

**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

Serena Chow
Serena Chow, Principal Management Specialist

FINANCIAL DATA

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

SOURCE OF FUNDS: \$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
BY: *Christopher M. Hans*
County Executive Office Signature Christopher M. Hans

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Buster, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None
Date: April 17, 2012
xc: EO, Auditor

Kecia Harper-Ihem
Clerk of the Board
By: *[Signature]*
Deputy

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

3.25

FISCAL PROCEDURES APPROVED
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER
 BY: *[Signature]* 4/11/12
 SAMUEL WONG
 Departmental Concurrence
 Dep't Recomm.: Consent Policy
 Per Exec. Ofc.: Consent Policy

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