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

**FROM:** Executive Office

**SUBMITTAL DATE:**  
February 28, 2008

**SUBJECT:** Initial Securitization Fund Budget

**RECOMMENDED MOTION:** That the Board of Supervisors: Approve and direct the Auditor-Controller to implement the budget adjustments as listed in Attachment A.

**BACKGROUND:** On May 21, 2007 (item 1.0) the Board approved the securitization of future cash flows of tobacco settlement revenue. This action resulted in a one time payment of \$271M to the county; the cash was placed in Fund 30120. As part of the securitization a number of capital projects were identified, including the Hub Jail, as possible projects to be funded from the securitization proceeds to insure that the 3-year spend down requirement for tax-exempt financings would be met.

(continued on next page)

Christopher Hans, Deputy CEO

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ N/A	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ N/A	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ N/A	For Fiscal Year:	2007/08

<b>SOURCE OF FUNDS:</b> N/A	<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
	<b>Requires 4/5 Vote</b>	<input checked="" type="checkbox"/>

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

APPROVE

BY   
Bill Luna

County Executive Office Signature

FISCAL PROCEDURES APPROVED  
ROBERT E. BYRD, AUDITOR-CONTROLLER  
3/3/08  
BY   
SUSANA GARCIA-BOCANEGRA  
Departmental Concurrence

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

Prev. Agn. Ref.: 1.0 5/21/07 and 3.4 7/3/07

District: All

Agenda Number:

3.8 a

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**BACKGROUND CONTINUED:**

The Board has directed that the proceeds and any interest they earn be used to construct the first phase of the planned Hub-jail. However, the Hub-jail planning, CEQA, land acquisition, architectural stages and construction will take longer than the 3 year requirement.

Therefore it is recommended that securitization proceeds pay for qualifying general fund capital projects including the Smith correctional expansion and purchases of the Riverside Centre office building, Desert Hot Springs land and Perris land. Funds previously committed to these projects would thus be made available to be reallocated to fund future Hub jail construction expenses.

Only projects that have secured prior cash financing will be included in this funding program. This provision will ensure that the full amount securitized, plus interest, remains available for Hub-jail construction.

The changes requested will allow for the transfer of approved expenses from the CIP fund to the new Securitization fund. No new expenditures of any kind are authorized in this action.

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**Attachment A**

Increase in Appropriations:

30120-1105100000-540040	Land	\$26,500,000
30120-1105100000-542020	Buildings	\$60,000,000
30120-1105100000-536780	Interfund exp-Capital projects	<u>\$15,000,000</u>
	Total Appropriations Increase	\$101,500,000

Increase Estimated Revenue

30120-1105100000-791000	Bond proceeds	\$101,500,000
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Decrease in Appropriations:

30700-1104200000-540040	Land	\$26,500,000
30700-1104200000-542020	Buildings	\$60,000,000
30700-1104200000-536780	Interfund exp-Capital projects	<u>\$15,000,000</u>
	Total Appropriations Increase	\$101,500,000

Decrease Estimated Revenue

30700-1104200000-790500	Operating transfers in	\$101,500,000
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