



Mayor:
R. Carey Davis
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STATEMENT

FOR IMMEDIATE RELEASE

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**CITY OF SAN BERNARDINO REFUTES
'RESTRICTED FUND' CLAIMS BY FIREFIGHTER UNION**

Attribute to Gary Saenz, City Attorney:

In recent filings before the U.S. Bankruptcy Court and the City Council, the San Bernardino City Professional Firefighters association made claims that the City has approximately \$75M in “stockpiled” money. This is an incorrect claim that deserves clarification.

The majority of the \$75M in question represents the stated balance of invested “restricted fund accounts.” These are special revenue funds and restricted funds that are used to track monies that are legally designated for a specific purpose. The funds are *restricted* and cannot be used for other activities. Each fund is based upon a specific activity and the money in the accounts may only be utilized for their intended purpose. Pursuant to our City Charter, these funds cannot be reallocated for any other general purpose item, including the Fire Department. A copy of the City’s restricted fund account balances is available.

Further, Professional Firefighters Association alleges in said filing with reference to the proposed 2014/15 budget that: “The City Attorney’s budget is being increased by \$400,000,” when, in fact, the City Attorney’s budget for FY 2014/15 is being significantly reduced from the 2013/14 budget. The actual reduction will be publicly available when the Council approves the 2014/15 budget. I urge the public and Professional Firefighters Association to compare the actual budget numbers when it becomes available.

Attribute to Mayor Carey Davis:

The SBCPF union is aware of the restricted nature of these funds and we are disappointed that union leadership is attempting to confuse and mislead residents. The budget and bankruptcy process is already an arduous process and spreading misinformation to union members and city residents is simply irresponsible.

Background Information on Financial Data Sharing:

The City of San Bernardino continues to provide financial information to creditors and the public through a timely and transparent process. During the course of our bankruptcy, the City has been proactive in responding to requests for information and has, in many cases, established on-going procedures to share data with creditors as it becomes available.

Currently the City has two channels for disseminating on-going monthly financial activities to the public and creditors. First, as part of the Council review and approval process, financial data is included in Council meeting agenda packages that include both “City Warrants” and a monthly Treasurer’s Report. Both of these items are made available on the City’s website.

Further, the City provides direct distribution of financial data to creditors. This method includes the direct submission of data (typically electronically) to creditors. In addition, through the City’s bankruptcy legal counsel, we provide an open database of documents related to the City’s financial condition, which includes all available financial data within 45-60 days of monthly preparation.

Attribute to Mayor Carey Davis:

Most San Bernardino residents are aware that this is my first foray into politics, and that my entire career has been working with budgets and financial matters. To that end, I am very conscious of the need for the City to be very transparent in our bankruptcy negotiations and the budget planning process.

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