

# ENTERPRISE FUNDS

The Recreation, Hazardous Disposal, Parking, Sewer, Refuse Disposal, Electric and Water operations make up the Enterprise section of the budget. These activities primary source of revenues are charges for services, and reflect characteristics that are more properly accounted for as enterprise operations. Summarized below are the 2008-09 budgets compared to 2007-08:

	2007-08	2008-09		
	<u>Appropriation</u>	<u>Appropriation</u>	<u>\$ Change</u>	<u>% Change</u>
Recreation	\$ 2,026,771	\$ 2,433,400	\$ 406,629	20.1 %
Hazardous Disposal	1,782,562	2,331,151	548,589	30.8 %
Parking	9,503,187	9,340,802	(162,385)	(1.7 %)
Sewer	27,869,609	26,229,328	(1,640,281)	(5.9 %)
Refuse Disposal	16,852,245	15,080,336	(1,771,909)	(10.5 %)
Electric	243,610,600	270,610,400	26,999,800	11.1 %
Water	61,932,600	82,093,000	20,160,400	32.6 %
TOTAL	<u>\$363,577,574</u>	<u>\$408,118,417</u>	<u>\$ 44,540,843</u>	<u>12.3 %</u>

The 2008-09 Enterprise Budgets show a \$44.5 million, or an overall 12.3% increase, compared to the 2007-08 Budgets.

The Recreation Fund shows an expected net income of \$258,600 for 2008-09.

The Hazardous Disposal Fund shows an expected net loss of \$171,151 for 2008-09.

The Parking Fund continues to operate at a net loss in 2008-09 of approximately \$1.8 million. We have invested approximately \$30 million in three garages {Glendale Urban Garage, Marketplace Garage and Orange Street Garage}. However, we are not recovering our investment in these three structures. With a negative net income, the depreciation on these three garages is not being provided for, even though we depreciate these garages over 40 years. We have a budgeted net loss in this fund; therefore, we are not saving for the replacement of these garages. Since the Parking Fund is accounted for as a business we need to set aside funds to replace all of our capital purchases, including these garages.

The Sewer Fund continues to post strong net income in the range of \$4-\$12 million each year. The decrease from the prior year shown above is primarily due a decrease in capital projects expenditures.

As of 2002-03 year, the Refuse Disposal Fund became responsible for the street sweeping operations of the City. The last rate increase was 5%, effective July 1, 2008, which was the eight rate increase in eight years. Before July 2001, it had been a decade since the last rate increase. Even with the rate increases we still provide our customers with one of the lowest fees in southern California.

The Electric Fund shows an increase of \$27 million, or 11.1%, due primarily to approx. \$33.7 million increase in operating expenses, approx. \$1.4 million increase in non-operating expenses, and approx. \$8.0 million decrease in capital projects expenditures. This fund had two recent rate increases: An average 11.7% increase effective July 1, 2006 and an average 5.1% increase effective July 1, 2007.

The Water Fund shows an increase of \$20 million, or 32.6%, due to an increase in operating and capital projects expenditures. This fund's last recent rate increase was an average 5.5% increase, effective July 1, 2007.

*ENTERPRISE FUNDS*  
*SUMMARY OF THE BUDGET FOR THE YEAR ENDED JUNE 30, 2009*

	Recreation Fund	Hazardous Disposal Fund	Parking Fund	Sewer Fund	Refuse Disposal Fund	Electric Works Fund	Water Works Fund	<b>TOTAL</b>
<b>ESTIMATED FINANCING RESOURCES</b>								
<i>REVENUE</i>								
Operating Revenues	2,126,000	1,600,000	7,008,000	16,500,000	19,210,000	224,602,000	39,200,000	310,246,000
Non - Operating Revenues	566,000	85,000	120,000	2,500,000	300,000	7,530,000	4,130,000	15,231,000
<b>Total Revenue</b>	<b>\$ 2,692,000</b>	<b>\$ 1,685,000</b>	<b>\$ 7,128,000</b>	<b>\$ 19,000,000</b>	<b>\$ 19,510,000</b>	<b>\$ 232,132,000</b>	<b>\$ 43,330,000</b>	<b>\$ 325,477,000</b>
Contribution in Aid	-	-	-	-	-	2,000,000	600,000	2,600,000
Fund Balance - Prior Year	-	600,620	1,055,870	4,834,384	-	19,478,400	34,913,000	60,882,274
<b>TOTAL</b>	<b>\$ 2,692,000</b>	<b>\$ 2,285,620</b>	<b>\$ 8,183,870</b>	<b>\$ 23,834,384</b>	<b>\$ 19,510,000</b>	<b>\$ 253,610,400</b>	<b>\$ 78,843,000</b>	<b>\$ 388,959,274</b>
<b>ESTIMATED REQUIREMENTS</b>								
<i>EXPENDITURES</i>								
Operating expenses	2,433,400	1,856,151	7,010,802	13,239,328	15,080,336	208,902,800	37,860,300	286,383,117
Non - Operating Expenses	-	-	-	-	-	5,750,000	-	5,750,000
Capital Outlay	-	-	-	-	-	-	-	-
Capital Projects	-	475,000	430,000	11,930,000	-	36,097,600	40,232,700	89,165,300
Transfers to Other Funds	-	-	1,900,000	1,060,000	-	18,375,000	4,000,000	25,335,000
Revenue Bond Requirements	-	-	-	-	-	1,485,000	-	1,485,000
<b>Total Appropriations</b>	<b>\$ 2,433,400</b>	<b>\$ 2,331,151</b>	<b>\$ 9,340,802</b>	<b>\$ 26,229,328</b>	<b>\$ 15,080,336</b>	<b>\$ 270,610,400</b>	<b>\$ 82,093,000</b>	<b>\$ 408,118,417</b>
Depreciation	(3,136)	(45,531)	(1,156,932)	(2,394,944)	(994,131)	(17,000,000)	(3,250,000)	(24,844,674)
Unallocated	261,736	-	-	-	5,423,795	-	-	5,685,531
<b>TOTAL</b>	<b>\$ 2,692,000</b>	<b>\$ 2,285,620</b>	<b>\$ 8,183,870</b>	<b>\$ 23,834,384</b>	<b>\$ 19,510,000</b>	<b>\$ 253,610,400</b>	<b>\$ 78,843,000</b>	<b>\$ 388,959,274</b>

*ENTERPRISE FUNDS*  
*SUMMARY OF THE BUDGET FOR THE YEAR ENDED JUNE 30, 2010*

	Recreation Fund	Hazardous Disposal Fund	Parking Fund	Sewer Fund	Refuse Disposal Fund	Electric Works Fund	Water Works Fund	<b>TOTAL</b>
<b>ESTIMATED FINANCING RESOURCES</b>								
<i>REVENUE</i>								
Operating Revenues	2,161,500	1,600,000	7,208,000	16,500,000	20,110,000	230,602,000	43,639,000	321,820,500
Non - Operating Revenues	570,000	85,000	120,000	2,500,000	300,000	7,530,000	2,580,000	13,685,000
<b>Total Revenue</b>	<b>\$ 2,731,500</b>	<b>\$ 1,685,000</b>	<b>\$ 7,328,000</b>	<b>\$ 19,000,000</b>	<b>\$ 20,410,000</b>	<b>\$ 238,132,000</b>	<b>\$ 46,219,000</b>	<b>\$ 335,505,500</b>
Contribution in Aid	-	-	-	-	-	2,000,000	600,000	2,600,000
Fund Balance - Prior Year	-	179,612	1,068,875	9,136,636	-	21,259,400	17,257,000	48,901,523
<b>TOTAL</b>	<b>\$ 2,731,500</b>	<b>\$ 1,864,612</b>	<b>\$ 8,396,875</b>	<b>\$ 28,136,636</b>	<b>\$ 20,410,000</b>	<b>\$ 261,391,400</b>	<b>\$ 64,076,000</b>	<b>\$ 387,007,023</b>
<b>ESTIMATED REQUIREMENTS</b>								
<i>EXPENDITURES</i>								
Operating expenses	2,526,164	1,911,509	7,123,807	13,331,580	15,468,457	213,149,000	41,622,900	295,133,417
Non - Operating Expenses	-	-	-	-	-	5,810,000	-	5,810,000
Capital Outlay	-	-	-	-	-	-	-	-
Capital Projects	-	-	530,000	16,120,000	250,000	40,122,400	22,003,100	79,025,500
Transfers to Other Funds	-	-	1,900,000	1,080,000	-	18,375,000	4,000,000	25,355,000
Revenue Bond Requirements	-	-	-	-	-	1,485,000	-	1,485,000
<b>Total Appropriations</b>	<b>\$ 2,526,164</b>	<b>\$ 1,911,509</b>	<b>\$ 9,553,807</b>	<b>\$ 30,531,580</b>	<b>\$ 15,718,457</b>	<b>\$ 278,941,400</b>	<b>\$ 67,626,000</b>	<b>\$ 406,808,917</b>
Depreciation	(3,230)	(46,897)	(1,156,932)	(2,394,944)	(994,131)	(17,550,000)	(3,550,000)	(25,696,134)
Unallocated	208,566	-	-	-	5,685,674	-	-	5,894,240
<b>TOTAL</b>	<b>\$ 2,731,500</b>	<b>\$ 1,864,612</b>	<b>\$ 8,396,875</b>	<b>\$ 28,136,636</b>	<b>\$ 20,410,000</b>	<b>\$ 261,391,400</b>	<b>\$ 64,076,000</b>	<b>\$ 387,007,023</b>