

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

361



FROM: Waste Management and Executive Office

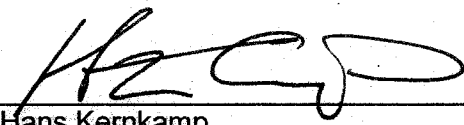
SUBMITTAL DATE:
July 18, 2013

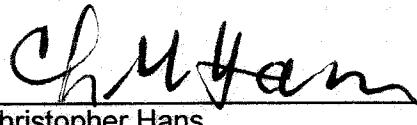
SUBJECT: Cash Advance for East County Detention Center (ECDC) Construction Related Costs

RECOMMENDED MOTION: That the Board of Supervisors adopt Resolution 2013-200 and authorize the Auditor-Controller to provide a cash advance of \$24 million from the Waste Management Enterprise Fund (40200) as required for East County Detention Center related projects.

BACKGROUND: In March 2012, the county accepted a conditional award of \$100 million from the California Corrections Standards Authority for construction of the East County Detention Center (ECDC). The county intends to sell bonds for the balance of costs related to the construction of the ECDC. In the interim, a "bridge loan" in the amount of \$20 million will be needed to fund construction related costs already in progress. Also \$4 million is needed to fund relocation costs associated with the project.

(Continued on pg. 2)


Hans Kernkamp,
General Manager – Chief Engineer


Christopher Hans,
Chief Deputy County Executive Officer

FINANCIAL DATA

Current F.Y. Total Cost:	\$90,000-120,000	In Current Year Budget:	No
Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
Annual Net County Cost:	\$ 0	For Fiscal Year:	FY 2013-14

SOURCE OF FUNDS: \$20 million - bond proceeds; \$4 million - general fund.

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

C.E.O. RECOMMENDATION:

APPROVE

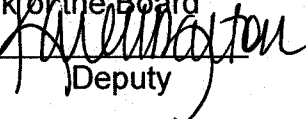
BY: 
Ed Corser

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Stone, seconded by Supervisor Benoit 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 30, 2013

Kecia Harper-Ihem
Clerk of the Board
By: 
Deputy

Waste, Auditor, EO

RECEIVED RIVERSIDE COUNTY

Prev. Agn. Ref.:

District: All

Agenda Number:

12-1 C

FORM APPROVED COUNTY COUNSEL DATE 7/18/13
 BY SALE A. GARDNER Departmental Concurrence
 FISCAL PROCEDURES APPROVED PAUL ANGULO, CPA, AUDITOR-CONTROLLER BY Samuel Wong 7/18/13 SAMUEL WONG
 Dep't Recomm.:
 Per Exec. Ofc.:

RE: Cash Advance for East County Detention Center (ECDC) Construction

Related Costs

Date July 30, 2013

Page 2

The ECDC is planned at the site of the current Indio County Administrative Center. Initially the County planned to first construct the Indio Law building and then move the affected departments into that building. This plan was modified when the detention center construction was accelerated by one year. All departments currently occupying this facility will need to be temporarily relocated until a permanent facility, the Indio Law building, is constructed. In addition to the \$20 million for construction of the ECDC, the County is requesting \$4 million for FY13/14 relocation costs. These moves will result in a \$4 million cost to the County in FY 13/14 and another \$4 million in FY 14/15 that will need to be paid by the general fund.

This cash loan will save a significant amount of interest costs versus current interest rates on bonds. The loan will be repaid with interest per Resolution 2013-200 once the related bonds have been issued. The bond financing will occur approximately 18 months from now. It is beneficial to utilize this cash loan for two reasons. One, the construction of the jail will not occur for 18 months and if the financing were to occur now the county would potentially pay 5% interest while funds sit in the accounts. This would cost the county approximately \$7.5 million dollars. Two, the county has already begun projects necessary to clear the way for the jail construction and requires additional funds to bridge the gap between now and the financing.

It is recommended that the \$24 million be loaned to the capital improvement fund for 18 months with \$20 million to be repaid from the bond financing and the remaining \$4 million from the general fund. The current fiscal year cost estimate is the County Treasurer's pool rate interest cost.

2
3 RESOLUTION NO. 2013-200

4
5 A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE
6 AUTHORIZING AND APPROVING A TEMPORARY TRANSFER OF WASTE MANAGEMENT
7 DEPARTMENT ENTERPRISE FUNDS TO THE COUNTY GENERAL FUND

8 WHEREAS, on March 27, 2012, in accordance with agenda item 3.19, the Board of
9 Supervisors accepted a funding award from the Corrections Standards Authority in the amount of
10 \$100,000,000 from the 2011 Local Jail Construction Financing Program (AB900 – Phase II); and

11 WHEREAS, the remainder of the funding for the East County Detention Center (ECDC) is
12 to come from bond financing. It is now requested that the County general fund receives a temporary loan
13 from the Waste Management Department Enterprise Fund in the amount of Twenty Four Million Dollars
14 (\$24,000,000) to bridge the gap between the start of construction and the bond financing; and

15
16 WHEREAS, California Government Code Section 25252 authorizes the Board of
17 Supervisors to establish and abolish those funds necessary for the proper transaction of the business of the
18 County and further provides that the Board of Supervisors may authorize the County Auditor to perform
19 this function; and

20
21 WHEREAS, California Government Code Sections 25252 and 25261 authorize the Board of
22 Supervisors to make transfers from one fund to another as the public interest requires and further provides
23 that the Board may by resolution authorize the County Auditor to make such transfers from one fund to
24 another when the Board of Supervisors has authority over each fund; and

25
26 WHEREAS, the Board of Supervisors has authority over the Waste Disposal Enterprise
27 Fund and the County General Fund and the public interest requires a temporary transfer to be made from
28 the Waste Disposal Enterprise Fund to the County General Fund in the amount of Twenty Four Million
Dollars (\$24,000,000); and

FORM APPROVED COUNTY COUNSEL
BY DALE A. GARDNER 7/18/13
DATE

1 WHEREAS, California case law (*Auerbach v. Board of Supervisors of County of Los*
2 *Angeles*, 71 Cal. App. 4th 1427 (1999)) establishes the right of counties to temporarily transfer and loan
3 money between funds until said moneys are needed to be spent for their original, intended purpose; and

4 WHEREAS, the Twenty Four Million Dollars (\$24,000,000) to be transferred from the
5 Waste Disposal Enterprise Fund to the County general fund is not intended to be spent for its original,
6 intended purpose for at least eighteen (18) months and the temporary transfer is to be repaid, with interest,
7 to the Waste Disposal Enterprise Fund from the County general fund before said Twenty Four Million
8 Dollars (\$24,000,000) is needed to be spent for its original, intended purpose; and

9
10 NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of
11 Riverside assembled in regular session as follows:

12 1. The above recitals are true and correct.

13 2. The Auditor/Controller of the County is hereby authorized and directed to make a
14 temporary transfer of Twenty Four Million Dollars (\$24,000,000) from the Waste Disposal Enterprise Fund
15 (sub-fund 40200) to the County general fund. In addition, the Auditor/Controller of the County is hereby
16 authorized and directed to make the necessary journal entries and to take such further acts as are necessary
17 or convenient to effect the temporary transfer and repayment as set-forth here-in.

18 3. The Auditor/Controller of the County shall ensure that the entire amount of the
19 temporary transfer authorized by this resolution is repaid to the Waste Disposal Enterprise Fund (sub-fund
20 40200) by the County general fund no later than eighteen (18) months from the date of the transfer. The
21 repayment of any remaining, unpaid balance and interest equal to County pool rate at the time of the bond
22 issue, shall come from such other unencumbered County general fund monies as are lawfully available to
23 make the repayment.

24 5. The Auditor/Controller of the County and any other County Officers are hereby
25 authorized to take such additional actions as are necessary or convenient to carry out the effect of this
26 resolution.
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