



DEBT ADVISORY COMMITTEE

Wednesday, December 6, 2023

1:00 p.m.

County Executive Office

4080 Lemon Street, 4th Floor, Riverside, CA

Raincross Conference Room C

AGENDA

1. Call to Order and Introductions.....Executive Office
2. Approval of Meeting Minutes from October 12, 2023.....Executive Office
3. Review and recommend approval to the Board of Supervisors usage of the County's Master Lease Purchase Agreement Line of Credit with JPMorgan Chase Bank, N.A. for the Sheriff's Department Purchase of Communications Equipment of Motorola Radios.....Sheriff
4. Public Comment
5. Other Business
6. Meeting Adjourned to December 14, 2023

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Katie Ponce at KMPonce@rivco.org or (951) 955-1142. Notification 48 hours prior to the meeting will enable us to make reasonable arrangements to ensure accessibility to the meeting [28 CFR 35 .102.35.104 ADA Title II].

DEBT ADVISORY COMMITTEE MEETING

MEETING MINUTES

October 12, 2023 at 9:00 a.m.

Members Present:

Don Kent	County Executive Office (Chair)
Jarvyk Punzalan	Community Facilities District/Assessment District
Matt Jennings	Treasurer-Tax Collector
Minh Tran	County Counsel
Darrylenn Prudholme-Brockington	Flood Control and Water Conservation District
Ben Benoit	Auditor-Controller's Office (via Zoom)

Members Absent:

Amber Jacobson	Office of Economic Development
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Staff and Guests Present:

Jon Gutierrez	Executive Office
Imelda Delos Santos	Executive Office
Katie Ponce	Executive Office (via Zoom)

1. Call to Order and Self-Introductions

The Debt Advisory Committee meeting was called to order at 9:00 a.m. Those present made self-introductions.

2. Approval of the DAC Meeting Minutes for September 14, 2023

MOTION: Matt Jennings moved to approve the DAC meeting minutes from September 14, 2023.

Jarvyk Punzalan seconded this.

With one abstention, the motion passed.

3. Review and Recommend – Approval to the Board of Supervisors the increased amount to the Master Lease Purchase Agreement line of credit for Financing Purchases of Fixed Assets with JPMorgan Chase Bank, N.A., by an additional \$75,000,000.

Chairman Don Kent, with the Executive Office, introduced item three on the agenda, the increased amount to the Master Lease Purchase Agreement line of Credit for Financing Purchases of Fixed Assets with JPMorgan Chase Bank, N.A., by an additional \$75,000,000.

Chairman Kent gave an overview of the reason for this financing. The county still has a line of credit (LOC) available with JPMorgan (approved in October of 2022) as well as obligations being paid down with Bank of America. The LOC has largely been used for county departments such as the Fire Department for fire trucks, Sheriff's Department for specialized equipment and vehicles, by the Transportation Department for heavy-duty vehicles, Fleet for vehicles, and DPSS for reimbursable tenant improvements.

Chairman Kent pointed out that all financed purchases must have prior Board of Supervisors approval, through either the annual budget process, or a separate Form 11 submittal to utilize the LOC. As of October 5, there is approximately \$20 million remaining on the LOC to accommodate future requests. This remaining amount is projected to be exhausted within the next several months due to approximately \$64 million of Board approved finance requests in the FY 2023-24 Adopted Budget. Due to current remaining requests, there is a need for this increase. JPMorgan Chase Bank, N.A. can accommodate an increase in the LOC in the amount of \$75 million, which would serve the county's need for the future.

There are no additional fees associated with this additional amount. County departments utilizing the LOC will, however, incur interest charges at the then prevailing rate when an asset purchase is requested to be financed. Due to current financial market conditions, JPMorgan Chase Bank, N.A. has increased the Fixed Index Spread component and is applicable to both tax-exempt and taxable rates.

Matt Jennings, the county's Treasurer-Tax Collector asked if the \$56 million is in addition to the \$64 million that has already been adopted. Chairman Kent explained that this amount is part of the original \$64 million and is what is still remaining to be delivered due to a lag resulting from worldwide COVID lockdown conditions in prior years. Mr. Jennings responded, therefore with the

additional \$75 million, \$40 million is unspent and would be for items outside of the adopted budget. Chairman Kent stated, yes, that is correct.

Ben Benoit, the county's Auditor Controller, asked if this transaction will affect the county's credit rating. Chairman Kent responded that it will not since it is part of the Adopted Budget and does not drain any reserves. Chairman Kent concluded his overview by stating that this item will be going to the next Board meeting on Tuesday, Oct 17, 2023.

MOTION: Ben Benoit moved to approve the Approval to the Board of Supervisors the increased amount to the Master Lease Purchase Agreement line of credit for Financing Purchases of Fixed Assets with JPMorgan Chase Bank, N.A., by an additional \$75,000,000.

Minh Tran seconded.

All were in favor. The motion passed unanimously.

4. Public Comment

None

5. Other Business

6. Next Meeting(s)

The next regularly scheduled Debt Advisory Committee Meeting is scheduled for Thursday, November 9, 2023, or as needed.

7. Adjourn

With no further business, Chairman Don Kent, adjourned the Debt Advisory Committee Meeting at 9:22 a.m.

**SUBMITTAL TO THE DEBT ADVISORY COMMITTEE
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: SHERIFF-CORONER-PA:

AGENDA DATE: December 6, 2023

SUBJECT: Usage of the County's Master Lease Purchase Agreement Line of Credit with JPMorgan Chase Bank, N.A. for the Sheriff's Department Purchase of Communications System Equipment of Motorola Radios.

RECOMMENDED MOTION: Review and recommend approval to the Board of Supervisors usage of the County's Master Lease Purchase Agreement Line of Credit with JPMorgan Chase Bank, N.A. for the Sheriff's Department Purchase of Communications System Equipment of Motorola Radios for a requested finance total of \$17,311,871.

BACKGROUND

The Riverside Sheriff's Office (RSO) has used primarily Motorola APX 7000 handheld radios for daily communications since the onset of the PSEC (Public Safety Enterprise Communications) System in 2014. The PSEC System is the communication system for law enforcement agencies across Riverside County, including the Sheriff's Office and police departments. This system allows these agencies to communicate seamlessly with each other during critical incidents and calls for service. These devices have reached end of life, repair parts are no longer available and vendor support has been discontinued. APX 7000 radios were discontinued by Motorola in November 2018 and vendor support was ended in June 2023.

The Purchasing and Fleet Services Department on behalf of RSO completed Request for Quotation (RFQ) SHARC-2022-RIVCO-RFQ-0000566 for Portable and Mobile Radios for use on the PSEC System, and was completed in 2022. Motorola Solutions, Inc. was the most responsive, and responsible bidder for Motorola radios.

RSO is requesting approval to purchase 2,500 APX Next Radios from Motorola Solutions, Inc. These devices will provide the needed upgrade to the radios, including support and parts, but will also allow for remote programming and Wi-Fi capabilities which will enhance user experience and decrease PSEC programming time by allowing remote programming. These devices will be deployed across Patrol and in other specialized areas across the organization.

FISCAL INFORMATION

RSO's Budget will fund \$6,000,000 of this purchase. Additionally, the Smart Features totaling \$3,750,000 will be paid by RSO's Budget. This remainder of this purchase is being requested to be financed for 5 years utilizing the County's line of credit provided by JPMorgan Chase Bank, N.A. The lease payments will be made with Sheriff's Budget funds. Estimated interest cost based on 5-year financing is approximately \$1,944,261*. See table below:

Summary

Quote Total (including estimated sales tax)	\$27,061,871
Less RSO's Payments:	
Down Payment (Including Warranty)	(6,000,000)
Smart Features	(3,750,000)
Requested Finance Total	\$17,311,871
*Estimated Interest Cost	1,944,261
Contingency	100,000
Total Estimated Cost	\$29,106,132

* Subject to change based on financial market conditions and scheduled deliveries of equipment.

RATE CALCULATION

The Board of Supervisors approved the Master Lease Purchase Agreement line of credit for Financing Purchases of Fixed Assets with JPMorgan Chase Bank, N.A. on October 17, 2023, Item 3.4 (MT 23232). County departments utilizing the line of credit will incur interest charges at the then prevailing rate when an asset purchase is requested to be financed. See table below for an example of the rate calculation.

Rate Calculation

Lease Term (Years) ⁽¹⁾	SWAP Rate ⁽²⁾	x % of Index	+ Fixed Index Spread	= Indicative Tax-Exempt Rate ⁽³⁾
5	4.5290%	79%	0.6905%	4.2684%

- (1) The finance period is based on a variety of factors including available budget and useful life of the equipment with the lease payments paid directly by the department.
- (2) Swap rate was as of 8:00 a.m. E.S.T. 11/30/23. Based on the SOFR (Secured Overnight Financing Rate - a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities). Rate subject to change based on financial market conditions.
- (3) Fixed for the life of the term.


CONTRACT HISTORY AND PRICE REASONABLENESS

Motorola Solutions Inc. was the most responsive, and responsible bidder for Motorola radios to a publicly posted RFQ (SHARC-2022-RIVCO-RFQ-0000566). Motorola has discounted the radios and various components by 25-40% for this purchase. In addition, Motorola is offering RSO a discount of \$511,800 on this purchase for location and additional critical connect services.

RSO's current radio devices were purchased through Motorola and the Sheriff's PSEC uses Motorola for multiple PSEC System agreements. These APX Next devices will work in correlation with the PSEC network system, microwave system and Motorola SUA Hardware and Software Support agreement.

IMPACT ON RESIDENTS AND BUSINESSES

The Sheriff currently uses Motorola APX 7000 handheld radios for daily patrol communications for calls for service on the PSEC Radio System. These radios have become end of life and parts are sparse. This radio purchase will ensure that communications on calls for service and all critical incidents will continue without interruption.



Don Sharp
Undersheriff
Riverside County Sheriff's Department