



## **CITY OF STOCKTON NEWS RELEASE**

**FOR IMMEDIATE RELEASE:**  
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### **STOCKTON'S AB 506 CONFIDENTIAL MEDIATION PARTICIPANTS**

(Stockton, CA) - On February 28, 2012, the Stockton City Council approved moving forward with a confidential neutral evaluation process recently adopted through state legislation, AB 506. The process gives municipalities that are in fiscal distress an opportunity for financial restructuring, not unlike what goes on in the private sector. The City has not declared bankruptcy.

The City's total annual budget is \$600 million including all funds and operations; the financial restructuring involves only a small portion of the City's total budget – the General Fund – which represents approximately \$165 million of the larger budget.

The AB 506 process allows municipalities to enter into a period of confidential mediation with creditors or “interested parties” with \$5 million or more in obligations or debt. The City and interested parties will select a mediator with the goal of reaching an agreement on how to manage these City debt obligations.

AB 506 process requires that the mediation process remain confidential; however,

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the participants in Stockton's AB 506 process have all agreed to identify the names of the organizations that will be participating, which is allowable under the legislation. The participating parties include:

- Association of Retired Employees of the City Of Stockton
- Assured Guaranty
- California Public Employees Retirement System (CalPERS)
- Dexia Credit Local, New York Branch
- Franklin Advisers, Inc.
- Jarvis/MUD case
- Mid-Management/Supervisory Level Unit (Management B&C Employees)
- National Public Finance Guarantee Corp.
- Operating Engineers' Local 3
- Price case
- Stockton City Employees' Association (SCEA)
- Stockton Firefighters' Local 456
- Stockton Fire Management Unit
- Stockton Police Management Association
- Stockton Police Officers' Association (SPOA)
- Union Bank, NA
- U.S. Department of Housing and Urban Development
- Wells Fargo Bank, National Association, as indenture trustee for the following bonds:
  - o Redevelopment Authority of the City of Stockton Revenue Bonds, Series 2004 (Stockton Events Center Arena Project)
  - o Stockton Public Financing Authority Lease Revenue Bonds, Series 2004 (Parking and Capital Projects)
  - o Stockton Public Financing Authority 2006 Lease Revenue Refunding Bonds, Series A
  - o Stockton Public Financing Authority Variable Rate Demand Lease Revenue Bonds, 2007 Series A and 2007 Series B (Taxable) (Building Acquisition Financing Project)
  - o City of Stockton 2007 Taxable Pension Obligations Bonds, Series A and Series B
  - o Stockton Public Financing Authority Lease Revenue Bonds, 2009 Series A (Capital Improvement Projects)
  - o Stockton Public Financing Authority Variable Rate Demand Water Revenue Bonds, Series 2010A (Delta Water Supply Project)

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In addition, the participants have all agreed to provide the name of the mediator, once the mediator has been selected.

For additional information or questions, please visit [www.stocktongov.com](http://www.stocktongov.com) or call (209) 937-8827.

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