DEBT SERVICES & CONTINGENCIES INDEX

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General Debt Services 466

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8010 – GENERAL DEBT SERVICES ~ COPS
Dennis Huey, Auditor - Controller

MISSION STATEMENT & DEPARTMENTAL FUNCTIONS:

This budget unit accounts for the payment of principal and interest as well as the related annual costs of the County's general long-term obligation bonds and certificates of participation (COPS).

The budget for Fiscal Year 2002-2003 takes into consideration the refinancing of the 1983 Series A Bond, which was originally issued in the amount of $1,535,000, along with the required funding for the construction of the County Administrative Center, Social Services Department addition and other related financed capital projects.

Specifically, this budget unit accounts for the following debt issue:

$1,260,000 REFUNDING CERTIFICATES OF PARTICIPATION

Issued on or about June 1, 1993, replaces 1983 Series A Bonds whose original proceeds were used in the acquisition of the present Social Services administration facility. Due August 15 in estimated annual installments of $85,000, increasing to $155,000 in the year 2003. Fixed interest rate with average estimated coupon rate of 5.3% and maturity date is August 15, 2003.

$8,600,000 1998 REFUNDING CERTIFICATES OF PARTICIPATION

Issued on May 15, 1998, replaces 1989 Certificates of Participation in the original amount of $11,905,000. Funds provided for the acquisition, construction, remodeling and improvement of certain equipment and permanent facilities for the County. Specifically, the construction projects include the justice centers in Willits and Fort Bragg, Willits library facility, adult detention center (jail) in Ukiah and microwave communications system for the Sheriff's Office. Due August 15 in annual installments of $775,000 increasing to $1,120,000 in year 2006. Variable interest rates with interest payable semiannually on February 15 and August 15 at rates ranging from 3.55% to 4.30%. Final maturity is August 15, 2006.

In July, 2000, the County made an offer to the holders of these 1998 Certificates, at their option, to tender their certificates for purchase or to exchange them for new certificates issued as part of the 2000 Certificates of Participation issue (see below). The purpose of this "Tender/Exchange Program" for the 1998 Certificate issue was to restructure the overall debt service obligation of the County so as to provide for a level annual debt service over the next thirty years.

As a result of this tender/exchange, approximately $4,350,000 of the outstanding $6,090,000 Certificates were turned in for redemption during the months of July and August of 2000, thereby reducing the annual debt service on this issue over its remaining term.

$8,595,000 1993 CERTIFICATES OF PARTICIPATION

Issued on June 1, 1993 to provide for the construction of a new County Administration facility, purchase of additional space for the Department of Social Services as well as renovations to other capital facilities. Due August 15 in annual installments of $90,000, increasing to $600,000 in year 2023. Interest payable semiannually on February 15 and August 15; final maturity is August 15, 2023.

8010 – GENERAL DEBT SERVICES ~ COPS
Dennis Huey, Auditor - Controller

$22,480,000 SERIES 2000 CERTIFICATES OF PARTICIPATION

Issued on September 7, 2000 to provide for the purchase of additional space for the Department of Social Services, the Health and Human Services facilities for the Department of Public Health and the County Museum and the acquisition and construction of a new Animal Control Shelter and Consolidated Health Services Center. In addition, a portion ($4,350,000) of proceeds from this issue was utilized to decease approximately 70% of the outstanding balance of the 1998 Refunding Certificates of Participation referenced above. This was done in a manner designed to provide the County of Mendocino with a level annual debt service over the next thirty years which met the target range approved by the Board of Supervisors in a threshold amount not to exceed $2.5M annually. Due June 1 in annual installments ranging from $125,000 and increasing to $1,905,000 in year 2030. Interest payable semiannually on June 1 and December 1: final maturity is June 1, 2030.

COUNTY ADMINSTRATIVE OFFICE COMMENTS:

The budget unit details the funding required to service the County's Fiscal Year 2002-2003 debt service. Principal and interest on the pension obligation bonds are not recorded in this budget unit (see Budget Unit 8011).

FINAL BUDGET ACTION:

During Final Budget deliberations, the Board of Supervisors approved the Recommended Budget from the County Administrative Officer for General Debt Services – Certificates of Participation (COPs).

COUNTY ADMINSTRATIVE OFFICE NOTES:

SERVICES & SUPPLIES

Acct. 2239 Provides for Trustee fees and fees paid to Muni Financial for arbitrage rebate calculation services.

OTHER CHARGES

Acct. 3310, 3311 Provides for interests and principal payments on the Certificate of Participation issues.

REVENUES

Acct. 4200 Provides for annual rental payment from City of Willits for space in Criminal Justice building.

Acct. 7802 Provides for transfer from Social Services, Non-departmental Revenue and Mental Health for their portion of 1993 and 2000 COP issues.

STATE CONTROLLER
COUNTY BUDGET ACT
(1985)

COUNTY OF MENDOCINO
STATE OF CALIFORNIA
BUDGET UNIT FINANCING USES DETAIL
FINAL BUDGET FOR FISCAL YEAR 2002-03

COUNTY BUDGET FORM
SCHEDULE 9

CLASSIFICATION:
FUNCTION: 8 DEBT SERVICE
ACTIVITY: 801 DEBT SERVICE - RETIREMENT OF L

BUDGET UNIT: 8010 DEBT SERVICE
FUND: 1400 DEBT SERVICE

FINANCING USES CLASSIFICATION (1)	2000-01 BUDGET (2)	2000-01 ACTUALS (3)	2001-02 BUDGET (4)	2001-02 ACTUALS (5) 06/30/02	2002-03 REQUEST (6)	2002-03 RECOMMEND (7)	2002-03 ADOPTED (8)
862170 OFFICE EXPENSE	0	0	0	20	0	0	0
862189 PROF & SPEC SVCS-OTHR	0	282,061	0	147,373	0	0	0
862239 SPEC DEPT EXP	8,800	14,184	6,900	21,795	13,185	13,185	13,185
TOTAL SERVICES & SUPPLIES	8,800	296,245	6,900	169,188	13,185	13,185	13,185
OTHER CHARGES							
863310 INTEREST	1,514,729	1,578,344	1,684,020	1,854,279	1,512,771	1,512,771	1,512,771
863311 PRINCIPAL	1,305,000	5,655,000	1,305,000	1,305,000	525,000	525,000	525,000
TOTAL OTHER CHARGES	2,819,729	7,233,344	2,989,020	3,159,279	2,037,771	2,037,771	2,037,771
TOTAL NET APPROPRIATIONS	2,828,529	7,529,589	2,995,920	3,328,467	2,050,956	2,050,956	2,050,956
LESS: REVENUES							
824100 INTEREST	85,800	140,604	120,965	70,530	32,000	32,000	32,000
824200 RENTS & CONCESSIONS	30,000	30,000	30,000	30,000	30,000	30,000	30,000
827802 OPERATING TRANSFER IN	971,685	851,481	1,662,557	1,533,522	1,221,469	1,221,469	1,221,469
827803 PROCEEDS OF SALE	1,741,044	9,435,192	0	8,067,759	0	0	0
TOTAL REVENUES	2,828,529	10,457,277	1,813,522	9,701,811	1,283,469	1,283,469	1,283,469
TOTAL FUND BALANCE CONTRIBUTION	0	-2,927,688	1,182,398	-6,373,344	767,487	767,487	767,487

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8011 – DEBT SERVICES ~ PENSION OBLIGATION BONDS
Dennis Huey, Auditor - Controller

MISSION STATEMENT & DEPARTMENTAL FUNCTIONS:

This budget unit accounts for the payment of principal and interest as well as the related annual costs of the County's taxable pension obligation bond issued in December 1996.

This budget, for Fiscal Year 2002-2003 takes into consideration only the funding to allow the County to fund a portion of its current unfunded accrued actuarial liability ("UAAL") for retirement benefits for its County employees. As of July 1, 1995, the most recent actuarial valuation date, the UAAL was $41,704,555. The County is currently amortizing this UAAL balance through bi-monthly payroll contributions through the period ending July 1, 2016.

Specifically, this budget unit accounts for the following debt issue:

$30,720,000 TAXABLE PENSION OBLIGATION BOND

Issued on December 19, 1996 to allow the County to fund a portion of its current unfunded accrued actuarial liability for retirement benefits of County employees. Due this July 1 in estimated annual principal installment of $1,655,000, increasing to $4,770,000 in the year 2009. Variable interest rates with interest payable semiannually on July 1 and January 1 at rates ranging from 5.54% to 6.97%. Final maturity is July 1, 2009.

COUNTY ADMINSTRATIVE OFFICE COMMENTS:

This budget unit represents the repayment of the issuance of the $30,000,000 pension obligation bonds. Charges to individual departments for their pro rata share, as determined by the County Treasurer, is based on a percentage of annual contribution related to covering the unfunded liability portion of this bond issue.

FINAL BUDGET ACTION:

During Final Budget deliberations, the Board of Supervisors approved the Recommended Budget from the County Administrative Officer for the Debt Services – Pension Obligation Bonds.

COUNTY ADMINSTRATIVE OFFICE NOTES:

SERVICES & SUPPLIES

Acct. 2239 Provides for letter of Credit fees, Trustee fees and other miscellaneous corporation debt service maintenance costs related to the issue.

OTHER CHARGES

Acct. 3310, 3311 Provides for interest and principal payments on the taxable Pension Obligation Bond issue.

REVENUES

Acct. 6400 Provides for estimated portion of County retirement contribution related to Pension Obligation Bond issue. Funding originates from charges to departments on bi-weekly basis.

STATE CONTROLLER
COUNTY BUDGET ACT
(1985)

COUNTY OF MENDOCINO
STATE OF CALIFORNIA
BUDGET UNIT FINANCING USES DETAIL
FINAL BUDGET FOR FISCAL YEAR 2002-03

COUNTY BUDGET FORM
SCHEDULE 9

CLASSIFICATION:
FUNCTION: 8 DEBT SERVICE
ACTIVITY: 801 DEBT SERVICE - RETIREMENT OF L

BUDGET UNIT: 8011 PENSION OBLIG BONDS
FUND: 1410 PENSION OBLIGATION BONDS

FINANCING USES CLASSIFICATION (1)	2000-01 BUDGET (2)	2000-01 ACTUALS (3)	2001-02 BUDGET (4)	2001-02 ACTUALS (5) 06/30/02	2002-03 REQUEST (6)	2002-03 RECOMMEND (7)	2002-03 ADOPTED (8)
862239 SPEC DEPT EXP	5,000	1,004,315	5,000	4,810	7,500	7,500	7,500
TOTAL SERVICES & SUPPLIES	5,000	1,004,315	5,000	4,810	7,500	7,500	7,500
OTHER CHARGES							
863310 INTEREST	1,866,219	2,008,117	1,760,265	1,859,009	1,773,192	1,773,192	1,773,192
863311 PRINCIPAL	1,655,000	1,405,000	1,925,000	1,655,000	1,925,000	1,925,000	1,925,000
TOTAL OTHER CHARGES	3,521,219	3,413,117	3,685,265	3,514,009	3,698,192	3,698,192	3,698,192
TOTAL NET APPROPRIATIONS	3,526,219	4,417,432	3,690,265	3,518,819	3,705,692	3,705,692	3,705,692
LESS: REVENUES							
824100 INTEREST	125,000	0	125,000	0	0	0	0
826400 CO SHARE RETIREMENT	3,401,219	3,575,798	3,565,265	4,108,993	4,650,000	4,650,000	4,650,000
TOTAL REVENUES	3,526,219	3,575,798	3,690,265	4,108,993	4,650,000	4,650,000	4,650,000
TOTAL FUND BALANCE CONTRIBUTION	0	841,634	0	-590,174	-944,308	-944,308	-944,308

9991 – APPROPRIATIONS FOR CONTINGENCIES & RESERVES
Dennis Huey, Auditor - Controller

MISSION STATEMENT & DEPARTMENTAL FUNCTIONS:

General Fund contingencies include funding necessary to provide continued County operations despite economic uncertainties.

As a general rule, a contingency fund should be maintained at 3% of the budget, and should constitute sufficient financing for all issues/items which occur during the fiscal year but which were unforeseen during the budget process. For Mendocino County, this would equate to an appropriation of well over four million dollars. Failure to appropriate a reasonable level of funding for contingencies would not be prudent and could likely result in the continuing phenomena of the "midyear budget crisis".

For Fiscal Year 2002-2003 the funding provided for in the proposed budget is $350,000.

FINAL BUDGET ACTION:

During Final Budget deliberations, the Board of Supervisors approved the Recommended Budget from the County Administrative Officer for Contingencies/Reserves with the following adjustments:

a) Authorized additional funding of Predatory Animal Damage Control Program due to State's reduction in funding (refer to Budget Unit 2710, Agriculture).	$20,405
b) Transfer funds from Contingencies to District Attorney's Budget.	($150,000)
c) Authorized use of Contingencies to balance Fiscal 2002/03 Budget.	($57,488)

STATE CONTROLLER
COUNTY BUDGET ACT
(1985)

COUNTY OF MENDOCINO
STATE OF CALIFORNIA
BUDGET UNIT FINANCING USES DETAIL
FINAL BUDGET FOR FISCAL YEAR 2002-03

COUNTY BUDGET FORM
SCHEDULE 9

CLASSIFICATION:
FUNCTION: 9 CONTINGENCIES
ACTIVITY: 999 MISC

BUDGET UNIT: 9991 PROVISIONS FOR CONTIN
FUND: 1100 COUNTY GENERAL

FINANCING USES CLASSIFICATION (1)	2000-01 BUDGET (2)	2000-01 ACTUALS (3)	2001-02 BUDGET (4)	2001-02 ACTUALS (5) 06/30/02	2002-03 REQUEST (6)	2002-03 RECOMMEND (7)	2002-03 ADOPTED (8)
869991 APPROP FOR CONTINGENCY	2,717,000	0	700,000	0	760,000	350,000	162,917
TOTAL	2,717,000	0	700,000	0	760,000	350,000	162,917
TOTAL NET APPROPRIATIONS	2,717,000	0	700,000	0	760,000	350,000	162,917
TOTAL NET COUNTY COST	2,717,000	0	700,000	0	760,000	350,000	162,917