

RESOLUTION (ID # 2121)

DOC ID: 2121 A

**CITY OF SAN BERNARDINO – REQUEST FOR COUNCIL ACTION
Budget**

From: Andrea Travis-Miller**M/CC Meeting Date:** 11/19/2012**Prepared by:** Heidi Aten, (909) 384-5122**Dept:** City Manager**Ward(s):** All**Subject:**

Resolution of the Mayor and Common Council of the City of San Bernardino Related to the City's Financial Plan for Fiscal Years 2012-13 and 2013-14.

Financial Impact:

This Report proposes to take a number of actions related to the City's budget that combined represent the City's financial plan for Fiscal Years 2012-13 and 2013-14.

Motion:

Adopt the Fiscal Year 2012-13 and Fiscal Year 2013-14 General Fund Budgets as revised by the changes described in this report, which incorporate by reference the Pre-Pendency Plan including the 9-Point Adjustment Plan adopted on September 5, 2012, and the revised Fire Department adjustments adopted on October 1, 2012; and authorize the continuation of the Fiscal Emergency through June 30, 2014, as adopted by Council Resolution No. 2012-205 of the Mayor and Common Council adopted on July 16, 2012; and authorize the City Manager to appropriate 1/12 of the Fiscal Year 2010-11 operating budget per month through December 31, 2012.

Synopsis of Previous Council Action:

August 29, 2012 - Staff began presentation of Pre-Pendency plan to MCC.

September 5, 2012 - MCC approved a motion to Amend the Pre-Pendency Plan to direct the City Manager to work with the City Attorney to go out with an RFP for leasing public/private partnership opportunities of the entire refuse operation and that the RFP include: bifurcating the City; managed competition; include purchasing all solid waste equipment; employment offers to all employees; a state-of-the-art waste processing facility; that one or more haulers be considered; direct the City Manager to work with the City Attorney together with a professional consultant to advise us during this process, which should be part of how we begin this detailed opportunity for the City; that the City Manager come back to the Council with an RFP no later than October 1, 2012; and come back with a status update as to the activity up to that point at the next Council meeting. The MCC approved the Pre-Pendency Plan, with the following motion: Amend and approve the Pre-Pendency Plan, as previously amended, minus the Fire Department's proposal, include the nine-point plan as presented by Council Member McCammack, adding Villaseñor Library to Item No. 3; and come back in two weeks with an updated plan for the Fire Department Budget.

October 1, 2012 - The MCC passed the motion to: Approve the Fire Department's Pre-Pendency Plan related to the City's proposed FY 2012/2013 Budget.

Background:

Filing of the Chapter 9 petition placed the City of San Bernardino within the jurisdiction of the Federal Bankruptcy Court. As part of the bankruptcy process, the City is required to adopt a balanced budget referred to as the Pendency Plan. The Pendency Plan serves as the roadmap until the Bankruptcy Court confirms the Plan of Adjustment, which is intended to comprehensively restructure the City's debts and obligations and set the City on the path to solvency. At the recent status conference, the Bankruptcy Court ordered that the City file the Pendency Plan no later than November 30, 2012.

Exhibit A is the Pendency Plan, which is proposed for Mayor and Common Council approval. The Pendency Plan presents a balanced budget for Fiscal Years 2012-13 and 2013-14 through cost reductions to labor, benefits, debt and other obligations. The details of the Pendency Plan and supporting financial schedules are included in the Exhibit.

During the pendency of bankruptcy proceedings, the City is required to report quarterly on the status of the City's 2012-13 General Fund as required by the declaration of the state of fiscal emergency declared by Resolution 2012-205 of the Mayor and Common Council adopted on July 16, 2012. Regular reports are being presented at open session meetings of the Mayor and Common Council and are posted to the City's website.

The Plan of Adjustment, that will comprehensively restructure the City's obligations and debts and set the City on the path to solvency, will be developed following mediation with creditors and labor groups. It is anticipated this will be a 12 to 18 month process. During this process, the City Council, City employees, and community will assist in prioritizing programs and services. As the Plan of Adjustment is developed, it will be reviewed at open session meetings of the Mayor and Common Council, will be posted to the City's website, and will be available at City Hall to encourage community involvement in the process. Ultimately, the Plan of Adjustment will be confirmed by the Bankruptcy Court.

City Attorney Review:

Supporting Documents:

- Budget Analysis and Recommendations for Budget Stabilization (PDF)
- Pre-Pendency Plan (PDF)
- 9-Point Adjustment Plan (PDF)
- Revised Fire Department Pre-Pendency Plan Adjustments (PDF)
- Fire Dept PrePendency Plan Summary (PDF)
- Pendency Plan Resolution (DOC)
- Pendency Plan(PDF)

RESOLUTION NO. _____

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE CITY OF SAN BERNARDINO ADOPTING THE FISCAL YEAR 2012/13 AND FISCAL YEAR 2013/14 GENERAL FUND BUDGETS AS REVISED BY THE CHANGES DESCRIBED IN THIS REPORT, WHICH INCORPORATE BY REFERENCE THE PRE-PENDENCY PLAN INCLUDING THE 9-POINT ADJUSTMENT PLAN ADOPTED ON SEPTEMBER 5, 2012, AND THE REVISED FIRE DEPARTMENT ADJUSTMENTS ADOPTED ON OCTOBER 1, 2012; AND AUTHORIZE THE CONTINUATION OF THE FISCAL EMERGENCY THROUGH JUNE 30, 2014, AS ADOPTED BY COUNCIL RESOLUTION NO. 2012-205 OF THE MAYOR AND COMMON COUNCIL ADOPTED ON JULY 16, 2012; AND AUTHORIZE THE CITY MANAGER TO APPROPRIATE 1/12 OF THE FISCAL YEAR 2010/11 OPERATING BUDGET PER MONTH THROUGH DECEMBER 31, 2012.

BE IT RESOLVED BY THE MAYOR AND COMMON COUNCIL OF THE CITY OF SAN BERNARDINO AS FOLLOWS:

SECTION 1. That the Fiscal Year 2012/13 and Fiscal Year 2013/14 General Fund Budgets as revised by the changes described in this report, which incorporate by reference the Pre-Pendency Plan including the 9-Point Adjustment Plan adopted on September 5, 2012, and the revised Fire Department adjustments adopted on October 1, 2012; and attached hereto as Exhibit "A" is adopted; and

SECTION 2. Authorize the continuation of the Fiscal Emergency through June 30, 2014, as adopted by Council Resolution No. 2012-205 of the Mayor and Common Council adopted on July 16, 2012; and

SECTION 3. Authorize the City Manager to appropriate 1/12 of the Fiscal Year 2010/11 operating budget per month through December 31, 2012.

///
///
///

Attachment: Pendency Plan Resolution (2121 : Pendency Plan)

1 RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE CITY OF
 2 SAN BERNARDINO ADOPTING THE FISCAL YEAR 2012/13 AND FISCAL YEAR
 3 2013/14 GENERAL FUND BUDGETS AS REVISED BY THE CHANGES
 4 DESCRIBED IN THIS REPORT, WHICH INCORPORATE BY REFERENCE THE
 5 PRE-PENDENCY PLAN INCLUDING THE 9-POINT ADJUSTMENT PLAN
 6 ADOPTED ON SEPTEMBER 5, 2012, AND THE REVISED FIRE DEPARTMENT
 7 ADJUSTMENTS ADOPTED ON OCTOBER 1, 2012; AND AUTHORIZE THE
 8 CONTINUATION OF THE FISCAL EMERGENCY THROUGH JUNE 30, 2014, AS
 9 ADOPTED BY COUNCIL RESOLUTION NO. 2012-205 OF THE MAYOR AND
 10 COMMON COUNCIL ADOPTED ON JULY 16, 2012; AND AUTHORIZE THE CITY
 11 MANAGER TO APPROPRIATE 1/12 OF THE FISCAL YEAR 2010/11 OPERATING
 12 BUDGET PER MONTH THROUGH DECEMBER 31, 2012.

13 I HEREBY CERTIFY that the foregoing Resolution was duly adopted by the Mayor and
 14 Common Council of the City of San Bernardino at a _____ meeting

15 thereof, held on the ____ day of _____, 2012, by the following vote, to wit:

16 Council Members:	AYES	NAYS	ABSTAIN	ABSENT
17 MARQUEZ	_____	_____	_____	_____
18 JENKINS	_____	_____	_____	_____
19 VALDIVIA	_____	_____	_____	_____
20 SHORETT	_____	_____	_____	_____
21 KELLEY	_____	_____	_____	_____
22 JOHNSON	_____	_____	_____	_____
23 MCCAMMACK	_____	_____	_____	_____

24 _____
 Gerogeann Hanna, City Clerk

25 The foregoing Resolution is hereby approved this _____ day of _____, 2012.

26 _____
 Patrick J. Morris, Mayor
 City of San Bernardino

27 Approved as to form:
 JAMES F. PENMAN,
 City Attorney

28 By: _____

Attachment: Pendency Plan Resolution (2121 : Pendency Plan)