

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 2003-04 budgets compared to 2002-03:

	2002-03	2003-04		
	<u>Appropriation</u>	<u>Appropriation</u>	<u>\$ Change</u>	<u>% Change</u>
Recreation	\$ 2,168,942	\$ 2,330,366	\$ 161,424	6.9 %
Hazardous Disposal	1,553,761	1,730,757	176,996	10.2 %
Fire Paramedic	6,016,625	6,906,269	889,644	12.9 %
Parking	7,767,938	8,300,990	533,052	6.4 %
Sewer	34,003,290	36,156,244	2,152,954	6.0 %
Refuse Disposal	14,064,870	14,255,248	190,378	1.3 %
Electric	247,240,800	208,504,800	(38,736,000)	(18.6 %)
Water	32,829,800	35,443,100	2,613,300	7.4 %
TOTAL	<u>\$ 345,646,026</u>	<u>\$ 313,627,774</u>	<u>(\$ 32,018,252)</u>	<u>(10.2 %)</u>

The 2002-03 Enterprise Budgets show an approximate \$32 million dollar decrease when compared to the 2002-03 budget or an overall 10.2% decrease.

The Recreation Fund shows an expected net loss of \$75,366 for 2003-04.

The Hazardous Disposal Fund shows an expected net loss of \$110,757 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 2003-04 is \$632,741. We continue to only recover a portion of our costs in this fund.

The Parking Fund continues to operate at a net loss in 2003-04 at approximately \$1.6 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 listed above is for capital payments to Los Angeles for the upgrade and renovation of the Hyperion system, which is estimated to be \$26.6 million.

As of last 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. Even with the rate increase we still provide our customers with one of the lowest fees in southern California.

The Electric Fund shows a decrease of over \$38.7 million or 18.6% due to the decrease in wholesale power sales to other entities compared to last year's large increase in wholesale sales and a decrease in capital project expenditures compared to last year.

The Water Fund shows a no significant change when compared to last year.

ENTERPRISE FUNDS
SUMMARY OF THE BUDGET FOR THE YEAR ENDED JUNE 30, 2004

	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	1,849,000	1,455,000	6,100,000	5,711,000	18,325,000	13,002,000	152,351,239	29,049,900	181,401,139	227,843,139
Non - Operating Revenues	406,000	131,000	-	700,000	1,700,000	-	8,525,000	1,980,000	10,505,000	13,442,000
Total Revenue	<u>\$ 2,255,000</u>	<u>\$ 1,586,000</u>	<u>\$ 6,100,000</u>	<u>\$ 6,411,000</u>	<u>\$ 20,025,000</u>	<u>\$ 13,002,000</u>	<u>\$ 160,876,239</u>	<u>\$ 31,029,900</u>	<u>\$ 191,906,139</u>	<u>\$ 241,285,139</u>
Contribution in Aid	-	-	-	-	-	-	1,300,000	200,000	1,500,000	1,500,000
Fund Balance - Prior Year	63,156	49,300	768,260	-	14,531,348	-	35,504,861	1,795,000	37,299,861	52,711,925
TOTAL	<u><u>\$ 2,318,156</u></u>	<u><u>\$ 1,635,300</u></u>	<u><u>\$ 6,868,260</u></u>	<u><u>\$ 6,411,000</u></u>	<u><u>\$ 34,556,348</u></u>	<u><u>\$ 13,002,000</u></u>	<u><u>\$ 197,681,100</u></u>	<u><u>\$ 33,024,900</u></u>	<u><u>\$ 230,706,000</u></u>	<u><u>\$ 295,497,064</u></u>
ESTIMATED REQUIREMENTS										
<i>EXPENDITURES</i>										
Operating expenses	2,330,366	1,696,757	6,732,741	6,259,562	8,256,244	13,345,248	137,255,300	23,573,200	160,828,500	199,449,418
Non - Operating Expenses	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	34,000	173,528	126,428	-	-	-	-	-	333,956
Capital Projects	-	-	-	115,000	27,900,000	910,000	57,314,500	8,869,900	66,184,400	95,109,400
Transfers to Other Funds	-	-	-	1,800,000	-	-	13,935,000	3,000,000	16,935,000	18,735,000
Revenue Bond Requirements	-	-	-	-	-	-	-	-	-	-
Total Appropriations	<u>\$ 2,330,366</u>	<u>\$ 1,730,757</u>	<u>\$ 6,906,269</u>	<u>\$ 8,300,990</u>	<u>\$ 36,156,244</u>	<u>\$ 14,255,248</u>	<u>\$ 208,504,800</u>	<u>\$ 35,443,100</u>	<u>\$ 243,947,900</u>	<u>\$ 313,627,774</u>
Depreciation	(12,210)	(95,457)	(38,009)	(1,952,931)	(1,599,896)	(1,438,805)	(10,823,700)	(2,418,200)	(13,241,900)	(18,379,208)
Unallocated	-	-	-	62,941	-	185,557	-	-	-	248,498
TOTAL	<u><u>\$ 2,318,156</u></u>	<u><u>\$ 1,635,300</u></u>	<u><u>\$ 6,868,260</u></u>	<u><u>\$ 6,411,000</u></u>	<u><u>\$ 34,556,348</u></u>	<u><u>\$ 13,002,000</u></u>	<u><u>\$ 197,681,100</u></u>	<u><u>\$ 33,024,900</u></u>	<u><u>\$ 230,706,000</u></u>	<u><u>\$ 295,497,064</u></u>