

Bond Case Briefs

Municipal Finance Law Since 1971

Judge Approves San Bernardino, California's Plan to Exit Bankruptcy.

SAN FRANCISCO — The judge overseeing San Bernardino, California's municipal bankruptcy said on Tuesday she would approve the city's plan to restructure its finances, according to a spokeswoman for the city.

An official confirmation order is expected by late January, spokeswoman Monica Lagos added in an email to Reuters.

U.S. Bankruptcy Judge Meredith Jury in recent months has been signaling support for the Southern California city's plan to emerge from Chapter 9 bankruptcy after four years.

The plan involves slashing bondholder debt and retiree healthcare costs while protecting pensions.

San Bernardino's financial restructuring also includes folding its fire department into San Bernardino County's fire services district as a cost-cutting measure.

Hit by the 2008 financial and housing foreclosure crises as well as years of budget mismanagement, San Bernardino declared bankruptcy in July 2012 with a \$45 million deficit.

The case is *In re City of San Bernardino*, in U.S. Bankruptcy Court, Central District of California, No. 12-28006

By REUTERS

DEC. 6, 2016, 7:12 P.M. E.S.T.

(Reporting by Jim Christie; Editing by Bernard Orr)