

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Auditor-Controller *slr*

BOARD AGENDA # *B-10

Urgent

Routine

AGENDA DATE June 19, 2012

CEO Concurs with Recommendation YES NO

4/5 Vote Required YES NO

(Information Attached)

SUBJECT:

Approval to Authorize the Auditor-Controller to Temporarily Loan Funds to Stanislaus Consolidated Fire Protection District for Operational Expenses Under Government Code 23010 in an Amount Not to Exceed \$6,938,018

STAFF RECOMMENDATIONS:

Authorize the Auditor-Controller to loan funds to Stanislaus Consolidated Fire Protection District for operational expenses under Government Code 23010 in an amount not to exceed \$6,938,018.

FISCAL IMPACT:

Government Code Section 23010 permits the County to temporarily loan funds to fire protection districts in order for them to perform their functions and meet their obligations, in an amount not to exceed 85% of the fire district's anticipated revenue for the ensuing fiscal year.

BOARD ACTION AS FOLLOWS:

No. 2012-297

On motion of Supervisor Withrow, Seconded by Supervisor Chiesa
and approved by the following vote,

Ayes: Supervisors: Chiesa, Withrow, Monteith, De Martini, and Chairman O'Brien

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:

Christine Ferraro

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

Approval to Authorize the Auditor-Controller to Temporarily Loan Funds to Stanislaus Consolidated Fire Protection District for Operational Expenses Under Government Code 23010 in an Amount Not to Exceed \$6,938,018

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FISCAL IMPACT (continued):

The District is requesting the maximum loan of 85% of the District's anticipated property tax revenue of \$8,162,374. The District's request totals \$6,938,018 to be used for dry period financing. As of June 11, 2012 the cash balance for the District was \$5,867,908. As funding is needed from the County Treasury to meet the obligations of the District and subsequently repaid, an interest rate equivalent to the average rate of return earned on deposits in the County Treasury will be charged.

A general tax was approved by voters on June 14, 2005, to ensure the continued support of fire services to the residents within district boundaries.

DISCUSSION:

The County has received a request from Stanislaus Consolidated Fire Protection District dated May 10, 2012, for a temporary loan of funds for the 2012-2013 Fiscal Year. This loan of funds is intended to address the District's cash needs for the 2012-2013 Fiscal Year. The request is made under the provisions of Government Code Section 23010.

At times during the year the District will experience negative cash flow due to the timing of property tax revenue apportionments. The dry funding provision acts similar to a line of credit in that it allows the District to utilize the funds in the County Treasury only as needed in order for the obligations of the District to be met on a temporary basis. Every month Auditor-Controller staff monitors the cash flow of the District to ensure the District does not exceed the 85% limitation during the fiscal year.

The funds being requested will ensure continuation of critical public safety services to District residents. Funds loaned may only be used to meet maintenance and operational expenses.

POLICY ISSUES:

Government Code Section 23010 requires Board approval to loan funds to fire districts. Adoption of this agenda item supports the Board of Supervisors priority of Efficient Delivery of Public Services.

STAFFING IMPACT:

If approved, monitoring of the loan would be performed with existing staff in the Auditor-Controller's Office.

CONTACT PERSON:

Theresa Borrelli, Accountant II Telephone: 525-5786



BOARD OF SUPERVISORS

Stanislaus Consolidated Fire Protection District
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2012 MAY 16 A 11:27

May 10, 2012

Board of Supervisors
Stanislaus County
1010 10th Street, Suite 6500
Modesto, CA 95354

Re: Dry Period Funding FY 2012-2013

Dear Supervisors:

At a meeting of the Board of Directors of the Stanislaus Consolidated Fire Protection District held on May 10, 2012, the District Board authorized a request to be forwarded to Stanislaus County requesting dry period funding for FY 2012-13. The following is an estimate:

Property Taxes	\$2,104,678.00
Assessments	<u>\$6,057,696.00</u>
Total	\$8,162,374.00
85%	\$6,938,019.00

Our agency has continued to improve over the last year and has worked hard in accomplishing the following goals:

- ▶ Maintain a balanced budget.
- ▶ Established and contributed into Contingency/Reserve Funds for seven years.
- ▶ Continued to evaluate and update internal controls regarding District expenditures.
- ▶ Continued to research and implement options to become financially self reliant.
- ▶ Established and implemented a long-term plan to fund Unfunded Liabilities. (California Public Employees' Retirement System - Safety).
- ▶ Paid-off the Miscellaneous Side-Fund with CalPERS.
- ▶ Established a Merged Headquarters with Oakdale City Fire Department and Oakdale Fire Protection District, reducing/sharing costs for overhead management positions.

We respectfully request under the provisions of Government Code Sections 23010 and 23010.1 that dry period funding be approved for FY 2012-13 in the amount of \$6,938,019.00.

Thank you for your time and consideration.

Sincerely,

Charles Turner
President of the Board of Directors
Stanislaus Consolidated Fire Protection District

CT:sfm