

# 15J - PENSION OBLIGATION BONDS DEBT SERVICE

## Operational Summary

### Description:

This fund is used to record the debt service payments on the County's Pension Obligation Bonds: Series 1994A, Refunding Series 1996A and Refunding Series 1997A. The 1994 Bonds were paid off in 2004, only the 1996 and 1997 obligations remain. These bonds are a General Fund obligation.

On October 20, 1999 the Board of Supervisors directed the CEO to proceed with actions necessary to eliminate this debt obligation. On March 31, 2000 and June 11, 2000, the County purchased through a tender offer 45% of the outstanding bonds, about \$288.3 million, and then cancelled them. The cost of the purchase was about \$179.0 million.

The remaining Pension Obligation Bonds with a par value of \$350,823,000, were successfully prepaid through an economic defeasance on June 22, 2000. Available funds, including the FY 1999-00 Tobacco Settlement Revenue allocation to the County, were irrevocably pledged for payment, in full, of the bonds and invested in AAA rated debt securities issued by the Federal Home Loan Bank, Federal National Mortgage Association (FNMA). The FNMA securities, along with cash on hand, will be sufficient to pay principal and interest on the bonds when due and payable.

The FY 2007-2008 budget for this fund contains appropriations to record the debt service payments made by the bond trustee from the defeasance escrow fund. There is no "out-of-pocket" payment required from the County.

### At a Glance:

Total FY 2006-2007 Projected Expend + Encumb:	14,877,109
Total Recommended FY 2007-2008	21,583,377
Percent of County General Fund:	N/A
Total Employees:	0.00

### Strategic Goals:

- To record debt service payments made by the trustee on the defeased Pension Obligation Bonds.

## Budget Summary

### Proposed Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual	Budget As of 3/31/07	Projected <sup>(1)</sup> At 6/30/07	Recommended	Projected Amount	Percent
Total Revenues	21,963,200	15,331,274	15,339,398	21,583,377	6,243,979	40.71
Total Requirements	22,708,859	15,331,274	14,877,109	21,583,377	6,706,268	45.08
Balance	(745,659)	0	462,289	0	(462,289)	-100.00

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2006-07 projected requirements included in "At a Glance" (Which exclude these).

Columns may not total correctly due to rounding.

Detailed budget by expense category and by activity is presented for agency: Pension Obligation Bonds Debt Service in the Appendix on page A670



## 15J - Pension Obligation Bonds Debt Service

### Summary of Proposed Budget by Revenue and Expense Category:

Revenues/Appropriations	FY 2005-2006		FY 2006-2007		FY 2007-2008		Change from FY 2006-2007	
	Actual	Budget As of 3/31/07	Projected <sup>(1)</sup> At 6/30/07	Projected <sup>(1)</sup> At 6/30/07	Recommended	Projected	Amount	Percent
Revenue from Use of Money and Property	\$ 9,456,433	\$ 8,205,523	\$ 8,213,647	\$ 8,213,647	\$ 8,205,123	\$ (8,524)	-0.10%	
Other Financing Sources	3,418,341	0	0	0	0	0	0.00	
<b>Total FBA</b>	<b>114,315</b>	<b>(745,659)</b>	<b>(745,659)</b>	<b>(745,659)</b>	<b>462,289</b>	<b>1,207,948</b>	<b>-162.00</b>	
Reserves	8,974,111	7,871,410	7,871,410	7,871,410	12,915,965	5,044,555	64.09	
<b>Total Revenues</b>	<b>21,963,200</b>	<b>15,331,274</b>	<b>15,339,398</b>	<b>15,339,398</b>	<b>21,583,377</b>	<b>6,243,979</b>	<b>40.71</b>	
Services & Supplies	42,711	60,000	11,835	11,835	60,000	48,165	406.97	
Other Charges	17,325,446	14,865,274	14,865,274	14,865,274	21,523,377	6,658,103	44.79	
Other Financing Uses	5,340,702	406,000	0	0	0	0	0.00	
<b>Total Requirements</b>	<b>22,708,859</b>	<b>15,331,274</b>	<b>14,877,109</b>	<b>14,877,109</b>	<b>21,583,377</b>	<b>6,706,268</b>	<b>45.08</b>	
<b>Balance</b>	<b>\$ (745,659)</b>	<b>\$ 0</b>	<b>\$ 462,289</b>	<b>\$ 462,289</b>	<b>\$ 0</b>	<b>\$ (462,289)</b>	<b>-100.00%</b>	

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2006-07 projected requirements included in "At a Glance" (Which exclude these).

Columns may not total correctly due to rounding.