

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

341



FROM: Executive Office

SUBMITTAL DATE:
March 19, 2012

SUBJECT: Resolution No. 2013-029 Authorizing Deferral of Reimbursement of Transition Year Service Costs to the City of Wildomar Pursuant to Government Code Section 57384

RECOMMENDED MOTION: That the Board of Supervisors adopt Resolution No. 2013-029, deferring the repayment of transition year service costs by the City of Wildomar.

BACKGROUND: When a city incorporates, government code requires the county to provide existing levels of service to the area incorporated for the remaining fiscal year, or until the city council requests discontinuance of service; whichever occurs first. This period is known as the transition year. The requirement to repay the county within five years from the date of incorporation for the transition year service costs was included in the conditions of approval adopted by the Local Area Formation Commission (LAFCO) on August 23, 2007.

Continued on the next page

Tina Grande
Tina Grande, Principal Management Analyst

FINANCIAL DATA

Current F.Y. Total Cost:	\$ N/A	In Current Year Budget:	N/A
Current F.Y. Net County Cost:	\$ N/A	Budget Adjustment:	N/A
Annual Net County Cost:	\$ N/A	For Fiscal Year:	N/A

SOURCE OF FUNDS:

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY: *George A. Johnson*
George A. Johnson

County Executive Office Signature

- Policy
- Policy
- Consent
- Consent

Dept's Recomm.:
Per Exec. Ofc.:

COUNTY COUNSEL 1/15/13

Departmental Concurrence

BACKGROUND continued: The City of Wildomar incorporated on July 1, 2008, which means total repayment is due before July 1, 2013. The total transition year net cost to the county is \$1,777,619.50. Of this amount, \$1,394,376.50 was for general fund services, and the remaining \$383,243 was for non-general fund transportation services. These amounts are adjusted annually by any subsequent change in the California Consumer Price Index (CPI).

The city approached the Executive Office and discussed terms for a deferral of the transition year costs. On February 8, 2012, the City of Wildomar City Council formally requested a deferral by resolution.

The Executive Office submitted a resolution for approval by the Board on March 27, 2012 (Item 3.4). At that time, the Board chose to continue the matter off calendar. The Executive Office is bringing this matter back to the Board for consideration as both the county and the city are in the process of developing budgets for the coming fiscal year.

The attached resolution reflects terms discussed and recommended by the Executive Office. The terms are as follows: The city will be allowed to defer repayment of the general fund services costs repayment for an additional eight years to June 30, 2021, with a minimum annual payment of no less than \$100,000, plus CPI, starting July 1, 2013. The city will fulfill the obligation of the repayment of the non-general fund transportation services costs by the previously required date of July 1, 2013.

Government Code Section 57384 allows the Board of Supervisors, by resolution, to defer repayment of transition year service costs.

The resolution has been approved as to form by County Counsel.

2 RESOLUTION NO. 2013-029

3 A RESOLUTION OF THE BOARD OF SUPERVISORS OF RIVERSIDE COUNTY, AUTHORIZING DEFERRAL OF
4 REIMBURSEMENT OF TRANSITION YEAR SERVICE COSTS TO THE CITY OF WILDOMAR PURSUANT TO
5 GOVERNMENT CODE SECTION 57384

6 WHEREAS, the conditions of approval for the incorporation of the City of Wildomar adopted by
7 the Riverside County Local Agency Formation Commission on August 23, 2007, provide that the City of
8 Wildomar ("City"), in accord with the provisions of Government Code Section 57384(b), must repay the
9 County of Riverside ("County") for transition year services provided by the County within five years
10 unless otherwise agreed by the County and the City; and

11 WHEREAS, the actual cost for services provided by the County to the City during the transition
12 year have been determined to be \$1,394,376.50 in general fund services, and \$383,243.00 in non-
13 general fund transportation services for a total repayment obligation of \$1,777,619.50; and

14 WHEREAS, these amounts, as outlined in Government Code Section 57384(b), are adjusted
15 annually by any subsequent change in the California Consumer Price Index (CPI); and

16 WHEREAS, the City will repay the non-general fund transportation cost of services in the original
17 amount of \$383,243.00, plus CPI, by July 1, 2013; and

18 WHEREAS, on February 8, 2012, in accordance with the provisions of Government Code Section
19 57384(b), the City of Wildomar requested by resolution a deferral of the full reimbursement of general
20 fund transition year costs, originally in the amount of \$1,394,376.50, for an additional eight years, with a
21 minimum annual payment of no less than \$100,000, plus CPI, starting July 1, 2013, so that the total
22 period of time for repayment will end before July 1, 2021;

23 NOW, THEREFORE, BE IT RESOLVED, FOUND, DETERMINED AND ORDERED that the Board of
24 Supervisors for the County of Riverside in regular session assembled on January 29, 2013, hereby agrees
25 that the County will defer the full reimbursement of general fund transition year costs, originally in the
26 amount of \$1,394,376.50, for an additional eight years, with a minimum annual payment of no less than
27 \$100,000, plus CPI, starting July 1, 2013, so that the total period of time for repayment will end by
28 July 1, 2021.

FORM 500-Submittal Page
BY *Alene A. Sturken* 1/15/13

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By: _____
CHAIRMAN, Board of Supervisors

Dated: _____

Attest:

KECIA HARPER-IHEM, Clerk of the Board