

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

317



**FROM:** Executive Office

**SUBMITTAL DATE:**  
September 2, 2003

**SUBJECT:** Equipment Lease/Purchase Agreement Between the County of Riverside and LaSalle Bank National Association

**RECOMMENDED MOTION:** That the Board of Supervisors approve Resolution No. 2003-449 Authorizing the Execution and Delivery of an Equipment Lease/Purchase Agreement, and Related Instruments, and Determining Other Matters In Connection Therewith.

**BACKGROUND:** The County of Riverside, through the Municipal finance Corporation, has two financing agreements with City National Bank for energy management projects. One agreement was initiated in 1997 for \$9.4 million at a 5.85% interest rate to finance 27 energy retrofit projects at various County facilities. The second agreement was initiated in 2001 for \$8.5 million at a 5.85% interest rate to finance an additional 57 energy retrofit projects at various County facilities.

Continued

FORM APPROVED  
COUNTY COUNSEL

SEP 03 2003

Departmental Concurrence

BY *[Signature]*

*[Signature]*

DEAN DEINES  
Principal Management Analyst

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 134,624 cost avoidance	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$	Budget Adjustment:	No
	Annual Net County Cost:	\$	For Fiscal Year:	03/04

<b>SOURCE OF FUNDS:</b> Energy Savings generated by the Energy Conservation Program	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:**

**APPROVE**

*[Signature]*

County Executive Office Signature

Consent  
 Policy  
 Consent  
 Policy  
 Dept't Recomm.:  
 Per Exec. Ofc.:

Prev. Agn. Ref.:

District:

Agenda Number:

ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD

3.8

Page 2

Equipment Lease/Purchase Agreement Between the County of Riverside and  
LaSalle Bank National Association  
September 2, 2003

In light of lower interest rates, Municipal Finance Corporation (MFC) was asked to provide a refinancing proposal for the two energy efficiency projects. MFC's proposal combines the outstanding balances of the two agreements (\$13,102,870) into one Equipment Lease/Purchase Agreement with LaSalle Bank N.A., The new agreement provides a weighted average interest rate of 3.50% and realizes an annual savings for the County of approximately \$134,624 and a total savings of approximately \$923,751 (see attached Refunding Summary of Energy Leases).

MFC's proposal was evaluated against other financing options and was determined to be the most advantageous for the County. Additionally, the proposal does not extend the terms (years) of the original agreements.

The MFC proposal was reviewed and approved by the Riverside County Debt Advisory Committee on August 21, 2003 and County Counsel has reviewed the attached financing documents in substantial final form. There is no additional cost to the General Fund; Facilities Management budgets each year for the debt service payment which is paid through utilities savings and capital cost avoidance.

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**Riverside County, CA**  
**Refunding Summary of Energy Leases**

<i>1997 Lease Refunding</i>	
Purchase Option Amount on 9/12/03	4,896,254.79
Original Lease Interest Rate	5.85%
Refunding Lease Interest Rate	3.00%
Remaining Term (yrs.)	4.50
Annual Savings (\$)	59,813.30
Total Savings (\$)	269,159.85
Present Value Savings (\$)	250,904.54
Present Value Savings (%)	5.12%

<i>2001 Lease Refunding</i>	
Purchase Option Amount on 9/12/03	8,206,614.72
Original Lease Interest Rate	5.85%
Refunding Lease Interest Rate (Blended)	3.79%
Remaining Term (yrs.)	8.75
Average Annual Savings (\$)	74,810.45
Total Savings (\$)	654,591.45
Present Value Savings (\$)	559,603.12
Present Value Savings (%)	6.82%

<i>Combined Refunding</i>	
Financed Amount	13,102,869.50
Weighted Average Remaining Term (yrs.)	7.16
Weighted Average Interest Rate	3.50%
Combined Interest Rate	3.60%
Total Annual Savings (\$)	134,623.75
Total Savings (\$)	923,751.30
Present Value Savings (\$)	810,507.67
Weighted Average Present Value Savings (%)	6.19%

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