

DATE: May 13, 2013
MEETING OF: May 28, 2013
FROM: Staff
RE: **ACTION ITEMS X.1 – Renew Line of Credit**

BACKGROUND

The Santa Cruz County opened a Line of Credit for \$150,000 with Santa Cruz County Bank in 2012 to insure against potential cash flow deficiencies in the months immediately prior to the annual Fair. In 2012 we drew \$50,000 on the line as a cash buffer for the month of September, even though our cash on hand remained sufficient to produce the Fair. The credit line expires on May 31, 2013.

Management would like the board to renew the line of credit commencing on June 1, 2013 until May 31, 2014, to insure our ability to produce the annual Fair.

FISCAL IMPACT

Potential interest costs.

STAFF RECOMMENDATION

That the Board approves a resolution to renew the Line of Credit with Santa Cruz County Bank.

ATTACHMENTS

- Resolution 2013-03

RESOLUTION NO. 2013-03

Board of Directors, 14th District Agricultural Association, of the State of California

A Resolution of the 14th District Agricultural Association (Association) of the State of California approving a Line of Credit Renewal between the District and Santa Cruz County Bank, a corporation, in an amount not to exceed \$150,000 dated May 28, 2013, and authorizing and directing the President of the Board of the Association to execute same.

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Whereas the District was created pursuant to Part 1 of Division 3 of the California Food and Agricultural Code, commencing with Section 3801, and

Whereas the 14th District Agricultural Association is the land within the County of Santa Cruz, and

Whereas, the Association is authorized pursuant to section 3954 of the Food and Agricultural Code to do all things necessary to carry out the powers, objects and purposes for which the Association was formed, and

Whereas, Chapter 3, of part 1 of Division 3 of the California Food and Agricultural Code, commencing with Section 3956 provides that the officers of the Association are its board of directors of nine members, and

Whereas, Chapter 3, of part 1 of Division 3 of the California Food and Agricultural Code, commencing with Section 3963 provides that the officers of the Association shall meet and elect a president, and

Whereas, subdivision (e) of Section 3965 of the Food and Agricultural Code authorizes the Board to delegate, as it may deem advisable, to its officers or employees the power to manage the affairs of the Association, and

And, whereas it is in the best interests of the Association to insure against potential cash flow deficiencies in the months immediately prior to the annual Fair.

NOW THEREFORE BE IT RESOLVED BY THE Board of Directors of the 14h District Agricultural Association of the State of California as follows:

1. To renew the Line of Credit established with Santa Cruz County Bank for \$150,000 from June 1, 2013 until May 31, 2014.
2. That the President of the Association be and is hereby authorized and directed to execute such Agreement and to do all other things necessary and appropriate to for and on behalf of 14th District Agricultural Association, of the State of California to achieve its purposes.

RESOLUTION NO. 2013-03

May 28, 2013

Board of Directors, 14h District Agricultural Association, of the State of California

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Date:

Vote tally:

Signature of president _____

Loretta Estrada

Attest _____

Mary Banister, Secretary