

# Update on Bankruptcy

## City of San Bernardino Mayor and City Council Closed Session

February 16, 2016



# Court Hearing on 2/4

- City reported on annexation to Fire District, agreement with fire union, tentative agreement with POB creditors and solid waste franchise
- The court congratulated the City on the progress made with implementation of Recovery Plan
- No creditors voiced objections
- Deadline for filing amended plan and disclosure statement moved to 3/30 with 4/27 hearing on approval of disclosure statement



# Fire Annexation

- LAFCO approval on 1/27
- 30 day reconsideration period ends on 2/26
- 45 day protest period ends 4/12
- As with 1/27 hearing LAFCO will individually notice 42,783 landowners and legally notice 67,833 registered voters
- LAFCO is required to hold an election if protests are received from 25% of landowners (weighted by AV) or registered voters.
- Majority protest terminates annexation



# Quick Summary of Benefits of Fire Annexation

- A sustainable and solvent service delivery approach for fire and EMS (fully covering equipment, facility and support costs)
- Access to County Fire District specialized services
- Benefit from regional economies of scale
- Better response because of integration of County stations and regional dispatch.
  - Direct “closest to call” response from 12 stations rather than 10
- Closure on expensive and distracting litigation between union and City
- Reduced general fund costs of at least \$7 to \$8 million relative to maintaining independent department
- Monies go to Recovery Plan investments in police, maintenance and infrastructure



# Solid Waste Franchise

- On track for April 1<sup>st</sup> transition to franchise service by Burrtec
- Existing routes and collection days to remain the same for minimum of four months
- Ratepayers will retain their carts, bins and roll-offs
- Burrtec to purchase City existing vehicles
  - Will rebrand, repair and maintain
- Burrtec will use Corporation Yard for 90 days
- Burrtec to assume responsibility for customer service and customer billing



# Solid Waste

- City will receive one time franchise fee payment of \$5 million; plus \$12.2 million for equipment. All programmed in fiscal model
- Annual revenues to City will be increased by \$2.8 million
- Better service with new / refurbished equipment
- Improved street sweeping and right of way clean up



# Charter Reform

- Progress report on City Council agenda tonight
  - Council / Manager Form of government
  - Mayor votes
  - Wards need to be adjusted for above
  - Attorney, Clerk appointed; Treasurer functions delegated to Finance Department
  - Independent commissions can still exist but will be integrated into City
  - Significantly clearer reporting relationships
  - Elections consolidated with state / federal cycle



# Other Issues

- Pension Obligation Bonds
  - Working on documentation of tentative agreement.
- City Hall – Seismic Retrofit
  - Secured Financing
  - Also in documentation stage
- Fiscal Model
  - Being updated for Court filing due on 3/30

