

ENTERPRISE FUNDS

The Recreation, Hazardous Disposal, Fire Paramedic, 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 2004-05 budgets compared to 2003-04:

	2003-04 <u>Appropriation</u>	2004-05 <u>Appropriation</u>	<u>\$ Change</u>	<u>% Change</u>
Recreation	\$ 2,330,366	\$ 2,380,398	\$ 50,032	2.1 %
Hazardous Disposal	1,730,757	1,649,861	(80,896)	(4.9 %)
Fire Paramedic	6,906,269	7,849,440	943,171	12.0 %
Parking	8,300,990	8,787,951	486,961	5.5 %
Sewer	36,156,244	43,185,066	7,028,822	16.3 %
Refuse Disposal	14,255,248	14,850,283	595,035	4.0 %
Electric	208,504,800	216,027,800	7,523,000	3.5 %
Water	35,443,100	40,291,700	4,848,600	12.0 %
TOTAL	<u>\$ 313,627,774</u>	<u>\$ 335,022,499</u>	<u>\$ 21,394,725</u>	<u>6.4 %</u>

The 2003-04 Enterprise Budgets show an approximate \$21 million dollar increase when compared to the 2003-04 budget or an overall 6.4% increase.

The Recreation Fund shows an expected net loss of \$82,330 for 2004-05.

The Hazardous Disposal Fund shows an expected net loss of \$29,361 for 2004-05, improved from an estimated \$110,757 net loss for 2003-04.

The Fire Paramedic Fund was created by the City Council during the first quarter of FY 1998-99. This fund currently has 18 Firefighters and one Fire Captain fully trained as paramedics. This program became fully operational on March 1, 2000. The projected net loss for 2004-05 is \$1,213,440. We continue to only recover a portion of our costs in this fund.

The Parking Fund continues to operate at a net loss in 2004-05 of approximately \$2.6 million. We have invested well 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 \$10-\$12 million each year. The increase over the prior year shown above is to provide \$4.6 million toward the funding of the Police Staffing Augmentation Fund and an approximate \$2 million increase in operating expenses.

As of 2002-03 year, the Refuse Disposal Fund became responsible for the street sweeping operations of the City. The last rate increase was effective September 1, 2003, which was the third rate increase in three years. Before July 2001, it had been a decade since the last rate increase. Another 5% rate increase was adopted on July 6, 2004 and will become effective August 1, 2004. Rate increases are necessary for the next two years to balance the Refuse Fund budget. Even with the rate increases we will still provide our customers with one of the lowest fees in southern California.

The Electric Fund shows an increase of over \$7.5 million or 3.5% due to a \$2 million increase to the General Fund transfer, \$5.2 million increase in operating and a \$3.7 million increase in non-operating expenses compared to last year.

The Water Fund shows an increase compared to last year due to a \$3.1 million increase in capital expenditures and almost a \$1 million increase in operating expenses.

ENTERPRISE FUNDS
SUMMARY OF THE BUDGET FOR THE YEAR ENDED JUNE 30, 2005

	Recreation Fund	Hazardous Disposal Fund	Fire Paramedic Fund	Parking Fund	Sewer Fund	Refuse Disposal Fund	Electric Works Fund	Water Works Fund	Total Electric & Water	TOTAL
ESTIMATED FINANCING RESOURCES										
<i>REVENUE</i>										
Operating Revenues	1,811,878	1,522,000	6,622,000	5,735,000	17,800,000	13,752,000	149,478,000	31,341,000	180,819,000	228,061,878
Non - Operating Revenues	486,190	98,500	-	150,000	1,600,000	20,000	9,324,000	3,191,000	12,515,000	14,869,690
Total Revenue	<u>\$2,298,068</u>	<u>\$1,620,500</u>	<u>\$6,622,000</u>	<u>\$ 5,885,000</u>	<u>\$19,400,000</u>	<u>\$13,772,000</u>	<u>\$158,802,000</u>	<u>\$34,532,000</u>	<u>\$193,334,000</u>	<u>\$242,931,568</u>
Contribution in Aid	-	-	-	-	-	-	1,000,000	200,000	1,200,000	1,200,000
Fund Balance - Prior Year	68,788	-	1,148,327	925,288	22,185,170	-	44,025,800	2,509,700	46,535,500	70,863,073
TOTAL	<u><u>\$2,366,856</u></u>	<u><u>\$1,620,500</u></u>	<u><u>\$7,770,327</u></u>	<u><u>\$ 6,810,288</u></u>	<u><u>\$41,585,170</u></u>	<u><u>\$13,772,000</u></u>	<u><u>\$203,827,800</u></u>	<u><u>\$37,241,700</u></u>	<u><u>\$241,069,500</u></u>	<u><u>\$314,994,641</u></u>
ESTIMATED REQUIREMENTS										
<i>EXPENDITURES</i>										
Operating expenses	2,380,398	1,649,861	7,835,440	6,677,951	10,180,066	14,690,283	142,429,700	24,560,000	166,989,700	210,403,699
Non - Operating Expenses	-	-	-	-	-	-	3,700,000	-	3,700,000	3,700,000
Capital Outlay	-	-	14,000	-	35,000	160,000	-	-	-	209,000
Capital Projects	-	-	-	310,000	28,370,000	-	53,073,100	11,981,700	65,054,800	93,734,800
Transfers to Other Funds	-	-	-	1,800,000	4,600,000	-	16,030,000	3,750,000	19,780,000	26,180,000
Revenue Bond Requirements	-	-	-	-	-	-	795,000	-	795,000	795,000
Total Appropriations	<u><u>\$2,380,398</u></u>	<u><u>\$1,649,861</u></u>	<u><u>\$7,849,440</u></u>	<u><u>\$ 8,787,951</u></u>	<u><u>\$43,185,066</u></u>	<u><u>\$14,850,283</u></u>	<u><u>\$216,027,800</u></u>	<u><u>\$40,291,700</u></u>	<u><u>\$256,319,500</u></u>	<u><u>\$335,022,499</u></u>
Depreciation	(13,542)	(105,437)	(79,113)	(1,977,663)	(1,599,896)	(1,446,784)	(12,200,000)	(3,050,000)	(15,250,000)	(20,472,435)
Unallocated	-	76,076	-	-	-	368,501	-	-	-	444,577
TOTAL	<u><u>\$2,366,856</u></u>	<u><u>\$1,620,500</u></u>	<u><u>\$7,770,327</u></u>	<u><u>\$ 6,810,288</u></u>	<u><u>\$41,585,170</u></u>	<u><u>\$13,772,000</u></u>	<u><u>\$203,827,800</u></u>	<u><u>\$37,241,700</u></u>	<u><u>\$241,069,500</u></u>	<u><u>\$314,994,641</u></u>

ENTERPRISE FUNDS
SUMMARY OF THE BUDGET FOR THE YEAR ENDED JUNE 30, 2006

	Recreation Fund	Hazardous Disposal Fund	Fire Paramedic Fund	Parking Fund	Sewer Fund	Refuse Disposal Fund	Electric Works Fund	Water Works Fund	Total Electric & Water	TOTAL
ESTIMATED FINANCING RESOURCES										
<i>REVENUE</i>										
Operating Revenues	1,905,428	1,525,000	6,746,000	5,735,000	17,800,000	14,352,000	149,478,000	31,453,000	180,931,000	228,994,428
Non - Operating Revenues	417,500	103,500	-	150,000	1,970,000	30,000	9,377,000	6,473,000	15,850,000	18,521,000
Total Revenue	<u>\$2,322,928</u>	<u>\$1,628,500</u>	<u>\$6,746,000</u>	<u>\$ 5,885,000</u>	<u>\$19,770,000</u>	<u>\$14,382,000</u>	<u>\$158,855,000</u>	<u>\$37,926,000</u>	<u>\$196,781,000</u>	<u>\$247,515,428</u>
Contribution in Aid	-	-	-	-	-	-	1,600,000	220,000	1,820,000	1,820,000
Fund Balance - Prior Year	149,600	-	1,461,626	1,404,341	4,707,356	-	45,603,200	4,217,900	49,821,100	57,544,023
TOTAL	<u><u>\$2,472,528</u></u>	<u><u>\$1,628,500</u></u>	<u><u>\$8,207,626</u></u>	<u><u>\$ 7,289,341</u></u>	<u><u>\$24,477,356</u></u>	<u><u>\$14,382,000</u></u>	<u><u>\$206,058,200</u></u>	<u><u>\$42,363,900</u></u>	<u><u>\$248,422,100</u></u>	<u><u>\$306,879,451</u></u>
ESTIMATED REQUIREMENTS										
<i>EXPENDITURES</i>										
Operating expenses	2,486,070	1,728,712	8,066,739	7,352,004	10,419,252	14,404,980	146,904,800	26,840,000	173,744,800	218,202,557
Non - Operating Expenses	-	-	-	-	-	-	3,700,000	-	3,700,000	3,700,000
Capital Outlay	-	-	220,000	-	8,000	15,000	-	-	-	243,000
Capital Projects	-	-	-	115,000	14,650,000	-	50,283,400	14,893,900	65,177,300	79,942,300
Transfers to Other Funds	-	-	-	1,800,000	1,000,000	-	16,185,000	3,770,000	19,955,000	22,755,000
Revenue Bond Requirements	-	-	-	-	-	-	1,485,000	-	1,485,000	1,485,000
Total Appropriations	<u><u>\$2,486,070</u></u>	<u><u>\$1,728,712</u></u>	<u><u>\$8,286,739</u></u>	<u><u>\$ 9,267,004</u></u>	<u><u>\$26,077,252</u></u>	<u><u>\$14,419,980</u></u>	<u><u>\$218,558,200</u></u>	<u><u>\$45,503,900</u></u>	<u><u>\$264,062,100</u></u>	<u><u>\$326,327,857</u></u>
Depreciation	(13,542)	(105,437)	(79,113)	(1,977,663)	(1,599,896)	(1,446,784)	(12,500,000)	(3,140,000)	(15,640,000)	(20,862,435)
Unallocated	-	5,225	-	-	-	1,408,804	-	-	-	1,414,029
TOTAL	<u><u>\$2,472,528</u></u>	<u><u>\$1,628,500</u></u>	<u><u>\$8,207,626</u></u>	<u><u>\$ 7,289,341</u></u>	<u><u>\$24,477,356</u></u>	<u><u>\$14,382,000</u></u>	<u><u>\$206,058,200</u></u>	<u><u>\$42,363,900</u></u>	<u><u>\$248,422,100</u></u>	<u><u>\$306,879,451</u></u>