

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

103



FROM: Executive Office

SUBMITTAL DATE:
July 7, 2014

SUBJECT: Resolution No. 2014-165, Authorizing the Advance of Property Tax Revenue to the Idyllwild Fire Protection District, District 3/3 [\$300,000]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and adopt Resolution No. 2014-165 authorizing the advance of property tax revenue to the Idyllwild Fire Protection District; and,
2. Approve and authorize the Chairman to execute the attached agreement for repayment of said funds to the County of Riverside.
3. Direct the Auditor-Controller to record the accounting treatments for the cash advance to Idyllwild Fire Protection District for the amount of \$300,000.

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.

The Idyllwild Fire Protection District reports limited funds and revenues are available for the payment of expenditures during July 01 – December 31, 2014. Therefore, the district is requesting an advance of \$300,000 of its FY 2014/15 property tax revenue.

Debra Cournoyer, Deputy CEO

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 300,000	\$ 0	\$ 300,000	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS: Advance from fund balance to be repaid in the same fiscal year.	Budget Adjustment: None
	For Fiscal Year: 2014/15

C.E.O. RECOMMENDATION:

APPROVE

BY:
George A. Johnson

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

FISCAL PROCEDURES APPROVED
 PAUL ANGUILO, CPA, AUDITOR-CONTROLLER
 BY:
 Susana Garcia-Bocanegra
 DATE: 7/7/14

- A-30
- 4/5 Vote
- Positions Added
- Change Order

Prev. Agn. Ref.: 3-70 of 7/30/13 | District: 3/3 | Agenda Number:

3-10

1 RESOLUTION NO. 2014-165

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3 RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
4 COUNTY OF RIVERSIDE FOR ADVANCEMENT OF FUNDS
5 TO THE IDYLLWILD FIRE PROTECTION DISTRICT
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7 WHEREAS, the Idyllwild Fire Protection District (hereinafter “the District”) was
8 established in 1946 and provides fire protection, advanced life support medical services, rescue, public
9 assistance, fire prevention and public safety education; and

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

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

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

18 BE IT RESOLVED AND ORDERED by the Board of Supervisors of the County of
19 Riverside, State of California, in regular session assembled on July 29, 2014 that:

- 20 1. The Board finds that the recitals set forth above are true and correct.
21 2. The Board of Supervisors agrees to advance to the District \$300,000, an amount
22 less than 85% of the anticipated revenues accruing to the District in the current fiscal year, pursuant to a
23 written agreement between the County and the District (the “Agreement”).
24 3. The advance is to be repaid with interest pursuant to the Agreement which is to be
25 administered by the County Executive Officer or his designee.
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FORM APPROVED COUNTY COUNSEL
BY: *Wade G. Gardner*
DATE: 7/17/14
WALBA GARDNER

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 July 29, 2014.

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AGREEMENT FOR
ADVANCEMENT OF FUNDS TO MAINTAIN ESSENTIAL SERVICES
(County of Riverside and Idyllwild Fire Protection District)

This Agreement is made and entered into by and between the COUNTY OF RIVERSIDE (“COUNTY”), and the Idyllwild Fire Protection District (“DISTRICT”) with respect to the following facts:

A. COUNTY and DISTRICT now wish to enter into an agreement whereby COUNTY will advance \$300,000 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 which is included in the DISTRICT’s fiscal year 2014-2015 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, 2014 to June 30, 2015.
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 \$300,000, (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 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 shall be paid in full from the January distribution. Should the January distribution be less than the borrowed amount and interest, the remaining balance 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:

IDYLLWILD FIRE PROTECTION DISTRICT
Attn: Patrick Reitz, Fire Chief
54160 Marantha Drive
P.O. Box 656
Idyllwild, CA 92549

COUNTY OF RIVERSIDE
Attn: Debra Cournoyer, Deputy CEO
4080 Lemon Street, 4th Floor
Riverside, CA 92501

IN WITNESS WHEREOF, COUNTY and DISTRICT have caused this Agreement to be duly executed on the _____ day of _____, 2014.

IDYLLWILD FIRE PROTECTION DISTRICT

By: _____
Jerry Buchanan, President
Board of Fire Commissioners

By: _____
Patrick Reitz, Fire Chief
Board of Fire Commissioners


COUNTY OF RIVERSIDE

By: _____
Jeff Stone
Chairman, Board of Supervisors

ATTEST:
Kecia Harper-Ihem, Clerk of the Board

By: _____
Clerk of the Board

APPROVED AS TO FORM

By:  _____
Dale Gardner
County Counsel