

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



FROM: Executive Office

SUBMITTAL DATE:
March 19, 2012

SUBJECT: Resolution No. 2013-030 Authorizing Deferral of Reimbursement of Transition Year Service Costs to the City of Menifee Pursuant to Government Code Section 57384

RECOMMENDED MOTION: That the Board of Supervisors adopt Resolution No. 2013-030, deferring the repayment of transition year service costs by the City of Menifee.

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 October 25, 2007.

Continued on the next page

Tina Grande, Principal Management Analyst

COUNTY OF RIVERSIDE
 COUNTY COUNCIL
 1/15/13
 Departmental Concurrence

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

County Executive Office Signature

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

Resolution No. 2013-030 Authorizing Deferral of Reimbursement of Transition Year Service Costs to the City of Menifee Pursuant to Government Code Section 57384

March 19, 2012

Page 2

BACKGROUND continued: The City of Menifee incorporated on October 1, 2008, which means total repayment is due before October 1, 2013. The total transition year net cost to the county is \$1,057,615. Of this amount, \$459,977 was for general fund services, and the remaining \$597,638 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 January 3, 2012, the City of Menifee City Council formally requested a deferral by resolution.

The Executive Office submitted a resolution for approval by the Board on March 27, 2012 (Item 3.5). 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 total general fund transition year costs for an additional five years to September 30, 2018. Full repayment of the non-general fund transportation services costs repayment will be deferred until fiscal year 2020/2021, with a minimum annual payment of no less than \$100,000, plus CPI, beginning in fiscal year 2015/2016 and ending in fiscal year 2020/2021.

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. 2013-030

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 MENIFEE PURSUANT TO
5 GOVERNMENT CODE SECTION 57384

6 WHEREAS, the conditions of approval for the incorporation of the City of Menifee adopted by the
7 Riverside County Local Agency Formation Commission on October 25, 2007, provide that the City of
8 Menifee ("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 \$459,977 in general fund services, and \$597,638 in non-general fund
13 transportation services for a total repayment obligation of \$1,057,615; 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, on January 3, 2012, in accordance with the provisions of Government Code Section
17 57384(b), the City of Menifee requested by resolution a deferral of the full reimbursement of general
18 fund transition year costs, originally in the amount of \$459,977, for an additional five years to
19 September 30, 2018; and

20 WHEREAS, on January 3, 2012, in accordance with the provisions of Government Code Section
21 57384(b), the City of Menifee requested by resolution a deferral of the full reimbursement of non-
22 general fund transportation transition year costs, originally in the amount of \$597,638, with a minimum
23 annual payment of no less than \$100,000, plus CPI, beginning in fiscal year 2015/16 and ending in Fiscal
24 Year 2020/2021;

25 NOW, THEREFORE, BE IT RESOLVED, FOUND, DETERMINED AND ORDERED that the Board of
26 Supervisors for the County of Riverside in regular session assembled on January 29, 2013, hereby agrees
27 that the County will defer the full reimbursement of general fund transition year costs, originally in the
28 amount of \$459,977, for an additional five years to September 30, 2018, and the County will defer the

FORM APPROVED COUNTY COUNCIL

Shirley A. Anderson 1/15/13

1 full reimbursement of non-general fund transportation transition year costs, originally in the amount of
2 \$597,638, with a minimum annual payment of no less than \$100,000, plus CPI, beginning in fiscal year
3 2015/2016 and ending in Fiscal Year 2020/2021.

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5
6 By: _____
7 CHAIRMAN, Board of Supervisors

Dated: _____

8 Attest:
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10 _____
11 KECIA HARPER-IHEM, Clerk of the Board
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