

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

DEPT: Auditor-Controller *file*

BOARD AGENDA # **B-11*

Urgent ☐

Routine ☒

AGENDA DATE *June 19, 2012*

CEO Concurs with Recommendation YES ☒ NO ☐
(Information Attached)

4/5 Vote Required YES ☐ NO ☒

SUBJECT:

Approval to Authorize the Auditor-Controller to Temporarily Loan Funds to Oakdale Rural Fire District for Operational Expenses Under Government Code 23010 in an Amount Not to Exceed \$1,445,000

STAFF RECOMMENDATIONS:

Authorize the Auditor-Controller to loan funds to Oakdale Rural Fire District for operational expenses under Government Code 23010 in an amount not to exceed \$1,445,000.

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.

continued on Page 2

BOARD ACTION AS FOLLOWS:

No. 2012-298

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) ☒ Approved as recommended

2) ☐ Denied

3) ☐ Approved as amended

4) ☐ Other:

MOTION:

ATTEST:

Christine Ferraro
CHRISTINE FERRARO TALLMAN, Clerk

File No.

Approval to Authorize the Auditor-Controller to Temporarily Loan Funds to Oakdale Rural Fire District for Operational Expenses Under Government Code 23010 in an Amount Not to Exceed \$1,445,000

Page 2

FISCAL IMPACT (continued):

The District is requesting the maximum loan of 85% of the District's anticipated property tax revenue of \$1,700,000. The District's request totals \$1,445,000 to be used for dry period financing. As of June 11, 2012 the cash balance for the District was \$635,382. 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 Oakdale Rural Fire District dated May 21, 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 loans 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

"To Save Life & Property"

OAKDALE FIRE PROTECTION DISTRICT



1398 EAST "F" STREET
OAKDALE, CALIFORNIA 95361
PHONE (209) 847-6898
FAX (209) 847-1520

Board Members Sherry Schlegel Chairperson Don Armario Elizabeth Gripenstraw John Bairos

May 21, 2012

The County of Stanislaus
1010 Tenth Street, Suite 6500
Modesto, CA 95354

Re: Dry-Period Funding for Fiscal Year 2012-2013

DATE	INITIAL	ACTION	INFO	FILE
AUDITOR	AK		✓	
ASSISTANT	KG			
CH. DEPUTY				
SECRETARY				
Lauren			✓	
Theresa		✓	✓	

Dear Board of Supervisors,

The Oakdale Fire Protection District always strives to operate within the budget it sets each year. Even with the uncertainty of what our apportionment of ad valorem property taxes will be each year, we consistently balance our budget between revenues and expenditures. The District has also reduced our service level in order to help balance our budget for the 2012-2013 year.

Our anticipated revenue for the 2012-2013 year is \$1,700,000.00. We have always depended on the dry-period financing allowed by the County wherein we were able to operate on funds "loaned" by the County until our property taxes were apportioned to us in December. Therefore, we respectfully request pursuant to Government Code §23010 that the County advance the Oakdale Fire Protection District funds to perform its functions and meet its obligations. Our funds are deposited and held by Stanislaus County, and the County would be repaid with tax apportionments prior to any other obligations. Further, we request that the advance is up to 85 percent of our revenues as allowed by the Government Code. Direct assessments are applied to the property tax rolls and represent approximately 75 percent of our budget.

We appreciate your consideration of this request as soon as possible since our ability to continue operations and plan for the future is dependant on the consistent cash flow.

Sincerely,

Sherry Schlegel
Board Chairperson

cc: Lauren Klein – Auditor-Controller
Gary Hinshaw – County Fire Warden
Monica Nino – Stanislaus County CEO

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12 MAY 23 2:10 PM
AUDITOR-CONTROLLER