

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

282



FROM: Executive Office

SUBMITTAL DATE:
November 13, 2014

SUBJECT: Cash Advance for East County Detention Center (ECDC) Construction Related Costs, [All], [\$20,000,000], [ECDC Bond Proceeds] (**Vote on Separately**)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Adopt Resolution 2014-226 authorizing and approving a cash advance from Flood Control District Special Revenue funds to the County Capital Improvement Fund; and
2. Authorize the Auditor-Controller to transfer \$20 million from the Flood Control District's Special Revenue Fund 25120 as required for East County Detention Center related construction projects into the County's Capital Improvement Fund 30702.

BACKGROUND:

Summary

In July 2013, the Board of Supervisors approved a cash loan to bridge the need for cash and the bond sale for the ECDC. With the delay in inspections by the State, the cash need has exceeded the previous loan. The county cannot sell bonds until bids are received to get an exact cost of the project. In the interim, it is requested that the Board of Supervisors approve an additional \$20 million "bridge loan," from the Flood Control District. This, as well as the Waste loan, will be reimbursed from bond proceeds once sold. (Continued on pg. 2)

Ivan M. Chand
Deputy County Executive Officer

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 20,000,000	\$	\$ 20,000,000	\$	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/> x
NET COUNTY COST	\$	\$	\$	\$	

SOURCE OF FUNDS: ECDC Bond Proceeds	Budget Adjustment: No
	For Fiscal Year: 2014-15

C.E.O. RECOMMENDATION:

Approved

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Stone, Benoit and Ashley
 Nays: None
 Absent: Tavaglione
 Date: November 24, 2014
 xc: E.O., Auditor

Kecia Harper-Ihem
Clerk of the Board

By: Deputy

Prev. Agn. Ref.: 7/30/13 12-1C | District: ALL | Agenda Number:

3-14

FORM APPROVED COUNTY COUNSEL DATE 11/17/14
 BY: GREGORY P. PRAMOS
 PAUL LANGUO, CPA, AUDITOR-CONTROLLER 11/17/14
 BY: Susana Garcia-Bocanegra
 Departmental Concurrence
 Reviewed by SUMA Chon
 CIP TEAM SERENA CHAN

A-30
 4/5 Vote
 Positions Added
 Change Order

SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Cash Advance for East County Detention Center (ECDC) Construction Related Costs, [All],
[\$20,000,000], [ECDC Bond Proceeds] (Vote on Separately)

DATE: November 13, 2014

PAGE: 2 of 2

BACKGROUND:

Summary (continued)

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 2014-226 once the related bonds have been issued. The bond financing will occur approximately 4-6 months from now. It is beneficial to utilize this cash loan for two reasons. One, the construction of the jail will not occur for up to 6 months and if the financing were to occur now the county would potentially pay 5% interest while funds sit in the accounts. 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 \$20 million be loaned to the County's Capital Improvement Fund for 6 months to be repaid from the bond financing. The loan will be repaid with interest at the County Treasurer's pool rate, currently estimated to be \$80,000.

The Flood Control District has a companion item on their board agenda.

Impact on Citizens and Businesses

This loan will be fully reimbursed from bond proceeds. No additional costs have been added to the project.

2
3 RESOLUTION NO. 2014-226

4
5 A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE
6 AUTHORIZING AND APPROVING A TEMPORARY TRANSFER OF FLOOD CONTROL
7 DISTRICT ENTERPRISE FUNDS TO THE COUNTY CAPITAL IMPROVEMENT FUND

8 WHEREAS, on March 27, 2012, in accordance with agenda item 3.19,
9 the Board of Supervisors accepted a funding award from the Corrections Standards Authority in the amount
10 of \$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 Capital Improvement Fund receives a
13 temporary loan from the Riverside County Flood Control and Water Conservation District Zone 2 Special
14 Revenue Fund in the amount of Twenty Million Dollars (\$20,000,000) to bridge the gap between the start
15 of construction and the bond financing; and

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

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

26
27 WHEREAS, the Board of Supervisors has authority over the Riverside County Flood
28 Control and Water Conservation District Zone 2 Special Revenue Fund and the County Capital

SPECIAL BOARD RESOLUTION APPROVAL

FORM APPROVED COUNTY COUNSEL
BY: DALE A. GARDNER 11/17/14
DATE

1 Improvement Fund and the public interest requires a temporary transfer to be made from the Riverside
2 County Flood Control and Water Conservation District Zone 2 Special Revenue Fund to the County Capital
3 Improvement Fund in the amount of Twenty Million Dollars (\$20,000,000); and

4 WHEREAS, California case law (*Auerbach v. Board of Supervisors of County of Los*
5 *Angeles*, 71 Cal. App. 4th 1427 (1999)) establishes the right of counties to temporarily transfer and loan
6 money between funds until said moneys are needed to be spent for their original, intended purpose; and
7

8 WHEREAS, the Twenty Million Dollars (\$20,000,000) to be transferred from the Riverside
9 County Flood Control and Water Conservation District Zone 2 Special Revenue Fund to the County Capital
10 Improvement Fund is not intended to be spent for its original, intended purpose for at least six (6) months
11 and the temporary transfer is to be repaid, with interest, to the Riverside County Flood Control and Water
12 Conservation District Zone 2 Special Revenue Fund from the County Capital Improvement Fund before
13 said Twenty Million Dollars (\$20,000,000) is needed to be spent for its original, intended purpose; and
14

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

17 1. The above recitals are true and correct.
18 2. The Auditor/Controller of the County is hereby authorized and directed to make a
19 temporary transfer of Twenty Million Dollars (\$20,000,000) from the Riverside County Flood Control and
20 Water Conservation District Zone 2 Special Revenue Fund 25120 to the County Capital Improvement Fund
21 30702. In addition, the Auditor/Controller of the County is hereby authorized and directed to make the
22 necessary journal entries and to take such further acts as are necessary or convenient to effect the temporary
23 transfer and repayment as set-forth here-in.

24 3. The Auditor/Controller of the County shall ensure that the entire amount of the
25 temporary transfer authorized by this resolution is repaid to the Riverside County Flood Control and Water
26 Conservation District Zone 2 Special Revenue Fund 25120 by the County Capital Improvement Fund no
27 later than six (6) months from the date of the transfer. The repayment of any remaining, unpaid balance
28 and interest equal to County pool rate during the loan period, shall come from such other unencumbered
County General Fund monies as are lawfully available to make the repayment.

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

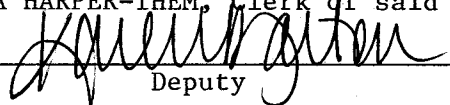
6. This resolution shall take effect from and after its date of adoption.

Passed and adopted by the Riverside County Board of Supervisors on this 24th day of November, 2014.

ROLL CALL:

Ayes: Jeffries, Stone, Benoit and Ashley
Nays: None
Absent: Tavaglione

The foregoing is certified to be a true copy of a resolution duly adopted by said Board of Supervisors on the date therein set forth.

KECIA HARPER-IHEM, Clerk of said Board
By 
Deputy