000		
<b>1398</b>	<b>LP Senior City Trips</b>			<b>\$10,000</b>
4300	Department Supplies		\$10,000	
<b>1399</b>	<b>Day Camp</b>			<b>\$13,500</b>
4300	Department Supplies		\$13,500	
<b>\$4,500</b>	<b>CAPITAL EXPENSES</b>			<b>\$1,500</b>
4500	Afterschool		\$1,500	\$1,500
<b>TOTAL</b>				<b>\$879,573</b>

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>DIVISION</b>	<b>FUND NO.</b>
Self Sustaining Recreational Activities	17

<b>17- 3770</b>	<b>PROJECTED REVENUE</b>	<b>\$872,055</b>
1320	CYF Committee Newsletter	\$0
1326	Karate	\$3,500
1328	Youth Basketball	\$19,000
1333	Adult Basketball	\$4,000
1334	Adult Softball	\$3,600
1335	Swim Team	\$0
1337	Aerobics	\$1,000
1339	Senior Line Dance	\$530
1342	Soccer-Tiny Tots	\$0
1346	Support Group	\$300
1360	MMAP/Grant Match	\$0
1361	Guitar	\$2,400
1362	Folklorico	\$4,600
1366	Panama Dance	\$675
1371	Gridly/Morningside	\$310,000
1378	O'Melveny/SF	\$250,000
1380	LP SR Checkbook	\$90,000
1382	Park Avenue Club	\$700
1383	Seniors Fall	\$60,000
1384	LP Seniors Spring	\$20,000
1385	Teen Council - Youth Services	\$500
1391	TBC	\$250
1397	Facility Attendants - Facility Payment Fund	\$20,000
1398	LP Senior City Trips	\$16,000
1399	Day Camp	\$65,000
<b>TOTAL PROJECTED REVENUE</b>		<b>\$872,055</b>

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>FUND</b>	<b>FUND NO.</b>
<b>RETIREMENT</b>	<b>18</b>

**NARRATIVE**

This fund is to account for receipts from a voter-approved special tax levy that is used to pay for all costs of the City's membership in the Public Employees Retirement System (PERS). As of Fiscal Year 2003-2004, the City's costs increased significantly due to rising rates in both health insurance premiums and member contributions to PERS. This has continued in succeeding years.

Payment of retired employees health benefits and service charges paid to PERS for administration of the retired employees health insurance is paid directly from the Retirement Fund.

	<b>ACTUAL 2006-2007</b>	<b>BUDGETED 2007-2008</b>	<b>ESTIMATED 2007-2008</b>	<b>REQUESTED 2008-2009</b>
Retirement Expenditures	\$ 2,884,012	\$ 3,267,300	\$ 3,465,453	\$ 3,756,624
<u>Charged costs via other Funds</u>				
<i>Special Funds / Enterprise Funds</i>	364,930	(379,342)	(313,495)	(444,088)
<i>Agency Fund</i>	95,180	(100,800)	(100,800)	(121,458)
Total	\$ 3,344,122	\$ 2,787,158	\$ 3,051,158	\$ 3,191,078

**SOURCE OF FUNDS**

Property Taxes	\$ 2,725,883	\$ 2,545,000	\$ 2,700,000	\$ 2,700,000
Total	\$ 2,725,883	\$ 2,545,000	\$ 2,700,000	\$ 2,700,000

**BALANCE SHEET**

Beginning Balance	\$ 396,615	\$ 251,840	\$ 238,486	\$ (112,672)
Revenues	2,725,883	2,545,000	2,700,000	2,700,000
Expenditures	2,884,012	2,787,158	3,051,158	3,191,078
Ending Balance	\$ 238,486	\$ 9,682	\$ (112,672)	\$ (603,750)

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>FUND</b>	<b>FUND NO.</b>
Quimby Act Fees	19

**NARRATIVE**  
This fund is to account for receipts from developers, who are required under State law to provide and support park facilities.

	ACTUAL 2006-2007	BUDGETED 2007-2008	ESTIMATED 2007-2008	REQUESTED 2008-2009
<b>PERSONNEL</b>				

None

<b>BALANCE SHEET</b>				
Beginning Balance	\$ 85,629	\$ 120,596	\$ 120,596	\$ 397,365
Revenues	34,967	300	348,019	300
Expenses	0	40,000	71,250	0
Ending Balance	\$ 120,596	\$ 80,896	\$ 397,365	\$ 397,665

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>FUND</b>	<b>FUND NO.</b>
<b>Asset Seizure - State</b>	<b>20</b>

**NARRATIVE**

This fund is to account for receipts and disbursements of state seized and forfeited assets used from the sale of controlled substances. During FY 2007-2008, these funds were used to partially fund a police officer. In FY 2008-2009, the cost will revert back to the General Fund and expenditures will include payments for capital expenses. Monthly salary transfers from this fund will not occur in this fiscal year.

	ACTUAL	BUDGETED	ESTIMATED	REQUESTED
APPROPRIATIONS	2006-2007	2007-2008	2007-2008	2008-2009
<b>4200</b>	<b>OPERATING EXPENSES</b>			<b>\$0</b>
<b>4500</b>	<b>CAPITAL EQUIPMENT</b>			<b>\$0</b>

**BALANCE SHEET**

Beginning Balance	\$ 477,673	\$ 145,203	\$ 147,440	\$ 150,240
Revenues	537	1,000	2,800	1,000
Expenditures	330,770	-	-	0
Ending Balance	\$ 147,440	\$ 146,203	\$ 150,240	\$ 151,240

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>FUND</b>	<b>FUND NO.</b>
<b>Asset Seizure - Federal</b>	<b>21</b>

**NARRATIVE**

This fund is to account for receipts and disbursements of federal seized and forfeited assets used from the sale of controlled substances. In past years, this fund contributed to the funding of police officers and the building of the police facility addition. There has been little federal seizure activity in recent years.

	ACTUAL 2006-2007	BUDGETED 2007-2008	ESTIMATED 2007-2008	REQUESTED 2008-2009
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None

<b>4500</b>	<b>CAPITAL EQUIPMENT</b>	<b>\$69,000</b>
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4500	Equipment		
	Law enforcement mobile License Plate Recognition System (LPR)	\$40,000	
	Purchase two eco-friendly Segway's for patrolling our community.	\$14,000	
	Other Equipment (Edgesoft)	\$15,000	

**BALANCE SHEET**

Beginning Balance	\$ 367,777	\$ 380,004	\$ 380,004	\$ 366,004
Revenues	12,227	5,000	76,000	5,000
Expenditures	0	90,000	90,000	69,000
Ending Balance	\$ 380,004	\$ 295,004	\$ 366,004	\$ 302,004

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

**COMMUNITY DEVELOPMENT DEPARTMENT**

**DIVISION NO.**

**Planning/CDBG**

**26-155**

**NARRATIVE**

In FY 2007-2008, a substantial portion of the City's annual allocation of CDBG funds has been set-aside for the payment of a Section 108 Loan as part of the total financing package for the San Fernando Regional Aquatics Facility. This allocation will continue in FY 2008-2009.

In FY 2007-2008, funds were also spent to refurbish park facilities, improve streets, continue the Code Enforcement Program, the Graffiti Removal Program, and for CDBG program administration.

In FY 2008-2009, funds will be spent on improving additional streets, continue the Code Enforcement Program, preservation of the Lopez Adobe, and for CDBG program administration.

	<b>ACTUAL</b>	<b>BUDGETED</b>	<b>ESTIMATED</b>	<b>REQUESTED</b>
<b>PERSONNEL</b>	<b>2006-2007</b>	<b>2007-2008</b>	<b>2007-2008</b>	<b>2008-2009</b>
Community Development Director	0.05	0.03	0.03	0.03
Senior Planner	0.00	0.00	0.00	0.03
Community Preservation Supervisor	0.10	0.00	0.00	0.16
Community Preservation Officer	0.00	0.15	0.15	0.10
Community Preservation Officer	0.50	0.40	0.40	0.17
Community Preservation Officer	0.50	0.40	0.40	0.00
Assistant Planner (Housing)	0.50	0.40	0.40	0.20
Community Development Secretary	0.05	0.00	0.00	0.00
Total	1.70	1.38	1.38	0.69
Personnel Services	\$ 106,888	\$ 133,540	\$ 133,540	\$ 69,550
Operating Expenses	2,129	6,861	6,861	0
Capital Outlay/Loan Expenses	174,069	746,962	746,962	1,526,067
Total	\$ 283,086	\$ 887,363	\$ 887,363	\$ 1,595,617

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

**COMMUNITY DEVELOPMENT DEPARTMENT** **DIVISION NO.**  
**Planning/CDBG** **26-155**

**SOURCE OF FUNDS**

26 CDBG GRANT (34th Year)	\$	283,086	\$	887,363	\$	887,363	\$	1,595,617
Total	\$	283,086	\$	887,363	\$	887,363	\$	1,595,617

**4100 PERSONNEL SERVICES \$69,550**

0334-4101	Salary and benefits: Code Enforcement Project	\$43,756	
0339-4100	Salary and benefits: CDBG Administration	\$25,794	

**4200 OPERATING EXPENSES \$0**

**4400 LOAN EXPENSES \$338,573**

0000-4424	Section 108 Loan-Swimming Pool Facility	\$338,573	
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**4600 CAPITAL OUTLAY \$1,187,494**

0352-4600	Street Improvements (Park Avenue)	\$232,962	
TBD	Street Improvements (CDBG Exchange)	\$619,532	
TBD	Street Improvements (CDBG Exchange)	\$180,000	
0860-4600	Lopez Adobe Preservation Plan	\$155,000	

**TOTAL \$1,595,617**

**Supporting Information**

The following is a summary of approved CDBG expenditures for specific projects and programs in FY '08-09':

Project Number	Description	Amount:
26-155-0000	Section 108 Loan Payback	\$338,573
26-155-0334	Code Enforcement	\$43,756
26-155-0339	Administration	\$25,794
	Total (CDBG 34th Year)	\$ 408,123
26-155-XXXX	Street Improvements	\$232,962
26-155-XXXX	Lopez Adobe Preservation Plan	\$155,000
26-155-XXXX	CDBG Exchange	\$619,532
26-155-XXXX	CDBG Exchange	\$180,000
	Total (CDBG Exchanged Funds)	\$1,187,494
	Total	\$ 1,595,617

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

**FUND NO.**

**Street Lighting Fund**

**27-344**

**NARRATIVE**

The Street Lighting Division maintains and repairs approximately 427 City-owned street lights and circuits and has oversight of the 1,200 street lights within the City of San Fernando that are maintained by Southern California Edison. The City pays Edison for electrical power to all street lighting.

Prior to 1996 and the passage of State Proposition 218, staff annually evaluated street lighting costs and structured annual assessments accordingly. In FY 96-97, as a result of Prop 218, the City held assessment rates fixed since the City could no longer assess higher rates, and this exempted the City from having to comply with the balloting requirements of Prop 218. Costs continued to increase during this time, however, especially after the energy crisis of 2000.

In FY 2007-08, staff continued efforts to equitably distribute the costs of maintaining street lights. Staff increased night time surveys of all street lights and City-owned parking lot lights to twice per year (January and July) to ensure they are in good working condition.

The Electrical Division also provided support for the North Maclay Avenue Streetscape Project on all street lighting that was added or relocated. The Electrical Division will perform inspections of conduits, wire, relays and other electrical components added to the system in compliance with the National Electric Code.

In FY 2008-09, staff will continue efforts to equitably distribute the costs of maintaining street lights. Staff will perform bi-annual night time surveys of all street lights and City-owned parking lot lights each January and July to ensure good working condition. Staff will also perform inspections of conduits, wire, relays and other electrical components of lighting systems to ensure continued compliance with the National Electric Code.

	<b>ACTUAL 2006-2007</b>	<b>BUDGETED 2007-2008</b>	<b>ESTIMATED 2007-2008</b>	<b>REQUESTED 2008-2009</b>
Beginning Balance	\$ 192,422	\$ 143,725	\$ 143,725	\$ 3,725
Revenues	325,445	325,000	325,000	325,000
Expenditures	374,142	339,397	465,000	327,735
Ending Balance	\$ 143,725	\$ 129,328	\$ 3,725	\$ 990

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>Street Lighting Fund</b>				<b>FUND NO.</b>
				<b>27-344</b>
<b>PERSONNEL</b>	<b>ACTUAL 2006-2007</b>	<b>BUDGETED 2007-2008</b>	<b>ESTIMATED 2007-2008</b>	<b>REQUESTED 2008-2009</b>
Public Works Director	0.00	0.05	0.05	0.05
Sr. Management Analyst	0.00	0.00	0.00	0.10
Operations Manager	0.00	0.10	0.10	0.00
City Engineer	0.15	0.05	0.05	0.05
Civil Engineering Assistant II	0.10	0.10	0.10	0.15
Civil Engineering Assistant I	0.05	0.10	0.10	0.00
P.W. Administrative Analyst	0.10	0.10	0.10	0.05
P.W. Superintendent	0.05	0.00	0.00	0.00
P.W. Admin. Coordinator	0.10	0.10	0.10	0.00
Electrical Supervisor	0.30	0.30	0.30	0.25
Sr. Maint. Worker	0.00	0.00	0.00	0.05
P.W. Maint. Worker	0.00	0.10	0.10	0.05
Bldg. Maint. Worker/Elect. Helper	0.30	0.30	0.30	0.00
P. W. Office Specialist	0.00	0.00	0.00	0.15
Total	1.15	1.30	1.30	0.90
<b>APPROPRIATIONS</b>				
Personnel Services	\$ 130,978	\$ 118,597	\$ 130,000	\$ 112,545
Operating Expenses	277,955	220,800	195,000	210,190
Capital Outlay	0	0	0	5,000
Total	\$ 408,933	\$ 339,397	\$ 325,000	\$ 327,735
<b>SOURCE OF FUNDS</b>				
27 Street Lighting Fund	\$ 408,933	\$ 339,397	\$ 325,000	\$ 327,735
Total	\$ 408,933	\$ 339,397	\$ 325,000	\$ 327,735
<b>Supporting Information</b>				
<b>4100 PERSONNEL SERVICES</b>				<b>\$112,545</b>
4100	Personnel Costs		\$110,545	
4105	Overtime - for street light surveys and knockdowns		\$2,000	

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>Street Lighting Fund</b>			<b>FUND NO. 27-344</b>
<b>4200 OPERATING EXPENSES</b>		<b>\$210,190</b>	
4210	Utilities	\$145,000	
4260	Contractual Services	\$23,000	
	Street Lighting Dist. proceedings	\$7,500	
	County Assessors Office	\$1,200	
	Light poles and pull boxes	\$800	
	Repairs to damaged street lights	\$10,000	
	Capital equipment improvements	\$3,500	
4300	Department Supplies	\$10,440	
	Ballast kit replacement 25 @		
0301-4300	\$120	\$2,500	
0301-4300	Lamps 80 @ \$18.00	\$1,440	
0301-4300	Photo electric cells 10 @ \$10.00	\$100	
0301-4300	Manhole cover plates	\$200	
0301-4300	Misc. lenses, conduit, fuses, wire, paint, hardware, timers, etc.	\$3,500	
0301-4300	Replacement of steel poles	\$2,100	
0301-4300	Fuel	\$500	
0301-4300	Slurry seal & cement	\$100	
4320	Department Equipment Maintenance	\$1,200	
4340	Small Tools	\$750	
4480	Cost Allocation	\$29,800	
<b>4500 CAPITAL EXPENSES</b>		<b>\$4,000</b>	
4600	Capital Equipment Knockdown Replacement	\$4,000	
<b>TOTAL</b>			<b>\$326,735</b>

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

**FUND NO.**

**Parking M&O - Off Street**

**29-335**

**NARRATIVE**

The Off-Street Parking Maintenance and Operations Division is responsible for the scheduled routine maintenance and cleaning of all City parking facilities as well as maintenance and operation of metered parking spaces throughout the City. It provides for collection of meter monies and repair or replacement of broken and vandalized parking meters. The Division performs maintenance of all signage in parking facilities and at metered parking spaces, and does annual parking stall striping.

This Division performs maintenance of landscaping at parking facilities including planting of annuals and perennials, and irrigation system maintenance. It performs cleaning of trash bin enclosures including high pressure steam cleaning to remove grease and other oily residues and high pressure steam cleaning of parking lots. The Division coordinates with the Electrical Division to maintain parking lot lighting, Edison metered services, lighting panel timers and photo cells.

In FY 2008-2009, the Division will continue maintenance duties associated with City parking lots, and continue replacement of smaller capacity parking meters with larger capacity meters. The Division will also begin a program to convert existing landscaping at parking lots to drought tolerant landscaping.

<b>BALANCE SHEET</b>	<b>ACTUAL 2006-2007</b>	<b>BUDGETED 2007-2008</b>	<b>ESTIMATED 2007-2008</b>	<b>REQUESTED 2008-2009</b>
Beginning Balance	\$ (67,814)	\$ (24,217)	\$ (24,217)	\$ (14,217)
Revenues	277,229	265,000	265,000	265,000
Expenditures	233,632	270,104	255,000	246,000
Ending Balance	\$ (24,217)	\$ (29,321)	\$ (14,217)	\$ 4,783

**CITY OF SAN FERNANDO**  
**REQUESTED BUDGET**  
**FY 2008-2009**

				<b>FUND NO.</b>
<b>Parking M&amp;O - Off Street</b>				<b>29-335</b>
<b>PERSONNEL</b>	<b>ACTUAL 2006-2007</b>	<b>BUDGETED 2007-2008</b>	<b>ESTIMATED 2007-2008</b>	<b>REQUESTED 2008-2009</b>
PW Administrative Analyst	0.00	0.00	0.00	0.05
Sr. Maintenance Worker	0.00	0.00	0.00	0.25
PW Maintenance Worker	0.00	0.00	0.00	1.00
Electrical Technician	0.10	0.05	0.05	0.05
PW Field Supervisor	0.20	0.25	0.25	0.00
PW Field Supervisor II	0.00	0.00	0.00	0.25
Electrical Supervisor	0.00	0.00	0.00	0.05
Bldg Maint Worker/Elec. Helper	0.00	0.15	0.15	0.05
PW Superintendent	0.00	0.10	0.10	0.05
Sr. Management Analyst	0.00	0.05	0.05	0.00
PW Maintenance Helper	0.10	0.05	0.05	0.00
Public Works Director	0.05	0.05	0.05	0.05
City Engineer	0.00	0.05	0.05	0.05
PW Office Specialist	0.00	0.00	0.00	0.10
Meter Technician	0.30	0.40	0.40	0.25
PW Operations Manager	0.05	0.05	0.05	0.05
Total	0.80	1.20	1.20	2.25
<b>APPROPRIATIONS</b>				
Personnel Services	\$ 159,046	\$ 183,484	\$ 183,484	\$242,768
Operating Expenses	74,586	86,620	71,516	85,620
Total	\$ 233,632	\$ 270,104	\$ 255,000	\$ 328,388
<b>SOURCE OF FUNDS</b>				
Parking M&O Fund	\$ 233,632	\$ 270,104	\$ 255,000	\$ 328,388
Total	\$ 233,632	\$ 270,104	\$ 255,000	\$ 328,388

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

			FUND NO.
<b>Parking M&amp;O - Off Street</b>			<b>29-335</b>
<b>4100 PERSONNEL SERVICES</b>		<b>\$242,768</b>	
4100	Personnel Costs		\$238,518
4105	Overtime		\$4,250
	Maintenance of Parking meters	\$1,500	
	Lighting Maintenance	\$1,000	
	Parking lot and planter maintenance and repairs	\$1,750	
<b>4200 OPERATING EXPENSES</b>		<b>\$75,620</b>	
4210	Utilities		\$19,250
4250	Rents & Leases		\$500
4260	Graffiti abatement		\$1,500
4300	Department Supplies		\$8,750
0301-4300	Parking Meter parts	\$2,250	
0301-4300	Misc. supplies for parking meter repair	\$1,500	
0301-4300	Parking Meter Batteries	\$1,500	
0301-4300	supplies, & lamps	\$2,000	
0301-4300	Landscape Maintenance	\$1,500	
4300	Permit Parking Expenses		\$500
4320	Equipment Maintenance Parking meter repair, replacement of damaged poles, battery replacement and related equipment repairs to backpack blowers and paint striping machine.		\$500
4340	Small Tools Replacement of worn out tools & new equipment.		\$250
4430	Activities and Programs Re-striping of parking stalls Seasonal plants for planters Trip hazard abatement		\$2,000
4480	Cost Allocation		\$37,870

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

			<b>FUND NO.</b>
<b>Parking M&amp;O - Off Street</b>			<b>29-335</b>
4901	Transfer to: 01-320-0335-4400 Equipment Maintenance Repair of vehicles and equipment.	\$4,500	
<b>4500</b>	<b>CAPITAL EXPENSES</b>		<b>\$10,000</b>
4500	Capital Equipment Replacement blower or sprayer	\$500	
4600	Capital Projects Replacement of Parking Meters and installation of new sleeves. Replacement of existing landscaping with drought tolerant plants	\$9,500	
		\$6,500	
		\$3,000	
<b>TOTAL</b>			<b>\$328,388</b>

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>FUND</b>	<b>FUND NO.</b>
State of Emergency	40

**NARRATIVE**

This fund is to account for the receipts and disbursements of disaster fund assistance as a result of the January 1994 earthquake. Reimbursement for all earthquake related projects has been vigorously sought. In Fiscal Year 2002-2003, the City was able to recover over \$200,000 from the Federal Emergency Management Agency (FEMA), however, it is anticipated that the general fund will eventually transfer an amount which will offset the remaining expenditures.

	ACTUAL 2006-2007	BUDGETED 2007-2008	ESTIMATED 2007-2008	REQUESTED 2008-2009
<b>PERSONNEL</b>				

None

**BALANCE SHEET**

Beginning Balance	\$ (136,663)	\$ (136,663)	\$ (136,663)	\$ (136,663)
Revenues	0	0	0	0
Expenditures	0	0	0	0
Ending Balance	\$ (136,663)	\$ (136,663)	\$ (136,663)	\$ (136,663)

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>FUND</b>	<b>FUND NO.</b>
Equipment Replacement Fund	41

**NARRATIVE**

The Equipment Replacement Fund (ERF) is a financial tool to accommodate for the orderly replacement of existing equipment that also includes a payback mechanism to replenish the fund. Payback occurs by charging the department making the purchase an annual amount equal to the replacement value divided by the useful life of the equipment. The replacement value is calculated by using the purchase price plus 5% estimated compounded increase in future cost.

	ACTUAL 2006-2007	BUDGETED 2007-2008	ESTIMATED 2007-2008	REQUESTED 2008-2009
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None

**BALANCE SHEET**

Beginning Balance	\$ 275,264	\$ 231,279	\$ 231,279	\$ 313,217
Revenues	219,120	200,000	211,938	205,000
Expenditures	263,105	200,000	130,000	269,000
Ending Balance	\$ 231,279	\$ 231,279	\$ 313,217	\$ 249,217

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>FUND</b>	<b>FUND NO.</b>
<b>Pavement Management</b>	<b>50</b>

**NARRATIVE**

The pavement management fund is a direct transfer from the sewer and water fund and proceeds from refuse towards street improvements.

<b>BALANCE SHEET</b>	<b>ACTUAL 2006-2007</b>	<b>BUDGETED 2007-2008</b>	<b>ESTIMATED 2007-2008</b>	<b>REQUESTED 2008-2009</b>
Beginning Balance	\$ 203,968	\$ 628,442	\$ 628,442	\$ 73,674
Revenues	485,299	410,000	449,000	449,000
Expenditures	60,825	300,000	1,003,768	500,000
Ending Balance	\$ 628,442	\$ 738,442	\$ 73,674	\$ 22,674

**APPROPRIATIONS**

Capital Outlay	\$ 60,825	\$ 300,000	\$ 1,003,768	\$ 500,000
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**SOURCE OF FUNDS**

Impact Fees	\$ 485,299	\$ 410,000	\$ 449,000	\$ 449,000
Total	\$ 485,299	\$ 410,000	\$ 449,000	\$ 449,000

<b>311 - 4900</b>	<b>TRANSFERS</b>	<b>\$500,000</b>
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4600	CDBG Purchases and Capital Projects	\$500,000	
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<b>TOTAL</b>		<b>\$500,000</b>
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**Draft General Fund Budget Requests  
& Recommendations**

**Enterprise Funds**

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>FUND ENTERPRISE</b>	<b>FUND NO 70-72-73</b>
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**Fund 70 - Water**

The Administrative Division is responsible for all aspects of the Water Department, overseeing production, procurement, and conservation of safe potable water for the City's residential and business community. The Water Production Division is responsible for all operations and maintenance of the City's four wells, three booster pump stations, four reservoirs and two pressure regulation stations. All the wells are in the Sylmar area with power being supplied by the Los Angeles Department of Water and Power (LADWP). Imported water is purchased from Metropolitan Water District (MWD) of Southern California to supplement the local ground water supplies. There is also one six-inch emergency connection to the City from LADWP water systems. The Water Distribution Division is responsible for providing water to all City water customers in sufficient quantities to meet domestic and fire service demands; maintenance of approximately 66.5 miles of water mains, and 5,049 water services and 547 fire hydrants. The Division also installs new services (domestic and fire) that are ordered for new structures or demands by land use changes.

**Fund 72 - Sewer**

The Sewer Maintenance Division performs maintenance of the City's sanitary sewer system by scheduled routine cleaning of sewer main lines and manholes. The sewer system is made up of approximately 40 miles (215,915 linear feet) of mains and over 800 manholes. The City contracts with the City of Los Angeles for sewage treatment and disposal. Since 1985, the City has contracted with the County of Los Angeles for the enforcement of the City's Industrial Waste Program. Industrial waste permit fees cover the cost of this program.

**Fund 73 - Refuse**

The Solid Waste Management (SWM) Division provides single-family residential solid waste collection services and administration of the City's Source Reduction and Recycling Element (SRRE) and Household Hazardous Waste Element (HHWE) plans. The SRRE, mandated by State Assembly Bill 939, describes how the City planned to reduce the amount of solid waste land filled 25 percent by 1995, and 50 percent by the year 2000. Additionally, State Senate Bill 1066 also mandates that jurisdictions maintain a 50% diversion rate after the year 2000 and continue to implement SRRE programs. The goal of the HHWE is to reduce the amount and toxicity of solid waste land filled.

		ACTUAL	BUDGETED	ESTIMATED	REQUESTED
SUMMARY OF APPROPRIATIONS:		2006-2007	2007-2008	2007-2008	2008-2009
70	Water	\$ 3,218,644	\$ 3,855,278	\$ 2,748,373	\$ 3,988,602
72	Sewer	2,996,155	3,507,152	2,933,904	3,452,052
73	Refuse	1,264,256	1,244,125	962,684	1,161,594
Total		\$ 7,479,055	\$ 8,606,555	\$ 6,644,961	\$ 8,602,248

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>DIVISION</b>	<b>DIVISION NO.</b>
<b>Water Administration</b>	<b>70-381</b>

**NARRATIVE**

The Water Administration Division is responsible for all aspects of the Water Department overseeing production, procurement, distribution, and conservation of safe portable water for the City's residential and business community.

In FY 2006-2007, the budget included the following mandated programs:

1. State Department of Health Services, Health and Safety Code Section 116470, Part B, Consumer Confidence Report (CCR), Environmental Protection Agency (EPA), Code of Federal Regulations (CFR), 141153 Section D, Domestic water quality and monitoring regulations.
2. Assembly Bill 2995, State Department of Health Services Regulatory Fees.

In FY 2007-2008 , the Division continued to fund all mandatory programs. Purchases were completed of replacement handheld radios. An aggressive water conservation plan was prepared by staff and began implementation.

For FY 2008-2009, the Division will continue to fund all mandatory programs. Line items were added to ensure maintenance of hand held meter reading equipment. Staff will continue implementation of a water conservation plan.

<b>BALANCE SHEET</b>	<b>ACTUAL 2006-2007</b>	<b>BUDGETED 2007-2008</b>	<b>ESTIMATED 2007-2008</b>	<b>REQUESTED 2008-2009</b>
Beginning Balance	\$ 2,689,328	\$ 2,435,822	\$ 2,435,822	\$ 2,236,820
<b>Revenues</b>	2,965,136	2,900,000	2,900,000	3,200,000
70-381				1,002,608
70-382				394,538
70-383				913,035
70-384				1,678,422
<b>Total Expenditures</b>	3,218,642	3,855,278	3,099,002	3,988,602
Ending Balance	\$ 2,435,822	\$ 1,480,544	\$ 2,236,820	\$ 1,448,218

<b>PERSONNEL</b>				
Public Works Director	0.30	0.20	0.20	0.20
City Engineer	0.20	0.05	0.05	0.05
Operations Manager	0.00	0.10	0.10	0.10
Management Analyst	0.00	0.05	0.05	0.05

**CITY OF SAN FERNANDO**  
**REQUESTED BUDGET**  
**FY 2008-2009**

<b>DIVISION</b>					<b>DIVISION NO.</b>
<b>Water Administration</b>					<b>70-381</b>
Civil Engineering Assistant II	0.00	0.10	0.10	0.10	0.10
Civil Engineering Assistant I	0.00	0.30	0.30	0.30	0.30
Administrative Assistant	0.15	0.10	0.10	0.10	0.10
Office Specialist	0.00	0.00	0.00	0.00	0.00
P.W. Superintendent	0.40	0.20	0.20	0.20	0.15
P.W. Field Supervisor	0.10	0.35	0.35	0.35	0.00
P.W. Field Supervisor II	0.00	0.30	0.30	0.30	0.35
P.W. Admin. Coordinator	0.50	0.25	0.25	0.25	0.25
P.W. Office Specialist	0.00	0.15	0.15	0.15	0.00
P.W. Program Specialist - PT	0.00	0.30	0.30	0.30	0.00
Maintenance Worker	0.05	0.25	0.25	0.25	0.25
P.W. Maintenance Helper - PT	0.00	0.20	0.20	0.20	0.00
Sr. Account Clerk	0.00	0.10	0.10	0.10	0.10
Account Clerk	0.00	0.15	0.15	0.15	0.15
Total	1.70	3.15	3.15	3.15	2.15
	<b>ACTUAL</b>	<b>BUDGETED</b>	<b>ESTIMATED</b>	<b>REQUESTED</b>	
<b>APPROPRIATIONS</b>	<b>2006-2007</b>	<b>2007-2008</b>	<b>2007-2008</b>	<b>2008-2009</b>	
Personnel Services	\$ 203,033	\$ 306,649	\$ 240,000	\$ 335,768	
Operating Expenses	471,286	497,090	450,000	525,840	
Capital Outlay	4,773	42,300	5,314	34,200	
Transfers	108,000	119,600	17,967	106,800	
Total	\$ 787,092	\$ 965,639	\$ 713,281	\$ 1,002,608	
<b>SOURCE OF FUNDS</b>					
Water Fund	\$ 787,092	\$ 965,639	\$ 713,281	\$ 1,002,608	
Total	\$ 787,092	\$ 965,639	\$ 713,281	\$ 1,002,608	
<b>4100</b>	<b>PERSONNEL SERVICES</b>				<b>\$335,768</b>
4101	Personnel Costs		\$326,204		
4105	Overtime		\$9,564		

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>DIVISION</b>	<b>DIVISION NO.</b>
<b>Water Administration</b>	<b>70-381</b>

<b>4200</b>	<b>OPERATING EXPENSES</b>	<b>\$525,840</b>
4210	Utilities	\$6,500
	Edison (120 Macneil Street) \$4,500	
	Gas Company \$2,000	
4220	Telephone	\$0
4260	Contractual Services	\$78,000
	Legal water consultant \$4,000	
	Water quality consultant \$5,000	
	Vector Control Gophers \$3,000	
	Water Conservation Plan \$55,000	
	Underground Service Alert membership \$1,000	
	Edgesoft System \$10,000	
4290	Office Equipment Maintenance	\$1,750
	Annual copier lease & maintenance \$1,000	
	Misc. repair of computer & office equipment. \$750	
4300	Department Supplies	\$2,750
	Office Supplies \$2,750	
4320	Department Equipment Maintenance	\$3,500
	Maintenance of handheld meters \$1,500	
	Maintenance of electronic equipment \$2,000	
4360	Personnel Training	\$9,000
	Map Training - Removed FY07-08 \$0	
	Team Building Workshops \$3,000	
	Employee Training \$3,000	
	Tuition Reimbursement \$3,000	

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>DIVISION</b>			<b>DIVISION NO.</b>
<b>Water Administration</b>			<b>70-381</b>
4370	Meetings, membership & travel: AWWA conference meeting and travel to Water utilities meetings; Joint venture fund (MWD) Memberships, personnel training & Meetings Foundation for Cross Connection Control and Hydraulic Research		\$1,500
4380	Subscriptions / Dues & Memberships		\$4,850
	AWWA memberships	\$500	
	Annual WCC Dues	\$2,300	
	Division of Utilities	\$1,250	
	Cross connection control certification (3 @ \$150)	\$450	
	Water treatment and distribution certification	\$350	
4400	Fuel and Vehicle Maintenance		\$15,000
4405	Interest only payments to Sewer Fund		\$20,000
4430	Activities & Programs	\$1,000	\$8,500
	Office supplies, equipment & postage		
	Annual Consumer Confidence Report for all water customers	\$7,500	
4450	Other Expenses Property taxes for well and reservoir sites	\$15,000	\$35,000
	Payment to DHS (AB 2995) regulatory fees	\$20,000	
4480	Cost Allocation		\$339,490
<b>4500</b>	<b>CAPITAL EXPENSES</b>		<b>\$34,200</b>
4500	Capital Equipment		\$34,200
	New ergonomic office chairs (3)	\$1,000	
	Two - new computer station with monitor, to replace old systems	\$2,600	
	Computer software	\$28,000	
	Replace two old computer monitor	\$600	
	Backup handheld radios	\$2,000	

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>DIVISION</b>		<b>DIVISION NO.</b>	
<b>Water Administration</b>		<b>70-381</b>	
<b>4900</b>	<b>TRANSFERS</b>	<b>\$106,800</b>	
4900	Transfer to General Fund 01-3995	\$6,800	
4901	Transfer Accounts For 01-390		
	City Yard fire extinguisher maintenance: \$300		
	City Yard Rug & rags service: \$1,000		
	City Yard Janitorial service: \$2,000		
	Carpet Cleaning: \$1,000		
	Transfer for 01-390 \$1,000		
	Supplies Miscellaneous repairs (city yard):		
	Transfer for 01-390 \$1,000		
	Maint. & Repair Alarm maint. Alarm Co (city yard):		
	Miscellaneous repairs \$500		
4950	Transfer to Pavement Management Fund	\$100,000	
<b>TOTAL</b>		<b>\$1,002,608</b>	

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>DIVISION</b>	<b>DIVISION NO.</b>
Utility Billing	70-382

**NARRATIVE**

The Utility Billing Division provides customer service and utility billing for water, sewer, refuse, recycling, fire service, and hydrants on private property. Meters are read and customers are billed every two months. Water meters are read using an automated system including a hand-held meter reader, computer, and software interfaced with our computer system.

The Division also prepares notices for delinquent accounts. Accounts not paid in the month in which the bills are issued become delinquent. Staff prepare and mail a second bill to overdue accounts with notification of turn-off policies if charges are not paid in full by the third week of the month in which they became delinquent. Approximately three working days before a scheduled turn-off date, a final notice is delivered by messenger to every unit on the premises.

In FY 2007-2008, the Water Division purchased and implemented use of a new handheld computer system.

In FY 2008-2009, the Water Utility Billing Division will expand use of the Eden computer system to track water usage and identify aging meters for replacement. Timely scheduled replacement of water meters will allow for more accurate billing and prevent loss of revenues.

<b>PERSONNEL</b>	<b>ACTUAL 2006-2007</b>	<b>BUDGETED 2007-2008</b>	<b>ESTIMATED 2007-2008</b>	<b>REQUESTED 2008-2009</b>
PW Field Supervisor	0.00	0.00	0.00	0.00
PW Field Supervisor II	0.30	0.30	0.30	0.30
SR Account Clerk	0.90	0.90	0.90	0.90
Account Clerk	0.60	0.60	0.60	0.60
Administrative Assistant	0.10	0.10	0.10	0.10
P.W. Office Specialist	0.00	0.00	0.00	0.00
P.W. Admin. Coordinator	0.25	0.25	0.25	0.25
Maintenance Worker	0.25	0.25	0.25	0.25
Management Analyst	0.10	0.10	0.10	0.10
Civil Engineering Assistant II	0.00	0.00	0.00	0.00
Civil Engineering Assistant I	0.20	0.20	0.20	0.20
P.W. Superintendent	0.10	0.10	0.10	0.10
Meter Technician	0.10	0.10	0.10	0.10
Water/Backflow Tech	0.05	0.05	0.05	0.05
City Engineer	0.00	0.00	0.00	0.00
P.W. Maintenance Helper - PT	0.04	0.05	0.05	0.00
Total	2.99	3.00	3.00	2.95

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>APPROPRIATIONS</b>		<b>ACTUAL 2006-2007</b>	<b>BUDGETED 2007-2008</b>	<b>ESTIMATED 2007-2008</b>	<b>REQUESTED 2008-2009</b>
Personnel Services		\$ 235,841	\$ 232,241	\$ 240,000	\$ 337,938
Operating Expenses		45,862	50,500	35,000	53,000
Capital Outlay		0	3,600	0	3,600
Transfers		2,000	2,000	1,833	0
Total		\$ 283,703	\$ 288,341	\$ 276,833	\$ 394,538
<b>SOURCE OF FUNDS</b>					
70	Water Fund	\$ 283,703	\$ 288,341	\$ 276,833	\$ 394,538
Total		\$ 283,703	\$ 288,341	\$ 276,833	\$ 394,538
<b>4100</b>	<b>PERSONNEL SERVICES</b>				<b>\$337,938</b>
4100	Full time Salaries			\$335,938	
4105	Overtime, includes OT for update of meter reports			\$2,000	
<b>4200</b>	<b>OPERATING EXPENSES</b>				<b>\$53,000</b>
4260	Contractual Services			\$5,000	
4300	Department Supplies		\$7,500	\$15,000	
	Special forms, utility bills & computer supplies				
	Office Supplies		\$7,500		
	Postage for mailing bills, envelopes & office supplies				
4320	Equipment Maintenance			\$10,500	
	Hand Held Technical Support		\$4,000		
	Eden Utility Billing Technical Support		\$6,500		
4400	Fuel and Vehicle Maintenance			\$2,500	
4471	Computer Service Charges- transfer to Gen. Fund			\$20,000	
<b>4500</b>	<b>CAPITAL EXPENSES</b>				<b>\$3,600</b>
4500	Capital Equipment			\$3,600	
	New computer station or upgrade existing system to work with utility billing systems		\$2,600		
	Computer software for project		\$1,000		
<b>TOTAL</b>					<b>\$394,538</b>

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>DIVISION</b>	<b>DIVISION NO.</b>
<b>Water Distribution</b>	<b>70-383</b>

**NARRATIVE**

The Water Distribution Division is responsible for providing water to all City water customers in sufficient quantities to meet domestic and fire service demands. This includes maintenance of approximately 66.5 miles of water mains, 5,264 water services and 548 fire hydrants. The Division is also responsible for installing new domestic services and new fire protection services ordered by customers.

In FY 2006-2007, the Division replaced 300 dead and/or defective water meters, performed 150 repairs of service laterals, repaired 3 main leaks and upgraded or repaired 8 fire hydrants. The Division installed 20 new domestic services and replaced 10 existing galvanized services with cooper. These production numbers include services and preparations made in support of the Maclay Avenue Streetscape Project. The Division also support to the City Yard move by installing 300 feet of new water service to the Public Works Equipment Yard on Robert F. Kennedy Drive, and installed new service to 120 Macneil Street.

In FY 2007-08, the Water Distribution Division continued a water meter replacement and fire hydrant upgrade program. The Division continued an annual purchase of safety equipment and purchase of new reflective safety coveralls for all Division personnel. The Water Division also continued implementation of a test program of an Automated Meter Read (AMR) System. Under object code 4600 Capital Projects, the Division performed ductile iron pipe (DIP) water main replacements.

In FY 2008-09, the Water Distribution Division will continue a water meter replacement and fire hydrant upgrade program. Water meter replacement will be performed monthly by staff for broken or "dead" meters; a contractor will be used quarterly for scheduled replacement of meters older than 10 to 15 years, resulting in more accurate readings and prevention of revenue loss. The Division also plans to complete installation of a nitrate filtration system.

<b>PERSONNEL</b>	<b>ACTUAL 2006-2007</b>	<b>BUDGETED 2007-2008</b>	<b>ESTIMATED 2007-2008</b>	<b>REQUESTED 2008-2009</b>
Meter Technician	0.30	0.25	0.25	0.05
Administrative Assistant	0.00	0.10	0.10	0.10
P.W. Director	0.00	0.05	0.05	0.20
P.W. Superintendent	0.20	0.50	0.50	0.40

**CITY OF SAN FERNANDO  
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P.W. Field Supervisor II	0.30	0.35	0.35	0.30	
PW Field Supervisor	1.40	1.00	1.00	0.00	
P.W. Maintenance Worker	1.35	2.10	2.10	1.60	
P.W. Sr Maintenance Worker	0.00	0.10	0.10	0.30	
City Engineer	0.00	0.05	0.05	0.05	
Operations Manager	0.00	0.05	0.05	0.15	
Backflow/Pump Op	0.40	0.40	0.40	0.40	
P.W. Admin. Coordinator	0.00	0.05	0.05	0.05	
P.W. Office Specialist	0.00	0.05	0.05	0.00	
Civil Engineering Assistant II	0.00	0.05	0.05	0.20	
Civil Engineering Assistant I	0.00	0.20	0.20	0.00	
Master Mechanic	0.00	0.05	0.05	0.05	
Mechanical Helper	0.00	0.05	0.05	0.05	
Total	3.95	5.40	5.40	3.90	
<b>ACTUAL BUDGETED ESTIMATED REQUESTED</b>					
<b>APPROPRIATIONS</b>					
	<b>2006-2007</b>	<b>2007-2008</b>	<b>2007-2008</b>	<b>2008-2009</b>	
Personnel Services	\$ 382,311	\$ 413,934	\$ 400,000	\$ 498,275	
Operating Expenses	593,435	310,760	270,000	319,760	
Capital Outlay	90,257	126,000	78,424	95,000	
Transfers	8,000	8,000	7,333	0	
Total	\$ 1,074,003	\$ 858,694	\$ 755,758	\$ 913,035	
<b>SOURCE OF FUNDS</b>					
70	Water Fund	\$ 1,074,003	\$ 858,694	\$ 755,758	\$ 913,035
	Total	\$ 1,074,003	\$ 858,694	\$ 755,758	\$ 913,035
<b>4100</b>		<b>PERSONNEL SERVICES</b>			<b>\$498,275</b>
4100	Personnel Costs		\$461,475		
4101	Special Project Pay		\$8,000		
4101	Inspector Pay		\$1,300		
4105	Overtime		\$27,500		

**CITY OF SAN FERNANDO  
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FY 2008-2009**

<b>4200</b>		<b>OPERATING EXPENSES</b>	<b>\$319,760</b>
4250	Rents & Leases Forklift, barricades, steel plates, pumps, comp.		\$1,500
4260	Contractual Services		\$34,500
	Hot taps for new connections	\$1,500	
	Graffiti Abatement	\$2,500	
	Sidewalk repair for service & fire hydrants	\$3,000	
	Utility trench repair (slurry & pavement)	\$15,000	
	Backflow testing and Repair	\$5,000	
	Construction Management. Services	\$7,500	
4270	Professional Services		\$2,500
4300	Department Supplies		\$43,500
0301-4300	Office Supplies	\$1,500	
0301-4300	Material for Trench Repairs	\$5,000	
0301-4300	Type K copper tubing, 3/4"-2" dia., ductile iron pipe, 6"-12" gate valves, 4"-12", cast iron & ductile iron fittings, crosses, reducers, tees, repair clamps, couplings	\$27,000	
0301-4300	Backflow supplies and devices	\$10,000	
4310	Equipment and Supplies		\$6,120
	Uniform Replacements 4 @ \$200	\$800	
	Uniform new 1 @ \$500	\$500	
	Jacket 1 @ \$65	\$65	
	Safety boots/shoes 5 prs @ \$135	\$675	
	Rain Gear 4 @ \$120	\$480	
	Safety Gear 4 @ \$100	\$400	
	Service Volunteer gear 5 @ \$40	\$200	
	Safety Equipment	\$3,000	
4320	Equipment Maintenance		\$3,540
	Distribution Truck	\$2,540	
	Miscellaneous equipment repair for customer service truck	\$1,000	

**CITY OF SAN FERNANDO**

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**FY 2008-2009**

4340	Small Tools		\$2,500	
	Water 4 Truck Small Tools	\$1,000		
	Distribution Truck	\$1,500		
4360	Personnel Training		\$1,600	
4400	Fuel and Vehicle Maintenance		\$9,000	
4820	Depreciation Expenses		\$215,000	
<b>CAPITAL EXPENSES/PROJECTS</b>			<b>\$95,000</b>	
4500	Capital Equipment		\$29,000	
	Traffic Safety Trench Plate	\$2,000		
	Traffic Safety Signage	\$12,000		
	Replacement equipment: 3/4" to 2" taping machine; 2" suction pump; water jet accessory for valve truck; 2" boring machine	\$15,000		
	Replacement of Heavy Duty Dump Truck (City Vehicle #PW0873 w/ COG fueled truck (20% of \$120,000 total cost)	\$0		
	Replacement of two F150 utility trucks w/ electric vehicle (20% of \$30,000 total cost)	\$0		
	Replacement of two F150 utility trucks w/ small utility vehicle (20% of \$34,000 total cost)	\$0		
	Utility vehicle accessories: trailer, hitches, etc.	\$0		
4600	Water Distribution Projects for FY 07		\$66,000	
0700-4600	Water Meter Replacement Program	\$50,000		
0701-4600	Fire Hydrant Upgrade Program	\$16,000		
<b>TOTAL</b>			<b>\$913,035</b>	

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

**DIVISION**

**DIVISION NO.**

**Water Production**

**70-384**

**NARRATIVE**

The Water Production Division is responsible for all operations and maintenance of the City's four wells, three booster pump stations, four reservoirs and two pressure regulation stations. All the wells are in the Sylmar area with power being supplied by the Los Angeles Department of Water and Power (LADWP). Imported water is purchased from Metropolitan Water District (MWD) of Southern California to supplement the local ground water supplies. There are also two emergency connections to the City from LADWP water systems.

In FY 2006-07, the Water Production Division purchased 800 acre-feet of MWD water to meet our Tier 1 Contract Obligation as well as to supplement our ground water supply. MWD rates for FY 2005-06 were \$451 per acre-foot of water. Also, the Division purchased a utility van to replace existing vehicle WA 4119.

In FY 2007-2008, the Water Production Division did not purchase any surplus MWD water due to current assessment of groundwater storage credits with the Upper Los Angeles River Water Area (ULARA). Current storage is equal to 1,298 acre feet. The Division upgraded software for the SCADA computer which monitors water production. Three new portable generators were purchased for use in case of power outage to ensure adequate water availability. The Division also continued development of a water conservation program including the Ultra Low Flow Toilet (ULFT) Rebate Program.

In FY 2008-2009, the Water Production Division plans to purchase approximately 783 acre feet of MWD water to meet Tier 1 contract obligation as well as to supplement our ground water supply. This additional purchase from MWD will serve as a contingency for any future drought that may occur. MWD rates are estimated to be \$579 per acre foot of water in FY 2008-2009. The Division also plans on rehabilitating booster pump and motor #4, complete installation of a nitrate removal system at Well 7a, upgrade the backflow computer program and continue security fencing improvements at facilities. The Division will also continue implementation of a water conservation program.

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>PERSONNEL</b>	<b>ACTUAL 2006-2007</b>	<b>BUDGETED 2007-2008</b>	<b>ESTIMATED 2007-2008</b>	<b>REQUESTED 2008-2009</b>
P.W. Director	0.70	0.05	0.05	0.10
P.W. Superintendent	0.00	0.50	0.50	0.45
City Engineer	0.00	0.00	0.00	0.10
Civil Engineering Assistant II	0.00	0.05	0.05	0.10
Civil Engineering Assistant I	0.00	0.10	0.10	0.00
PW Field Supervisor I	0.10	0.10	0.10	0.00
Office Specialist	0.00	0.00	0.00	0.05
PW Field Supervisor II	0.00	0.40	0.40	0.05
Maintenance Worker	0.05	1.50	1.50	1.00
Senior Maintenance Worker	0.00	0.30	0.30	0.30
P.W. Maintenance Helper - PT	0.00	0.65	0.65	0.00
Administrative Assistant	0.00	0.10	0.10	0.10
Meter Technician	0.10	0.00	0.00	0.15
Backflow Tech/Pump Operator	0.50	0.55	0.55	0.55
P.W. Admin. Coordinator	0.00	0.10	0.10	0.10
P.W. Office Specialist	0.00	0.05	0.05	0.10
Master Mechanic	0.00	0.10	0.10	0.10
Mechanical Helper	0.00	0.10	0.10	0.10
Electrical Technician	0.00	0.05	0.05	0.05
Bldg Maint Worker/Elec Helper	0.00	0.05	0.05	0.05
PW Operations Manager	0.05	0.05	0.05	0.00
Total	1.50	4.80	4.80	3.45
<b>APPROPRIATIONS</b>	<b>ACTUAL 2006-2007</b>	<b>BUDGETED 2007-2008</b>	<b>ESTIMATED 2007-2008</b>	<b>REQUESTED 2008-2009</b>
Personnel Services	\$ 337,971	\$ 386,193	\$ 320,000	\$ 501,935
Operating Expenses	650,476	754,946	400,000	878,087
Capital Outlay	52,899	568,965	250,000	297,400
Transfers	32,500	32,500	32,500	1,000
Total	\$ 1,073,846	\$ 1,742,604	\$ 1,002,500	\$ 1,678,422

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>SOURCE OF FUNDS</b>					
70	Water Fund	\$ 1,073,846	\$ 1,742,604	\$ 1,002,500	\$ 1,678,422
	Total	\$ 1,073,846	\$ 1,742,604	\$ 1,002,500	\$ 1,678,422
<b>4100</b>	<b>PERSONNEL SERVICES</b>				<b>\$501,935</b>
4100	Personnel Costs			\$465,635	
4101	Inspector Pay			\$1,300	
4105	Overtime			\$35,000	
<b>4200</b>	<b>OPERATING EXPENSES</b>				<b>\$878,087</b>
4210	Utilities			\$217,460	
	Well pumps & irrigation system- DWP	\$165,000			
	Edison (MWD booster pumps 3&4)	\$15,000			
	Edison (Arroyo booster pumps 1,2,3)	\$35,000			
	Well site security camera operation at \$205 per month	\$2,460			
4220	Telephone			\$15,000	
4250	Rents & Leases			\$1,500	
	Equipment rental as need for FY 06				
4260	Contractual Services			\$80,500	
	Water sampling analysis, includes additional sampling for nitrates	\$45,500			
	Water softener services	\$4,000			
	Well-Site Acid Washes	\$3,000			
	Landscape Mt. Reservoirs - Reduced from 30k	\$15,000			
	Inspection of reservoirs	\$3,000			
	SCADA retrofit, expansion	\$10,000			

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

4300	Department Supplies		\$17,500
0000-4300	Office Supplies	\$1,500	
0301-4300	Chlorine for water disinfection	\$2,100	
0301-4300	Salt for on-site chlorine generation	\$8,900	
0301-4300	Chlorine assembly & generation parts and supplies	\$5,000	
4310	Equipment and Supplies		\$3,660
	Uniform replacements, 4 @ \$200 each	\$800	
	Uniform new issue, 1 @ \$500 each	\$500	
	Jackets, 1 @ \$65 each	\$65	
	Safety boots/shoes, 5 pairs @ \$135	\$675	
	Rain gear issue, 4 @ \$120	\$480	
	Safety gear issue, 4 @ \$100	\$400	
	Service Volunteer gear issue, 5 @ \$40	\$200	
	Safety gear	\$540	
4320	Equipment Maintenance		\$22,000
	Equipment Repair	\$10,000	
	On-Site Generation System Maint.	\$7,000	
	Security camera maintenance	\$5,000	
4330	Building Maint and Repair		\$3,010
4340	Small Tools		\$1,000
4360	Personnel Training		\$1,600
4370	Meetings, Memberships, Licenses and Training		\$2,000
4400	Fuel and Vehicle Maintenance		\$6,000

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

4430	Activities & Programs MWD Solar Cup \$3,000 Solar Cup Staff Travel \$1,500 Menudo Festival, San Fernando \$3,000 Middle School Open House, Take Our Kids to Work, misc. activities	\$7,500	
4450	Other Expenses Purchase of 783 acre feet of MWD water @ \$579 \$453,357 Emission system upgrade for City veh #WA8997 dump truck \$40,000 Connection Maintenance Charge (\$50 per CFS of connection capacity per month) COSF=10 CFS Capacity \$6,000	\$499,357	
<b>CAPITAL EXPENSES/PROJECTS</b>			<b>\$297,400</b>
4500	Capital Equipment Water sites / security programs, fencing, lighting, cameras, etc. \$85,500 Construction Water Meter with Backflow \$2,500 Electrical Small Utility Vehicle \$15,000 Replacement of Heavy Duty Dump Truck (City Vehicle #PW0873 w/ CNG fueled truck (20% of \$120,000 total cost) \$0 Replacement of two F150 utility trucks w/ electric vehicle (20% of \$30,000 total cost) \$0 Replacement of two F150 utility trucks w/ small utility vehicle (20% of \$34,000 total cost) \$0 Utility vehicle accessories: trailer, hitches, etc. \$0	\$103,000	

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

4600	Capital Projects		\$194,400	
	Reservoir 2, 4, 5 inspection and repair	\$9,700		
	Panel Upgrade at Well 7A	\$100,000		
	Rehab Arroyo Booster #2	\$40,000		
	Rehab MWD Booster Site 3	\$30,000		
	Reservoir 3A inspection	\$1,500		
	Nitrate Treatment Facility	\$0		
	Reservoir #4 replacment or repair (pending rate structure)	\$0		
	Security Fence with electric gate Reservoir 4	\$7,200		
	Security Fence MWD	\$6,000		
<b>4900</b>	<b>TRANSFERS</b>			<b>\$1,000</b>
4901	Transfer Accounts		\$1,000	
	Transfer from General fund:			
	01-390 Dept.	\$1,000		
	Upgrade of irrigation system (Well Sites), plumbing, electrical,			
	<b>TOTAL</b>			<b>\$1,678,422</b>

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

**DIVISION**

**DIVISION NO.**

**Sewer Maintenance**

**72-360**

**NARRATIVE**

The Sewer Maintenance Division performs maintenance of the City's sanitary sewer system by scheduled routine cleaning of sewer main lines and manholes. The sewer system is made up of approximately 40 miles (215,915 linear feet) of mains and over 800 manholes. The City contracts with the City of Los Angeles for sewage treatment and disposal. Since 1985, the City has contracted with the County of Los Angeles for the enforcement of the City's Industrial Waste Program. Industrial waste permit fees cover the cost of this program.

In 1995, the City of San Fernando Redevelopment Agency / City Council approved a \$1,000,000 payment to the Sewer Fund for the Agency's share of capacity at the Hyperion Treatment Plant per the City's contract with the City of Los Angeles. This agreement was structured for a 25 year period with annual installments set at \$40,000.

In FY 1998-99, the City finalized 30 years of negotiations with the City of Los Angeles to enter into a new Wastewater Treatment and Disposal Contract. The contract replaced previous agreements from 1950 and 1959, in which San Fernando exceeded capacity rights since 1960. During the final years of negotiations, staff saved the City over \$10 million in the cost to purchase additional capacity, over-charges back to 1984, and current charges for capital improvements cost in the Hyperion Treatment Plant. The new contract carries annual cost savings compared to former contracts.

In FY 2005-06, Public Works Department continued the Sewer Rehabilitation Program using \$6,000 to spray sewer manholes with a paint insecticide to combat cockroaches. City crews continued cleaning efforts including weekly preventative cleaning of known trouble spots; video inspection of storm drain lines was completed as required by the National Pollutant Discharge Elimination System (NPDES). Hazardous waste disposal costs were shared between the Sewer Maintenance Division and the Refuse / Environmental Division (73-350) with a total of \$15,000 for routine disposal.

In FY 2006-2007 staff continued routine preventative maintenance over 100% of the sewer system. The City Engineer increased monitoring and mapping of pass through flow from development in Sylmar. In addition the Engineering staff attended training in anticipation of new State discharge requirements and to monitor the impact of the requirements on the existing system.

In FY 2007-2008 staff continued preventative maintenance of the sewer system city wide including weekly preventative cleaning of known trouble spots. Video inspection of storm drain lines was performed as required by the National Pollutant Discharge Elimination System (NPDES). The City Engineer increased monitoring and mapping of pass through flow from development in Sylmar, to justify increased cost to the City of Los Angeles for the use of City infrastructure.

In FY 2008-2009 staff will continue annual preventative maintenance of the sewer system city wide and weekly preventative cleaning of known trouble spots. Video inspection of storm drain lines will be continued as required by the National Pollutant Discharge Elimination System (NPDES). The City Engineer will continue increased monitoring and mapping of pass through flow from development in Sylmar, to justify increased cost to the City of Los Angeles for the use of City infrastructure.

**CITY OF SAN FERNANDO**  
**REQUESTED BUDGET**  
**FY 2008-2009**

<b>DIVISION</b>	<b>DIVISION NO.</b>
<b>Sewer Maintenance</b>	<b>72-360</b>

<b>PERSONNEL</b>	<b>ACTUAL 2006-2007</b>	<b>BUDGETED 2007-2008</b>	<b>ESTIMATED 2007-2008</b>	<b>REQUESTED 2008-2009</b>
Public Works Director	0.10	0.10	0.10	0.10
Administrative Staff Assistant	0.10	0.10	0.10	0.10
City Engineer	0.20	0.20	0.20	0.20
Operations Manager	0.15	0.15	0.15	0.15
Civil Engineering Assistant II	0.25	0.25	0.25	0.50
Civil Engineering Assistant I	0.25	0.25	0.25	0.00
Sr. Management Analyst	0.45	0.45	0.45	0.45
P.W. Superintendent	0.65	0.65	0.65	0.65
Maintenance Worker	1.45	1.45	1.45	1.45
Senior Maintenance Worker	1.80	1.80	1.80	1.80
P.W. Maintenance Helper - P	0.22	0.22	0.22	1.00
P.W. Office Specialist	0.10	0.10	0.10	0.10
P.W. Admin. Coordinator	0.05	0.05	0.05	0.05
P.W. Field Supervisor I	0.45	0.45	0.45	0.45
Master Mechanic	0.10	0.10	0.10	0.10
Meter Technician	0.30	0.30	0.30	0.30
Mechanical Helper	0.10	0.10	0.10	0.10
P.W. Field Supervisor II	0.50	0.50	0.50	0.50
<b>Total</b>	<b>7.22</b>	<b>7.22</b>	<b>7.22</b>	<b>8.00</b>

<b>BALANCE SHEET</b>	<b>ACTUAL 2006-2007</b>	<b>BUDGETED 2007-2008</b>	<b>ESTIMATED 2007-2008</b>	<b>REQUESTED 2008-2009</b>
Beginning Balance	\$ 3,457,498	\$ 3,767,788	\$ 4,395,532	\$ 3,980,116
Revenues	2,728,937	2,603,160	2,603,160	3,500,000
Expenditures	1,790,903	3,018,576	3,018,576	3,452,052
Ending Balance	\$ 4,395,532	\$ 3,352,372	\$ 3,980,116	\$ 4,028,064

<b>APPROPRIATIONS</b>				
Personnel Services	\$ 626,295	\$ 818,017	\$ 640,000	\$ 878,917
Operating Expenses	1,161,779	1,199,135	1,199,135	1,198,135
Capital Outlay	1,103,081	1,485,000	1,089,769	1,370,000
Transfers	105,000	5,000	5,000	5,000
<b>Total</b>	<b>\$ 2,996,155</b>	<b>\$ 3,507,152</b>	<b>\$ 2,933,904</b>	<b>\$ 3,452,052</b>

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>DIVISION</b>	<b>DIVISION NO.</b>
<b>Sewer Maintenance</b>	<b>72-360</b>

<b>SOURCE OF FUNDS</b>
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Sewer Fund	\$	2,996,155	\$	3,507,152	\$	2,933,904	\$	3,452,052
Total	\$	2,996,155	\$	3,507,152	\$	2,933,904	\$	3,452,052

<b>4100</b>	<b>PERSONNEL SERVICES</b>	<b>\$878,917</b>
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4101	Personnel Costs	\$817,452
4101	Inspector Pay	\$5,000
4103	Part time wages for Maintenance Helper	\$46,465
4105	Overtime	\$10,000

<b>4200</b>	<b>OPERATING EXPENSES</b>	<b>\$1,198,135</b>
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4220	Telephone	\$550
4260	Contractual Services	\$799,000
	Composite wastewater sample and outflow measure performed as annual contract service; results are used as comparison to L.A. City charges	\$15,000
	L.A. City wastewater treatment & disposal charges = (\$120,000 every two months)	\$720,000
	NPDES Program annual contract services: monitor and catalog storm drain materials; perform inspections; report preparation. Program costs are shared between Funds 72 and 73	\$12,500
	Video inspection of storm drain lines as required by NPDES; 2,100 linear is estimated for completion in FY 08	\$5,000
	Video inspect 25,000 linear ft of sewer line - completed FY05/06 scheduled every 5 years. Scheduled to budget in FY 9/10.	\$0
	Pesticide spraying at 809 manholes scheduled every 2 years at \$13,000 per year; completed May 2006 and May 2008. Scheduled spraying needed again in FY10. In between years, do spot spraying as needed.	\$6,000
	Anti-root foaming preventative maintenance, approx. 5,000 linear ft per year (one half citywide 10,983 l.f.)	\$10,000

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>DIVISION</b>		<b>DIVISION NO.</b>	
<b>Sewer Maintenance</b>		<b>72-360</b>	
4260	Anti-root foaming at trouble spots, approx. 3,350 l.f. per year. \$6,000 Service clarifier tank City Yard at Equipment Yard \$2,000 Graffiti Abatement \$5,000 Edgesoft System \$10,000 Disposal of hazardous waste is performed as per EPA Title 8, Article 109, section 5192. The hazardous waste is generated by the City Yard, or is collected by Public Works crews during routine pickup of materials dumped on City properties and on public right of ways. Annual estimated FY 06 disposal cost of \$15,000 is shared between the Sewer Maintenance Division (72-360) and the Refuse / Environmental Division (73-350) \$7,500  Note: this amount does not include hazardous materials disposal in support of annual Neighborhood Cleanup Program events (refer to object code 4430 - Activities and Programs).		
4270	Professional Services NPDES Program annual contract services: report preparation, engineering consultation and outreach \$12,500 Sewer Model Data-Pipe Data \$20,000 Sewer Model Data-Flow Data \$25,000 City Attorney services \$5,000		\$62,500
4290	Office Equipment Maintenance Annual copier lease & maintenance \$250 Misc. repair of computer & office equipment. \$250		\$500
4300	Department Supplies Office Supplies; utility billing forms and misc. supplies \$6,000		\$18,500

**CITY OF SAN FERNANDO**  
**REQUESTED BUDGET**  
**FY 2008-2009**

<b>DIVISION</b>		<b>DIVISION NO.</b>	
<b>Sewer Maintenance</b>		<b>72-360</b>	
301-4300	Safety Barricades	\$5,000	
0301-4300	Cockroach killer, sewer lid silencers access lids, frames & covers	\$3,000	
0301-4300	Environmental cleaning supplies: degreasers, concrete cleaner, Aguaus wash detergent, soap	\$3,500	
0301-4300	Handi-clams	\$1,000	
4320	Department Equipment Maintenance		\$9,500
	Service, repair & calibrate gas indicators	\$3,000	
	Eden Utility Billing Technical Support	\$6,500	
4310	Equipment and Supplies		\$6,045
	Uniforms and Safety Gear:		
	Uniform replacements, 3 @ \$200 each	\$600	
	Uniform new issue, 2 @ \$500 each	\$1,000	
	Jackets, 3 @ \$65 each	\$195	
	Safety boots/shoes, 4 pairs @ \$135	\$540	
	Rain gear issue, 4 @ \$120	\$480	
	Safety gear issue, 6 @ \$100	\$600	
	Coveralls, 8 @ \$60	\$480	
	Service Volunteer gear issue, 10@\$40	\$400	
	Safety equipment	\$1,750	
4340	Small Tools		\$500
4360	Personnel Training		\$13,000
	MAP Training-Removed FY 07-08	\$0	
	Sewer Model Training	\$2,000	
	Team Building Workshop	\$3,000	
	Class B licenses with Hazmat endorsement training (BIT) required by DMV maintenance program	\$1,500	
	Ongoing confined space training	\$500	
	Haz mat transportation- driver training	\$500	
	Annual pesticide training DOA	\$500	
4400	Fuel and Vehicle Maintenance	\$5,000	

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>DIVISION</b>		<b>DIVISION NO.</b>	
<b>Sewer Maintenance</b>		<b>72-360</b>	
4430	Activities & Programs	\$65,000	
	Industrial Waste Program; bi-monthly payments to L.A. County Dept. of Public Works to administer wastewater contract with L.A. City for treatment and disposal	\$38,500	
	Utility trench repair	\$6,000	
	TMDL / NPDES Program - community outreach	\$5,000	
	Disposal of hazardous waste collected during annual Neighborhood Cleanups and from collection of items dumped on public property. The expense is shared between Sewer Maintenance Division (72-360) and Refuse / Environmental Division (73-350).	\$2,500	
	Flow Meter Replacements	\$3,000	
	Manhole Replacements	\$10,000	
4480	Cost Allocation	\$208,040	
4820	Depreciation expense	\$15,000	
<b>CAPITAL EXPENSES</b>		<b>\$0</b>	
4500	Capital Equipment		
	Replacement of Heavy Duty Dump Truck (City Vehicle #PW0873 w/ CNG fueled truck (20% of \$120,000 total cost)	\$0	
	Replacement of two F150 utility trucks w/ electric vehicle (20% of \$30,000 total cost)	\$0	
	Replacement of two F150 utility trucks w/ small utility vehicle (20% of \$34,000 total cost)	\$0	
	Utility vehicle accessories: trailer, hitches,	\$0	
<b>4600</b>	<b>CAPITAL PROJECTS</b>	<b>\$1,370,000</b>	
4600	Payment to L.A. City for capital construction and improvement of wastewater treatment & conveyance facilities. Capital payments for FY 2007-08 estimated at \$1,200,000 (\$200,000 bimonthly)	\$1,200,000	
	Sewer renovation & repair project (video inspection, lining, spot repairs, manhole rehab)	\$50,000	
	Permanent Sewer inflow monitoring	\$60,000	
	New Sewer Lines and Replacements	\$60,000	
<b>4900</b>	<b>TRANSFERS</b>	<b>\$100,000</b>	
	Pavement impact fee \$100,000	\$100,000	
	<b>TOTAL</b>		<b>\$3,547,052</b>

**CITY OF SAN FERNANDO**  
**REQUESTED BUDGET**  
**FY 2008-2009**

**DIVISION**

**DIVISION NO.**

**Refuse/Environmental**

**73-350**

**NARRATIVE**

The Refuse/Environmental Division provides single-family residential solid waste collection services and administration of the City's Source Reduction and Recycling Element (SRRE) and Household Hazardous Waste Element (HHWE) plans.

The SRRE, mandated by State Assembly Bill 939, describes how the City planned to reduce the amount of solid waste land fill 25 percent by 1995, and 50 percent by the year 2000. Additionally, State Senate Bill 1066 mandated that jurisdictions maintain a 50% diversion rate after the year 2000 and continue to implement SRRE programs. The goal of the HHWE is to reduce the amount and toxicity of solid waste land fill. There is one Public Works staff assigned primarily responsibility for implementing Refuse/Environmental Division programs. Residential sector SRRE programs, which coordinate residential refuse, yard clippings and recyclables collection, source reduction programs and public education, are provided through a seven year contract with Crown Disposal. San Fernando residents are also encouraged to participate in recycling and Household Hazardous Waste programs, the curbside Used Oil Recycling Program and annual Neighborhood Cleanup Events.

In order to allow for a more accurate calculation of the City's solid waste diversion rate, the City requested and received approval from the California Integrated Waste Management Board (CIWMB) for a Base Year change to 1998 for the City's SRRE. The CIWMB also conducted their 1997/1998 and 1999/2000 Biennial Review, which consisted of site visits and staff testimony at a CIWMB hearing. Based on their findings, the CIWMB determined that the City had complied with AB939 requirements and successfully implemented programs outlined in the City's SRRE. The City received approval from the CIWMB for a "good faith effort" with a diversion rate of 46% for the year 2000. The City also completed its 2001 Annual Report to the California Integrated Waste Management Board (CIWMB) with a submitted diversion rate of 56% based on the newly approved base year.

In Fiscal Year 2006-07 staff continued to implement residential and commercial recycling and source reduction programs. Staff also worked with Crown Disposal to conduct a residential survey which came back favorable.

In FY 2007-08, staff will continue to implement SRRE and HHWE programs. Rates charged to customers will reflect CPI adjustments and staff again budgeted for this increase. An increase in commercial street sweeping rates will be implemented through the fees resolution to cover anticipated increases in street sweeping costs. In addition staff will implement an audit of all commercial refuse accounts to ensure that all costs are covered.

In FY 2008-09, staff will continue to implement SRRE and HHWE programs. Rates charged to customers will again reflect CPI adjustments. Staff will continue an audit of all commercial refuse accounts to ensure that all costs are covered. Three Neighborhood Cleanup events are budgeted in this Division for FY 2008-09.

**CITY OF SAN FERNANDO**  
**REQUESTED BUDGET**  
**FY 2008-2009**

<b>DIVISION</b>					<b>DIVISION NO.</b>
<b>Refuse/Environmental</b>					<b>73-350</b>
<b>BALANCE SHEET</b>	<b>ACTUAL 2006-2007</b>	<b>BUDGETED 2007-2008</b>	<b>ESTIMATED 2007-2008</b>	<b>REQUESTED 2008-2009</b>	
Beginning Balance	\$ 23,089	\$ (87,816)	\$ (87,816)	\$ (60,967)	
Revenues	1,153,351	1,231,570	1,190,000	1,231,570	
Expenditures	1,264,256	1,244,125	1,163,151	1,161,594	
Ending Balance	\$ (87,816)	\$ (100,371)	\$ (60,967)	\$ 9,009	
<b>PERSONNEL</b>	<b>ACTUAL 2006-2007</b>	<b>BUDGETED 2007-2008</b>	<b>ESTIMATED 2007-2008</b>	<b>REQUESTED 2008-2009</b>	
Civil Engineering Assistant II	0.20	0.10	0.10	0.10	
P.W. Director	0.00	0.05	0.05	0.00	
City Engineer	0.00	0.15	0.15	0.10	
Civil Engineering Assistant I	0.00	0.10	0.10	0.00	
Operations Manager	0.00	0.10	0.10	0.05	
Office Specialist	1.00	0.25	0.25	0.15	
P.W. Administrative Coordinator	0.00	0.10	0.10	0.00	
P.W. Office Specialist	0.00	0.15	0.15	0.05	
P.W. Maintenance Helper PT	0.10	0.25	0.25	0.00	
Program Specialist PT	0.00	0.10	0.10	0.00	
P.W. Superintendent	0.00	0.10	0.10	0.05	
Equipment Supervisor	0.00	0.05	0.05	0.00	
Mechanical Helper	0.00	0.15	0.15	0.10	
SR. Maintenance Worker	0.00	0.50	0.50	0.35	
P.W. Field Supervisor II	0.00	0.10	0.10	0.00	
P.W. Field Supervisor I	0.00	0.10	0.10	0.05	
Maintenance Worker	0.00	0.00	0.00	0.20	
Total	1.30	2.35	2.35	1.20	
<b>APPROPRIATIONS</b>					
Personnel Services	\$ 196,334	\$ 208,871	\$ 144,784	\$ 135,982	
Operating Expenses	1,067,120	997,254	817,900	1,010,612	
Capital Outlay	802	38,000	0	15,000	
Total	\$ 1,264,256	\$ 1,244,125	\$ 962,684	\$ 1,161,594	

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>DIVISION</b>	<b>DIVISION NO.</b>
Refuse/Environmental	73-350

<b>SOURCE OF FUNDS</b>									
73	Refuse Disposal Fund	\$	1,264,256	\$	1,244,125	\$	962,684	\$	1,161,594
	Total		\$ 1,264,256		\$ 1,244,125		\$ 962,684		\$ 1,161,594

<b>4100 PERSONNEL SERVICES</b>		<b>\$135,982</b>	
4101	Personnel costs		\$129,765
4103	Part time wages for Maintenance Helper as needed for cleanup of public right of ways and alleyways		\$6,217
4105	Overtime as needed for public right of way clean up		\$0
	Overtime for Neighborhood Clean-up events; 3 events per year at \$4,700 per event		\$0

<b>4200 OPERATING EXPENSES</b>		<b>\$1,010,612</b>	
4230	Advertising - Miscellaneous program ads		\$0
4260	Contractual Services		\$845,357
	Automated residential contract - Crown Disposal; Cost will be approximately 5 months @ \$66,728(\$333,640) and 7 months @ \$69,531 (\$486,717) for a total of \$820,357	\$820,357	
	Disposal of hazardous waste per EPA Title 8, Article 109, section 5192. The waste is generated by City Yard or collected by Public Works crews during routine pickup of materials dumped on City properties and on public right of ways. Annual estimated FY 09 cost of \$15,000 is shared between Sewer Maintenance Division (72-360) and Refuse / Environmental Division (73-350).	\$7,500	
	Graffiti Abatement	\$5,000	
	NPDES Program annual contract services: monitor and catalog storm drain materials; perform inspections; report preparation. Program costs are shared between Funds 72 and 73	\$12,500	

**CITY OF SAN FERNANDO**  
**REQUESTED BUDGET**  
**FY 2008-2009**

<b>DIVISION</b>		<b>DIVISION NO.</b>
<b>Refuse/Environmental</b>		<b>73-350</b>
4270	Professional Services NPDES Program annual contract services: report preparation, engineering consultation and outreach \$12,500	\$12,500
4290	Office Equipment Maintenance Annual copier lease & maintenance \$250 Misc. repair of computer & office equipment \$0	\$250
4300	Department Supplies Office Supplies \$3,000 Paper for flyers, notebooks, etc. \$500 Utility billing forms & misc. supplies \$3,500	\$7,000
4310	Equipment and Supplies Uniforms and Safety Gear: Uniform replacements, 2 @ \$200 \$400 Uniform new issue, 1 @ \$500 each \$500 Jackets, 2 @ \$65 each \$130 Safety shoes, 3 pairs @ \$135 \$405 Rain gear issue, 2 @ \$120 \$240 Safety gear issue, 3 @ \$100 \$300 Coveralls, 4 @ \$60 \$240 Service Volunteer gear issue, 5@\$40 \$200	\$2,415
4320	Department Equipment Maintenance Safety Equipment	\$1,000
4360	Personnel Training (Education Reimbursement) MAP Training - Removed FY07-08 \$0 SWM workshops, seminars & training courses \$500	\$500
4370	Meetings & Memberships MMASC meetings	\$500
4380	Subscriptions / Dues & Memberships -American Communities for Clean-Up Equity -MMASC membership dues and periodicals - Misc. membership dues, including APWA	\$0

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>DIVISION</b>			<b>DIVISION NO.</b>
<b>Refuse/Environmental</b>			<b>73-350</b>
4390	Vehicle Allowance & Mileage for seminar	\$500	
4400	Fuel and Vehicle Maintenance	\$4,500	
4430	Activities & Programs	\$2,500	
	Disposal of hazardous waste collected during annual Neighborhood Cleanups and from collection of items dumped on public property. The expense is shared between Sewer Maintenance Division (72-360) and Refuse / Environmental Division (73-350). Outreach and public education	\$2,500 \$0	
4455	Bad Debts Expense	\$500	
4470	Special Expense -Portion of total cost allocation for utility billing	\$30,000	
4480	Cost Allocation	\$103,090	
<b>4500</b>	<b>CAPITAL EQUIPMENT</b>		<b>\$15,000</b>
4500	Replacement of Heavy Duty Dump Truck (City Vehicle #PW0873 w/ CNG fueled truck (20% of \$120,000 total cost) Replacement of two F150 utility trucks w/ electric vehicle (20% of \$30,000 total cost) Replacement of two F150 utility trucks w/ small utility vehicle (20% of \$34,000 total cost) Utility vehicle accessories: trailer, hitches, etc. Storm Drain Trash Blockers	\$0 \$0 \$0 \$0 \$15,000	
<b>4900</b>	<b>COST TRANSFER</b>		<b>\$0</b>
4901	Moved fuel and vehicle Maintenance from 01-320-350-4400	\$0	
<b>TOTAL</b>			<b>\$1,161,594</b>

**Retirement Expenditures, including  
Pension Obligation Bond (POB)**

**1. POB Presentation**

**2. Question and Answers (Follow-up)**

**3. City Council Options**

**4. Financial Advisor Proposal**

**5. Copy of Retirement Fund Budget (Fund 18) and  
the General Fund Retirement Division Budget  
(Division 01-180)**

**Presentation to the**  
**City of San Fernando**  
*Pension System Financing Options*



*May 2008*



**DE LA ROSA & Co.**  
I N V E S T M E N T   B A N K E R S

101 Montgomery Street, Suite 2150

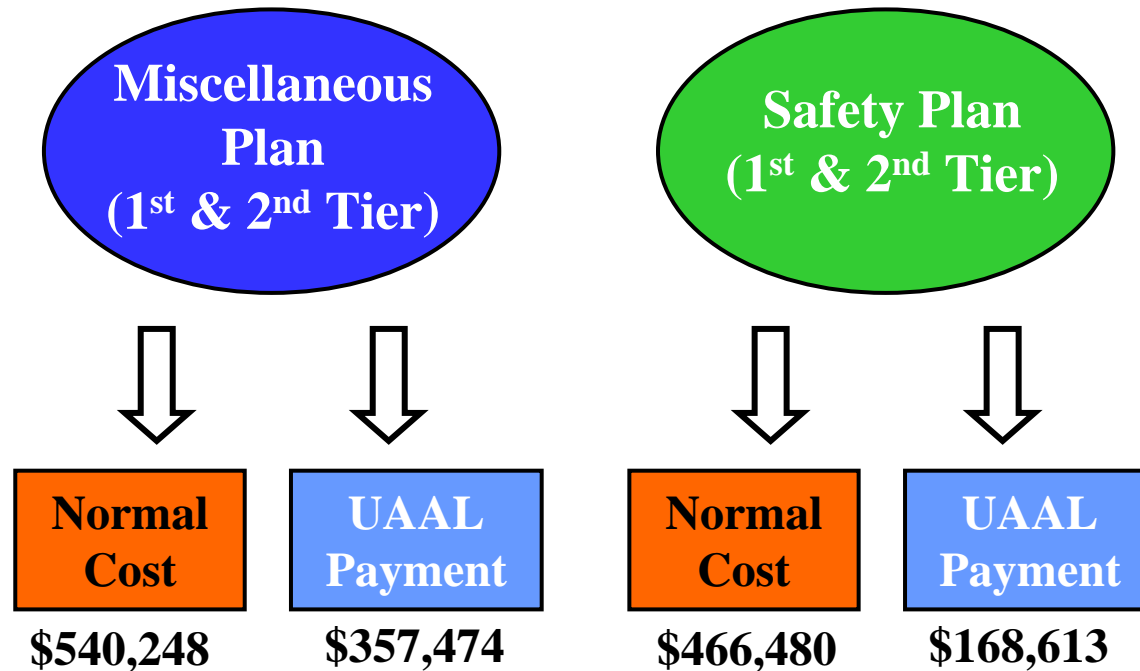
San Francisco, CA 94104

Tel. (415) 495-8863, Fax (415) 495-8864



## Overview of the City's Pension Payments

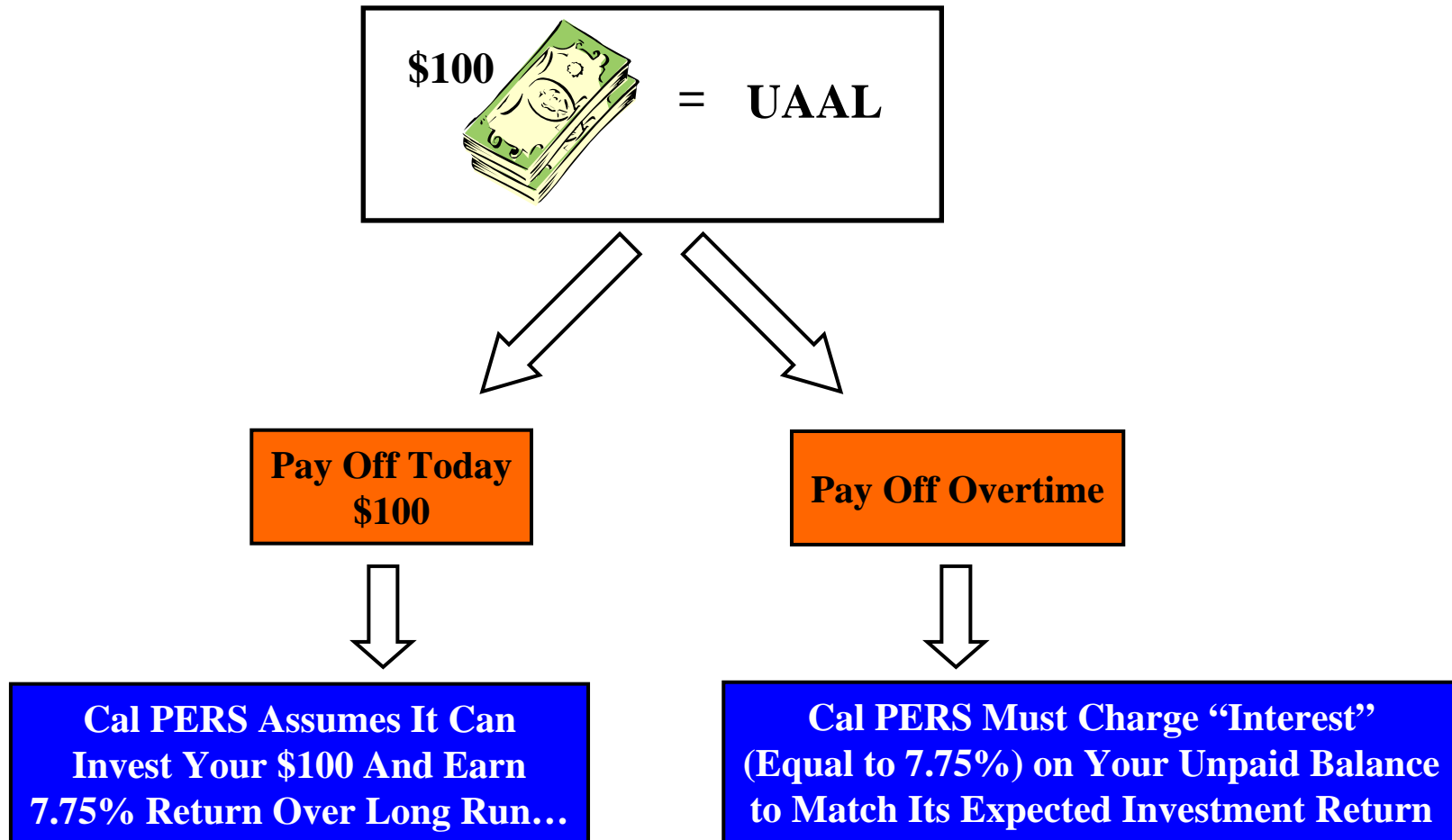
**Fiscal Year 2008-09**



**TOTAL = \$1,532,815**



## *Paying Off Your Unfunded Liability (UAAL)*





## *Risk-Sharing Pools Provide More Certainty for Smaller Agencies*

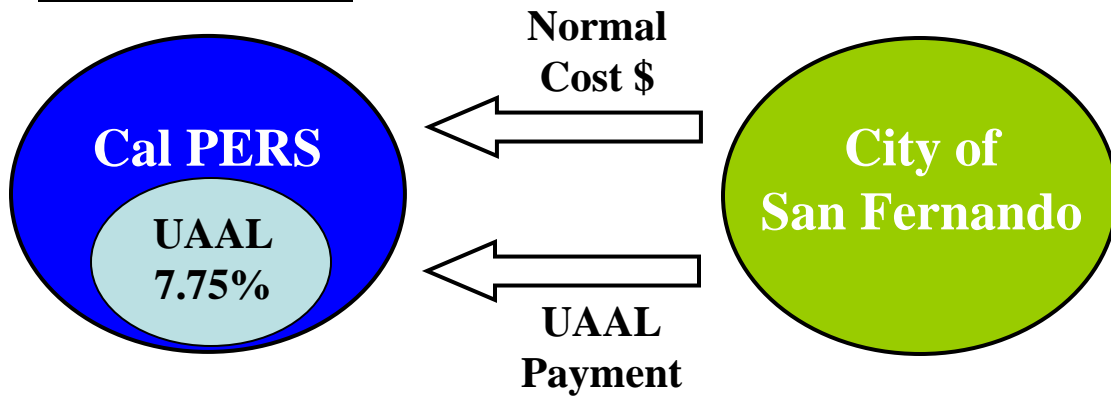
- **Established Risk-Sharing Pools (“Side Pools”) for Smaller Plans**
  - Employers with fewer than 100 employees
  - Affects about 1,500 CalPERS agencies
  - Earnings in these pools are set at 7.75%
    - ✓ If actual earnings exceed 7.75%, the excess is allocated to respective Risk Sharing Pool
    - ✓ If actual earnings are below 7.75%, the deficit is taken from the respective Risk Sharing Pool

**San Fernando’s Miscellaneous and Safety Pension Plans are part of Risk Sharing Pools**



# Mechanics of a Pension Obligation Bond (POB)

## Before a POB



## After a POB





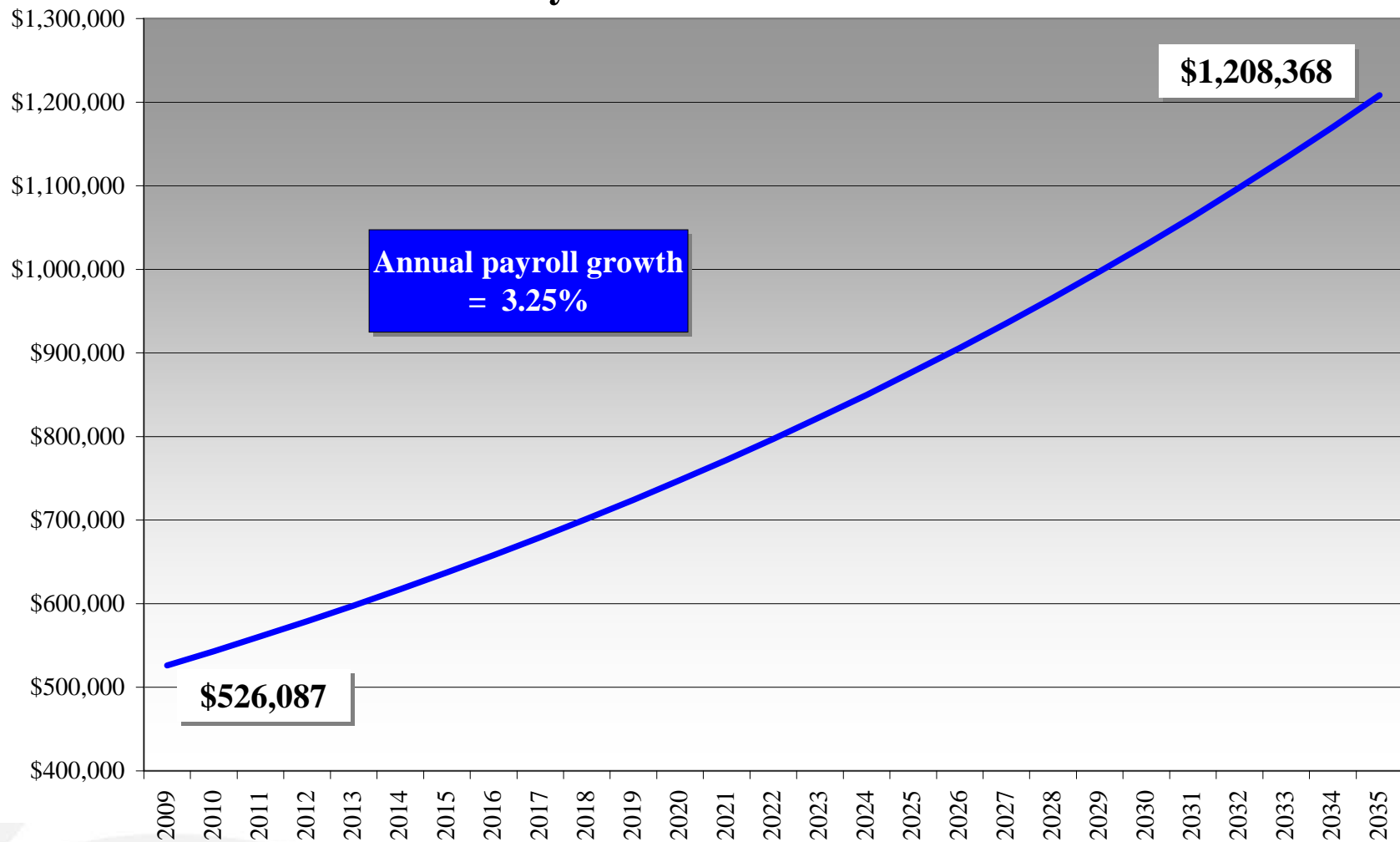
## *San Fernando Current Unfunded Liability (UAAL)*

- City's projected UAAL on 6/30/2008 is \$8,299,919
  - Safety plan UAAL: \$2,660,156
    - ✓ Amortized over 27 years
  - Miscellaneous plan UAAL: \$5,639,763
    - ✓ Amortized over 27 years
- CalPERS charges 7.75% interest on the City's UAAL



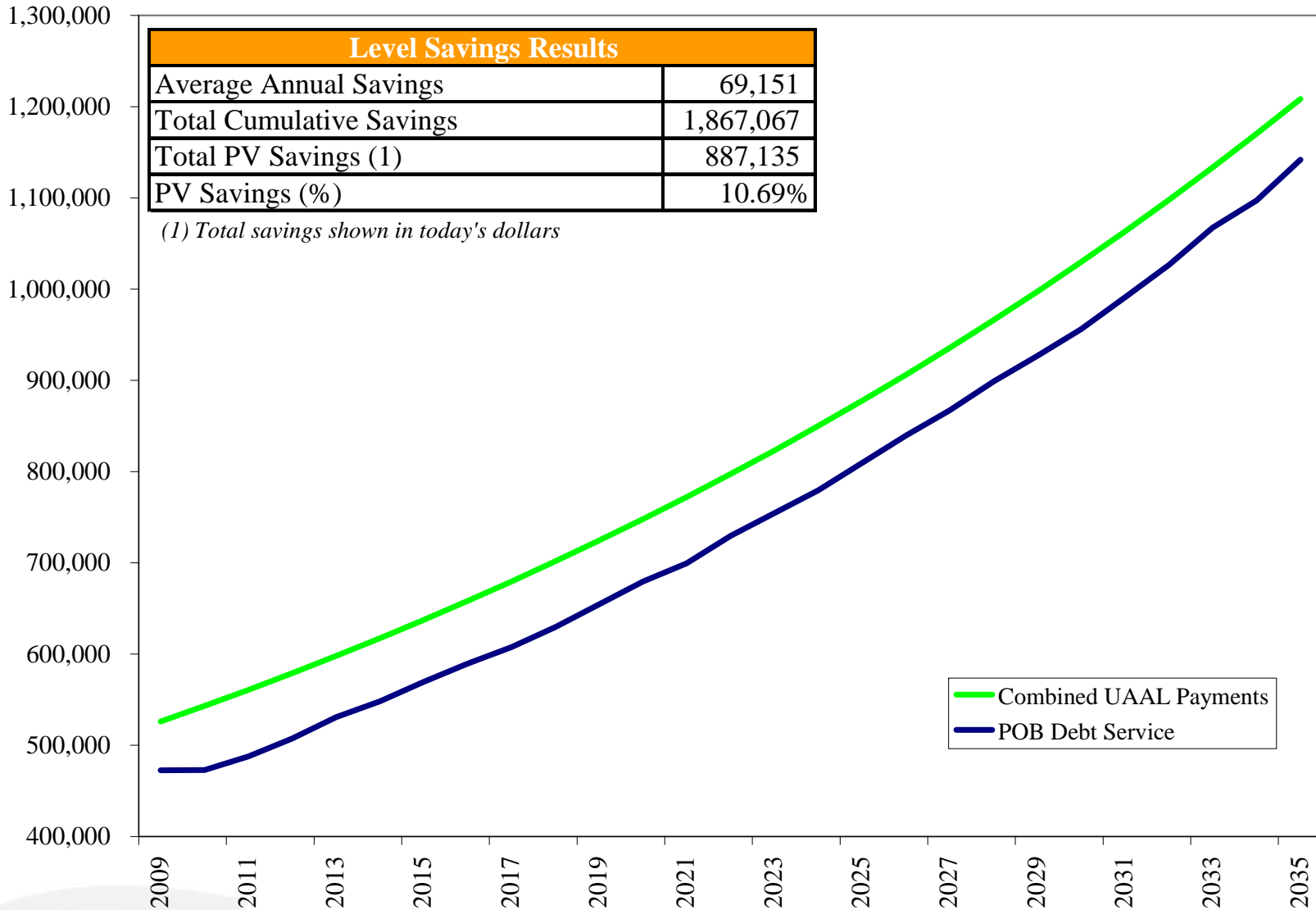
## Miscellaneous & Safety Plans – Current UAAL Payments

### Projected Unfunded Pension Liability Payments Made to CalPERS



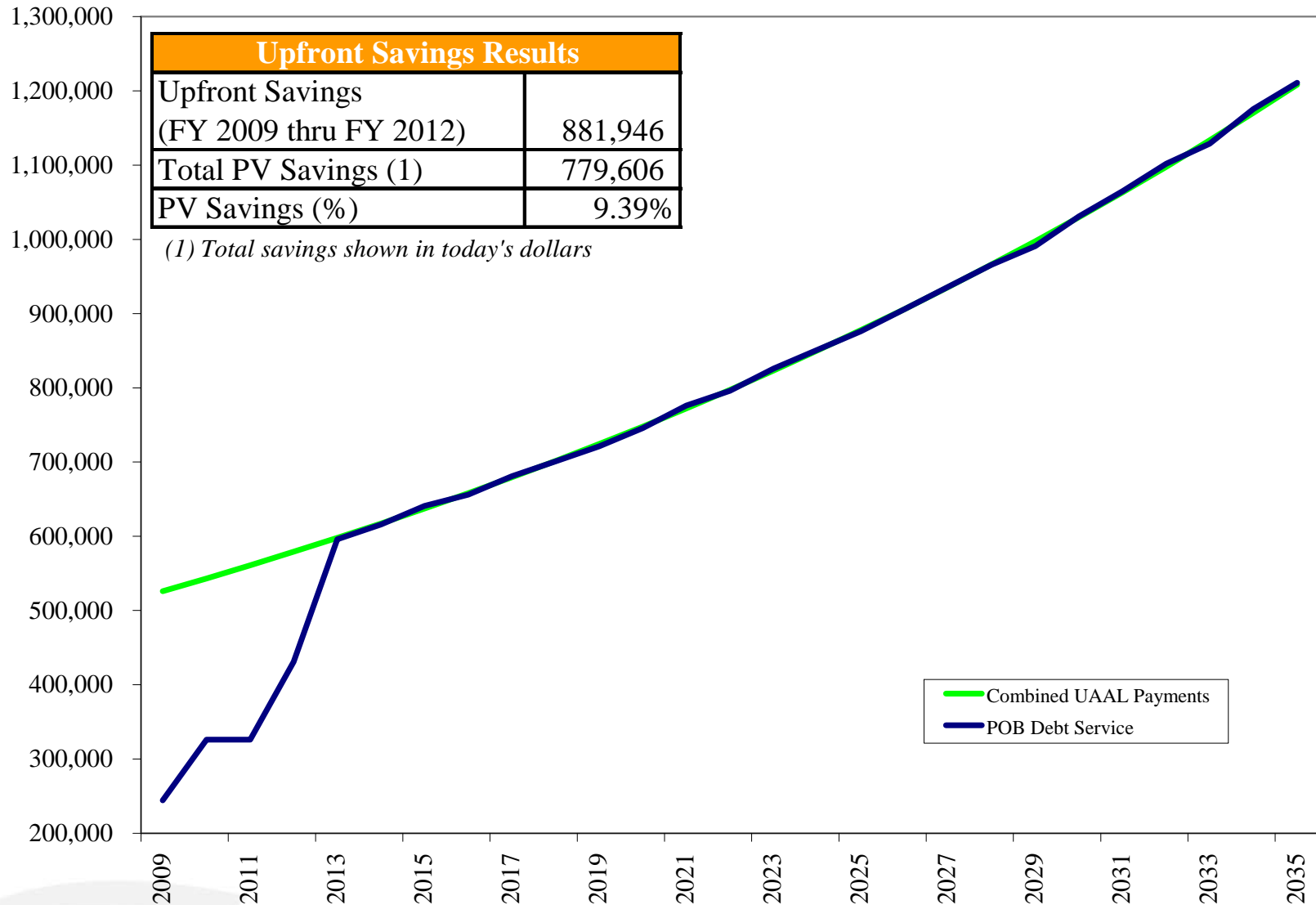


# Miscellaneous & Safety Plans – “Level Savings” Refunding Option





# Miscellaneous & Safety Plans – “Upfront Savings” Refunding Option





## *Benefits of Issuing POBs*

- Financial Savings
  - Interest rates on POBs are substantially lower than the rates paid on the UAAL
- Eliminate Soaring Liabilities
  - Many pension systems negatively amortize liabilities, meaning the UAAL balance may grow every year and may never be repaid
- Predictability
  - You can fix lower payments up to 30 years, allowing for more predictable cash management and budgeting
- More Resources for Critical Services
  - Savings realized from POBs can be invested back into critical program and services (i.e. public safety, health care, libraries, etc.)



## *Potential Risks of Issuing POBs*

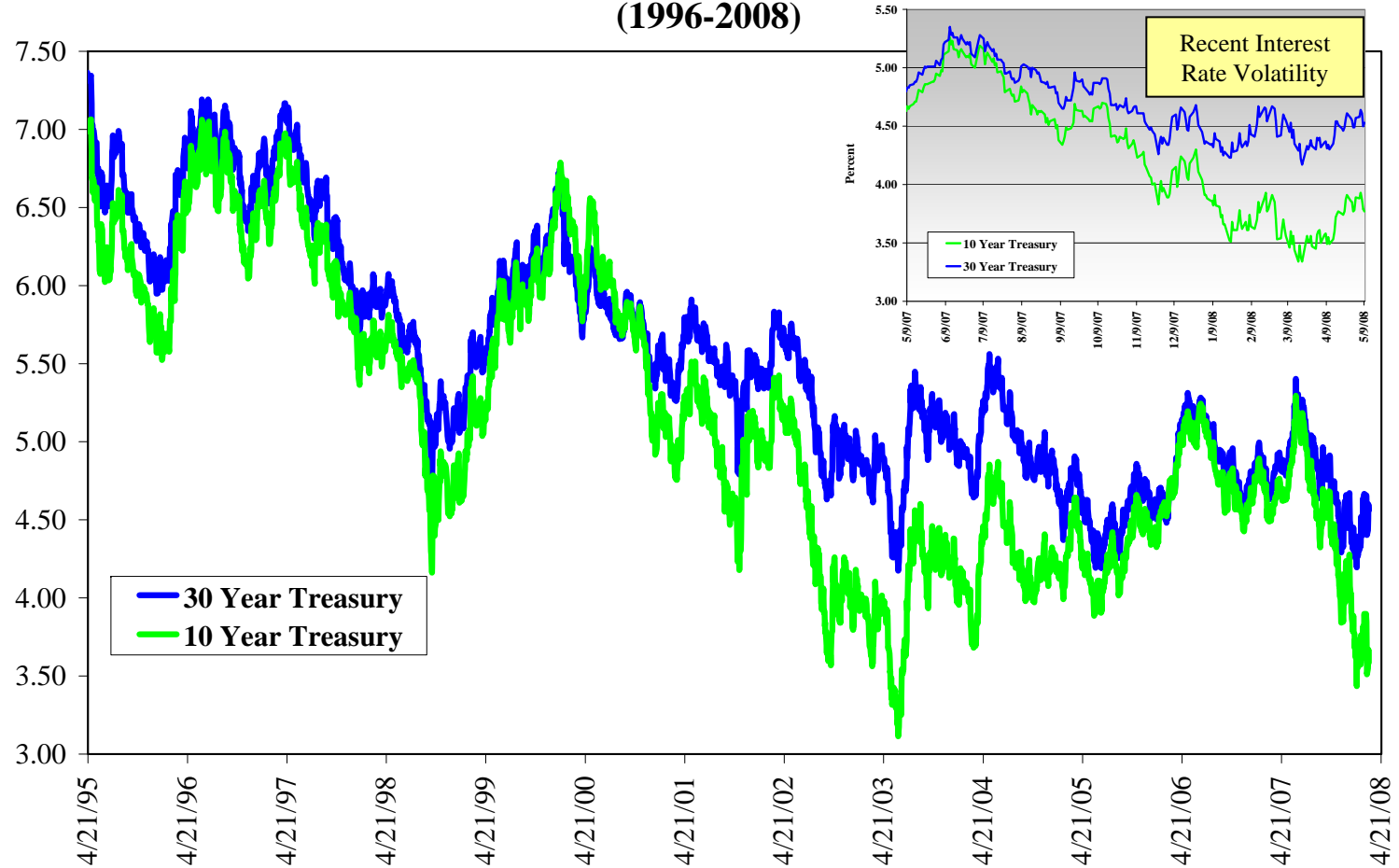
- Reduction in flexibility: fixed debt vs. fluctuating obligation to pension fund
  - Mitigating factor: City has ability to restructure debt payments using prepayment options
- Underperformance of system investments vs. interest rate on POBs
  - Risk is mitigated for plans in the Risk-Sharing Pool
- Strong future returns on system investments may result in participant overfunding or surplus
- New benefits enhancements in the future can create a new UAAL



# Historical Long Term Taxable Interest Rates

## Historical 30-Year vs. 10-Year Treasury Yields (1996-2008)

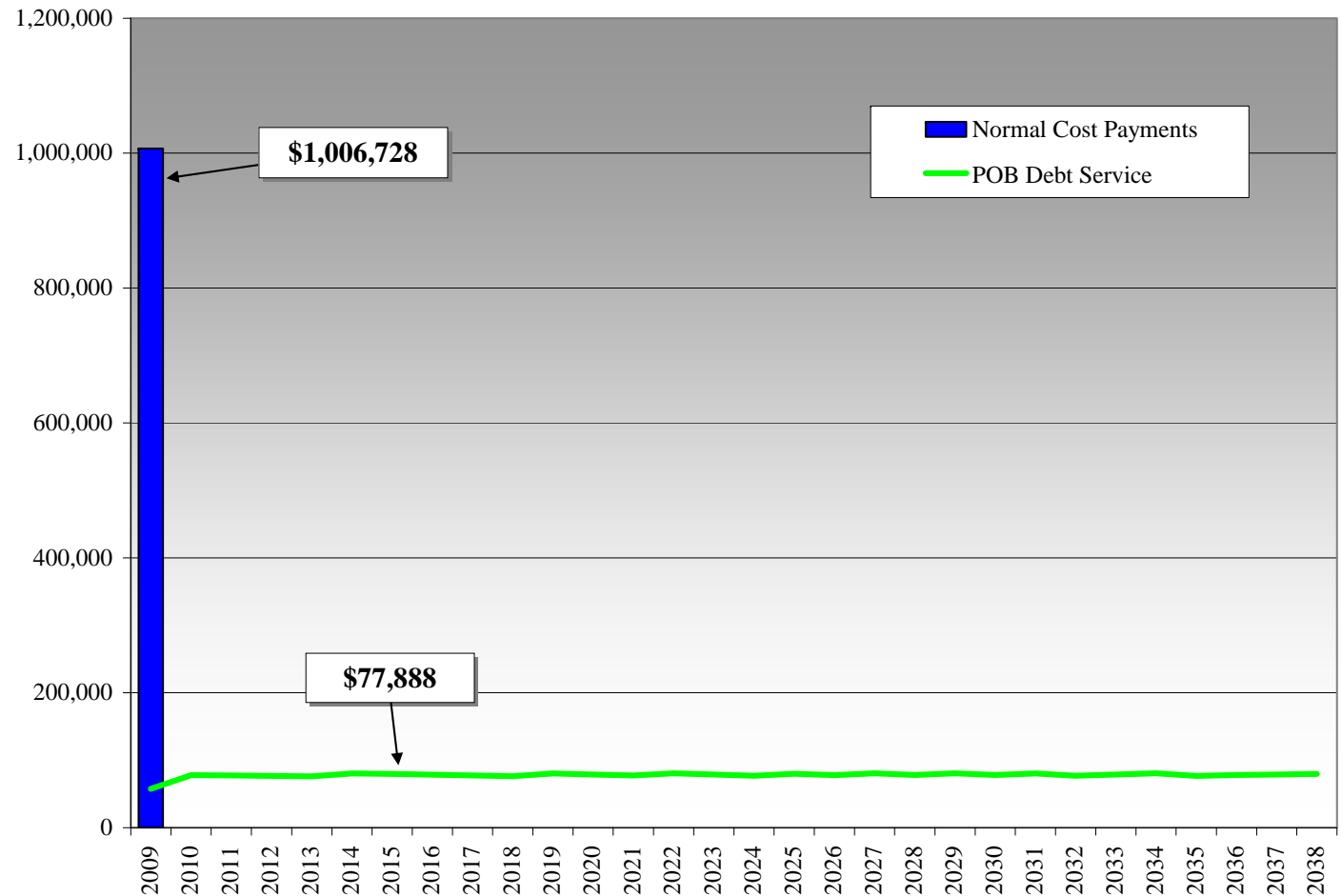
- Long term taxable interest rates are at historically low levels
- Over last 12 months, 30-year treasury has ranged from 4.17% to 5.35%; 10-year has ranged from 3.34% to 5.26%
- Spreads between POBs and treasuries have fluctuated between 100 and 220 basis points





# Financing the City's FY 2008/09 Normal Cost Payment

- In addition to the unfunded pension liability, the City could also finance its FY 2008/09 “normal cost” pension payments through the POB
- The City would replace its FY 2008/09 payments of \$1.0 million with annual bond payments of \$77,888 over the next 30 years
  - **\$928,840 in cash flow savings for FY 2008/09**







## California POB Issuance Since 2005

Date	Issuer	Par	DLR Role	Date	Issuer	Par	DLR Role	CSCDA 2007 Issue
9/12/07	County of Siskiyou	\$16,620,000	--	12/30/05	City of Long Beach	\$76,550,000	--	City of Baldwin Park
8/9/07	City of Redlands	25,862,392	Sole	12/22/05	City of Bell	9,225,000	--	City of Marina
8/8/07	City of Colton	31,149,399	Sole	11/23/05	County of Solano	42,385,000	--	City of Oroville
7/12/07	City of Capitola	5,040,000	--	11/9/05	City of Richmond	114,995,133	--	City of Palm Springs
7/6/07	County of Santa Clara	389,484,822	--	10/28/05	County of San Bernardino	50,401,583	--	City of Port Hueneme
4/17/07	CSCDA	87,475,699	CM	10/6/05	Moraga-Orinda Fire District	28,435,000	--	City of San Marino
4/5/07	City of Huntington Park	23,000,000	Sole	9/31/05	City of Inglewood	64,986,302	CM	City of Seaside
4/5/07	City of Stockton	125,310,000	--	9/28/05	Contra Costa County F.P.D.	129,900,000	--	City of Yuba City
3/22/07	City of Manhattan Beach	6,800,000	--	9/19/05	City of Hawthorne	30,480,000	--	Town of Paradise
9/28/06	City of Burlingame	32,975,000	Sole	8/25/05	City of Oceanside	42,780,000	--	
9/22/06	County of Fresno	75,000,000	--	6/30/05	City of Riverside	60,000,000	Sole	<b>CSCDA 2006 Issue</b>
8/29/06	City of Brisbane	4,745,000	--	6/29/05	CSCDA	20,635,000	CM	City of Auburn
8/23/06	Marina Coast Water District	42,310,000	--	6/21/05	City of Oakland	144,950,000	--	City of Benicia
8/15/06	County of San Diego	147,825,000	--	6/15/05	City of Huntington Park	23,050,000	Sole	City of Novato
6/29/06	CSCDA	62,813,647	CM	4/14/05	City of Fairfield	11,830,000	--	City of Pacific Grove
6/27/06	City of Pittsburg	39,566,056	Senior	3/8/05	City of South Gate	24,400,000	--	City of Pinole
5/4/06	City of La Verne	8,380,000	--	2/17/05	County of Riverside	400,000,000	CM	
2/8/06	City of Pomona	42,280,684	Sole	2/3/05	City of Fairfield	<u>29,915,000</u>	--	<b>CSCDA 2005 Issue</b>
1/26/06	City of Claremont	6,060,000	--					City of Downey
						Total: 2,477,615,717		

- Since 2005, there have been 37 POB issues in California for \$2.48 billion
  - 48 communities represented, predominantly cities
- **De La Rosa has participated on 13 (35% of total) of these issues**
  - Sole or senior-manager on 8 issues for \$278 million
  - Co-manager on 5 issues for \$636 million



# **CASE STUDY**

**\$32,975,000**

**City of Burlingame  
Pension Obligation Bonds, Series 2006**





# Burlingame POBs Case Study - Summary

## \$32,975,000

### City of Burlingame

### Pension Obligation Bonds, Series 2006

- The City raised \$32,392,909 in proceeds to refund the City’s current CalPERS UAAL (Miscellaneous and Safety plans) and to pre-pay a portion of its “normal cost” contribution to PERS for the 2006-07 fiscal year
- Created over **\$4.8 million of net present value savings (15.8% of refunded UAAL)**
  - **In addition, the City will save approximately \$1.9mm during this fiscal year by financing its normal cost payment**
- Achieved a TIC of 5.58% for an insured 30 year financing
- De La Rosa & Co. was able to price the Agency’s bonds lower than other underwriters were able to price similar bonds on the same day.

<b>NEW ISSUE - BOOK-ENTRY ONLY</b>		<b>INSURED RATING: S&amp;P: “AAA”</b>	
Taxable (Federal)		<b>UNDERLYING RATING: S&amp;P “AA”</b>	
Tax-Exempt (State of California)		(See “Ratings” herein)	
		<b>\$32,975,000</b>	
<b>CITY OF BURLINGAME</b>		<b>CITY OF BURLINGAME</b>	
<b>TAXABLE PENSION OBLIGATION BONDS, 2006 SERIES A</b>		<b>TAXABLE PENSION OBLIGATION BONDS, 2006 SERIES A</b>	
<b>Dated: Date of Delivery</b>		<b>Due: June 1, as shown on inside cover page</b>	
<p>The City of Burlingame (the “City”) is issuing its Taxable Pension Obligation Bonds, 2006 Series A (the “2006 Series A Bonds”) under a Trust Agreement (the “Trust Agreement”), dated as of September 1, 2006, by and between the City and The Bank of New York Trust Company, N.A., as trustee (the “Trustee”), to refund the City’s obligations under the PERS Contract (as described herein) evidencing the City’s current unfunded accrued actuarial liability as of the delivery date of the 2006 Series A Bonds and a portion of its annual contribution for the 2006-2007 fiscal year to the California Public Employee’s Retirement System (“PERS” or the “System”) and to pay the costs of the financing.</p> <p>The 2006 Series A Bonds are being issued in fully registered form, and when issued will be registered in the name of Cede &amp; Co., as nominee of The Depository Trust Company (“DTC”) in the United States. DTC will act as securities depository for the 2006 Series A Bonds. Individual purchases will be made in book-entry form only in denominations of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their beneficial ownership interest in the 2006 Series A Bonds purchased. See APPENDIX D – “DTC AND THE BOOK-ENTRY SYSTEM.”</p> <p>Interest on the 2006 Series A Bonds is payable on December 1, 2006 and thereafter semiannually on June 1 and December 1 of each year. Principal and interest on the 2006 Series A Bonds are payable by the Trustee to DTC, which will be responsible for remitting such principal and interest to its Participants, which will be responsible for remitting such principal and interest to the Beneficial Owners of such Bonds.</p> <p>The 2006 Series A Bonds are subject to redemption prior to maturity as described herein. See “THE 2006 SERIES A BONDS.”</p> <p>Payment of scheduled principal of and interest on the 2006 Series A Bonds when due will be insured by a financial guaranty insurance policy to be issued by MBIA Insurance Corporation (the “Insurer”), simultaneously with the delivery of the 2006 Series A Bonds. See “FINANCIAL GUARANTY INSURANCE” herein.</p> <p style="text-align: center;"><b>MBIA</b></p> <p>THE 2006 SERIES A BONDS DO NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. NEITHER THE 2006 SERIES A BONDS NOR THE OBLIGATION OF THE CITY TO MAKE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR THE INTEREST ON THE 2006 SERIES A BONDS CONSTITUTES AN INDEBTEDNESS OF THE CITY, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.</p> <p>In the opinion of Orrick, Herrington &amp; Sutcliffe LLP, Bond Counsel to the City, under existing law, interest on the 2006 Series A Bonds is exempt from present State of California personal income taxes. Interest on the 2006 Series A Bonds is not excludable from gross income for federal income tax purposes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the 2006 Series A Bonds. See “TAX MATTERS” herein.</p> <p>This cover page contains information for general reference only. It is not intended to be a summary of the security or terms of this issue. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision. Capitalized terms used on this cover page not otherwise defined shall have the meanings set forth herein.</p> <p>The 2006 Series A Bonds will be offered when, as and if issued and received by the Underwriter, subject to the approval as to their validity by Orrick, Herrington &amp; Sutcliffe LLP, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the City by the City Attorney of the City of Burlingame. Orrick, Herrington &amp; Sutcliffe LLP will serve as Disclosure Counsel. It is anticipated that the 2006 Series A Bonds will be available for delivery through the DTC book-entry system in New York, New York on or about September 28, 2006.</p>			
		<b>DE LA ROSA &amp; CO.</b>	
<b>INVESTMENT BANKERS</b>		<b>INVESTMENT BANKERS</b>	
<b>Dated: September 19, 2006</b>			



# Savings Summary – City of Burlingame

Fire Safety, Police Safety and Miscellaneous Plans - Level Savings				
Fiscal Year Ending	Combined UAAL Pymts	POB Debt Service (3)	Annual Savings	PV @ 5.50%
2007	2,895,389	2,690,856	204,533	197,071
2008	2,983,357	2,679,378	303,978	277,623
2009	3,074,090	2,767,741	306,349	265,206
2010	3,167,678	2,858,720	308,958	253,526
2011	3,264,211	2,961,215	302,996	235,676
2012	3,363,785	3,059,237	304,547	224,537
2013	3,466,495	3,152,278	314,217	219,593
2014	3,572,444	3,264,733	307,711	203,838
2015	3,681,734	3,370,094	311,641	195,683
2016	3,794,473	3,482,960	311,513	185,408
2017	3,910,771	3,602,378	308,392	173,985
2018	4,030,742	3,716,022	314,720	168,301
2019	881,202	824,905	56,297	28,537
2020	902,494	842,490	60,004	28,831
2021	924,367	867,889	56,478	25,722
2022	946,838	885,554	61,284	26,456
2023	969,924	910,301	59,623	24,398
2024	993,643	936,995	56,648	21,973
2025	1,018,016	960,358	57,657	21,198
2026	488,052	430,391	57,661	20,095
2027	478,064	417,624	60,440	19,966
2028	485,314	424,857	60,458	18,931
2029	492,674	435,979	56,695	16,827
2030	500,146	440,714	59,432	16,720
2031	507,731	449,338	58,392	15,572
2032	515,431	456,575	58,856	14,877
2033	523,247	462,424	60,823	14,573
2034	531,183	471,885	59,297	13,467
2035	539,238	479,681	59,557	12,821
2036	547,416	490,812	56,604	11,551
<b>Totals</b>	<b>53,450,149</b>	<b>48,794,387</b>	<b>4,655,762</b>	<b>2,952,965</b>

Bond Results	Combined
UAAL (as of 2006)	30,497,415
UAAL Interest Rate	7.75%
2006-07 Normal Cost	1,870,233
POB Amount	32,975,000
Bond Yield on POBs	5.50%

Savings Results	Combined
Cash Flow PV Savings	2,952,965
UAAL PV Savings (1)	1,860,175
<b>PV Savings</b>	<b>4,813,140</b>
<b>PV Savings (%)</b>	<b>15.78%</b>
<b>Total Savings (2)</b>	<b>13,771,620</b>

- The City realized over **\$4.8 million in UAAL savings**
- In addition, the City will save approximately **\$1.9 MM during this fiscal year** by financing its normal cost payment

(1) Under CalPERS payment schedule, the Misc Plan is still projected to accrue a \$9.12 MM UAAL in 2036. Under the POB plan, this projected \$9.12 MM UAAL will be paid off today from POB proceeds. This action will result in UAAL savings of \$1.9 MM in today's dollars.

(2) Includes UAAL savings of \$9.1 MM and cash flow savings of \$4.7 MM.

(3) Excludes Normal Cost debt service.



# City ready to sell pension bonds

## High ratings expected to raise investor confidence

BY KRISTINA PETERSON  
DAILY NEWS STAFF WRITER

Like a whiz kid confidently sending out resumes, Burlingame is preparing to mail statements to investors advertising its newly approved pension obligation bonds, as it basks in its high credit ranking.

Flush from the "AA" rating issued on the bonds by credit giant Standard & Poor's, Burlingame plans to mail out bond prospectuses to potential investors next week and hopes to start selling the bonds through its underwriter, De La Rosa Investment Bankers, the week of Sept. 18.

"A double-A rating makes them one of the top-tier cities in California with respect to their underlying credit rating and will allow them to get the lowest interest rates (on the bonds)," said John Kim, senior vice president at De La Rosa. The rating system goes up to AAA, "a rating assigned to the United States, for instance," he said.

On Tuesday night, the Burlingame City Council approved the bond purchase agreement, which will enable the city to immediately pay off its \$30.5 million debt to the California Public Employees Retirement System, or CalPERS, for its fire, police and miscellaneous employee retirement plans.

"This is fairly straightforward. It is a very smart thing to do," Council Member Russ Cohen said.

In essence, Burlingame will be refinancing its debt at a lower interest rate, like people can do with credit card debt, Cohen said.

Instead of gradually paying off its \$30.5 million debt to CalPERS, which charges 7.8 percent interest, Burlingame hopes to sell the 11-, 12- and 30-year pension obligation bonds to private investors at a projected interest rate of 5.8 percent. The city will know the precise interest rate on the day it goes

*"This is fairly straightforward. It is a very smart thing to do."*

*Burlingame Council Member  
Russ Cohen*

### PENSION BONDS

From page 3

to market with the bonds, Sept. 19.

Based on this difference in interest rates, the city expects to save more than \$200,000 per year for the first 10 years, Finance Director Jesus Nava said.

"We'll always pay the bondholders less than what we would have paid CalPERS," Nava said. "It's guaranteed savings."

Because CalPERS guarantees a 7.8 percent return on investments, the fire and safety employees do not have to worry about market volatility, Nava said.

Millbrae saved \$2.1 million with pension obligation bonds, but they sold their bonds at a lower interest rate at around 4.8 percent.

Millbrae "structured this refinancing ... so the city could take the savings upfront," said Millbrae Assistant City Manager Jeff Killian. "This was done to get the city of Millbrae through the

financial crisis the city was having at the time."

Issuing pension obligation bonds allowed Millbrae to refrain from additional layoffs, he said. In the next fiscal year Millbrae will begin paying \$750,000 per year on the bonds.

Nava said Burlingame will handle its new debt by making scheduled payments every year for the next 30 years.

*E-mail Kristina Peterson at  
kpeterson@dailynewsgroup.com.*

PENSION BONDS, page 5



# Burlingame POBs Case Study – Pricing Comparables

- Burlingame's interest rates were set **0.05%** lower than similar financings

➤ \$180,000 over the life of the bonds

Size (\$millions)	\$33.0			\$55.0		\$7.3		\$13.5		\$20.0	
Issue Type	Burlingame, CA POBs (CIBs)			Cal Infra Salvation Army Taxable Revs		West Covina Taxable Lease Revs		Signal Hill Taxable TABs		San Francisco Taxable TABs	
Call Features	Make Whole			Non-Callable		2016 @ 100		Non-Callable		2016 @ 100	
Insurer	MBIA			AMBAC		AMBAC		FGIC		MBIA	
Underlying Senior Manager	AA			Aa3/AA-		A		A		(A2/A)	
Sale Date	De La Rosa & Co. 9/19/2006			B of A 9/7/2006		B of A 9/4/2006		UBS 8/17/2006		UBS 8/9/2006	
Maturity	Treasury	Yield (9/19)	Spread to Treasury (9/19)	Treasury	Spread to Treasury	Treasury	Spread to Treasury	Treasury	Spread to Treasury	Treasury	Spread to Treasury
2006											
2007	2 yr	5.190%	0.38%	2 yr	0.39%						
2008	2 yr	5.220%	0.41%	2 yr	0.41%						
2009	3 yr	5.205%	0.48%	3 yr	0.48%						
2010	3 yr	5.235%	0.51%	5 yr	0.51%						
2011	5 yr	5.255%	0.55%	6 yr	0.56%	5 yr	0.61%				
2012	5 yr	5.285%	0.58%	7 yr	0.59%	5 yr	0.63%				
2013	10 yr	5.327%	0.58%	10 yr	0.58%	10 yr	0.63%				
2014	10 yr	5.357%	0.61%	10 yr	0.62%	10 yr	0.65%				
2015	10 yr	5.387%	0.64%	10 yr	0.65%	10 yr	0.67%				
2016	10 yr	5.407%	0.66%	10 yr	0.67%	10 yr	0.69%	10 yr	0.72%	10 yr	0.68%
2017				10 yr	0.69%						
2018				10 yr	0.71%						
2019											
2020											
2021	10 yr	5.467%	0.72%							10 yr	0.95%
2022											
2023											
2024											
2025											
2026				30 yr	0.70%	30 yr	1.08%	30 yr	0.84%		
2027											
2028											
2029											
2030											
2031				30 yr	0.74%						
2032											
2033											
2034											
2035											
2036	30 yr	5.551%	0.68%	30 yr	0.77%	30 yr	1.12%			30 yr	1.14%

COLOR KEY:  Indicates spreads that are higher than those of Burlingame's  
 Indicates spreads that are lower than those of Burlingame's



# SUNDAY DAILY NEWS

Serving Burlingame, Redwood City, San Mateo and San Mateo County

FREE

SUNDAY, SEPTEMBER 24, 2006

Volume 7, Number 41

## Bonds could save city millions

Burlingame officials anticipate \$4.6 million in savings over the next 30 years

BY KRISTINA PETERSON  
DAILY NEWS STAFF WRITER

An unexpected cash cow has settled down to graze in Burlingame for the next 30 years — the pension obligation bonds sold by the city this week should bring in \$4.6 million in savings over their three-

decade duration.

Burlingame's pension obligations were priced and sold on Tuesday during a favorable market swing toward bonds.

"The market timing was just about perfect," said Finance Director Jesus Nava.

"The market rate (for bonds) dropped a little bit a few days before the sale, and then it dropped even more the day before. ...We were able to save \$300,000 on the sale," said City Manager Jim Nantell.

The City Council decided to issue the pension obligation bonds on

Sept. 5 to pay off in full Burlingame's \$30.5 million debt to the California Public Employees Retirement System, or CalPERS, for its fire, police and miscellaneous employee benefits.

Rather than gradually repaying CalPERS, which charges 7.8 per-

cent interest, Burlingame will fully pay off CalPERS next week, then make scheduled payments to its bondholders at an interest rate more than 2 percentage points lower. The savings will hover around \$300,000 per year for the first 12 years, then

**BONDS**, page 5

### BONDS

From page 1

stabilize near \$55,000 for the remaining 18 years, for a total savings of around \$4.6 million.

"The true interest cost is about 5.58 percent, taking into account all expenses," Nava said, referring to the cost of the interest plus the fee for the underwriters. De La Rosa Investment Bankers worked to sell the city's bonds this week to a variety of private investors, including mutual funds and several European banks, said Senior Vice President John

Kim.

Kim said that Burlingame's bonds appealed to Europeans because "they have a much more sophisticated financial system with a very strong appetite for taxable bonds in the U.S."

The bonds sold at a better interest rate than the 5.8 percent initially expected in part because the unusually high "AA" underlying credit rating assigned to Burlingame by Standard & Poor's "produced a lot of interest," Kim said. In addition, he said, data released this week showing the economy slowing down encouraged interest in bonds.

Burlingame is not the only local city

to issue pension obligation bonds. In the next fiscal year, Millbrae must begin annual payments of \$750,000 to pay off its own bonds, sold at an even lower interest rate of 4.8 percent. Still, Millbrae Assistant City Manager Jeff Killian estimated his city will save \$2.1 million over 20 years on the bonds.

In Burlingame, Nava said the savings of \$4.6 million will be funneled back into the city budget.

"We still have a capital improvements funding gap of \$4 million per year. This will help us a little bit there," he said.

E-mail Kristina Peterson at [kpeterson@dailynewsgroup.com](mailto:kpeterson@dailynewsgroup.com).



## *Financing Milestones*

**June 2008**

- ◆ Council provides conceptual approval of POB

**July 2008**

- ◆ Council approves bond issuance and authorizes validation proceedings

**Aug. – Sept. 2008**

- ◆ File legal validation with Superior Court
- ◆ Receive default judgment
- ◆ 30 day appeal period

**October 2008**

- ◆ Draft bond prospectus
- ◆ Council approves bond prospectus and POB sale
- ◆ POB closes; funds delivered to CalPERS



## Validation Proceedings

### Why do POB's have to be validated?

- State Constitutional debt limit requires 2/3 vote to incur debt
- "Obligation imposed by law" exception
- Investors require unqualified opinion from bond counsel
- Bond counsel believes case law is not sufficient w/o court validation

### How long does a validation proceeding take?

- Typically 85-95 days
- Could be faster/slower depending on Superior Court hearing schedule

### Have validation proceedings for POB's been challenged?

- About 100 validation proceedings have been held for POB's in CA
- None have been subject to challenge at local agency level

### Validation Proceeding Milestones

#### After Council approves bonds & authorizes validation proceedings:

- 1-2 days - File validation complaint with Superior Court
- 21 days - File Notice of Summons once a week (3 times)
- 10 days - Statutory waiting period after last published notice
- 5-10 days - Schedule court hearing
- 10-20 days - Court hearing / default judgment
- 30 days - Challenge period



## *Key Steps to Moving Forward With Identified Savings*

- **Determine the City's Savings Goals**
- **Prepare draft financing and validation documents**
- **Present financing package for consideration at future Council meeting**

**Pension Obligation Bond (POB)  
Question and Answers (Follow-up)  
May 27, 2008**

**1. What is the “upfront” and “long-term” impact of issuing pension obligation bonds?**

**What are the annual and total payments over the next 27 years if the City issues pension obligation bonds?**

The City has an unfunded liability for their safety & miscellaneous pension plans:

- Safety unfunded liability: \$2,660,156 (est.)
- Miscellaneous unfunded liability: \$5,639,763 (est.)
- Total: \$8,299,919 (est.)

Currently, the City is paying off these amounts to CalPERS over 27 years and is charged a 7.75% interest rate. (The payments increase by 3.25% annually to account for estimated payroll growth.)

The current payments made to CalPERS are estimated below.

Fiscal Year	Existing Payments to CalPERS at 7.75%
2009	526,087
2010	543,185
2011	560,838
2012	579,066
2013	597,885
2014	617,317
2015	637,379
2016	658,094
2017	679,482
2018	701,565
2019	724,366
2020	747,908
2021	772,215
2022	797,312

Fiscal Year	Existing Payments to CalPERS at 7.75%
2023	823,225
2024	849,980
2025	877,604
2026	906,126
2027	935,575
2028	965,982
2029	997,376
2030	1,029,791
2031	1,063,259
2032	1,097,815
2033	1,133,494
2034	1,170,332
2035	1,208,368
<b>Total</b>	<b>22,201,628</b>

Pension Obligation Bond (POB)  
 Question and Answers (Follow-up)  
 May 27, 2008

By issuing pension obligation bonds, the City will replace the CalPERS payments at 7.75% and replace it with bond payments at about 6.50%.

The estimated bond payments assuming 6.50% are shown below.

Fiscal Year	Bond Payments at 6.50%
2009	244,446
2010	325,928
2011	325,928
2012	430,928
2013	595,928
2014	615,928
2015	640,928
2016	655,928
2017	680,928
2018	700,928
2019	720,928
2020	745,928
2021	775,928
2022	795,928

Fiscal Year	Bond Payments at 6.50%
2023	825,928
2024	850,928
2025	875,928
2026	905,928
2027	935,928
2028	965,928
2029	990,928
2030	1,030,928
2031	1,064,828
2032	1,101,934
2033	1,128,753
2034	1,175,596
2035	1,210,908
<b>Total</b>	<b>21,320,953</b>

Interest rates on the pension obligation bonds would be obtained at the time the bonds are sold (October 2008). The 6.50% interest rate is a reasonable estimate at this time.

Pension Obligation Bond (POB)  
 Question and Answers (Follow-up)  
 May 27, 2008

If the City received the savings upfront, the City could save about \$880,000 between FY 2009 – FY 2012.

Fiscal Year	Annual Savings (7.75% CalPERS vs. 6.50% Bond)
2009	281,641.13
2010	217,256.96
2011	234,910.47
2012	148,137.72
2013	1,957.36
2014	1,388.63
2015	(3,548.58)
2016	2,166.25
2017	(1,445.69)
2018	637.49
2019	3,438.37
2020	1,980.27
2021	(3,712.71)
2022	1,384.29

Fiscal Year	Annual Savings (7.75% CalPERS vs. 6.50% Bond)
2023	(2,703.06)
2024	(948.25)
2025	1,676.09
2026	198.23
2027	(352.67)
2028	53.53
2029	6,447.93
2030	(1,137.36)
2031	(1,569.16)
2032	(4,119.25)
2033	4,740.73
2034	(5,263.72)
2035	(2,539.92)
<b>Total</b>	<b>880,675.07</b>

The upfront financing costs are estimated at: \$262,667, which includes the following:

Legal Fees	110,000
Bond Underwriting Fees	98,167
Financial Advisory Fees	22,500
Bond Rating Fees	12,000
Printing Fees	5,000
Trustee Fees	5,000
Contingency	10,000
<b>Total Financing Costs (Est.)</b>	<b>262,667</b>

These fees are estimated at this point. We have received a specific cost proposal from the financial advisor and bond underwriter (also attached).

**2. What are the political risks of issuing pension obligation bonds if the City moves forward? For example, if other private sector employees are allowed to join CalPERS, what would the impact be?**

CalPERS established the risk-sharing pools in July 2004 to help address the large fluctuations in CalPERS payments that were being made by public agencies due to stock market losses in the early 2000's. Public agencies which participate in the risk-sharing pool are provided a 7.75% rate of return regardless of stock market fluctuations.

If private sector employees were allowed to participate in CalPERS pension system in the future, it would provide CalPERS more money to invest and help increase CalPERS influence as an investor in the marketplace. Existing participants in CalPERS would unlikely be affected since their pension investments are separate.

**3. What is the updated timeline?**

<b>June 2008</b>	<b>- Council provides conceptual approval of POB</b>
<b>July 2008</b>	<b>- Council approves bond issuance and authorizes validation proceedings</b>
<b>Aug. - Sept. 2008</b>	<b>- File legal validation with Superior Court - Receive default judgment - 30 day appeal period</b>
<b>October 2008</b>	<b>- Draft bond prospectus - Council approves bond prospectus and POB sale - POB closes; funds delivered to CalPERS</b>

## **Pension Obligation Bond (POB)**

**May 27, 2008**

### **City Council Options**

1. City Council approves staffs recommendation to continue with the process immediately in order to complete POB process by October 2008. This would entail approval of recommended Financial Advisor and Underwriter.
2. City Council directs staff to continue with the process in order to complete the POB process at a future date. This would entail not approving the recommended Financial Advisor and Underwriter and directing staff to send out a request for proposal. Process would be delayed between one to two months.
3. City Council directs staff to stop the POB process.

May 12, 2008

Ms. Lorena Quijano  
Finance Manager  
City of San Fernando  
117 MacNeil Street  
San Fernando, CA 91340

Dear Ms. Quijano;

We are very pleased for the opportunity to propose to serve as financial advisor to the City of San Fernando for its proposed pension obligation bond program. We appreciate the opportunity to have worked with you and your colleagues last year and hope we can again provide good support for the City's redevelopment program.

### **Project goals**

The City has received a proposal from De La Rosa & Co. to issue pension obligation bonds to fund its unfunded liability with CalPers secured by the property tax override the City currently receives. This property tax override is specified to be used for retirement benefits for City employees.

Our goal would be to provide recommendations to the City on (1) the funding of the unfunded CalPers liability through debt, (2) the allocation of property tax override revenues for this purpose and (3) the appropriateness of all costs associated with the sale of the bonds.

### **Our Approach**

We believe that the City needs an independent actuarial evaluation of the impact of this proposed program on its annual budgeting requirements with CalPers. This projected budget impact needs to be evaluated in comparison to available property tax revenues and to other potential OPEB expenses that need to be funded by the same revenue stream. Once an appropriate level of funding has been determined for any bond program, we can then evaluate whether the costs of such a bond program make sense with respect to the benefits to be achieved.

### **Scope of Services**

We propose the following scope of services:

- 1) Work with staff to select an appropriate actuary to develop long term projections for the impact of the proposed bonding program on the City's budget.
- 2) Work with staff to develop an overall long term budget for use of property tax override revenues. This work would also include developing future projections of this property tax override revenue.
- 3) Work with De La Rosa & Co. to develop a proposed bond structure that best responds to the actuaries long term budget projections, to the projections of property tax revenue, and to other budgeted needs for that revenue
- 4) Prepare a detailed analysis of all costs, including validation, associated with a pension obligation bond financing. NHA will evaluate these costs for (1) net benefit of any pension obligation bond program and (2) their appropriateness given the standards of the municipal bond industry.
- 5) Prepare a report to the City setting for the analysis in items #1 through #4 above.

- 6) If the City decides to go ahead with the pension obligation bond, NHA will work with bond counsel to help prepare the legal documents, and work with disclosure counsel to help prepare the official statement.
- 7) NHA will negotiate the interest rates on the bonds with De La Rosa for any bond underwriting.
- 8) NHA will assist in the closing process for any bond issue.

## Compensation

We propose to be compensated in two ways:

- 1) For items #1 through #5 NHA will be compensated at an hourly rate of \$250 per hour subject to a not to exceed cap of \$15,000.
- 2) Should any bond issue result from this work for which we serve as financial advisor, we would charge a financial advisory fee of \$7,500 for that transaction.

## Firm Experience

Northcross, Hill & Ach, Inc. ("NHA") is headquartered in San Rafael. The firm was founded for the purpose of providing assistance to public agencies in obtaining and securing funding sources necessary for their projects. NHA currently serves as financial advisor to 35 California cities and special districts, 39 California school districts and four transit agencies. The principals and staff of NHA have over 82 years of combined experience in local government finance. Nearly everyone has dedicated their entire career to the public sector, either as consultants or directly in public service. As financial advisors, NHA works directly with their clients and assumes full responsibility for every aspect of the financial advisory services. It should be stressed that NHA acts strictly as a financial advisor and does not buy or sell bonds or take positions in securities. In short, the overall mission of the firm is to provide assistance to public agencies in gaining access to capital. NHA has specifically analyzed pension obligation bond programs for the Cities of Berkeley, San Rafael, Visalia and Yuba City.

NHA has a wealth of experience with California cities. We are proud to have served the cities shown in the chart to the right.

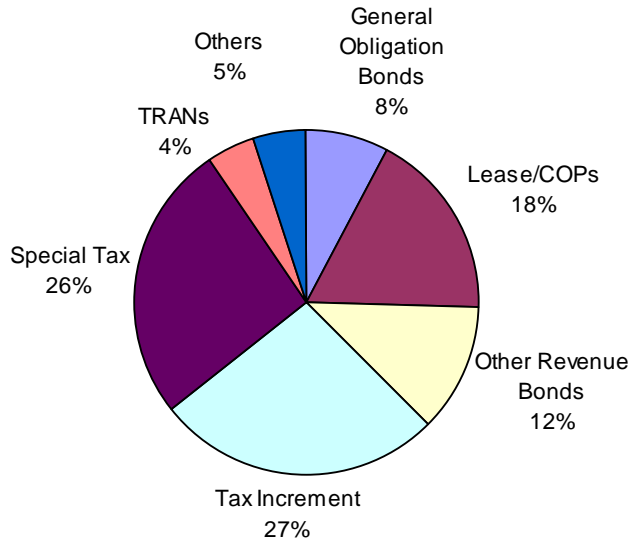
On behalf of our clients, NHA has structured a broad range of transactions including:

- General obligation bonds;
- Lease financings such as lease revenue bonds and certificates of participation;
- Revenue bonds for enterprise funds such as water and wastewater;
- Tax allocation bonds;
- Land-based transactions such as assessment bonds and special tax bonds (Mello-Roos);
- Variable rate financing structures including auction rate bonds;
- Short term financing such as tax and revenue anticipation notes, bond anticipation notes, and grant anticipation notes; and
- Special purpose bonds such as pension obligation bonds and pooled insurance financing.

### NHA's California City Clients

Alameda	Newark
American Canyon	Oroville
Berkeley	Palmdale
Colma	Paso Robles
Corning	Pleasant Hill
Corte Madera	Rocklin
Davis	San Fernando
Encinitas	San Francisco
Gilroy	San Rafael
Glendale	Sanger
Grover Beach	Santa Ana
Hemet	Scotts Valley
Hermosa Beach	Sutter Creek
Lakeport	Suisun City
Live Oak	Torrance
Mammoth Lakes	Visalia
Mt. Shasta	Yuba City

## NHA City Transactions by Type



Since 2001, NHA has successfully structured over two hundred transactions totaling over \$4.2 billion, with more than half completed for California cities. The chart on the left shows a distribution of transactions by type for those completed for our city clients.

## Personnel

Mark Northcross, Principal and one of three founding partners, will be the project manager. He will be assisted by Lisa Liang Siemsen. Resumes for the project leaders are provided below.

### Mark Northcross

Mr. Northcross has been a public finance professional since 1981 and a consultant to local government since 1974. His clients include 20 California cities, such as Davis, Hemet, Glendale, Palmdale, Rocklin and Santa Cruz. Mr. Northcross, a founding partner of Kelling, Northcross & Nobriga, left that firm in 1996 to establish, as a partner, Project Finance Associates,

which in turn merged with Andrew Ach & Associates in 2000 to become Northcross, Hill & Ach. During his 24- year career in public finance, Mr. Northcross has served as the financial advisor on over 300 bond financings for agencies within California. His practice, which has focused primarily on the needs of City government, comprises all forms of debt issuance available to municipalities, including Revenue Bonds, Assessment Bonds, Mello-Roos Bonds, Tax Allocation Bonds, Certificates of Participation, and Tax and Revenue Anticipation Notes.

Since 1982, Mr. Northcross has served as the financial advisor on over 40 redevelopment financings. A specialist in project finance, he has completed project financings for alpine villages at both Mammoth Lakes and South Lake Tahoe, a regional mall in West Covina and a new hospital in Palmdale. Prior to his work in public finance, Mr. Northcross served as a consultant to California cities on land planning issues, CEQA and on the economic impact of new development. He received his B.A. degree in Social Sciences from the University of California at Irvine in 1973.

### Lisa Liang Siemsen

Lisa Liang Siemsen brings to the City of San Fernando over 14 years of public finance experience. She has worked on very diverse projects on behalf of her municipal clients. The projects include developing finance plans for San Francisco Municipal Railway and a North Bay County Flood Control District; developing a management tool for capital planning for Bay Area Rapid Transit ("BART"); a debt capacity analysis for the San Francisco YMCA; and a comprehensive capital planning and finance plan for the Port Authority of Allegheny County. Additionally, Ms. Siemsen has specific transactions experience with sales tax revenue bonds, long term and short term financings and negotiated and competitive bond sales. Ms. Siemsen's current clients include, but are not limited to, Alameda County Transportation Authority, Transbay Joint Powers Authority, Capital Metropolitan Transportation Authority and City and County of San Francisco.

Prior to joining NHA, Ms. Siemsen founded Causeway Financial Consulting in 1997 to provide public financial advisory services to municipal clients. Additionally, Ms. Siemsen was an underwriting officer at Capital Guaranty (now known as "FSA"; 1995-1996), a leading municipal bond insurance company. In this capacity, Ms. Siemsen evaluated the credit worthiness of public agencies and not-for-profit hospitals across the country. Ms. Siemsen was a public finance banker with CS First Boston (1992-1995) where she had extensive experience managing transactions. She developed customized and sophisticated financial models to meet the unique structuring needs of her clients which included the City of Pasadena, Redevelopment Agency of Pasadena, Counties of Riverside and Los Angeles, and several California hospitals. Ms. Siemsen concentrated on general infrastructure, redevelopment and health care financings.

Ms. Siemsen holds a Master's degree in Public Policy from the Kennedy School of Government, Harvard University and a Bachelor's degree in Legal Studies from the University of California, Berkeley.

## **Conclusion**

We are again very pleased to have this opportunity to be of service to the City of San Fernando. We are ready to begin work now. References are available upon request. Please feel free to call me with any questions on our proposal.

Very truly yours;

A handwritten signature in blue ink, reading "Mark Northcross", is displayed on a light gray rectangular background.

Mark Northcross

Principal

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>FUND</b>	<b>FUND NO.</b>
<b>RETIREMENT</b>	<b>18</b>

**NARRATIVE**

This fund is to account for receipts from a voter-approved special tax levy that is used to pay for all costs of the City's membership in the Public Employees Retirement System (PERS). As of Fiscal Year 2003-2004, the City's costs increased significantly due to rising rates in both health insurance premiums and member contributions to PERS. This has continued in succeeding years.

Payment of retired employees health benefits and service charges paid to PERS for administration of the retired employees health insurance is paid directly from the Retirement Fund.

	ACTUAL 2006-2007	BUDGETED 2007-2008	ESTIMATED 2007-2008	REQUESTED 2008-2009
Retirement Expenditures	\$ 2,884,012	\$ 3,267,300	\$ 3,465,453	\$ 3,756,624
<u>Charged costs via other Funds</u>				
<i>Special Funds / Enterprise Funds</i>	364,930	(379,342)	(313,495)	(444,088)
<i>Agency Fund</i>	95,180	(100,800)	(100,800)	(121,458)
Total	\$ 3,344,122	\$ 2,787,158	\$ 3,051,158	\$ 3,191,078

**SOURCE OF FUNDS**

Property Taxes	\$ 2,725,883	\$ 2,545,000	\$ 2,700,000	\$ 2,700,000
Total	\$ 2,725,883	\$ 2,545,000	\$ 2,700,000	\$ 2,700,000

**BALANCE SHEET**

Beginning Balance	\$ 396,615	\$ 251,840	\$ 238,486	\$ (112,672)
Revenues	2,725,883	2,545,000	2,700,000	2,700,000
Expenditures	2,884,012	2,787,158	3,051,158	3,191,078
Ending Balance	\$ 238,486	\$ 9,682	\$ (112,672)	\$ (603,750)

**CITY OF SAN FERNANDO  
REQUESTED BUDGET  
FY 2008-2009**

<b>DIVISION</b>	<b>DIVISION NO.</b>
<b>Retirement Costs</b>	<b>180</b>

**NARRATIVE**

This division accounts for payments made for retirement related costs directly by the General Fund. These retirement costs include payment to PERS for current city employees.

In previous years, the payments for retirement costs was made out of the division where the employee was accounted for and where the retired employee was working at the time of their retirement.

Beginning with Fiscal Year 2001-2002 and continuing thru fiscal year 2007-2008, the payment of retired employees health benefits and service charges paid to PERS for their administration of the retired employees health insurance is paid directly from the Retirement Fund.

A voter approved special tax levy is used to pay for a portion of the City's membership in the Public Employees Retirement System (PERS). This special tax levy is accounted separately in the Retirement Fund. The Retirement Fund pays for the retired employee's health insurance directly and reimburses the General Fund for retirement payments related to employees whose labor is allocated to the General Fund. Since the revenues collected in the Retirement Fund are not sufficient to cover all expenditures related to PERS, the remaining retirement expenditures are paid directly by the Agency, Enterprise, and Special Funds.

	<b>ACTUAL</b>	<b>BUDGETED</b>	<b>ESTIMATED</b>	<b>REQUESTED</b>
<b>APPROPRIATIONS</b>	<b>2006-2007</b>	<b>2007-2008</b>	<b>2007-2008</b>	<b>2008-2009</b>
Personnel Services:				
4124 General Fund Retirement				
Costs for PERS	\$ 1,793,278	\$ 1,921,500	\$ 1,921,500	\$ 2,038,152
Total	\$ 1,793,278	\$ 1,921,500	\$ 1,921,500	\$ 2,038,152

**SOURCE OF FUNDS**

Retirement Fund

*Total Employee Retirement Expenditures:*

Retirement Fund	\$ 1,793,278	\$ 1,921,500	\$ 1,921,500	\$ 2,038,152
Special Funds / Enterprise Funds	347,491	417,659	417,659	444,088
Agency Fund	97,084	100,800	100,800	121,458
Total	\$ 2,237,853	\$ 2,439,959	\$ 2,439,959	\$ 2,603,698