

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

119



FROM: Executive Office

SUBMITTAL DATE:
September 24, 2013

SUBJECT: Resolution No. 2013-245, Authorizing the Advance of Property Tax Revenue to the Beaumont-Cherry Valley Recreation and Park District in Supervisorial District 5 [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and adopt Resolution No. 2013-245 authorizing the advance of property tax revenue to the Beaumont-Cherry Valley Recreation and Park District; and,
2. Approve and authorize the Chairman to execute the attached agreement for repayment of said funds to the County of Riverside; and,
3. Direct the Auditor-Controller Office to record the accounting treatments for the cash advance to the Beaumont-Cherry Valley Recreation and Park District for \$108,000.

BACKGROUND:

Summary

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.

(continued)

Christopher M. Hans
Chief Deputy CEO

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0	\$	\$ 0	\$	Consent <input type="checkbox"/> Policy X
NET COUNTY COST	\$ 0	\$	\$ 0	\$	

SOURCE OF FUNDS: Advance from fund balance to be repaid in the same fiscal year with interest

Budget Adjustment: No

For Fiscal Year: 13/14

C.E.O. RECOMMENDATION:

APPROVE

BY:
Ed Corser

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

Prev. Agn. Ref.: 3.13 of 11/06/12

District: 5/5

Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3-4

FORM APPROVED-COUNTY COUNSEL

BY: DATE: 9/30/13

DALE A. GARDNER

Departmental Concurrence

☐ Positions Added

☐ Change Order

☐ A-30

☐ 4/5 Vote

BACKGROUND:

Summary (continued)

The Beaumont Cherry-Valley Recreation and Park District reports that the reduction of property tax dollars has negatively affected the District, and they do not have the backup funds to support them in this financially constrained economic time. They have requested an advance of their December property tax apportionment. The advance will cover daily operations including payroll. This district has agreed to repay the loan, with interest, in the same fiscal year per the attached agreement.

Impact on Citizens and Businesses

The Beaumont Cherry-Valley Recreation and Park District provides important services to the residents of its district. Without an advance, those services might be interrupted while the district waits for the normal yearly distribution of its property tax revenue. This action will result in no new taxes or county costs. District will pay a nominal interest cost to county.

1 RESOLUTION NO. 2013-245

2 RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
3 COUNTY OF RIVERSIDE FOR ADVANCEMENT OF FUNDS TO THE
4 BEAUMONT-CHERRY VALLEY RECREATION AND PARK DISTRICT
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6 WHEREAS, the Beaumont Cherry-Valley Recreation and Park District (hereinafter "the
7 District") was established in 1972 to acquire, construct, improve, maintain and operate recreation centers
8 throughout the community; and

9 WHEREAS, the District has encountered cash flow problems due to its dependence on the
10 distribution of property tax revenues which are distributed only at certain times within the fiscal year; and

11 WHEREAS, California Constitution Article 16, Section 6 and California Government
12 Code Section 23010 allow the County to temporarily advance and transfer funds to the District, up to 85%
13 of the anticipated revenues accruing to the District in the current fiscal year, to solve the District's cash
14 flow problems and enable it to perform its functions and meet its obligations; and

15 WHEREAS, such temporary advance and transfer of funds shall only be made upon
16 resolution adopted by the governing body; now, therefore,

17 BE IT RESOLVED AND ORDERED by the Board of Supervisors of the County of
18 Riverside, State of California, in regular session assembled on October 8, 2013 that:

- 19 1. The Board finds that the recitals set forth above are true and correct.
- 20 2. The Board of Supervisors agrees to advance to the District \$108,000, an amount
21 less than 85% of the anticipated revenues accruing to the District in the current fiscal year, pursuant to a
22 written agreement between the County and the District (the "Agreement").
- 23 3. The advance is to be repaid with interest pursuant to the Agreement which is to be
24 administered by the County Executive Officer or his designee.
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1 4. The Agreement, a copy of which is on file with the Clerk of the Board, is approved
2 substantially as to form with such changes, additions, and omissions as the County Executive Officer or
3 his designee shall approve.

4 5. The Chairman of the Board is authorized to sign and execute the Agreement in
5 final form.

6 6. The Auditor-Controller is authorized and directed to advance said amount, and
7 within the same fiscal year collect repayment with interest, consistent with the Agreement.

8 7. This Resolution shall take effect immediately upon its adoption.

9 PASSED and ADOPTED by the Board of Supervisors on October 8, 2013.
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AGREEMENT FOR
ADVANCEMENT OF FUNDS TO MAINTAIN ESSENTIAL SERVICES
(County of Riverside and Beaumont-Cherry Valley Recreation and Park District)

This Agreement is made and entered into by and between the COUNTY OF RIVERSIDE (“COUNTY”), and the Beaumont-Cherry Valley Recreation and Park District (“DISTRICT”) with respect to the following facts:

A. COUNTY and DISTRICT now wish to enter into an agreement whereby COUNTY will advance \$108,000 to DISTRICT pursuant to California Constitution Article XVI, Section 6 and California Government Code Section 23010.

B. Under this Agreement, DISTRICT will use the funds to continue to provide essential services to the local community, to perform its functions, and to meet its financial obligations. Said funds may be used for any normal operating expense of the DISTRICT that is included in the DISTRICT’s fiscal year 2013-2014 budget.

C. As the Treasurer has the authority under the California Constitution Article XVI, 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, 2013 to June 30, 2014.
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 \$108,000, (an amount which does not exceed 85% of the DISTRICT’s anticipated revenue for the current fiscal year), 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 shall collect repayment(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 COUNTY applies to funds of the DISTRICT on deposit with the COUNTY, estimated at \$1,000.

3. PAYMENT: Payment or payments will be made at the time of normal distribution of tax revenue to special districts within the COUNTY, typically in January, 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 50% of principal shall be repaid from the January distribution. The remaining balance, with interest, shall be repaid from the May distribution. Should the January and May distributions be less than the borrowed amount and interest, the remaining balance shall 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 County 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.

9. 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.

10. 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.

11. 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.

12. 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:

BEAUMONT-CHERRY VALLEY
RECREATION & PARK DISTRICT
390 W. Oak Valley Parkway
P.O. Box 490
Beaumont, CA 92223
Attn: Janet Covington
Interim General Manager

COUNTY OF RIVERSIDE
Executive Office
4080 Lemon Street, 4th Floor
Riverside, CA 92501
Attn: Christopher M. Hans
Chief Deputy CEO

IN WITNESS WHEREOF, COUNTY and DISTRICT have caused this Agreement to be duly executed on the _____ day of _____, 2013.

BEAUMONT-CHERRY VALLEY RECREATION
AND PARKS DISTRICT

COUNTY OF RIVERSIDE

By: _____
Janet Covington
Interim General Manager

By: _____
John Benoit
Chair, Board of Supervisors


By: _____
Daniel Hughes
Board of Directors Chair

ATTEST:
Kecia Harper-Ihem, Clerk of the Board

By: _____
Chris Diercks
Treasurer

By: _____
Karen Barton, Deputy

APPROVED AS TO FORM
County Counsel

By:  _____
Dale A. Gardner
County Counsel