

Regional Conservation Authority

**RESOLUTION NO. 10-005
RESOLUTION OF THE BOARD OF DIRECTORS OF THE
WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY
ADOPTING AN ECONOMIC STABILIZATION POLICY**

Staff Contact:

**Charles V. Landry, Executive Director
(951) 955-9700**

Background:

At their March 1, 2010, the RCA Board of Directors directed staff to develop a policy establishing a minimum cash level to ensure the Authority is able to continue operations.

The attached policy establishes a minimum cash level of Nine Million Dollars (\$9,000,000.00), which is the anticipated amount necessary to maintain minimum RCA operations for approximately 18 months, and provides operating guidelines should the projected cash account decline below this minimum level.

Staff Recommendation:

That the RCA Executive Committee:

- 1) Recommend that the RCA Board of Directors Adopt Resolution No. 10-005, *Resolution of the Board of Directors of the Western Riverside County Regional Conservation Authority Adopting an Economic Stabilization Policy*; and
- 2) Direct staff to agendize this matter for the June 7, 2010 meeting of the RCA Board of Directors.

Attachment:

Resolution No. 10-005

AGENDA ITEM NO. 10

Attachment 1

Resolution No. 10-005 Adopting An Economic Stablization Policy

RESOLUTION NO. 10-005

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
WESTERN RIVERSIDE COUNTY
REGIONAL CONSERVATION AUTHORITY
ADOPTING AN ECONOMIC STABILIZATION POLICY**

WHEREAS, the Western Riverside County Regional Conservation Authority (“Authority”) is a public agency of the State of California formed by a Joint Exercise of Powers Agreement; and

WHEREAS, the Authority is responsible for implementing the Western Riverside County Multiple Species Habitat Conservation Plan and managing the Authority’s resources; and

WHEREAS, the Authority has determined that it is prudent to establish this Economic Stabilization Policy to create a required level for cash balance to ensure that the RCA has sufficient cash available to fund its required operations;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED that the Western Riverside County Regional Conservation Authority Board of Directors hereby adopts the “Economic Stabilization Policy,” a copy of which is attached hereto and incorporated herein.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Western Riverside County Regional Conservation Authority held the 7th day of June, 2010.

BY: _____
Gary Thomasian, Chairman
Western Riverside County
Regional Conservation Authority

ATTEST:

BY: _____
Honey Bernas, Clerk of the Board



WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY

Economic Stabilization Policy

Purpose

The purpose of this policy is to establish a minimum cash level to ensure that RCA is able to continue operations. If the cash account declines below this minimum cash level, RCA will curtail new RCA-funded land acquisitions for that fiscal year until the minimum cash balance is restored. This informal policy is not intended to trigger a change in financial statement reporting pursuant to Governmental Accounting Standards Board Statement No. 54 ("GASB 54"), but only intended to provide guidance to staff.

Procedures

RCA desires to maintain a minimum cash level of Nine Million Dollars (\$9,000,000.00). Except as provided herein, if the projected cash balance for a particular fiscal year dips below this level, RCA should not enter into any new RCA-funded land acquisitions.

1. Rationale. The Board set the cash balance level at the anticipated amount necessary to maintain minimum RCA operations for eighteen (18) months, including negotiating acquisitions, managing and maintaining reserve lands and monitoring the species in accordance with the MSHCP and the Implementing Agreement.
2. Exemption. RCA has previously entered into multi-year purchase and sale agreements which RCA is obligated to fund. Accordingly, previously executed purchase and sale agreements (those agreements executed before the adoption of this policy) are exempt from this policy.
3. Suspension of Land Acquisitions. Once RCA's cash balance level reaches or declines below this minimum cash balance set forth above, RCA should not enter into purchase and sale agreements for new RCA-funded land acquisitions until the minimum cash level is restored, except upon specific direction of the RCA Board of Directors to the contrary.

4. Exceptions. RCA will continue to accept land donations, pursue opportunities for grant funding, and will continue to negotiate purchase and sale agreements. However, the escrow closing date for these new purchase and sale agreements will be extended to a date determined by staff to be within a future fiscal year in which the cash flow will be able to adequately fund the purchase while preserving the minimum cash balance set forth above. Any extension of closing dates will also seek to comply with the time constraints outlined in Section 6.1.1(B), “Completion of Acquisition or Submittal of Development Application if Funding is Not Immediately Available” of the MSHCP for HANS acquisitions (1 MSHCP, pp. 6-11 through 6-17).