

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

427



**FROM:** Executive Office

**SUBMITTAL DATE:**  
April 6, 2012

**SUBJECT:** Re-Appropriation of Capital Project Funds

**RECOMMENDED MOTION:** That the Board:

- 1) Approve the re-appropriation of capital funds for legal expenses, DPSS realignment growth and General Fund contingency per Attachment A; and,
- 2) Approve and direct the Auditor-Controller to adjust appropriations and designations per Attachment A; and,
- 3) Approve the CIP funding commitments, as shown in Table 1.

Continued on Page 2

Departmental Concurrence

*Serena Chow*

Serena Chow, Principal Management Specialist

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 30,463,909	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ 30,463,909	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ 0	For Fiscal Year:	11-12

<b>SOURCE OF FUNDS:</b> \$16,040,329 (30700) and \$14,663,909 (30121)	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 BY: *Christopher M. Hans*  
Christopher M. Hans

FISCAL PROCEDURES APPROVED  
PAUL ANGULO, CPA, AUDITOR-CONTROLLER  
BY: *Samuel Wong* 4/11/12  
SAMUEL WONG

Consent     Policy  
 Consent     Policy

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

**Prev. Agn. Ref.:** 3.82 5-5-10, 3.33 3-22-11, 3.16 6-28-11 | **District:** ALL | **Agenda Number:**

3.25

**BACKGROUND:**

**Legal Expenses**

In the current fiscal year, the General Fund expended \$6 million for the settlement agreement with the French Valley Business Center LLC (Item A.3 January 10, 2012). The re-appropriation of capital project funds for legal expenses will provide reimbursement back to the General Fund and help offset future legal costs. This was made possible by the recent \$10 million commitment of Development Impact Fees (DIF) for the jail expansion in Indio (3.19 3/27/12), which switched on-going project costs to restricted non-general funds. This enabled the project to continue while allowing capital project funds to be re-appropriated for general fund use.

**DPSS Realignment Growth**

During June 2011 budget hearings, DPSS projected that state funding was expected to decrease by \$20 million for several DPSS programs. Since then, the department adjusted programs and reduced costs to mitigate the impacts of the new state budget and subsequent trigger cuts. The re-appropriation of capital project funds, in the amount of \$10.2 million, will help offset anticipated shortfalls in revenues for DPSS this fiscal year. One half of this amount was previously earmarked for DPSS tenant improvements from a previous fiscal year (1.0-6/4/2007).

**Capital Improvement**

This is a broad sweep of cost-saving strategies initiated in regards to the capital improvement program since May 2010: \$14.14 million was transferred to the General Fund from deferred or cancelled projects and \$5.1 million was transferred to the General Fund from accrued interest. With the Board's approval today, re-appropriated capital funds, in the amount of \$10.8 million, will replenish General Fund contingency.

The approval of the Board motions today includes the last major capital project to be funded with CIP. CIP funds are recommended for the following project commitments, as shown in Table 1. Prior to the expenditure of any CIP loan commitments, the CIP Team will return to the Board with loan agreements outlining payment schedules and other terms.

**TABLE 1**

\$8,000,000	Public Defender Building Remodel	
\$2,000,000	Public Defender CIP Loan	Repaid to CIP over 3 years
\$5,000,000	CIP reserve for Van Horn match	Repaid to CIP from Development Impact Fees
\$15,000,000	TOTAL	

## Attachment A

Increase appropriations:		
30121-1105100000-551100	Contributions to county funds	\$14,663,909
Expected offset:		
30121-1105100000-350203	AFB For Capital Proj subfunds	\$14,663,909
Increase appropriations:		
30700-1104200000-551100	Contributions to county funds	\$16,040,329
Expected offset:		
30700-1104200000-350200	AFB For Const/Capital Projects	\$16,040,329
Increase estimated revenue:		
10000-1101000000-790600	Contrib Fr Other County Funds	\$30,704,238
Increase appropriations:		
10000-1109000000-581000	Appropriations for Contingency	\$10,800,000
10000-1101000000-534300	Liability Judgment	<u>6,000,000</u>
	Total	16,800,000
Increase commitment of fund balance:		
10000-1000100000-330129	CFB-DPSS Realignment Growth	\$10,240,329
10000-1000100000-330155	CFB-Legal Expenses	<u>3,663,909</u>
	Total	13,904,238