CITY OF FRESNO
Bond Debt Summary
As of June 1, 2004

Finding A (continued)

	Year Ended June 30, 2000	Year Ended June 30, 2001	Year Ended June 30, 2002	Year Ended June 30, 2003	Year Ended June 30, 2004	Year Ended June 30, 2005	Year Ended June 30, 2006	Year Ended June 30, 2007	Year Ended June 30, 2008	Year Ended June 30, 2009
Beginning Bond Balances	$ 691,619,535	$ 713,804,535	$ 741,634,535	$ 722,709,535	$ 698,829,535	$ 732,904,545	$ 730,949,535	$ 710,049,535	$ 701,816,927	$ 677,535,937
Principal paid	(19,710,000)	(18,020,000)	(15,365,000)	(18,465,000)	(18,705,000)	(19,955,000)	(20,900,000)	(23,232,608)	(24,280,990)	(25,422,095)
Defeased Net	(1,150,000)	-	(3,560,000)	(5,415,000)	-	-	-	-	-	-
New Bond Debt	43,045,000	45,850,000	-	-	52,780,000	18,000,000	-	15,000,000	-	12,000,000
Ending Bond Balances	$ 713,804,535	$ 741,634,535	$ 722,709,535	$ 698,829,535	$ 732,904,535	$ 730,949,535	$ 710,049,535	$ 701,816,927	$ 677,535,937	$ 664,113,842
Per Capita Bond Balance	$ 1,697	$ 1,679	$ 1,638	$ 1,559	$ 1,629	$ 1,608	$ 1,547	$ 1,514	$ 1,447	$ 1,404
Reason for New Debt	Airport	Construct Multipurpose Stadium	N/A	N/A	Construct/Acquire New Facilities	Neighborhood Infrastructure Initiative	N/A	Neighborhood Infrastructure Initiative	N/A	Neighborhood Infrastructure Initiative
Population	420,600	441,600	441,200	448,200	450,000(est.)	454,500 (est.)	459,045 (est.)	463,635 (est.)	468,271 (est.)	472,954 (est.)
Interest Paid	$ 26,486,166	$ 30,479,188	$28,596,164	$ 35,871,506	$ 36,121,381	$ 38,851,182	$ 38,200,794	$ 37,307,216	$ 37,307,216	$ 37,307,216

B. The spread sheet (Finding A) reflects the effect of a $52,780,000 consolidated borrowing as of 6/30/04 for the purpose of financing the following included items:

• Convention Center parking garage	$28.18	million
• Downtown parking lot	$7.62	“
• Santa Fe Depot	$1.25	“
• Fire Department	$4.82	"
• Roeding Business Park traffic signal	$1.50	"
• Country Court Development	$2.60	"
• Calcot – (Palm Bluffs Development)	$4.73	"

C. The spread sheet (Finding A) includes the effects of three part borrowing to improve neighborhood infrastructure over a six year period as agreed upon by the mayor and the City Council

- As of FY 05 $18 million
- As of FY 07 $15 million
- As of FY 09 $12 million

D. Other anticipated major bond indebtedness expected to be assumed by the City and not included in the spread sheet is:

- Rehabilitation of the Convention Center estimated $12million
- Refinancing of the employee pension plan estimated $12million

E. Fresno is the sixth largest city in California by population.

F. The metropolitan region is the second fastest growing area for new jobs in the state and eighth in the nation.

G. The City of Fresno was recently ranked by *Inc Magazine* as the fourth best medium metropolitan area in which to conduct business nationwide.

H. The City has an $8.9 million reserve for economic uncertainty. This general fund reserve can only be used by the Mayor’s declaration of a fiscal emergency, and ratification by a super majority of the City Council.

I. Current unreserved general fund balance for the City of Fresno is 10.5% and the cash balance is $12 million.

J. The City’s pension systems are well financed, no contribution by the City has been required since 1996, due to accumulated surplus earnings. It is expected that no contribution by the city will be needed until at least 2007.

K. City's economy, finance and management team warrant an AA level bond rating because:

- City has a diverse and stable economic base with expected continuation of corporate and residential growth
- City has an experienced management team with demonstrated track record
- City's finances are sound and supported by demonstrated commitment to fiscal stability

L. In the past, officials who were elected to four-year terms had advocated and supported financially irresponsible projects that left the City with a multi-year drain (length of bond repayment) on the City's general fund.

M. Political influence by major contributors has led the City, in the past, to approve projects that have been quite costly to the City for many years after the officials are no longer in office and away from public scrutiny.

N. Urban Growth Management fees are charges paid by real estate developers to offset the cost of community infrastructure payments. The City acts as a trustee for these funds after they have been collected until they are expended. There is presently $48 million in approximately 140 separate accounts. If the fees do not cover the expenditure when it has to be made then the City has to fund the balance. In the past some of these funds may have been co-mingled and bond resources used for payment.

O. A bond for $5.1 million was issued by the City in anticipation of the State paying its Motor Vehicle License Fee obligation due August 2006.

P. As a result of a recent review of the proposed general obligation bond offering for the City of Fresno, the nation's three major bond rating services had reported in writing their perception of the City's financial condition.

Q. Fitch Ratings – San Francisco – March 19, 2004 reported highlights are quoted as follows:

- A+ rating to the City of Fresno Joint Powers Financing Authority. Approximately $54.2 million services 2004 lease revenue bonds
- Fitch assigned implied general obligation bond rating of AA to the City of Fresno. The rating outlook is stable
- A+ rating reflects City's stable economy, strong financial results, prudent management practices and above average reserves
- Sound base structure and moderate debt burden are key credit factors
- Tax base and underlying economy are slightly concentrated although diversifying