



Tehachapi Valley

Recreation & Park District

**TEHACHAPI VALLEY
RECREATION AND PARK DISTRICT
490 WEST D STREET, TEHACHAPI, CA 93561**

**REGULAR BOARD MEETING
TUESDAY, OCTOBER 19, 2021, 5:30 P.M.**

BOARD OF DIRECTORS

**IAN STEELE, CHAIRPERSON
KALEB JUDY, VICE-CHAIRPERSON
DWIGHT DREYER, DIRECTOR
SANDY CHAVEZ, DIRECTOR
MARYANN PACIULLO, DIRECTOR**

A G E N D A

1. FLAG SALUTE

2. ROLL CALL

3. PUBLIC COMMENTS

The Tehachapi Valley Recreation and Park District Board of Directors welcome public comments on any items within the subject matter jurisdiction of the District. We respectfully request that this public forum be utilized in a positive and constructive manner. Items addressed during Public Comment section are generally matters not included on the posted agenda and therefore the Board will take no action at this meeting. Such items, however, may be added to a future meeting's agenda. Speakers are limited to two (2) minutes. Please state your name or organization represented, if any, before making presentation. Thank you.

4. CONSENT CALENDAR

All items listed on the Consent Calendar shall be considered routine and will be enacted by one vote. There will be no separate discussion of these items unless a member of the Board request specific items to be removed from the Consent Calendar for separate action.

- A. Clerk Declaration of Posting of Agenda 72 Hours in Advance of Meeting (Page 3).
- B. Approval of Minutes from the Special Board Meeting held July 28, 2021 (Pages 4-5).
- C. Approval of the Preliminary Financial Reports for August 2021, (Pages 6-15).

5. RECREATION MANAGER REPORT

6. OPERATIONS MANAGER REPORT

7. DISTRICT MANAGER REPORT

8. AGENDA ITEMS

- A. Recognition and Appreciation of the T-Town Ride Volunteers.
- B. Recognition and Appreciation of the Rotary and Interact Club.
- C. T-Town Ride, Discussion.
- D. Resolution of the Board of Directors of the Tehachapi Valley Recreation and Park District Directing Staff to Proceed with Planning for the Issuance of Certain Obligations to Finance the Acquisition of Certain Real Property and Improvements Thereon and Appointing a Financing Team in Connection Therewith, Discussion/Approval, Resolution 15-21, (Pages 16-25).

9. BOARD OF DIRECTORS' TIME

Opportunity for the Board to comment on items not listed on the agenda.

10. ADJOURNMENT

Adjourn to the next Regular Meeting of the Board of Directors of the Tehachapi Valley Recreation and Park District scheduled on November 16, 2021.



Tehachapi Valley
Recreation & Park District

CERTIFICATE OF POSTING AGENDA

I, the Clerk of the Tehachapi Valley Recreation and Park District Board of Directors hereby certify that a copy of the October 19, 2021, Regular Board Meeting Agenda was posted at the following public places within the District on Friday, October 15, 2021, at 5:30 P.M. approximately:

- TVRPD District Office, 490 West D Street, Tehachapi, California 93561
- The TVRPD Web site at www.tvrpd.org

The agenda and related documents were also provided to the Tehachapi Valley Recreation and Park District Board of Directors on the 15th day of October 2021.

Dated this 15th day of October 2021.

Carrie Champlin

Carrie Champlin
Clerk of the Board of Directors

**MINUTES OF THE SPECIAL BOARD MEETING
OF THE TEHACHAPI VALLEY RECREATION AND PARK DISTRICT**

WEDNESDAY, JULY 28, 2021, 5:30 P.M.

CALL TO ORDER: Board Meeting Convened By Vice-Chairperson Steele at 5:30 P.M.

BOARD MEMBERS

Ian Steele, Chairperson
Kaleb Judy, Vice-Chairperson
Maryann Paciullo, Director
Sandy Chavez, Director
Dwight Dreyer, Director

1. FLAG SALUTE: Corey Torres led the flag salute.

2. ROLL CALL: Chairperson Steele was absent.

3. PUBLIC COMMENTS: None.

4. CONSENT CALENDAR

A. Secretary Declaration of Posting of Agenda 24 hours in Advance of Meeting Held.

Declaration by the Clerk of the Board of Directors that the agenda was posted at least 24 hours in advance of meeting. BOARD APPROVED SECRETARY DECLARATION.

Paciullo - Dreyer: Ayes: Judy; Chavez; Dreyer; Paciullo

Noes: None. Motion carried.

Absent: Steele

5. AGENDA ITEMS

A. Award of Bid for the Construction and Installation of the Modular Steel Skatepark Located at West Park, Resolution #10-21.

BOARD AWARDS BID FOR THE CONSTRUCTION AND INSTALLATION OF THE MODULAR STEEL SKATEPARK LOCATED AT WEST PARK TO AMERICAN RAMP COMPANY AND APPROVES RESOLUTION #10-21.

Dreyer - Paciullo: Ayes: Judy; Chavez; Dreyer; Paciullo

Noes: None. Motion carried.

Absent: Steele

6. BOARD OF DIRECTORS TIME: The board thanked TVRPD staff and District Manager Torres for all their hard work. Director Dreyer thanked TVRPD staff and the City of Tehachapi for helping make the first annual Art Show a great success.

7. ADJOURNMENT

Having no further business, the meeting was adjourned at 5:48 P.M. to the Regular

Board meeting of the Directors of Tehachapi Valley Recreation and Park District
scheduled on August 17, 2021.

Chavez - Dreyer: Ayes: Judy; Chavez; Dreyer; Paciullo

Noes: None. Motion carried.

Absent: Steele

Respectfully Submitted,

Carris Champlin

Clerk of the Board



Tehachapi Valley Recreation and Park District

Balance Sheet
As of August 31, 2021

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1000 Cash in County Treasury General Fund	972,100.98
1004 Check BOTS 4470	103,316.15
1005 County Treasury Capital Projects Fund	343,257.16
1006 County FMV	9,306.00
1007 Square Inc	239.38
1051 Change Fund	1,100.00
1100 Petty Cash Fund	400.00
Total Bank Accounts	\$1,429,719.67
Accounts Receivable	
1200 Accounts Receivable	12,862.50
Total Accounts Receivable	\$12,862.50
Other Current Assets	
1092 Credit Card Receivables	-550.00
1093 Heartland Merchant Services Receivable	12,422.35
1120 Uncategorized Asset	1,126.59
1210 Inventory Asset	4,122.63
Total Other Current Assets	\$17,121.57
Total Current Assets	\$1,459,703.74
Fixed Assets	
1150 Land	166,734.76
1161 Building	540,391.52
1162 Improvements	3,064,611.76
1162.1 Improvement Work in Progress	34,476.50
1163 Equipment	1,082,315.94
1166 Furniture & Fixtures	30,946.00
1167 Machinery	47,089.24
1170 Accumulated Depreciation	-3,427,120.00
1180 Fleet Vehicles and Equipment	162,109.22
Total Fixed Assets	\$1,701,554.94
Other Assets	
1901 DOR-Pension Contributions	57,581.00
1903 DOR-Pension Related	65,678.00
Total Other Assets	\$123,259.00
TOTAL ASSETS	\$3,284,517.68
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable-General Fund	21,865.16



Tehachapi Valley Recreation and Park District

Balance Sheet
As of August 31, 2021

	TOTAL
Total Accounts Payable	\$21,865.16
Credit Cards	
2010 Cardmember Services Payable	16,914.50
Total Credit Cards	\$16,914.50
Other Current Liabilities	
2021 Accrued Salaries & Wages	33,160.93
2022 Accrued Employer PR Taxes	3,345.79
2024 Accrued Vacation, Sick, & Comp Time	76,338.04
2207 Sales tax payable	218.91
2208 Kern County Loan Payable	450,000.00
2210 Payroll Liabilities	1,556.26
Total Other Current Liabilities	\$564,619.93
Total Current Liabilities	\$603,399.59
Long-Term Liabilities	
2310 Loan Payable 2016	422,473.00
2900 Net Pension Liability	290,330.00
2902 DIR-Pension Related	39,105.00
Total Long-Term Liabilities	\$751,908.00
Total Liabilities	\$1,355,307.59
Equity	
3010 Net Investment In Capital Assets	1,227,270.10
3020 Restricted Funds	437,447.68
3110 Retained Earnings	456,248.36
Net Income	-191,756.05
Total Equity	\$1,929,210.09
TOTAL LIABILITIES AND EQUITY	\$3,284,517.68



Tehachapi Valley Recreation and Park District

Profit and Loss

August 2021

	TOTAL		
	AUG 2021	JUL - AUG, 2021 (YTD)	% OF INCOME
Income			
4010 Property Taxes	11,667.27	15,585.30	13.89 %
4020 Interest Income	1,726.59	1,726.59	2.06 %
4020.1 Interest Income Cap Proj Fund	742.56	742.56	0.88 %
4030 Adult Program Revenues	9,145.00	14,714.00	10.89 %
4050 Facility Revenue	27,206.01	56,508.02	32.38 %
4210 Events Revenues	9,000.00	10,470.00	10.71 %
4213 Operational Grants	9,260.00	19,260.00	11.02 %
4215 Capital Grants	10,000.00	10,000.00	11.90 %
4216 Scholarship Donations	5.00	5.00	0.01 %
4300 Youth Program Revenues	5,856.30	32,291.18	6.97 %
4650 Discounts given	-991.72	-4,613.79	-1.18 %
4704 Sales	396.00	396.00	0.47 %
Total Income	\$84,013.01	\$157,084.86	100.00 %
Cost of Goods Sold			
5001 Adult Program Costs	844.78	1,173.79	1.01 %
5005 Events Costs	12,708.18	17,712.29	15.13 %
5008 Youth Program Costs	2,063.40	3,491.91	2.46 %
Total Cost of Goods Sold	\$15,616.36	\$22,377.99	18.59 %
GROSS PROFIT	\$68,396.65	\$134,706.87	81.41 %
Expenses			
6000 Employee Costs	91,643.28	226,495.58	109.08 %
7010 Advertising & Marketing	1,952.10	4,655.67	2.32 %
7020 Bank Service Charges	1,937.82	4,420.13	2.31 %
7025 Cash Short/Over		-30.00	
7026 Charitable Contribution		990.00	
7030 Dues & Subscriptions		3,250.00	
7035 Equipment Rents & Leases		624.31	
7050 Insurance	0.00	26,629.50	0.00 %
7056 Interest Expense	1,174.08	1,174.08	1.40 %
7060 Licenses & Fees	1,882.88	3,457.88	2.24 %
7070 Maintenance	10,532.97	33,924.17	12.54 %
7084 Meals & Entertainment	614.99	717.47	0.73 %
7090 Office Supplies	1,263.66	3,268.22	1.50 %
7120 Professional Development	2,704.68	2,704.68	3.22 %
7150 Professional Fees	12,085.50	20,085.00	14.39 %
7180 Security	214.95	579.90	0.26 %
7210 Telephone and Internet	934.44	2,610.76	1.11 %
7230 Uniforms & Apparel		176.54	
7250 Utilities	7,022.65	16,373.03	8.36 %
Total Expenses	\$133,964.00	\$352,106.92	159.46 %



Tehachapi Valley Recreation and Park District

Profit and Loss

August 2021

	TOTAL		
	AUG 2021	JUL - AUG, 2021 (YTD)	% OF INCOME
NET OPERATING INCOME	\$ -65,567.35	\$ -217,400.05	-78.04 %
Other Income			
8040 TVRPD Development Fee Revenues	6,411.00	25,644.00	7.63 %
Total Other Income	\$6,411.00	\$25,644.00	7.63 %
NET OTHER INCOME	\$6,411.00	\$25,644.00	7.63 %
NET INCOME	\$ -59,156.35	\$ -191,756.05	-70.41 %



Tehachapi Valley Recreation and Park District

Profit & Loss Prior Year Comparison

August 2021

	TOTAL			
	AUG 2021	AUG 2020 (PY)	CHANGE	% CHANGE
Income				
4010 Property Taxes	11,667.27	-16,871.94	28,539.21	169.15 %
4020 Interest Income	1,726.59	1,192.18	534.41	44.83 %
4020.1 Interest Income Cap Proj Fund	742.56	364.23	378.33	103.87 %
4030 Adult Program Revenues	9,145.00		9,145.00	
4050 Facility Revenue	27,206.01	18,762.75	8,443.26	45.00 %
4210 Events Revenues	9,000.00	55.00	8,945.00	16,263.64 %
4213 Operational Grants	9,260.00		9,260.00	
4215 Capital Grants	10,000.00		10,000.00	
4216 Scholarship Donations	5.00		5.00	
4300 Youth Program Revenues	5,856.30	6,699.80	-843.50	-12.59 %
4650 Discounts given	-991.72	-100.00	-891.72	-891.72 %
4704 Sales	396.00		396.00	
Total Income	\$84,013.01	\$10,102.02	\$73,910.99	731.65 %
Cost of Goods Sold				
5001 Adult Program Costs	844.78		844.78	
5004 Contracted Classes Costs		400.00	-400.00	-100.00 %
5005 Events Costs	12,708.18	430.00	12,278.18	2,855.39 %
5008 Youth Program Costs	2,063.40	1,121.24	942.16	84.03 %
5110 Scholarship Fund Expense		4.20	-4.20	-100.00 %
Total Cost of Goods Sold	\$15,616.36	\$1,955.44	\$13,660.92	698.61 %
GROSS PROFIT	\$68,396.65	\$8,146.58	\$60,250.07	739.58 %
Expenses				
6000 Employee Costs	91,643.28	57,687.63	33,955.65	58.86 %
7010 Advertising & Marketing	1,952.10	1,037.05	915.05	88.24 %
7020 Bank Service Charges	1,937.82	1,278.14	659.68	51.61 %
7030 Dues & Subscriptions		38.88	-38.88	-100.00 %
7056 Interest Expense	1,174.08		1,174.08	
7060 Licenses & Fees	1,882.88	353.76	1,529.12	432.25 %
7070 Maintenance	10,532.97	8,373.74	2,159.23	25.79 %
7084 Meals & Entertainment	614.99	140.19	474.80	338.68 %
7090 Office Supplies	1,263.66	5,090.83	-3,827.17	-75.18 %
7120 Professional Development	2,704.68		2,704.68	
7150 Professional Fees	12,085.50	2,529.94	9,555.56	377.70 %
7180 Security	214.95	224.95	-10.00	-4.45 %
7210 Telephone and Internet	934.44	342.80	591.64	172.59 %
7230 Uniforms & Apparel		120.12	-120.12	-100.00 %
7250 Utilities	7,022.65	6,885.59	137.06	1.99 %
Total Expenses	\$133,964.00	\$84,103.62	\$49,860.38	59.28 %
NET OPERATING INCOME	\$ -65,567.35	\$ -75,957.04	\$10,389.69	13.68 %
Other Income				



Tehachapi Valley Recreation and Park District

Profit & Loss Prior Year Comparison

August 2021

	TOTAL			
	AUG 2021	AUG 2020 (PY)	CHANGE	% CHANGE
8040 TVRPD Development Fee Revenues	6,411.00	6,411.00	0.00	0.00 %
Total Other Income	\$6,411.00	\$6,411.00	\$0.00	0.00 %
NET OTHER INCOME	\$6,411.00	\$6,411.00	\$0.00	0.00 %
NET INCOME	\$ -59,156.35	\$ -69,546.04	\$10,389.69	14.94 %



Tehachapi Valley Recreation and Park District

Statement of Cash Flows

August 2021

	TOTAL
OPERATING ACTIVITIES	
Net Income	-59,156.35
Adjustments to reconcile Net Income to Net Cash provided by operations:	
1200 Accounts Receivable	-5,800.00
1092 Credit Card Receivables	365.00
1093 Heartland Merchant Services Receivable	16,493.84
1120 Uncategorized Asset	-1,126.59
2000 Accounts Payable-General Fund	6,930.01
2010 Cardmember Services Payable	11,497.88
2200 Suspense	
2207 Sales tax payable	216.52
2211 Payroll Liabilities:CalPERS Payable	2,592.97
2231 Payroll Liabilities:Health Plan Payable	-533.51
2241 Payroll Liabilities:AFLAC Payable	-7.76
2250 Payroll Liabilities:Payroll Tax Liabilities	1,109.40
2252 Payroll Liabilities:GVAP2 Payable	-11.84
2311 Accrued Interest Payable	-5,870.38
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	25,855.54
Net cash provided by operating activities	\$ -33,300.81
INVESTING ACTIVITIES	
1163 Equipment	-5,780.78
Net cash provided by investing activities	\$ -5,780.78
FINANCING ACTIVITIES	
2310 Loan Payable 2016	-17,806.00
3010 Net Investment In Capital Assets	-7,153.56
3022 Restricted Funds:Capital Projects	7,153.56
Net cash provided by financing activities	\$ -17,806.00
NET CASH INCREASE FOR PERIOD	\$ -56,887.59
Cash at beginning of period	1,486,607.26
CASH AT END OF PERIOD	\$1,429,719.67



Tehachapi Valley Park and Recreation District

TVRPD Budget vs. Actual 2021-2022

July - August, 2021

	TOTAL			
	ACTUAL	BUDGET	REMAINING	% REMAINING
Income				
4010 Property Taxes	15,585.30	1,052,127.00	1,036,541.70	98.52 %
4020 Interest Income	1,726.59	10,000.00	8,273.41	82.73 %
4020.1 Interest Income Cap Proj Fund	742.56		-742.56	
4030 Adult Program Revenues	14,714.00	26,950.00	12,236.00	45.40 %
4050 Facility Revenue	56,508.02	241,460.00	184,951.98	76.60 %
4210 Events Revenues	10,470.00	75,220.00	64,750.00	86.08 %
4213 Operational Grants	19,260.00	90,250.00	70,990.00	78.66 %
4215 Capital Grants	10,000.00		-10,000.00	
4216 Scholarship Donations	5.00	1,500.00	1,495.00	99.67 %
4300 Youth Program Revenues	32,291.18	268,060.00	235,768.82	87.95 %
4610 Billable Expense Income		10,150.00	10,150.00	100.00 %
4650 Discounts given	-4,613.79	-10,000.00	-5,386.21	53.86 %
4704 Sales				
4707 Merchandise Sales-Taxable	396.00		-396.00	
Total 4704 Sales	396.00		-396.00	
Total Income	\$157,084.86	\$1,765,717.00	\$1,608,632.14	91.10 %
Cost of Goods Sold				
5001 Adult Program Costs	1,173.79	4,800.00	3,626.21	75.55 %
5002 Fish Stocking		10,000.00	10,000.00	100.00 %
5004 Contracted Classes Costs		4,000.00	4,000.00	100.00 %
5005 Events Costs	17,712.29	96,970.00	79,257.71	81.73 %
5008 Youth Program Costs	3,491.91	32,380.00	28,888.09	89.22 %
5110 Scholarship Fund Expense				
5115 Chavez Scholarship Fund		2,000.00	2,000.00	100.00 %
5117 Walter Dye Scholarship Fund		2,000.00	2,000.00	100.00 %
Total 5110 Scholarship Fund Expense		4,000.00	4,000.00	100.00 %
Total Cost of Goods Sold	\$22,377.99	\$152,150.00	\$129,772.01	85.29 %
GROSS PROFIT	\$134,706.87	\$1,613,567.00	\$1,478,860.13	91.65 %
Expenses				
6000 Employee Costs				
6010 Wages & Salaries	161,168.82	771,830.00	610,661.18	79.12 %
6020 Employee Taxable Allowances		9,200.00	9,200.00	100.00 %
6050 Benefits				
6051 Employee MedDentalVisLife	10,347.20	60,000.00	49,652.80	82.75 %
6055 Employee Retirement CalPERS	8,150.86	42,000.00	33,849.14	80.59 %
6056 CalPERS Unfunded Liability Valuation	25,753.00	20,500.00	-5,253.00	-25.62 %
6058 Employer Taxes	14,701.05	58,000.00	43,298.95	74.65 %
6060 Reimbursed Employee Expenses		500.00	500.00	100.00 %
6070 Vacation, Sick, & Admin Leave		1,500.00	1,500.00	100.00 %
6090 Worker's Compensation Insurance	6,374.65	38,000.00	31,625.35	83.22 %



Tehachapi Valley Park and Recreation District

TVRPD Budget vs. Actual 2021-2022

July - August, 2021

	TOTAL			
	ACTUAL	BUDGET	REMAINING	% REMAINING
Total 6050 Benefits	65,326.76	220,500.00	155,173.24	70.37 %
Total 6000 Employee Costs	226,495.58	1,001,530.00	775,034.42	77.39 %
7010 Advertising & Marketing	4,655.67	33,315.00	28,659.33	86.03 %
7015 Loan Repayment		35,897.00	35,897.00	100.00 %
7020 Bank Service Charges	4,420.13	12,500.00	8,079.87	64.64 %
7025 Cash Short/Over	-30.00		30.00	
7026 Charitable Contribution	990.00		-990.00	
7030 Dues & Subscriptions	3,250.00	5,500.00	2,250.00	40.91 %
7035 Equipment Rents & Leases				
7036 Maintenance Equipment Rental	405.78	800.00	394.22	49.28 %
7037 Office Equipment Rental	218.53	3,500.00	3,281.47	93.76 %
Total 7035 Equipment Rents & Leases	624.31	4,300.00	3,675.69	85.48 %
7050 Insurance				
7052 HUB Insurance	0.00	500.00	500.00	100.00 %
7055 Liability Insurance (Gen, Auto, Property)	26,629.50	54,000.00	27,370.50	50.69 %
Total 7050 Insurance	26,629.50	54,500.00	27,870.50	51.14 %
7056 Interest Expense	1,174.08	16,000.00	14,825.92	92.66 %
7060 Licenses & Fees	3,457.88	21,000.00	17,542.12	83.53 %
7070 Maintenance				
7071 Pool Chemicals	1,555.92	12,500.00	10,944.08	87.55 %
7072 Building & Park Maintenance	24,345.44	98,600.00	74,254.56	75.31 %
7073 Accessibility Upgrades		150.00	150.00	100.00 %
7074 Equipment Maintenance	1,040.19	5,350.00	4,309.81	80.56 %
7075 Fuel	2,573.39	13,000.00	10,426.61	80.20 %
7076 Janitorial Supplies	3,325.89	11,000.00	7,674.11	69.76 %
7077 Small Tools & Equipment	23.35	1,800.00	1,776.65	98.70 %
7079 Fleet Maintenance	1,059.99	7,000.00	5,940.01	84.86 %
Total 7070 Maintenance	33,924.17	149,400.00	115,475.83	77.29 %
7084 Meals & Entertainment	717.47	4,000.00	3,282.53	82.06 %
7090 Office Supplies	3,268.22	22,500.00	19,231.78	85.47 %
7120 Professional Development	2,704.68	7,500.00	4,795.32	63.94 %
7150 Professional Fees				
7151 Annual Audit	7,075.00	12,500.00	5,425.00	43.40 %
7152 Bookkeeping & Payroll	2,700.00	35,000.00	32,300.00	92.29 %
7153 Information Technology	1,185.50	12,000.00	10,814.50	90.12 %
7155 Legal	9,124.50	15,000.00	5,875.50	39.17 %
Total 7150 Professional Fees	20,085.00	74,500.00	54,415.00	73.04 %
7160 Property Tax Collection Fee		12,000.00	12,000.00	100.00 %
7165 Safety Equipment		2,000.00	2,000.00	100.00 %
7180 Security	579.90	3,900.00	3,320.10	85.13 %
7210 Telephone and Internet	2,610.76	27,340.00	24,729.24	90.45 %



Tehachapi Valley Park and Recreation District

TVRPD Budget vs. Actual 2021-2022

July - August, 2021

	TOTAL			
	ACTUAL	BUDGET	REMAINING	% REMAINING
7230 Uniforms & Apparel	176.54	6,000.00	5,823.46	97.06 %
7250 Utilities				
7252 Electric Service	11,658.99	44,600.00	32,941.01	73.86 %
7254 Gas Service	1,232.60	17,450.00	16,217.40	92.94 %
7256 Sanitation Services	2,195.95	10,000.00	7,804.05	78.04 %
7258 Water Service	1,285.49	9,455.00	8,169.51	86.40 %
7259 Propane	0.00		0.00	
Total 7250 Utilities	16,373.03	81,505.00	65,131.97	79.91 %
Total Expenses	\$352,106.92	\$1,575,187.00	\$1,223,080.08	77.65 %
NET OPERATING INCOME	\$ -217,400.05	\$38,380.00	\$255,780.05	666.44 %
Other Income				
8040 TVRPD Development Fee Revenues	25,644.00		-25,644.00	
Total Other Income	\$25,644.00	\$0.00	\$ -25,644.00	0.00%
NET OTHER INCOME	\$25,644.00	\$0.00	\$ -25,644.00	0.00%
NET INCOME	\$ -191,756.05	\$38,380.00	\$230,136.05	599.62 %



TO: Board of Directors

SUBJECT: Proposition 68 Interim Financing

FROM: District Manager

DATE: 10/19/21

STAFF REPORT

REGULAR BOARD MEETING

TITLE: Discussion/Approve Resolution #15-21 directing staff to proceed with planning for the issuance of certain obligations to finance the acquisition of certain real property and improvements thereon and appointing a financing team in connection therewith

STAFF RECOMMENDATION: The Board of Directors approve a resolution directing staff to proceed with planning for the issuance of certain obligations to finance the acquisition of certain real property and improvements thereon, to engage Brandis Tallman a Division of Oppenheimer (“Oppenheimer”), as placement agent and Kutak Rock LLP, as bond counsel in connection with the issuance of the Obligations, and approve a term sheet from Western Alliance Business Trust, a Delaware statutory trust (“Western Alliance Bank”) that provides interim financing in order to issue the Obligations and finance the Project and in order to receive California Proposition 68 grant funding for capital projects.

BACKGROUND: The District is in the process of applying for Proposition 68 grant funding for the Project which consist of the purchase of property, development of a park and construction of a new community center. In order to receive Proposition 68 funding, the District needs to fund the construction of the Project with their own resources and will be reimbursed for the funding through the grant. The District is able to generate the necessary funding for the construction of the Project by obtaining interim financing from a lender.

The District has a relationship with Oppenheimer who most recently assisted the District with financing for the skate park. Oppenheimer is a member of the CSDA Finance Corporation consulting team. Per direction from staff, Oppenheimer solicited a proposal from Western Alliance Bank to provide the interim financing for the Proposition 68 Grant Project. The financing will be structured as a drawdown grant anticipation note. Payments are semi-annual interest only with principal due on or prior to the final maturity. The final maturity is December 1, 2024. Based on the market on October 1st, the interest rate was 2.61%. The interest rate can be locked by Western Alliance Bank three weeks prior to closing. Kutak Rock LLP is also a member of the CSDA Finance Corporation consulting team and would prepare the loan documentation for Board approval.

The Western Alliance Bank term sheet provides approval for financing up to \$8,065,000. It is anticipated that the Project will cost \$8,000,000. The remaining \$65,000 will be used to pay costs of issuance, primarily consisting of legal fees and Oppenheimer’s fee. The Proposition 68 funding will only cover the Project and the costs of issuance will have to be funded by the District. The cost of issuance can be financed over the loan period or can be paid out of pocket at closing.

FISCAL IMPACT: \$65,000 will be used to pay costs of issuance, primarily consisting of legal fees and Oppenheimer's fees.

October 1, 2021

Mr. Jeff Land
Executive Director, Public Finance
Oppenheimer & Co. Inc.
10880 Wilshire Boulevard, Suite 2400
Los Angeles, California 90024

Re: Tehachapi Recreation and Park District Construction Note, Series 2021 (Drawdown Loan - Anticipation of Funding from the State of California Parks and Water Bond Act of 2018) (the "Construction Loan")

Dear Jeff:

On behalf of Western Alliance Business Trust and Western Alliance Bank, we are pleased to provide the following proposal for the Construction Loan, which is subject to the Lender's final credit approval process. It should be emphasized that the following is only a proposal and is not intended, nor should it be construed to be, a commitment to lend money. Rather, this proposal should be viewed as an expression of our interest, to be used as a basis for continued discussions.

Western Alliance Bank's Public and Nonprofit Finance group offers financing solutions for state and local governments and nonprofit organizations. With a level of sector-specific expertise that stands out in the industry, we serve clients from school districts and cities to local charities and larger nonprofit institutions such as universities, hospitals and senior living facilities. The group's team of leading professionals has significant experience, and has structured and closed over 250 municipal and nonprofit loans since 2011, totaling more than \$2 billion.

This proposal is preliminary and subject to change based on negotiations between the Lender and the Borrower and is provided to you solely for the purpose described herein and may not be disclosed to, or relied upon by, any other party without prior written consent of Western Alliance Bank or its affiliated entities.

We are pleased that you have asked us to consider your request. We look forward to assisting you with this transaction and appreciate your business. If you have any questions, please feel free to contact Joshua J. Lentz at (602) 346-7467.



Joshua J. Lentz
Senior Vice President, Commercial Banking

PROPOSED LENDING PARAMETERS

These proposed lending parameters are an expression of interest based on the mutual understanding of the financing request and terms and conditions, all of which are pending the Lender's consideration, analysis, and final credit approval. Any final financing commitments are subject to approval by appropriate administrative authorities of the Lender and other analysis we deem appropriate, with the results of such review and analysis being satisfactory to us in our sole discretion. The Lender is not obligated to provide this financing until such time as you are notified in writing by the Lender of the Lender's commitment and you have executed mutually acceptable loan documents. No action, verbal remarks, or any other communication shall obligate the Lender to provide this financing until the Lender has issued a final, written commitment. The terms and conditions outlined below are not intended to be all-inclusive but rather set forth a framework for further discussions and are subject to change or addition.

Borrower:	Tehachapi Recreation and Park District (the "Borrower" or the "District")
Lender:	Western Alliance Business Trust, a Delaware statutory trust (the "Lender")
Permanent Funding:	Grant funding from the California Department of Parks and Recreation under the State of California Parks and Water Bond Act of 2018 ("Proposition 68 Funds")
Commitment Amount:	\$8,065,000 (Estimated)
Purpose:	Proceeds from the Construction Loan are to be used (a) to fund the acquisition of real property and construction of the park facility (the "Project") and (b) to pay fees and expenses related to execution and delivery of the Construction Loan.
Tax Treatment:	Interest payments on the Construction Loan shall be excluded from gross income for federal income tax purposes and exempt from California personal income taxes.
Final Maturity:	December 1, 2024 (the "Final Maturity"). The Borrower may request an extension of the Construction Loan up to three (3) months prior to the Final Maturity.
Interest Payments:	Semi-annual interest payments on June 1 and December 1, commencing on June 1, 2022.
Principal Payments:	Principal will be paid on or prior to maturity.
Interest Rate Pricing:	<p>A fixed rate of interest based on the following formula:</p> <p>77% of the sum of the 3-Year USD Semi-Annual Interest Rate Swap plus 2.75% (tax-exempt fixed rate), calculated on a 30/360-day basis. Based on the market rates as of October 1, 2021, the indicative interest rate is <u>2.61%</u>.</p> <p>The interest rate may be locked three weeks prior to closing following all necessary approvals.</p>

- Draw Down Advances:** The Construction Loan will be disbursed to a Project Fund pursuant to a draw schedule fixed at closing and amounts on deposit in the Project Fund will be available to fund Project costs as set forth below.
- Advances will be made to the Borrower from the Project Fund up to and including November 30, 2024 upon receipt of an advance request. The request must be received not later than the day which is two (2) days immediately prior to the day of the requested advance and further conditioned upon review and approval of the Project costs set forth in such advance request by the Lender.
- Prepayment Provisions:** The Construction Loan is subject to optional prepayment on any interest payment date on or after December 1, 2022, at the option of the Borrower, in whole or in part, at the principal amount thereof, without premium, together with the interest due thereon to the date fixed for prepayment.
- Security:** The Construction Loan shall be issued pursuant to Article 7.7 of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California. The Proposition 68 Funds will be committed, appropriated and payable to the District payable for the full payment of the Construction Loan and to extent interest is not paid from proceeds of the Construction Loan, interest shall be payable from any taxes, income, revenue, cash receipts or other moneys of the District lawfully available therefor.
- Covenant to Obtain Take-Out Funds:** The District will covenant to take all actions required to obtain Proposition 68 funding or any other funding source to provide funds to refund all or a portion of the Construction Loan prior to maturity and apply all such funds upon receipt to prepay the Construction Loan. In the event that all or any portion of the Construction Loan remains outstanding after the Final Maturity without an extension, the applicable interest rate due on such outstanding amount shall increase by 5% per annum until paid in full.
- Reserve Requirement:** Not required for the Construction Loan.
- Legal Opinion(s):** Opinion of Bond Counsel, among other things, as to:
- 1) treatment of interest payments under the Construction Loan as tax-exempt obligations under the IRS Code and treatment of interest payments under the Construction Loan as exempt from State of California personal income taxes;
 - 2) validity and enforceability of the Construction Loan;
 - 3) the Construction Loan shall be exempt from registration pursuant to the Securities Act of 1933, as amended; and
 - 4) such other opinions as the Lender may require.
- An opinion of the District Counsel shall also be provided in form and substance satisfactory to the Lender and the Lender's Counsel.

Documentation: Bond Counsel will prepare all of the legal documentation, which will contain customary affirmative and negative covenants as well as usual representations and warranties for like situated borrowers acceptable to the Lender. Events of Default shall include those that are deemed standard and customary for transactions of this nature all of which shall be subject to satisfactory review by the Lender.

Conditions Precedent: Prior to the funding of the Construction Loan, the following conditions precedent shall have occurred, all of which shall be in form and substance satisfactory to the Lender and the Lender's Counsel:

- 1) satisfactory review by the Lender's Counsel of any outstanding agreements entered into by the Borrower which may impact the security for the Construction Loan or the obligations of the Borrower with respect to repayment of the Construction Loan;
- 2) any authorizing resolution of the Borrower as required for the execution, delivery and repayment of the Construction Loan;
- 3) opinions as required by the Lender and the Lender's Counsel;
- 4) properly executed documents in form and substance satisfactory to the Lender and the Lender's counsel evidencing or supporting the repayment of the Construction Loan;
- 5) at least \$50,001 shall be disbursed at closing of the Construction Loan; and
- 6) additional conditions precedent that the Lender and the Lender's Counsel consider customary and reasonably appropriate for the funding of the Construction Loan.

Loan Treatment: The Lender will book the Construction Loan as a loan, and, therefore, the Construction Loan will be made under the following conditions:

- 1) the Construction Loan shall not be registered or otherwise qualified for sale under the "Blue Sky" laws;
- 2) the Lender will satisfy the requirements of Municipal Securities Rulemaking Board Rule G-34(a)(i)(F), such that no CUSIP numbers will be obtained for the Construction Loan (See "Assignment and Participation" herein);
- 3) no official statement or similar offering document has been prepared in connection with the private placement of the Construction Loan;
- 4) the Construction Loan will not settle through the DTC or any similar repository and will not be in book entry form; and
- 5) the Lender will sign a letter of representations in a form acceptable to Lender's Counsel and Bond Counsel.

Fees Due at Closing: The Borrower shall be obligated to pay all delivery costs, including legal fees of the Lender's Counsel. The Lender's Counsel fee shall not exceed \$10,000.

Bond Counsel: Kutak Rock LLP / Irvine, California

Placement Agent: Oppenheimer & Co. Inc. / Los Angeles, California

Lender's Counsel: Stradling Yocca Carlson & Rauth, a Professional Corporation / Newport Beach, California

Origination Fee: None

Closing Date: On or around December 1, 2021

No Fiduciary Relationship: Inasmuch as the Construction Loan represents a negotiated transaction, the District understands, and will confirm that the Lender is not acting as a fiduciary to the District, but rather is acting solely in its capacity as a Lender, for its own account.

The District will acknowledge and agree that:

- 1) the transaction contemplated herein is an arm's length commercial transaction between the District and the Lender and its affiliates;
- 2) in connection with such transaction, the Lender and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules");
- 3) the Lender and its affiliates are relying on the bank exemption in the Municipal Advisor Rules;
- 4) the Lender and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the District with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto;
- 5) the Lender and its affiliates have financial and other interests that differ from those of the District; and
- 6) the District has consulted with its own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.

Reporting Requirements:

Annual Reporting Requirements.

The Borrower shall provide the Lender with the following documentation and information within nine (9) months of the Borrower's fiscal year end Audited financial statements of the Borrower for the preceding fiscal year.

The Borrower shall provide the Lender with its annual approved operating budget within one (1) month after its adoption.

Quarterly Reporting Requirements.

The Borrower shall provide the Lender with interim financials on a quarterly basis. Interim financial shall be available with forty-five (45) days after quarter end.

Monthly Reporting Requirements.

The Borrower will provide the Lender with monthly construction progress reports.

Other.

The Borrower shall furnish at the Lender's request such additional information that Lender may from time to time reasonably request.

Assignment and Participation: The Lender's intent is to book the Construction Loan as a loan and hold the Construction Loan to maturity or to a prepayment date; however, the Lender retains the right to assign or participate out its interest in the Construction Loan. The Lender acknowledges and agrees that the Construction Loan may only be transferred or participated to a "Qualified Institutional Buyer" or an "Accredited Investor" within the meaning of the Securities Act of 1933, as amended and the regulations thereunder and new lender or participant must follow the conditions of the Construction Loan.

RESOLUTION NO. 15-21

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TEHACHAPI VALLEY RECREATION AND PARK DISTRICT DIRECTING STAFF TO PROCEED WITH PLANNING FOR THE ISSUANCE OF CERTAIN OBLIGATIONS TO FINANCE THE ACQUISITION OF CERTAIN REAL PROPERTY AND IMPROVEMENTS THEREON AND APPOINTING A FINANCING TEAM IN CONNECTION THEREWITH

WHEREAS, the Tehachapi Valley Recreation and Park District (the “District”), in the State of California (the “State”), is a special district duly organized and existing pursuant to the constitution and laws of the State; and

WHEREAS, the Board of Directors of the District (the “Board”) is the governing body of the District; and

WHEREAS, the District is authorized to finance and refinance public capital improvements and the acquisition of real property of benefit to the District; and

WHEREAS, the District has expressed interest in the issuance of obligations (the “Obligations”) to finance the acquisition of certain real property and improvements thereon of benefit to the District (the “Project”) on a private placement basis; and

WHEREAS, the District desires to obtain funds from Western Alliance Business Trust, a Delaware statutory trust (the “Bank”) in order to finance the Project; and

WHEREAS, in order to obtain such funds for the Project, the Bank has presented a term sheet proposal to the District for the issuance of the Obligations (the “Term Sheet”), a copy of which has been presented at this meeting to the Board; and

WHEREAS, the Board desires to direct staff to pursue the steps necessary to issue the Obligations, to appoint Oppenheimer & Co. Inc., as placement agent, and Kutak Rock LLP, as bond counsel, for the issuance of the Obligations.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TEHACHAPI VALLEY RECREATION AND PARK DISTRICT:

SECTION 1. Direction to Staff. The District Manager is hereby authorized and directed to take such actions as are necessary or appropriate to provide for the issuance of the Obligations on a private placement basis, and, at such time as determined appropriate, to present to this Board all resolutions and documents necessary in connection therewith. Nothing in this Resolution shall in any way commit the District to issue the Obligations, and the District is under no obligation to go forward with issuance of the Obligations unless satisfactory terms are presented to the District.

SECTION 2. Approval of Term Sheet. The Term Sheet, as presented to the Board at this meeting, is hereby approved. The President or District Manager (collectively, the “Officers”) or any other officer duly designated by the District are hereby authorized and directed, for and on behalf of the District, to execute the Term Sheet in substantially the form presented to the Board at this

meeting, with such changes therein as such Officers may require or approve, with the advice and approval of the District's General Counsel and Kutak Rock LLP, as bond counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 3. Approval of Consultants. The Board hereby appoints the firms of Oppenheimer & Co. Inc., as placement agent, and Kutak Rock LLP, as bond counsel, in connection with the proposed issuance of the Obligations. The Board hereby authorizes the District Manager to execute and deliver agreements with said firms for their respective services. Payment of fees and expenses with respect to such agreements shall be contingent upon the issuance of the Obligations.

SECTION 4. Other Acts. The officers and staff of the District are hereby authorized and directed, jointly and severally, to do any and all things, to execute and deliver any and all documents, which in consultation with the District's General Counsel and Kutak Rock LLP, bond counsel, they may deem necessary or advisable in order to effectuate the purposes of this Resolution, and any and all such actions previously taken by such Officers or staff members are hereby ratified and confirmed.

SECTION 5. Effective Date. This Resolution shall take effect upon adoption.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Tehachapi Valley Recreation and Park District on the 19th day of October 2021, by the following roll call vote

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED: _____
Chairperson of the Board of Directors

ATTEST: _____
Clerk of the Board of Directors