

[Blog](#) | [Beaumont Audit XXX - Bond Debt Fact Check](#)

Bond Debt Fact Check

Posted by [Libi Uremovic](#), July 15, 2013 at 10:50 am

 13 Comment  2 Recommend

 Like  4  Tweet  1

**COMMUNITY FACILITIES DISTRICT 93-1
SPECIAL TAX BONDS 1994 SERIES A
September 1, 2012 Payment**

AREA BONDS/PROGRAM FUND REVENUE:	34.926%
	<u>Area 5</u>
Current Interest Bonds Outstanding:	1,781,486.83
Capital Appreciation Bonds Outstanding:	0.00
Principal Due:	73,348.75
Bond Call:	
Interest Due:	<u>71,170.40</u>
Total Debt Service/Program Fund Revenue:	<u>144,519.15</u>
Balance in Interest Account	
Balance in Special Tax Fund:	<u>0.05</u>
Excess/(shortfall)	<u>(144,519.10)</u>
Amount Due from City	<u>144,519.10</u>

4 0 0

share email print

At the July 2, 2013 Council meeting Council & City Staff were repeatedly asked questions regarding the bond debt and the People were repeatedly given false statements. Below are

clarifications of Beaumont's bond debt.

1. Developers Pay The Same Bond Payment Amount As Homeowners.

Incorrect. Only the 1994 Bond Debt was written to hold Developers liable for the debt that is not paid by the homeowner or business. All other Bonds are now written so that the Mello Roos taxes do not take effect on the property until an 'Occupancy Permit' is issued to the homeowner. Even after the

house is built the taxes do not go into effect until there is a resident to accept & sign for the debt.

2. Everyone Pays the Same Mello Roos Tax. Incorrect. The Mello Roos taxes have never been 'equal'. Every bond debt has a different price for individual homeowners, commercial, and undeveloped property.

3. Bond Debt Forgiven for Area # 5 is Insurance Bonds. Incorrect. If the original developers were required to purchase insurance bonds it would have been listed in the bonds AND there would be a money trail if the City was holding insurance bonds. The bond debt attached to Area # 5 is from the original 1994 bond debt. The money was spent 20 years ago, not put aside or invested in 'insurance bonds'. The bond debt principle & interest payments for Area # 5 are over \$200,000/year. They are relieving the bond debt because no business will rent/buy a warehouse that has an additional \$200,000/year overhead for 30 years.

4. \$21 Million Developer Contribution = Bond Debt Payments.

Incorrect and Insulting. First of all; the bond debt payment in 2011 was \$13 Million. If the City collected \$21 Million in Mello Roos payments for a \$13 Million debt the City made \$8 Million/year profit from bond debt payments. If the City is making \$8 Million/year profit just from bond debt then why are they \$300 Million in debt.

\$21 Million is the additional amount of bond debt the City took out in fiscal year 2010-2011.

12/22/11 = \$12,145,000

03/29/12 = \$5,650,000

04/26/12 = \$3,265,000

Spinning and twisting a lie doesn't change the lie into the truth. If the City is collecting \$21 Million/year from Mello Roos, then why is there no money in the bank to pay the \$15 Million bond debt that is due on September 1st? Either the City is spending the taxes collected to pay the debt or the City is not collecting the funds.

Council needs to make an honest statement regarding the bond debt. Hiding behind the false statements of their City Manager is unacceptable. Every member of Council should be knowledgeable about the debt and able to answer questions themselves instead of relying solely on the City Manager for information.

It is Council's duty of care to understand that they are running up massive debt. Not one member of Council was able to answer a question or make an honest statement regarding the bond debt. This is absolutely unacceptable.

Next Story

[UPDATE: Hemet Police Release Statement to Address 'Wave of S...](#)



[Read Now »](#)

Related Stories



Police Gunfire Misses Banning Man But Fall in Alley Hurts Hi...



UPDATE: Hemet Police Release Statement to Address 'Wave of S...



MOUNTAIN FIRE UPDATE: Blaze Now Est. 2,400 Acres, Structure ...



VIDEO: Service Procession for Local Hotshot Chris MacKenzie,...

From Propwash Junction Patch



Must-Know Guide to Planes

Have an aspiring pilot of your own at home? Find yourself keep up with all the terminology? From gliders to fighter what you need to know!

Newsletter & Alerts

Get the best stories each day and important breaking news

 [Subscribe](#)

Not from Banning-Beaumont Patch? [Find your Local Patch >>](#)

Comments

[+ Leave a Comment](#)



Libi Uremovic July 11, 2013 at 07:18 am

attached is a picture of the area 5 bond debt payment in september 2012
.....the information is from the bank...it shows that the area # 5 still has \$1.78
worth of bond debt ...

...also note that area #5 is now responsible for 34.9% of the bond debt...in the
original 1994 bond debt agreement area #5 was listed at 23% of the debt....

 Recommend

[Flag as Inappropriate](#)



Ken July 11, 2013 at 04:20 pm

...and if you listen to the City Manager urging the Council to refinance a Bond
last Winter...for a lower interest rate AND TO SAVE the City money. It was made
clear the homeowners CFD bills would not go down. I ask you this, If none of
this debt belongs to the City, how does this save the City money?

 Recommend

[Flag as Inappropriate](#)



Libi Uremovic July 11, 2013 at 08:16 pm

and if they got a lower rate on a bond then why isn't the homeowners cfd debt
lowered?

 Recommend

[Flag as Inappropriate](#)



Ken July 11, 2013 at 10:45 pm

exactly!

 Recommend

[Flag as Inappropriate](#)



Two4ac July 13, 2013 at 06:47 am

now that we know the problems, what solutions are there?

 Recommend

[Flag as Inappropriate](#)



Libi Uremovic July 13, 2013 at 07:53 am

in my opinion - the only way for the city of beaumont to survive is for the people to fire the city manager & profiteers and to push the debt back to the bank the only other alternative is to file bankruptcy ...personal, business, or government - when debt payments are higher than total revenue there's no way to survive....

 Recommend

[Flag as Inappropriate](#)



Nancy Gall July 13, 2013 at 10:14 am

You're not the only one that believes that. The city manager along with the 3 principals of Urban Logic are outsiders stealing money from our citizens while they fail to even begin to provide services that other cities take for granted. Most of our neighboring cities have been repaving streets lately. Never in Beaumont--they'll blame it on Redevelopment being cut off but it was cut off statewide. They've removed almost all the streetlights in old Beaumont. If we complain a lot, Jim Love will just earn untold profits on his electric company. The lights he has installed burn out quickly and provide almost no light. The city manager will never tell the truth about anything, so Council's problem is just to find a manager who will honestly report to them. They also need new city attorney.

 Recommend

[Flag as Inappropriate](#)



Libi Uremovic July 14, 2013 at 07:45 am

some people want to wait until the next election because of the cost of recalling council, but i don't think beaumont can make it another 15 months.... the taxpayers can't afford to run up another \$50 million in debt while hoping the next group of council does their jobs....

 1 Recommend

[Flag as Inappropriate](#)



Ken July 14, 2013 at 02:35 pm

One problem with the Bond debt...is it CANT be pushed back on the Banks. True the Bank/ Underwriter provided the Principal amount (@ a hefty discount) in money, but they rarely retain ownership of the Bonds. The whole reasoning behind Bonds is to spread out the Bond Principal over many smaller pieces and market them to many different OTC buyers/investors. The Bank or Underwriter already has their money back. (by selling the Bonds)

 Recommend

[Flag as Inappropriate](#)



Libi Uremovic July 14, 2013 at 04:16 pm

let the bank and profiteers figure it out - they all had the duty of care & made the profit, not the citizens

i know it's a ballsy move and it will set precedence - but at some point the citizen has to stand up and stay 'enough'... 'ken', you know better than anyone that the bonds are so poorly written they should have never qualified in the 1st place...

 1 Recommend

[Flag as Inappropriate](#)



Two4ac July 15, 2013 at 06:53 am

Are there no lawyers that live in Beaumont willing to look into all this? Or some sort of advocacy group that could help citizens in a community with apparent corruptness going on? I dont know jack about how to or where to go for help/advice etc. but am willing to do whatever I can to help.

 Recommend

[Flag as Inappropriate](#)



Two4ac July 15, 2013 at 07:03 am

And if there isnt a group, what does it take to start one?

 Recommend

[Flag as Inappropriate](#)



Libi Uremovic July 15, 2013 at 07:27 am

ehow gives the basic proceecures - http://www.ehow.com/how_2096901_recall-city-council-member.html

or you can ask your neighbors in moreno valley - they just served recall notices on all 5 of their councilmencongrats to the people for finally realizing they had to clean house.... the red light & buzzer make it more than obvious that beaumont council is not representing the people, they are protecting the corrupt

...

 2 Recommend

[Flag as Inappropriate](#)



Leave a comment

[Post comment](#)

LIMITED TIME OFFER
ENDS 7.25.13
 TV, INTERNET + PHONE



STARTING AT
\$79⁹⁹ /mo.

for 12 mos. \$89.99/mo.
 for months 13-24 + taxes,
 fees, equip. charges & RSN Fee.

\$300 + 

Visa prepaid card w/2-yr. agmt.

FiOS

[Check Availability](#)

Who's Blogging?



Libi Uremovic

The City Must Tell The Truth About Bond Debt.

[Read Libi Uremovic's blog »](#)

Become a blogger today!

Get started now

[+ Start blogging](#)

Upcoming Events

[See all »](#)

17

Banning Art Gallery Hosts Banning Chamber of ...
 July 17, 2013, 5:30 PM

18

Hello Kitty Fashion Music Wonderland interact...
 July 18, 2013, 9:30 AM

20

Banning Centennial Historical Lecture - Steve...
 July 20, 2013, 7:00 PM

21

Friends of the Edward-Dean Museum - 2nd Annua...
July 21, 2013, 10:00 AM

28

4th Sunday Concert - Lionheart
July 28, 2013, 3:00 PM

1

ESPN: X GAMES LOS ANGELES 2013
August 1, 2013, 11:00 AM

.....
.....
.....
.....

[+ Post an event](#)



[Find your Patch](#)

[Start a Blog](#)



Banning-Beaumont Patch Editor

Renee Schiavone
renee.schiavone@patch.com

[Home](#) ▶

[News](#) ▶

[Events](#) ▶


[Boards](#) ▶



Connect with Patch

 Get the Patch Newsletter

 Follow us on Twitter

 Like us on Facebook

Post Something

Post on the Boards

Post an Event

Write a Review

Start a Blog

Patch Info

Your Account

Help

About Patch

Privacy Policy

Terms of Use

Advertise with Us!