



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
County Manager's Office



DATE: May 19, 2015
BOARD MEETING DATE: June 16, 2015
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority

TO: Honorable Board of Supervisors
FROM: John L. Maltbie, County Manager
SUBJECT: Reimburse Expenditures from Proceeds of Indebtedness

RECOMMENDATION:

Adopt a resolution declaring the official intent of the County of San Mateo to reimburse certain expenditures from proceeds of indebtedness.

BACKGROUND:

On April 28, 2015, your Board approved an Appropriation Transfer Request in the amount of \$25,611,000 for the build-out of the Maple Street Correctional Center warm shell to add 256 jail beds to accommodate inmates currently housed in the older portion of the Men's Maguire Correctional Facility. An independent study commissioned by the Sheriff's Jail Planning Bureau found that immediately building-out the warm shell, as opposed to waiting two years for the original project to be completed, will result in savings to the County of approximately \$25.7 million.

DISCUSSION:

The County intends to issue future debt to finance a new parking structure at its main Redwood City campus and replace the Cordilleras Residential Mental Health Facility. The County wishes to retain the option of including in this future financing the cost of the warm shell build-out. To retain this option, Section 1.150-2 of the Treasury Regulations requires the County to declare its reasonable official intent to reimburse these expenditures with proceeds of a subsequent borrowing. Approval of this resolution does not bind the County to make any expenditure, incur any indebtedness, or proceed with the new parking structure or replacement of the Cordilleras Facility.

County Counsel has reviewed and approved the resolution as to form and content.

Adoption of the resolution contributes to the Shared Vision 2025 outcome of a Collaborative Community through fiscal accountability by providing the County with the option of replenishing cash reserves for future needs.

FISCAL IMPACT:

Approval of this resolution results in no immediate fiscal impact; however, it provides the County with the option of including the warm shell build-out in future indebtedness, thereby replenishing the General Fund reserves. The projected cost of the warm shell build-out is \$25,611,000.