

10 # 1725

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

FROM: Executive Office

SUBMITTAL DATE:
June 16, 2016

SUBJECT: Resolution No. 2016-159, Authorizing the Advance of Property Tax Revenue to the Idyllwild Fire Protection District; District 3 [\$400,000]; Property Tax Revenue

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and adopt Resolution No. 2016-159, 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.

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 repayments of expenditures during July 1 through December 31, 2016. Therefore the district is requesting an advance of \$400,000 of its FY 2016/17 property tax revenue.

Melissa Noone
Melissa Noone
Associate Management Analyst

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 400,000	\$	\$ 400,000	\$	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$	\$	\$	\$	

SOURCE OF FUNDS: Property Tax Revenue

Budget Adjustment: None

For Fiscal Year: 2016/17

C.E.O. RECOMMENDATION:

APPROVE

BY: *Ivan M. Chand*
Ivan M. Chand 7/1/2016

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

FISCAL PROCEDURES APPROVED
PAUL ANGLIO, CPA, AUDITOR-CONTROLLER
BY: *Susana Garcia-Bocanegra*
Susana Garcia-Bocanegra

FORM APPROVED COUNTY COUNSEL
BY: *GREGORY P. PRIAMOS*
GREGORY P. PRIAMOS
DATE: *6/23/16*
Departmental Concurrence

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

Prev. Agn. Ref.: 3-3, 8/18/15

District: 3

Agenda Number:

3-4

2 **RESOLUTION NO. 2016-159**

3 **RESOLUTION OF THE BOARD OF SUPERVISORS OF THE**
4 **COUNTY OF RIVERSIDE FOR ADVANCEMENT**
5 **OF FUNDS TO IDYLLWILD FIRE PROTECTION DISTRICT**

6 WHEREAS, the Idyllwild Fire Protection District (hereinafter "the District") was
7 established in 1946 and provides fire protection, advanced life support medical services, rescue, public
8 assistance, fire prevention and public safety education; and

9 WHEREAS, the District has encountered cash flow problems due to its dependence on
10 the distribution of property tax revenues which are distributed only at certain times within the fiscal year;
11 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
15 flow 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 IS RESOLVED AND ORDERED by the Board of Supervisors of the County of
19 Riverside, State of California, in regular session assembled on July 12, 2016 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 \$400,000, an amount
22 less than 85% of the anticipated revenues according to the District in the current fiscal year, pursuant to
23 a 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 Office or his designee.
- 26 4. The Agreement, a copy of which is on file with the Clerk of the Board, is approved

FORM APPROVED COUNTY COUNSEL
BY *[Signature]* DATE *6/28/16*
DALE A. GARDNER

1 substantially as to form with such changes, additions, and omissions as the County Executive Officer or
2 his designee shall approve.

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

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

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

8 PASSED and ADOPTED by the Board of Supervisors on July 12, 2016.

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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 by and between the COUNTY OF RIVERSIDE ("COUNTY"), and the Idyllwild Fire Protection District ("DISTRICT") with the respect to the following facts:

A. COUNTY and DISTRICT now wish to enter into an agreement whereby COUNTY will advance \$400,000 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 included in the district's fiscal year 2016-17 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 the COUNTY for this Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

1. TERM: The term of this Agreement shall be July 1, 2016 to June 30, 2017.
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 DISTRICT the sum of \$400,000 within one week of the full execution of this agreement;
 - b. Both parties will consider the transfer to be an advance of the DISTRICT'S anticipated property tax revenue by withholding any or all of subsequent tax distributions until the loan is repaid in full;
 - 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 \$2,300.

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, 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 paid by DISTRICT no later than June 30, 2017.

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 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
54160 Marantha Drive
P.O. Box 656
Idyllwild, CA 92546
Attn: Patrick Reitz, Fire Chief

COUNTY OF RIVERSIDE
4080 Lemon Street, 4th Floor
Riverside, CA 92501
Attn: Melissa Noone

IN WITNESS WHEREOF, COUNTY and CITY have caused this Agreement to be duly executed on the _____ day of _____, 2016.

IDYLLWILD FIRE PROTECTION DISTRICT

COUNTY OF RIVERSIDE

By _____
President
Board of Fire Commissioners

By _____
John Benoit
Chairperson, Board of Supervisors

By _____
Patrick Reitz, Fire Chief
Board of Fire Commissioners

ATTEST:
Kecia Harper-Ihem, Clerk of the Board

By _____
Clerk of the Board

APPROVED AS TO FORM
County Counsel


By Dale A. Gardner
County Counsel