

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

853



**FROM:** Paul McDonnell Treasurer – Tax Collector

**SUBMITTAL DATE:**  
January 30, 2008

**SUBJECT:** Purchase and early redemption of the County of Riverside, Pension Obligation Bonds, Series 2005A ("POB")

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

(1) Direct the Executive office to make \$10 million available in the form of a General Fund advance for the purchase and redemption of POBs.

(2) Authorize and direct the Treasurer to purchase and hold POBs in a General Fund Sub Account until the General Fund advance is repaid. Upon the repayment of the General Fund Advance, the POBs are to be retired. The advance is to be repaid from funds designated to reduce the County's pension liability.

(continued on page 2)

Paul McDonnell, Treasurer Tax Collector

Departmental Concurrence

**FINANCIAL DATA**

Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	N/A
Annual Net County Cost:	\$ 0	For Fiscal Year:	2007/08

**SOURCE OF FUNDS:**

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

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

APPROVE

BY Christopher M. Hans

County Executive Office Signature

Dept's Recomm.:  Consent  Policy   
 Per Exec. Ofc.:  Consent  Policy

Prev. Agn. Ref.:

District:

Agenda Number:

3.41

**BOARD OF SUPERVISORS**

**Form 11:** Purchase and early redemption of the County of Riverside, Pension Obligation Bonds, Series 2005A ("POB")

**January 30, 2008**

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**BACKGROUND:** The Board of Supervisors approved the issuance of \$400 million in Pension Obligation Bonds to refinance its CalPERS pension liability on November 16, 2004. As of January 30, 2008 there are \$392 million bonds outstanding.

The County established the Liability Management Fund in connection with the issuance of the POBs. The Liability Management Fund is funded by capturing a portion of the projected savings associated with issuance and can be used solely to retire pension bond debt and/or be transferred to CalPERS to reduce any unfunded liability. In past years the county has decided to transfer the balance of the Liability Management Fund to CalPERS to reduce its unfunded liability.

County staff recommends using the Liability Management Fund and excess TRAN deposits to retire pension bonds. Funding levels on both the Miscellaneous and Safety plans are both projected to be approaching 100%.

A \$10 million General Fund advance is required to take advantage of current market opportunities and the fact that the bonds trade infrequently. The Liability Management Fund balances and the excess TRAN deposits will be available on or around the first week of July 2008 to repay the General Fund.

The Pension Advisory Review Committee supports this approach.