

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



**FROM:** Executive Office

**SUBMITTAL DATE:**  
March 9, 2011

**SUBJECT:** Capital Improvement Plan (CIP) March 2011 Update

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

- 1) Receive and file the attached CIP March 2011 Update; and,
- 2) Approve the transfer of \$5.1 million of accumulated program interest from the CIP budget to the general fund Reserve for Economic Uncertainty (REU); and,
- 3) Approve and direct the Auditor-Controller to adjust appropriations and designations per Attachment A; and,
- 4) Direct that CIP fund interest be automatically credited to the general fund; and,
- 5) Re-affirm the Board's intent to reserve general fund borrowing capacity to fund the construction of the Riverside County Regional Detention Center (Hub Jail).

**BACKGROUND:** The new economy now presents even greater challenges to balance budget considerations with capital projects for the use of scarce one-time general funds.

(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:	\$ 0	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2010/11

<b>SOURCE OF FUNDS:</b>  CIP Interest	<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:

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Ashley, seconded by Supervisor Stone and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended with report back.

Ayes: Buster, Tavaglione, Stone, Benoit and Ashley  
 Nays: None  
 Absent: None  
 Date: March 22, 2011  
 xc: EO, Auditor

Kecia Harper-Ihem  
 Clerk of the Board  
 By:   
 Deputy

**Prev. Agn. Ref.:**

**District:** All

**Agenda Number:**

**3.33**

FISCAL PROCEDURES APPROVED  
 PAUL ANGULO, CPA, TOR-CONTROLLER  
 BY 3/16/11  
 SAMUEL WONG  
 Departmental Concurrence

Policy ☒ Policy ☒  
 Consent ☐ Consent ☐  
 4ep't Recomm. Per Exec. Ofc.:

On May 4, 2010 (Item 3.82), the Board of Supervisors approved the transfer of \$12,223,000 in savings from deferred or completed capital improvement projects from the capital improvement program budget. This bold action by the Board increased the Reserve for Economic Uncertainty (REU) following the FY 10-11 budget workshops. In response to diminishing budget resources projected in FY 11-12, a "second round" of other cost-saving strategies was initiated in regards to the capital improvement program:

The transfer of savings from deferred or completed capital projects focused the attention on capital projects underway to bring them to completion within budget. Since the beginning of this fiscal year, two major projects are now nearing completion. The Ben Clark Training Center expansion appears to be coming in at budget while the Smith Correctional Facility Expansion may be over by \$1.3 million. This amount will be funded by CIP. A budget adjustment will follow in the 3<sup>rd</sup> quarter budget report. Closing F11s from EDA are expected within weeks.

Another major project, the public safety radio upgrade, has experienced delays for the most part due to difficulties securing the use of sites on federal land. The PSEC team has implemented contingency plans by securing alternative sites and redesigning the system. Information Technology is finalizing a comprehensive Board update of the ramifications of these delays and the redesign efforts. Unfortunately, this project appears to have the potential need for additional one-time general funds. A full report should be ready within 30 days.

General funds deposited into the capital improvement program have accumulated interest that can be returned to the general fund. Over the last six years, the capital improvement program budget has accumulated \$5.1 million in interest earnings which can be transferred to the general fund REU. Staff recommends that future accumulated interest should be transferred to the general fund on a quarterly basis.

Finally, the Riverside County Regional Detention Center (Hub Jail) remains the highest capital priority established by the Board in February 2007. In order to accomplish this, the general fund borrowing capacity must be reserved to fund the construction of the hub jail ahead of other general fund capital projects. It is likely that many worthy projects will be delayed until new revenue sources are available or the department is able to fund the project from non-general funds.

## Attachment A

Increase appropriations:

30700-1104200000-551100

Contributions to county funds

\$5,100,000

Expected offset:

30700-1104200000-309100

Reserve for construction

\$5,100,000

Increase estimated revenue:

10000-1101000000-790600

Contributions from county funds

\$5,100,000

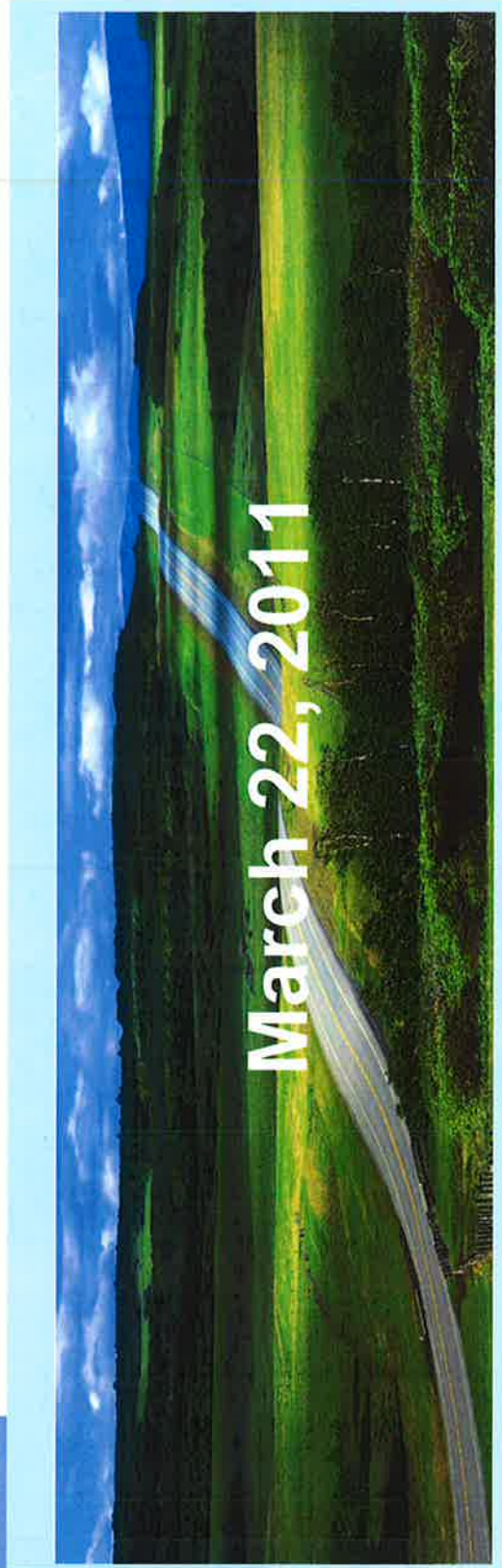
Increase designations:

10000-1000100000-320110

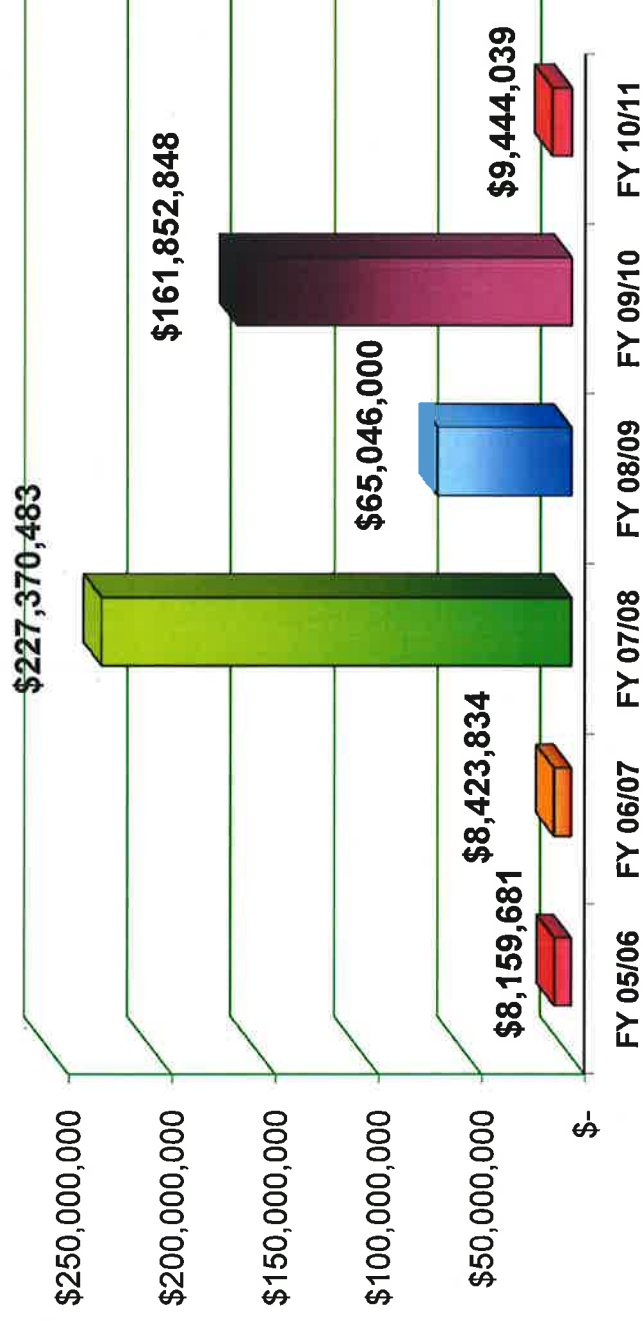
DFB – economic uncertainty

\$5,100,000

# FY 10-11 Capital Improvement Plan (CIP) Update

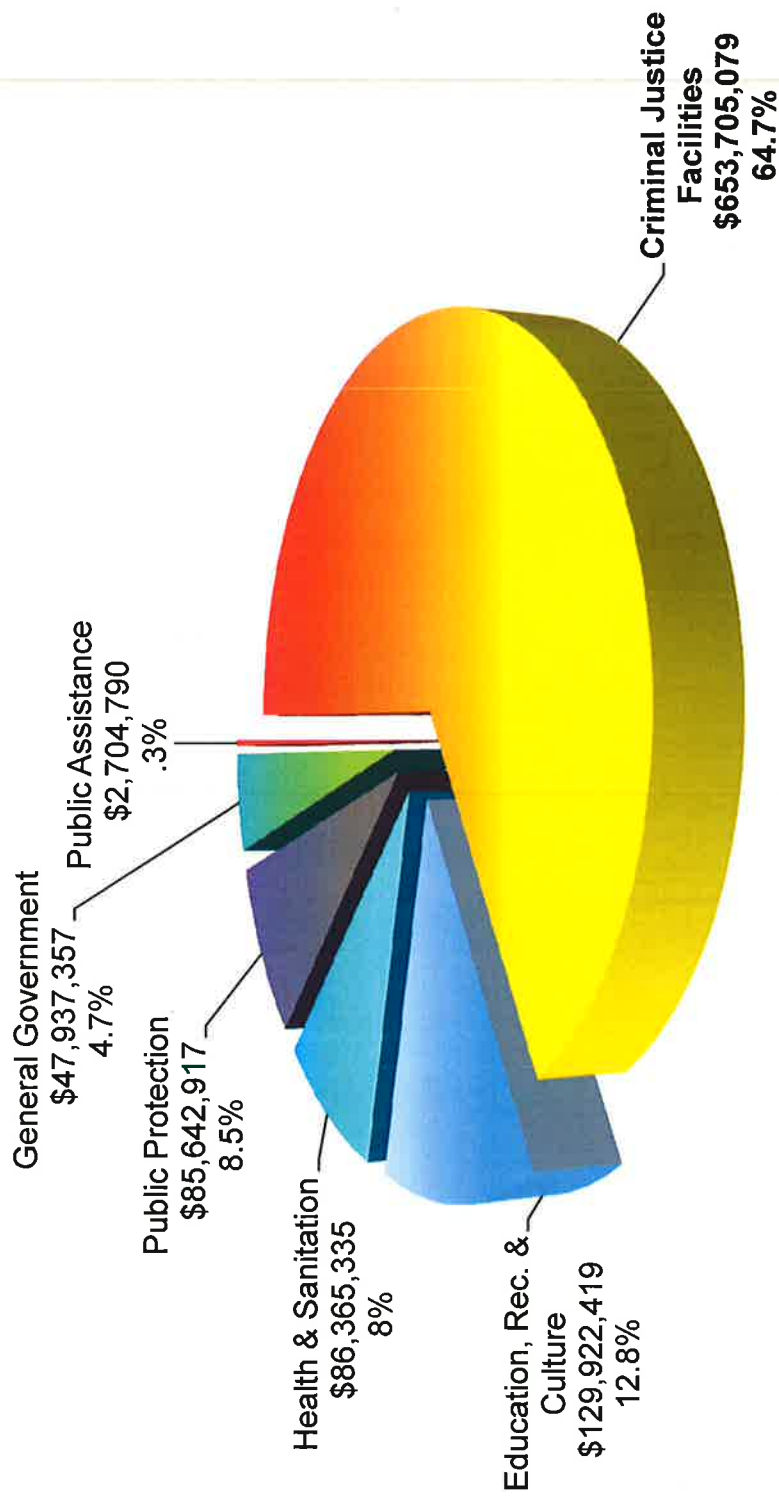


# Completed Projects by Fiscal Year

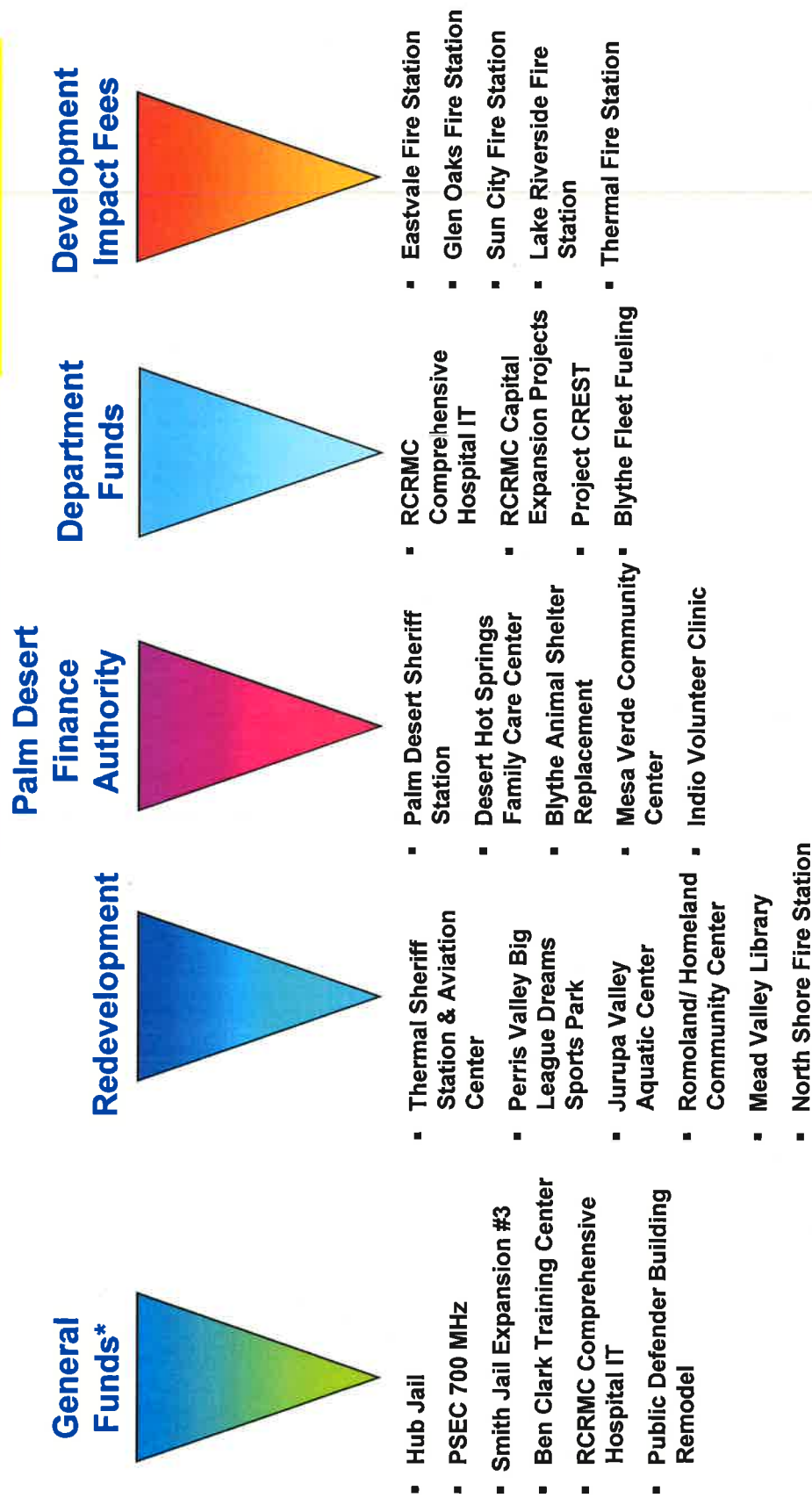


\*Source: Notice of Completion (NOC) for capital projects under the Board Policy B-22 Capital Improvement Program

# Planned Investment in Capital Projects in Progress



# Funding Sources of Major Capital Projects In Progress



\*Includes General Fund contributions to the Capital Improvement Program (CIP) and Tobacco Securitization Program



# General Fund Borrowing Capacity

