

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

158



FROM: Executive Office

SUBMITTAL DATE:
June 25, 2013

SUBJECT: Cash Loan to Riverside County Regional Medical Center (RCRMC)

RECOMMENDED MOTION: That the Board of Supervisors approve loaning RCRMC up to \$40 million from the Workers Compensation Fund to cover their projected FY 12/13 year-end cash shortfall, and from other funds under the Board's authority as necessary and appropriate.

BACKGROUND: RCRMC's current cash position is negative \$48 million, and they project a year-end negative cash position of \$33 million. Board Policy B-14 directs that no fund be allowed to remain in a negative cash position. This temporary loan will provide working capital while RCRMC's structural budget deficit is resolved. This action formalizes the current situation of funds being used by RCRMC. In regards to a repayment plan, RCRMC is required to repay this loan with interest by June 30, 2014. In the event RCRMC cannot meet this obligation, the General Fund will be required repay this loan, which will have a significant negative impact on the General Fund.

However, RCRMC states they "should collect sufficient revenues to net out the cash deficit for this fiscal year by early October 2013." RCRMC's FY 13/14 requested budget is out of balance for the next fiscal year by \$52 million. Unless steps are taken to obtain the revenues that Mr. Bagley has referenced in his budget presentations to the Board, or steps are taken to reduce or eliminate the services that are currently not funded (or some combination of the two), the cash deficit will only get worse next fiscal year. To alleviate some of these issues, a consultant is on board to provide a road map to dealing with the Affordable Care Act and look for cost efficiencies. They are expected to issue their report at the end of August.

Ivan Chand

Ivan Chand, Deputy County Executive Officer

**FINANCIAL
DATA**

Current F.Y. Total Cost:	\$ 0	In Current Year Budget:
Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:
Annual Net County Cost:	\$ 0	For Fiscal Year: FY 13/14

SOURCE OF FUNDS: Workers Compensation Fund and other funds as necessary and appropriate

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

C.E.O. RECOMMENDATION:

APPROVE

BY: *George A. Johnson*
George A. Johnson

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None
Date: July 2, 2013
xc: EO, Auditor, HR

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

Prev. Agn. Ref.:

District:

Agenda Number:

3-3

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY: *Samuel Wong* 6/27/13
SAMIUEL WONG, County Executive Office
Human Resources Director

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

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BUREAU OF THE CLERK
COUNTY OF RIVERSIDE

MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



3-27

On motion of Supervisor Stone, seconded by Supervisor Ashley and duly carried by unanimous vote, IT WAS ORDERED that the recommendation from Executive Office regarding Approval of a Cash Loan to Riverside County Regional Medical Center is continued to Tuesday, July 2, 2013 at 9:00 a.m.

I hereby certify that the foregoing is a full true, and correct copy of an order made and entered on April 30, 2013 of Supervisors Minutes.

WITNESS my hand and the seal of the Board of Supervisors
Dated: April 30, 2013
Kecia Harper-Ihem, Clerk of the Board of Supervisors, in
and for the County of Riverside, State of California.

(seal)

By: Kallu Barton Deputy

AGENDA NO.

xc: E.O., COB

3-3



JAY E. ORR
COUNTY EXECUTIVE OFFICER

**MEMORANDUM
COUNTY OF RIVERSIDE
EXECUTIVE OFFICE**

GEORGE A. JOHNSON
CHIEF ASSISTANT COUNTY EXECUTIVE OFFICER

ROB FIELD
ASSISTANT COUNTY EXECUTIVE OFFICER
ECONOMIC DEVELOPMENT AGENCY

BARBARA OLIVIER
ASSISTANT COUNTY EXECUTIVE OFFICER
HUMAN RESOURCES

ED CORSER
COUNTY FINANCE DIRECTOR

CHRISTOPHER HANS
CHIEF DEPUTY COUNTY EXECUTIVE OFFICER

TO: Kecia Harper-Ihem, COB
FROM: George A. Johnson, Chief Assistant CEO
DATE: April 24, 2013
RE: CONTINUANCE

Please continue the following item to July 2, 2013:

#337 - Executive Office: Cash Loan to Riverside County Regional Medical Center (RCRMC).