

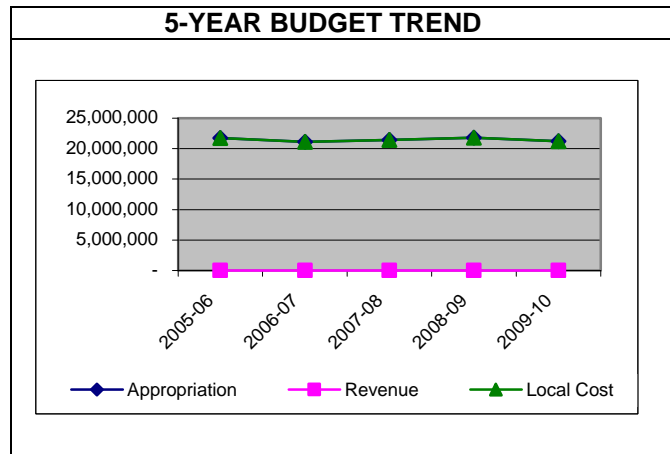
## Joint Powers Leases

### DESCRIPTION OF MAJOR SERVICES

This budget unit finances the cost of long-term capital lease payments for the major county assets financed by the general fund.

There is no staffing associated with this budget unit.

### BUDGET HISTORY



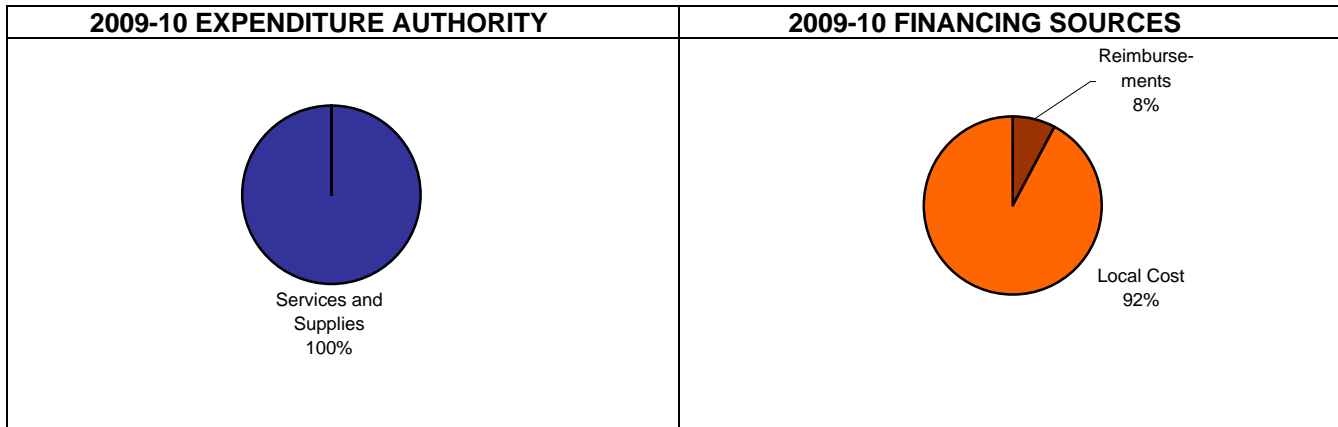
### PERFORMANCE HISTORY

	<b>2005-06 Actual</b>	<b>2006-07 Actual</b>	<b>2007-08 Actual</b>	<b>2008-09 Modified Budget</b>	<b>2008-09 Estimate</b>
Appropriation	20,987,980	20,147,355	18,675,497	21,812,356	20,424,447
Departmental Revenue	3,505	(5)	346	-	17,893
Local Cost	20,984,475	20,147,360	18,675,151	21,812,356	20,406,554

Estimated appropriation for 2008-09 are lower than budgeted amounts. It is estimated that variable rate interest savings resulting from covenants that require conservative budgeting of variable rate interest expense will total \$1.8 million. This savings is offset by reduced interest earnings on reserve fund investments and increased costs of legal services related to the 1997 Lease/Leaseback transaction due to the recent financial difficulties of AIG, the defeasance bank on the Lease/Leaseback transaction.



**ANALYSIS OF PROPOSED BUDGET**



**GROUP:** Administrative/Executive  
**DEPARTMENT:** County Administrative Office - Joint Powers Leases  
**FUND:** General

**BUDGET UNIT:** AAA JPL  
**FUNCTION:** General  
**ACTIVITY:** Property Management

	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Estimate	2008-09 Final Budget	2009-10 Proposed Budget	Change From 2008-09 Final Budget
<b>Appropriation</b>							
Services and Supplies	22,572,197	21,874,723	20,556,182	22,594,863	23,985,506	23,019,445	(966,061)
Total Exp Authority	22,572,197	21,874,723	20,556,182	22,594,863	23,985,506	23,019,445	(966,061)
Reimbursements	(1,584,217)	(1,727,368)	(1,880,685)	(2,170,416)	(2,173,150)	(1,816,051)	357,099
Total Appropriation	20,987,980	20,147,355	18,675,497	20,424,447	21,812,356	21,203,394	(608,962)
<b>Departmental Revenue</b>							
Other Revenue	3,505	(5)	346	17,893	-	-	-
Total Revenue	3,505	(5)	346	17,893	-	-	-
Local Cost	20,984,475	20,147,360	18,675,151	20,406,554	21,812,356	21,203,394	(608,962)

Service and supplies of \$23,019,445 represent lease payments and related fees and administrative costs for the major county assets financed by the general fund. In 2009-10, services and supplies are reduced by \$966,061. This includes a \$1.2 million decrease in appropriation used in 2008-09 to prepay a portion of outstanding principal of the county's Certificates of Participation, as required per county policy. This \$1.2 reduction is offset by an increase in estimated interest expense due to covenants that require conservative budgeting of variable rate interest, and reduced interest earnings on debt service reserve fund investments.

Reimbursements of \$1,816,051 include \$1,263,251 to fund the lease payments and related costs of the Glen Helen Pavilion. This reimbursement is funded by revenues associated with the operation of the pavilion. Reimbursements also include \$470,000 from the Utilities budget which represents savings from the ENVEST project which was financed with proceeds of the 1997 Public Improvement Financing. A reimbursement of \$82,800 from Preschool Services represents payment for a portion of the down payment for a preschool building in Ontario that was funded with proceeds of the 1997 Public Improvement Financing.

In August 2006, the Board adopted an amendment to the formal Budget Financing Policy. This amendment automatically reappropriates the portion of the final fund balance associated with variable rate savings (budget vs. actual) to reduce the principal of outstanding long term debt in the next fiscal year. It is estimated that the savings calculated pursuant to this policy will be approximately \$1.8 million at the end of 2008-09. This amount is not included in the 2009-10 proposed budget, but will be appropriated from 2008-09 fund balance once the final variable rate savings amount is determined.



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Lease payments included in this budget unit for 2009-10 are:

Glen Helen Pavilion	1,171,023
Justice Center/Chino Airport Improvements	6,494,800
1997 Public Improvement Financing (ENVEST, West End Juvenile Facility, Preschool Building)	1,316,603
County Government Center	3,419,310
West Valley Detention Center	10,010,620
Subtotal:	<u>22,412,356</u>
Debt Administration (Trustee Fees, Letter of Credit Fees, Remarketing Fees, Auction Agent Fees, Broker-Dealer Fees, Audit and Arbitrage)	607,089
Reimbursements	(1,816,051)
Subtotal:	<u>(1,208,962)</u>
Total:	<u><u>21,203,394</u></u>

