

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

246



**FROM:** EXECUTIVE OFFICE

**SUBMITTAL DATE:**  
November 7, 2006

**SUBJECT:** Woodcrest Library Financing – Capital Anticipation Notes

**RECOMMENDED MOTION:** That the Board of Supervisors:

- 1) Approve Resolution 2006-438 authorizing certain matters relating to the issuance of not to exceed \$6.5 million Certificates of Participation Anticipation Notes.
- 2) Direct the Auditor-controller to process the following budget adjustments:

Increase Appropriations:

32750-1100100000-531920	Capital Outlay	\$6,475,000
32750-1100100000-532160	Issuance Cost	<u>25,000</u>
	<b>Total</b>	<b>\$6,500,000</b>

Increase Estimated Revenue:

32750-1100100000-790010	Other Financing Sources	\$6,500,000
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**BACKGROUND:** On March 7, 2006, the Board of Supervisors approved a second series of the Capital Improvement Projects financing (2006 Series A) of certain county facilities identified in the CIP. These facilities included the Perris Complex (Sheriff Station and Health Clinic), Woodcrest Library and Cabazon Fueling Station projects.

(CONTINUED)

*Lani Sioson*

Lani Sioson  
Associate Management Analyst

**FINANCIAL DATA**

Current F.Y. Total Cost:	\$6,500,000	In Current Year Budget:	No
Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	Yes
Annual Net County Cost:	\$ 0	For Fiscal Year:	06-07

**SOURCE OF FUNDS:** Capital Anticipation Notes issued by CORAL

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input checked="" type="checkbox"/>

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

**APPROVE**

**County Executive Office Signature**

*[Signature]*

- Policy
- Policy
- Consent
- Consent

Dep't Recomm.:  
Per Exec. Ofc.:

Prev. Agn. Ref.:

District:

Agenda Number:

**3 . 8**

RECEIVED RIVERSIDE COUNTY

FORM APPROVED COUNTY COUNSEL

FISCAL PROCEDURES APPROVED  
ROBERT E. BYRD, Auditor-Controller

OCT 31 2006

BY *[Signature]*

*Ann Mayo 10/30/06*  
Deputy

Because it was necessary to re-bid the Woodcrest Library project, that project was removed from the 2006 Series A financing. Since then the project has been re-bid and a contract awarded to construct the library. General Fund monies were advanced to allow the awarding of the construction contract, with the intent to reimburse the General Fund once long term financing was arranged for the project. Because of the small project budget it is being recommended, as a cost saving measure, that Certificates of Anticipation Notes (CANs) be issued through CORAL to the county pool, with repayment of the notes from the next CIP financing.

The CANs will be purchased by the County Treasurer for the Pool, will bear an interest rate of the Pool rate plus 12.5 basis points, and the rate reset monthly. The CANs will be drawn on as needed, in \$100,000 increments, to pay construction costs, up to \$6.5 million. The CANs will have a maturity of 18 months, which can be extended an additional 18 months with the approval of the County Treasurer. The CANs will be repaid from the next county financing, except for the interest due, which will be paid from library funds.



1                   **WHEREAS**, the Corporation is willing to issue certificates of participation  
2 anticipation notes (the "Notes") for purchase by the Treasurer and Tax Collector of the County of  
3 Riverside (the "Purchaser") for the County Treasury Pool to temporarily finance the costs of  
4 acquisition and construction of the Project and the costs of issuance of the Notes; and  
5

6                   **WHEREAS**, the Notes are permitted investments for the County Treasury Pool under  
7 the County's investment policy, and the Treasurer is authorized to purchase the Notes; and  
8

9                   **WHEREAS**, the County and the Corporation propose to cause to be issued certificates  
10 of participation to pay the Notes; and  
11

12                   **WHEREAS**, the Corporation agrees, among other things, to reimburse the County for  
13 previously incurred costs of the Project and to cause the Project to be acquired, designed, constructed,  
14 delivered and installed with the proceeds of the Notes; and  
15

16                   **WHEREAS**, the County and the Corporation propose to enter into an agency  
17 agreement pursuant to which the County agrees to undertake as agent for the Corporation the  
18 acquisition, design, delivery and installation of the Project;  
19

20                   **NOW, THEREFORE**, this Board does find, resolve, determine and order as follows:  
21

22                   Section 1. The form of agency agreement (the "Agency Agreement") dated as of  
23 November 1, 2006, by and between the County and the Corporation attached hereto is hereby  
24 approved. The officers of the County and their authorized representatives are, and each of them  
25 acting alone is, hereby authorized and directed for and in the name of and on behalf of the County to  
26 execute by manual or facsimile signature and deliver the Agency Agreement in substantially the form  
27 attached hereto and presented to and considered at this meeting, with such changes therein as the  
28 officer or authorized representative executed the same on behalf of the County may approve, in his or

1 her discretion, as being in the best interest of the County, such approval to be conclusively evidenced  
2 by the execution and delivery thereof.

3  
4 Section 2. The County hereby acknowledges and consents to the issuance of the Notes  
5 by the Corporation to the Purchaser for the purpose of assisting the County in temporarily financing  
6 the acquisition, design, delivery, construction and installation of the Project. The County  
7 acknowledges that the Notes will be in the principal amount of not to exceed \$6.5 million and will  
8 have a maturity date of 18 months from date of delivery thereof, will be prepayable at any time  
9 without penalty and shall bear interest at a rate per annum on outstanding advances thereunder equal  
10 to the average rate of return on amounts in the County Treasury Pool, plus 12.5 basis points, the  
11 actual rate to be reset monthly as announced by the Purchaser. Interest shall be calculated based on  
12 actual days elapsed over 365 or 366 days, as appropriate. The County covenants with the Purchaser  
13 that the County will, on or before the date which is 18 months from the date of the first advance  
14 under the Notes, authorize the execution and delivery of certificates of participation and all necessary  
15 related documents to effectuate a long term financing of the Project and to retire the Notes.

16  
17 Section 3. The County hereby agrees that if the long term financing of the Project  
18 referred to in Section 2 is not accomplished, the County will either (i) request the Corporation extend  
19 the Notes one time for an additional 18 months, or (ii) purchase the Notes from the Purchaser not  
20 later than the maturity date thereof from amounts, if any, that may be legally available for such  
21 purpose.

22  
23 Section 4. All actions heretofore taken by any officer or officers of the County, as  
24 may be authorized by the County, with respect to the execution, sale and delivery of the Notes or in  
25 connection with or related to any of the agreements referred to herein or the financing program  
26 hereby undertaken are hereby approved, confirmed and ratified.



1 CERTIFICATE OF CLERK

2  
3 I, Nancy Romero, Clerk of the Board of Supervisors of the County of Riverside, do  
4 hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a  
5 regular meeting of the Board of Supervisors of the County of Riverside duly and regularly held at the  
6 regular meeting place thereof on November \_\_\_, 2006, of which meeting all of the members of said  
7 Board had due notice.

8 AYES: Supervisors \_\_\_\_\_

9 NAYS: Supervisors \_\_\_\_\_

10 ABSENT: Supervisors \_\_\_\_\_

11 I do hereby further certify that I have carefully compared the foregoing copy with the  
12 original minutes of said meeting on file and of record in my office; that said copy is a full, true and  
13 correct copy of the original resolution adopted at said meeting and entered in said minutes; and that  
14 said resolution has not been amended, modified, rescinded or revoked in any manner since the date of  
15 its adoption, and the same is now in full force and effect.

16 I do hereby further certify that an agenda for said meeting was posted at least seventy-  
17 two (72) hours before said meeting at 4080 Lemon Street, Riverside, California, a location freely  
18 accessible to members of the public, and a brief general description of said resolution appeared on  
19 said agenda.

20 WITNESS my hand and the seal of the County of Riverside this \_\_\_ day of  
21 November, 2006.

22  
23 \_\_\_\_\_  
24 Clerk of the Board of Supervisors

25 [SEAL]  
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