

# Update on Bankruptcy

## City of San Bernardino Mayor and Common Council

June 20, 2016



# This Presentation

- Submittal of Third Amended Disclosure Statement
- Court hearing on 6/16
- Recovery plan developments since last Common Council update
- Anticipated schedule to confirmation



# Summary

- Court hearing on Third Amended Disclosure Statement held on 6/16
- Have schedule for confirmation of plan
- Likely to face some opposition on confirmation, but City has lined up strong support
- Making progress implementing Recovery Plan approved by MCC
- June marks the 47th month in bankruptcy



# Court Hearing on 6/16

- Main issue was dispute between Big Independent Cities Excess Pool (BICEP) and City
- Judge Jury indicated that BICEP and City must agree to characterization of their dispute and potential ramifications
- With this change Court will approve Disclosure Statement



# Recovery Plan Status – Major Elements Completed or Near Completed

- Solid waste - Basically completed \$17 million in one-time monies and \$3 million in additional annual revenues
- Fire transition set for July 1. \$7.4 to \$12 million in net annual economic gain
- Soccer complex - \$320,000 annual gain
- ROW clean-up and street sweeping - \$1 +million annual
- Pension obligation bonds – Reduced debt obligation of approximately \$2.2 million over term of bonds (total \$45M)
- Water / sewer franchise fees- \$1.1 million in additional revenue
- Retiree medical \$44.6 million in savings over time



# Recovery Plan – Major Element to be Accomplished

- Charter modernization
- Dealing with City Hall seismic hazards
- Plan for revenue development
  - User fees
  - Street sweeping parking
  - Measure Z
- Organizational modernization and improvement
  - Police master plan
  - Business licensing
  - Information technology
  - Corporate support
  - Economic development
  - Consideration of fleet service deliver options



# Confirmation Schedule

- Disclosure Statement review period – 45 days
- Ballots go out to creditors on July 29
- Deadline for ballots to be received and objections – September 2
- City deadline for response to objections – September 30
- First confirmation hearing October 14

