

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

570



FROM: Executive Office

SUBMITTAL DATE:
October 7, 2009

SUBJECT: Resolution No. 2009-303, Authorizing the Advance of Property Tax Revenue to the San Gorgonio Memorial HealthCare District

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and adopt Resolution No. 2009-303 authorizing the advance of property tax revenue to the San Gorgonio Memorial HealthCare District; and,
2. Approve and authorize the Chairman to execute the attached agreement for repayment of said funds to the County of Riverside.

BACKGROUND: Article 16 Section 6 of the California Constitution authorizes a county to lend available funds to a special district, not to exceed 85% of the district's anticipated yearly tax revenue. The loan shall be repaid from that revenue source before the district pays any other obligation.

San Gorgonio Memorial HealthCare District reports that the state's fiscal crisis has resulted in a delay of MediCal program payments, thus creating a perilous financial hardship to the district's hospital. Therefore, the district is requesting an advance of \$1.0 million of its FY 09/10 property tax revenue. The district has agreed to repay the loan, with interest, in the same fiscal year per the attached agreement. The Auditor-Controller supports this advance. A similar advance was provided in FY 08/09 and has been repaid.

Christopher Hans

Christopher Hans, Deputy County Executive Officer

FINANCIAL DATA	Current F.Y. Total Cost:	\$	In Current Year Budget:
	Current F.Y. Net County Cost:	\$	Budget Adjustment:
	Annual Net County Cost:	\$	For Fiscal Year:

SOURCE OF FUNDS: Advance from fund balance to be repaid in the same fiscal year	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY: *Jay E. Off*
Jay E. Off

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY: *Pamela J. Walls*
PAMELA J. WALLS
DATE: 10/13/09
Departmental Concurrence

- Policy
- Consent
- Policy
- Consent

Dept't Recomm.:
Per Exec. Ofc.:

Prev. Agn. Ref.: | District: 5 | Agenda Number:

3.11

AGREEMENT FOR

ADVANCEMENT OF FUNDS TO MAINTAIN ESSENTIAL SERVICES
(County of Riverside and San Gorgonio Memorial Health Care District)

This Agreement is made and entered into by and between the COUNTY OF RIVERSIDE ("COUNTY"), and the San Gorgonio Memorial Health Care District ("DISTRICT") with respect to the following facts:

A. COUNTY and DISTRICT now wish to enter into an agreement whereby COUNTY will advance \$1,000,000 to DISTRICT.

B. Under this Agreement, DISTRICT will use the funds to continue to provide essential services to the local community; said funds may be used for any normal operating expense of the district which is included in the district's fiscal year 2009-10 budget.

C. As the Treasurer has the authority under the California Constitution Article 16 Section 6 and this agreement both to transfer and replace funds, Treasurer shall coordinate with the County Executive Officer, who will be the administrator on behalf of COUNTY for this Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

1. TERM: The term of this Agreement shall be July 1, 2009 to June 30, 2010.
2. ADVANCEMENT: The advancement is generally described as a short term advancement provided by COUNTY to DISTRICT and repaid with interest within the same fiscal year.
 - a. COUNTY will transfer to DISTRICT the sum of \$1,000,000 within one week of the full execution of this agreement;
 - b. Both parties will consider this transfer to be an advance of DISTRICT'S anticipated property tax revenue;
 - c. DISTRICT agrees that COUNTY should collect payment(s) toward the advancement by withholding any or all of subsequent tax distributions until the loan is repaid in full;
 - d. DISTRICT agrees to compensate COUNTY for the loss of investment earning by paying interest at the same rate that the county applies to funds of the district on deposit with the county, estimated at \$15,000.

3. PAYMENT: Payment or payments will be made at the time of normal distribution of tax revenue to special districts within the County of Riverside, typically in January and May and July of each year.

DISTRICT agrees to pay interest on the borrowed funds as follows:

- a. Interest expense will begin to accrue on the date that the transfer of funds occurs.
- b. Interest expense will be accrued monthly at the published county pool rate on any unpaid balance owed to COUNTY.
- c. Interest and principal will be paid in full from the January distribution. Should the January distribution be less than the borrowed amount and interest, the remaining balance will be repaid from the May distribution. Should the January and May distributions be less than the borrowed amount and interest, the remaining balance will be repaid from the July distribution.

4. MUTUAL HOLD HARMLESS. The parties agree to hold each other, their elected officials, employees, contractors and agents mutually harmless from any and all claims, demands and liability, including attorney's fees, arising from each party's performance of this Agreement except to the extent that such liability is caused by the negligence of the other party.

5. ENTIRE AGREEMENT. This Agreement sets forth the entire agreement between the parties with respect to the subject matter hereof and all prior negotiations and dealings pertaining to the subject matter hereof shall be deemed merged herein

6. AMENDMENT. This Agreement shall not be modified except by written consent of the parties.

7. ADMINISTRATION. The Chief Executive Officer, or his designee, shall administer this Agreement on behalf of the COUNTY.

8. SEVERABILITY. If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

10. TERMINATION. After repayment of any advanced amount with interest, this Agreement will be of no further force or effect, with the exception of Section 4., above.

11. ASSIGNMENT. Neither this Agreement nor the duties or obligations under this Agreement shall be assigned by either party without prior written consent of the other party. This does

not prohibit COUNTY however from performing its duties or obligations hereunder by way of subcontract.

12. NONDISCRIMINATION. Except as provided in Section 12940 of the California Government Code, during DISTRICT'S performance of the contract, DISTRICT shall not discriminate on the grounds of race, religious creed, color, national origin, ancestry, age, physical handicap, medical condition including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related hereto, marital status, sex or sexual orientation in the selection and retention of employees and subcontractors and the procurement of materials and equipment.

13. NOTICES. All correspondence and notices required or contemplated by this Agreement shall be delivered to the respective parties at the addresses set forth below and are deemed submitted one (1) day after their deposit in the United States Mail, postage prepaid:

San Gorgonio Memorial HealthCare District
600 N. Highland Springs Ave.
Banning, CA 92220
Attn: Mark Turner, CEO

COUNTY OF RIVERSIDE
4080 Lemon Street, 4th Floor
Riverside, CA 92501
Attn: Christopher M. Hans

IN WITNESS WHEREOF, COUNTY and CITY have caused this Agreement to be duly executed on the 10 day of Sept., 2009.

SAN GORGONIO MEMORIAL
HEALTHCARE DISTRICT

COUNTY OF RIVERSIDE

By 
Chief Executive Officer

By _____
Chairperson, Board of Supervisors

ATTEST:
District Board Secretary

ATTEST:
Nancy Romero, Clerk of the Board

By 
Joe Dotan, Secretary

By _____
Deputy

FORM APPROVED COUNTY COUNSEL

BY:  10/13/09
PAMELA J. WALLS DATE