

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

791



FROM: Economic Development Agency /Facilities Management

SUBMITTAL DATE:
August 16, 2012

SUBJECT: Economic Development Agency's Internal Service Fund Loan Payment Extension

RECOMMENDED MOTION: That the Board of Supervisors approve an extension to repay the General Fund loan for the Economic Development Agency's Internal Service Funds to June 30, 2014.

BACKGROUND: On June 22, 2010, the Board of Supervisors approved three separate General Fund loans for the establishment of Economic Development Agency (EDA) Custodial, Maintenance, and Real Estate Internal Service funds. Custodial and Maintenance division's loan total \$3,342,091. The Real Estate division has repaid their loan. The loans were requested to provide 60 days working capital with the intent to establish sufficient cash reserves in the ISFs to handle future cash flows with the ability to repay the loan. This is the second year that these divisions are operating as ISFs.

(Continued)

Departmental Concurrence

Lisa Brandl for

Robert Field
Assistant County Executive Officer/EDA
By: Lisa Brandl, Managing Director

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2012/13

COMPANION ITEM ON BOARD AGENDA: No

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

C.E.O. RECOMMENDATION: APPROVE

BY: *Jennifer L. Sargent*
Jennifer L. Sargent

County Executive Office Signature

- Dep't Recomm.: Consent Policy
- Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: 3.12 of 6/22/10; 3.13 of 6/22/10; 3.14 of 6/22/10; 3.58 of 6/28/11 | **District:** All | **Agenda Number:** 3.43

BACKGROUND: (Continued)

The Maintenance and Custodial funds have yet to establish sufficient cash reserves to repay the general fund and maintain operational costs. These funds have not increased cost of services provided in support of the economic hardship many county departments are facing. Consequently, developing sufficient cash reserves for these two funds will prove challenging in the next two years. Every effort has been made to repay the loan while still providing adequate services that meet health and safety standards. An extension is being requested to continue to operate and provide the necessary services needed to county departments.