

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 Appropriation	2008-09 Appropriation	\$ Change	% Change
Recreation	\$ 2,026,771	\$ 2,433,400	\$ 406,629	20.1 %
Hazardous Disposal	1,782,562	2,504,047	721,485	40.5 %
Parking	9,503,187	9,568,684	65,497	0.7 %
Sewer	27,869,609	27,285,731	(583,878)	(2.1 %)
Refuse Disposal	16,852,245	19,636,178	2,783,933	16.5 %
Electric	243,610,600	274,657,888	31,047,288	12.7 %
Water	61,932,600	83,793,700	21,861,100	35.3 %
TOTAL	<u>\$ 363,577,574</u>	<u>\$ 419,879,628</u>	<u>\$ 56,302,054</u>	<u>15.5 %</u>

The 2008-09 Enterprise Budgets reflect a \$56.3 million, or an overall 15.5% increase, compared to the 2007-08 Budgets.

The Recreation Fund anticipates a net income of \$258,600 for 2008-09.

The Hazardous Disposal Fund anticipates a net loss of \$279,047 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 eighth 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 \$31 million, or 12.7%, due primarily to approx. \$27.4 million increase in operating expenses, approx. \$2.1 million increase in non-operating expenses, and approx. \$1.0 million increase 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 \$21.9 million, or 35.3%, 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	TOTAL
ESTIMATED FINANCING RESOURCES								
<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
Total Revenue	\$ 2,692,000	\$ 1,685,000	\$ 7,128,000	\$ 19,000,000	\$ 19,510,000	\$ 232,132,000	\$ 43,330,000	\$ 325,477,000
Contribution in Aid	-	-	-	-	-	2,000,000	600,000	2,600,000
Fund Balance - Prior Year	-	773,516	1,283,752	5,890,787	-	23,525,888	36,613,700	68,087,643
TOTAL	\$ 2,692,000	\$ 2,458,516	\$ 8,411,752	\$ 24,890,787	\$ 19,510,000	\$ 257,657,888	\$ 80,543,700	\$ 396,164,643
ESTIMATED REQUIREMENTS								
<i>EXPENDITURES</i>								
Operating expenses	2,433,400	1,864,047	7,101,684	14,050,731	16,466,178	203,312,900	37,858,300	283,087,240
Non - Operating Expenses	-	-	-	-	-	5,750,000	-	5,750,000
Capital Outlay	-	65,000	137,000	220,000	2,670,000	-	-	3,092,000
Capital Projects	-	475,000	430,000	11,930,000	-	45,002,988	41,775,400	99,613,388
Transfers to Other Funds	-	100,000	1,900,000	1,085,000	500,000	19,107,000	4,160,000	26,852,000
Revenue Bond Requirements	-	-	-	-	-	1,485,000	-	1,485,000
Total Appropriations	\$ 2,433,400	\$ 2,504,047	\$ 9,568,684	\$ 27,285,731	\$ 19,636,178	\$ 274,657,888	\$ 83,793,700	\$ 419,879,628
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	-	-	-	867,953	-	-	1,129,689
TOTAL	\$ 2,692,000	\$ 2,458,516	\$ 8,411,752	\$ 24,890,787	\$ 19,510,000	\$ 257,657,888	\$ 80,543,700	\$ 396,164,643

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