

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



ITEM: 3.7
(ID # 12654)

MEETING DATE:

Tuesday, June 02, 2020

FROM: EXECUTIVE OFFICE:

SUBJECT: EXECUTIVE OFFICE: Establishment of the Budget for the Taxable Pension Obligation Bonds, Series 2020. All Districts. [\$719,995,000 - Bond Proceeds 100%] 4/5 vote required.

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and direct the Auditor-Controller to process the FY19-20 budget adjustments on the attached Schedule A related to the previously approved Taxable Pension Obligation Bonds, Series 2020.

ACTION: Policy

Frankie Z. Ezzat
Frankie Z. Ezzat, Chief Deputy County Executive Officer

5/27/2020

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: June 2, 2020
xc: EO, Auditor

Kecia R. Harper
Clerk of the Board

By: *Doris Lasso*
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$719,995,000	\$0	\$719,995,000	\$0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS: 100% Bond Proceeds			Budget Adjustment:	Yes
			For Fiscal Year:	19/20

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

At its March 17, 2020 meeting, the Board of Supervisors approved the issuance of the Taxable Pension Obligation Bonds (POBs), Series 2020. The POBs refunded approximately 25% of the County's total unfunded liability, split between the Miscellaneous Plan and the Safety Plan. The approval was supplemented by the Board of Supervisors on April 21, 2020.

On May 6, 2020, the County issued the POBs in the aggregate principal amount of \$719,995,000 at an all-in true interest cost of 3.53%, vs. the 7% being paid to CalPERS. The entire proceeds of the bonds were invested with the California Public Employees' Retirement System (CalPERS).

Per the direction of the Board, the \$230 million in savings (reduction in payments to CalPERS) attributable to the sale of the POBs were directed to be deposited into the County's Section 115 Pension Trust. This will occur over the eighteen-year life of the bonds.

The Executive Office requests for a budget adjustment as provided in Attachment A, to provide appropriations for revenues and expenditures related to recording the bond issuance.

Impact on Residents and Businesses

There is no impact on residents or businesses in the County of Riverside.

Additional Fiscal Information

The revenues and expenses associated with this budget adjustment are paid through the bond proceeds.

ATTACHMENTS:

A – Schedule of Budget Adjustment

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EXECUTIVE OFFICE
SCHEDULE A
FY 2019/2020

Increase Appropriation:

35200-1104000000-532160	Issuance Costs	\$ 4,139,071
35200-1104000000-513000	Retirement-Misc.	371,563,461
35200-1104000000-513040	Retirement-Safety	<u>344,292,468</u>
	Total	\$ 719,995,000 =====

Increase Estimated Revenues:

35200-1104000000-791000	Bond Proceeds	\$ 719,995,000 =====
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Lisa O Brandl 5/28/2020