

## 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. 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 2006-2007 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 2005-2006 Projected Expend + Encumb:	22,718,614
Total Recommended FY 2006-2007	15,331,274
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 2004-2005	FY 2005-2006	FY 2005-2006	FY 2006-2007	Change from FY 2005-2006	
	Actual	Budget As of 3/31/06	Projected <sup>(1)</sup> At 6/30/06	Recommended	Projected Amount	Percent
Total Revenues	19,017,855	25,478,560	23,005,221	15,331,274	(7,673,947)	-33.36
Total Requirements	18,903,540	25,478,560	22,718,614	15,331,274	(7,387,340)	-32.52
Balance	114,315	0	286,607	0	(286,607)	-100.00

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2005-06 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 A178

## 15J - Pension Obligation Bonds Debt Service

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

Revenues/Appropriations	FY 2004-2005		FY 2005-2006		FY 2006-2007		Change from FY 2005-2006	
	Actual	Budget	Projected <sup>(1)</sup>	Projected <sup>(1)</sup>	Recommended	Projected	Amount	Percent
Revenue from Use of Money and Property	\$ 3,288,875	\$ 9,365,134	\$ 9,472,565	\$ 9,472,565	\$ 8,205,523	\$ (1,267,042)	-13.38%	
Other Financing Sources	7,768,929	7,025,000	3,418,341	3,418,341	0	(3,418,341)	-100.00	
<b>Total FBA</b>	<b>7,960,051</b>	<b>114,315</b>	<b>114,315</b>	<b>114,315</b>	<b>286,607</b>	<b>172,292</b>	<b>150.72</b>	
Reserves	0	8,974,111	10,000,000	10,000,000	6,839,144	(3,160,856)	-31.61	
<b>Total Revenues</b>	<b>19,017,855</b>	<b>25,478,560</b>	<b>23,005,221</b>	<b>23,005,221</b>	<b>15,331,274</b>	<b>(7,673,947)</b>	<b>-33.36</b>	
Services & Supplies	51,479	153,113	52,464	52,464	60,000	7,536	14.36	
Other Charges	8,173,660	17,325,447	17,325,447	17,325,447	14,865,274	(2,460,173)	-14.20	
Other Financing Uses	9,152,661	8,000,000	5,340,703	5,340,703	406,000	(4,934,703)	-92.40	
Reserves	1,525,741	0	0	0	0	0	0.00	
<b>Total Requirements</b>	<b>18,903,540</b>	<b>25,478,560</b>	<b>22,718,614</b>	<b>22,718,614</b>	<b>15,331,274</b>	<b>(7,387,340)</b>	<b>-32.52</b>	
<b>Balance</b>	<b>\$ 114,315</b>	<b>\$ 0</b>	<b>\$ 286,607</b>	<b>\$ 286,607</b>	<b>\$ 0</b>	<b>\$ (286,607)</b>	<b>-100.00%</b>	

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2005-06 projected requirements included in "At a Glance" (Which exclude these).

Columns may not total correctly due to rounding.