

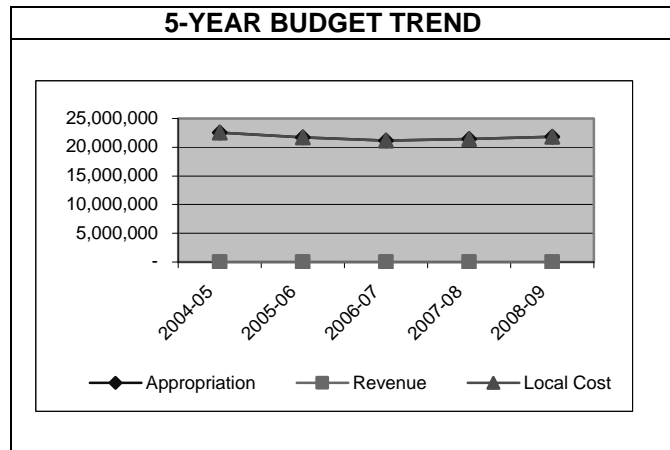
## Joint Powers Leases

### 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

	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Modified Budget	2007-08 Actual
Appropriation	21,382,011	20,987,980	20,147,355	21,437,356	18,675,497
Departmental Revenue	3,342	3,505	(5)	-	346
Local Cost	21,378,669	20,984,475	20,147,360	21,437,356	18,675,151

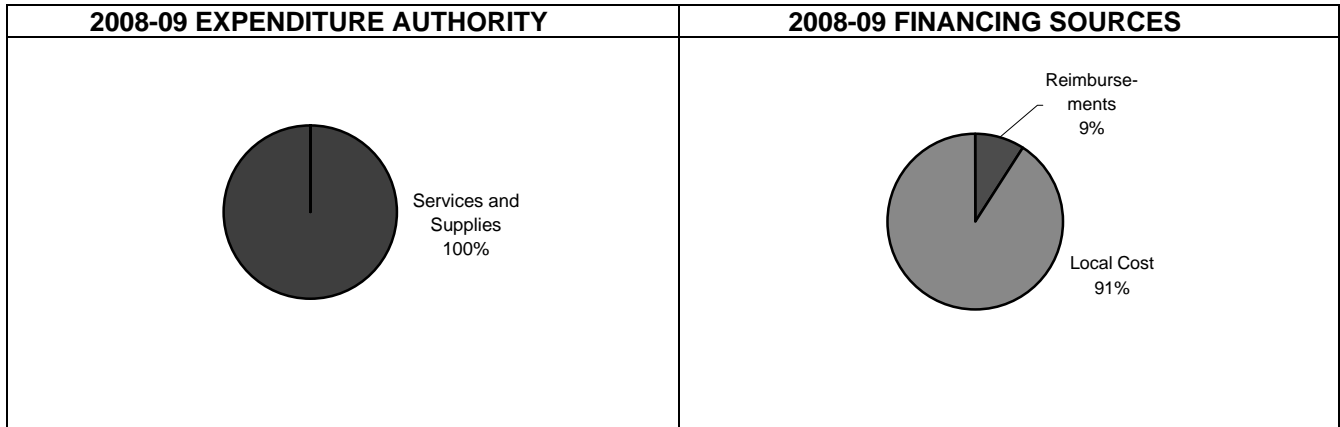
Actual appropriation for 2007-08 is lower than modified budget primarily for two reasons: 1) \$1.3 million of savings represents lease payments for the 1997 Public Improvement Project that were funded from unused project funds held by the trustee and therefore required no general fund contribution and 2) \$1.2 million represents variable rate interest savings that result from covenants that require conservative budgeting of variable rate interest expense.

Variable rate interest savings used to prepay Certificates of Participation per Board policy:

- 2004-05 \$1.8 million
- 2005-06 \$1.0 million
- 2006-07 \$0.3 million
- 2007-08 \$0.8 million
- 2008-09 \$1.2 million (budgeted)



**ANALYSIS OF FINAL BUDGET**



GROUP: Administrative/Executive  
DEPARTMENT: Joint Power Leases  
FUND: General

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

	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Actual	2007-08 Final Budget	2008-09 Final Budget	Change From 2007-08 Final Budget
<b>Appropriation</b>							
Services and Supplies	22,905,636	22,572,197	21,874,723	20,556,182	23,318,041	23,985,506	667,465
Total Exp Authority	22,905,636	22,572,197	21,874,723	20,556,182	23,318,041	23,985,506	667,465
Reimbursements	(1,523,625)	(1,584,217)	(1,727,368)	(1,880,685)	(1,880,685)	(2,173,150)	(292,465)
Total Appropriation	21,382,011	20,987,980	20,147,355	18,675,497	21,437,356	21,812,356	375,000
<b>Departmental Revenue</b>							
Other Revenue	3,342	3,505	(5)	346	-	-	-
Total Revenue	3,342	3,505	(5)	346	-	-	-
Local Cost	21,378,669	20,984,475	20,147,360	18,675,151	21,437,356	21,812,356	375,000

Services and supplies of \$23,985,506 represent lease payments and related fees and administrative costs for the major county assets financed by the general fund, and provides for principal reduction of existing Certificates of Participation pursuant to county policy. In 2008-09, services and supplies is increased by \$667,465. This amount is made up of a \$375,000 increase in appropriation to be used to prepay principal on existing Certificates of Participation and a \$292,465 increase in lease payments and fees caused primarily by the refinancing of the Glen Helen Certificates of Participation (COPs). This refinancing resulted in an increase in lease payments due to a requirement to deposit \$1.1 million in cash with the trustee bank. This deposit funded a cash reserve to provide additional protection to the owners of the COPs against non-payment of lease payments. This \$1.1 million increased the principal amount of lease payments due, resulting in higher annual lease payments. This reserve will be available to offset the final lease payments on these COPs.

Reimbursements of \$2,173,150 include \$1,622,750 to finance 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 amounts associated with the 1997 Public Improvement financing in the amounts of \$470,000 from the utilities budget, representing savings from the ENVEST project, and \$80,400 from Preschool Services representing the portion of the lease payment used to fund a portion of the preschool building in Ontario.



Lease Payments included in this budget unit for 2008-09 are:

Glen Helen Pavilion	1,525,786
Justice Center/Chino Airport Improvements	6,241,200
1997 Public Improvement Financing (ENVEST, West End Juvenile Facility, Preschool Building)	1,327,147
County Government Center	3,259,100
West Valley Detention Center	9,777,428
Subtotal:	<u>22,130,661</u>
Reduction of Variable Rate Debt	1,200,000
Debt Administration (Trustee Fees, Letter of Credit Fees, Remarketing Fees, Auction Agent Fees, Broker-Dealer Fees, Audit and Arbitrage)	654,845
Reimbursements	(2,173,150)
Subtotal:	<u>(318,305)</u>
Total:	<u><u>21,812,356</u></u>

