

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

DEPT: Auditor-Controller *SK*

BOARD AGENDA # *B-1

Urgent

Routine

AGENDA DATE July 2, 2013

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 and Stanislaus Consolidated Fire Protection District for Operational Expenses Under Government Code 23010 in an Amount Not to Exceed 85% of Anticipated Revenue.

STAFF RECOMMENDATIONS:

Authorize the Auditor-Controller to loan funds under Government Code 23010 for operational expenses to:

- 1) Oakdale Rural Fire District in an amount not to exceed \$1,445,000 (85% of \$1,700,000 of anticipated revenue) and to
- 2) Stanislaus Consolidated Fire Protection District in an amount not to exceed \$7,061,171 (85% of \$8,307,261 of anticipated revenue.)

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 2013-2014 Fiscal Year.

(continued on page 2)

BOARD ACTION AS FOLLOWS:

No. 2013-322

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

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

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:

Christine Ferraro

ATTEST:

CHRISTINE FERRARO TALLMAN, Clerk

File No.

DF-8-B-23 DF-20-A-12

Approval to Authorize the Auditor-Controller to Temporarily Loan Funds to Oakdale Rural Fire District and Stanislaus Consolidated Fire Protection District for Operational Expenses Under Government Code 23010 in an Amount Not to Exceed 85% of Anticipated Revenue.

Page 2

FISCAL IMPACT (continued):

Oakdale Rural Fire District

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 May 28, 2013 the cash balance for the District was \$428,667. 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.

Stanislaus Consolidated Fire Protection District

The District is requesting the maximum loan of 85% of the District's anticipated property tax revenue of \$8,307,261. The District's request totals \$7,061,171 to be used for dry period financing. As of May 28, 2013 the cash balance for the District was \$4,400,297. 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.

DISCUSSION:

The County has received a request from Oakdale Rural Fire District dated April 25, 2013 and a request from Stanislaus Consolidated Fire Protection District dated May 9, 2013 for a temporary loan of funds for the 2013-2014 Fiscal Year. This loan of funds is intended to address the Districts' cash needs for the 2013-2014 Fiscal Year. The request is made under the provisions of Government Code Section 23010.

At times during the year the Districts 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 Districts to utilize the funds in the County Treasury only as needed in order for the obligations of each District to be met on a temporary basis. Every month Auditor-Controller staff monitors the cash flow of the District to ensure the Districts do 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.

Approval to Authorize the Auditor-Controller to Temporarily Loan Funds to Oakdale Rural Fire District and Stanislaus Consolidated Fire Protection District for Operational Expenses Under Government Code 23010 in an Amount Not to Exceed 85% of Anticipated Revenue.

Page 3

STAFFING IMPACT:

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

CONTACT PERSON:

Veronica Ascencio, Accountant II

Telephone: 525-6548

"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 Betty Gripenstraw Don Armario John Bairos Glenda Leonard*

April 25, 2013

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

Re: *Dry-Period Funding for Fiscal Year 2013-2014*

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 2013-2014 year.

Our anticipated revenue for the 2013-2014 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 dependent 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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BOARD OF SUPERVISORS



Stanislaus Consolidated Fire Protection District
3324 Topeka Street
Riverbank, California 95367
Phone (209) 869-7470
Fax (209) 869-7475

May 9, 2013

The Honorable Board of Supervisors
Stanislaus County
1010 10th St., Suite 6500
Modesto, CA 95354

Re: Dry Period Funding FY 2013-2014

Dear Honorable Supervisors:

At a meeting of the Board of Directors of the Stanislaus Consolidated Fire Protection District held on May 9, 2013, the District Board authorized a request to be forwarded to Stanislaus County requesting dry period funding for FY 2013-14.

Property Taxes	\$2,104,678.00
Assessments	<u>\$6,202,582.90</u>
Total	\$8,307,260.90
85%	\$7,061,171.06

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 eight 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 Contract 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 2013-14 in the amount of \$7,061,171.06.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Dave Woods", written over a white background.

Dave Woods
President of the Board of Directors
Stanislaus Consolidated Fire Protection District

DW:mlg