

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

DEPT: Auditor-Controller *SAC*

BOARD AGENDA # *B-3

Urgent

Routine

AGENDA DATE June 24, 2014

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 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 \$1,598,000 (or 85% of anticipated revenue in the amount of \$1,880,000) and to
- 2) Stanislaus Consolidated Fire Protection District in an amount not to exceed \$7,254,424 (or 85% of anticipated revenue in the amount of \$8,534,616)

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, and the loan shall be repaid out of that revenue prior to the payment of any other obligation of the district.

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BOARD ACTION AS FOLLOWS:

No. 2014-321

On motion of Supervisor Chiesa, Seconded by Supervisor Withrow

and approved by the following vote,

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

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:

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

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 \$1,880,000. Based on anticipated property tax revenue during the 2014-2015 Fiscal Year, the maximum amount of dry period financing is \$1,598,000. 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 \$8,534,616. Based on anticipated property tax revenue during the 2014-2015 Fiscal Year, the maximum amount of dry period financing is \$7,254,424. 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 May 20, 2014 and a request from Stanislaus Consolidated Fire Protection District dated May 8, 2014 for a temporary loan of funds for the 2014-2015 Fiscal Year. This loan of funds is intended to address the Districts' cash needs for the 2014-2015 Fiscal Year. The request is made under the provisions of Government Code Section 23010.

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 allowing 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 districts who maintain their funds in the custody of the county. 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
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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 Raymond Martin*

May 20, 2014

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

Re: *Dry-Period Funding for Fiscal Year 2014-2015*

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.

Our anticipated revenue for the 2014-2015 year is \$1,880,000.00. 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
Stan Risen – Stanislaus County CEO

BOARD OF SUPERVISORS
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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

2014 MAY 15 A 11:18

May 8, 2014

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

Re: Dry Period Funding FY 2014-2015

Dear Honorable Supervisors:

At a meeting of the Board of Directors of the Stanislaus Consolidated Fire Protection District held on May 8, 2014, the District Board authorized a request to be forwarded to Stanislaus County requesting dry period funding for FY 2014-15.

Property Taxes	\$2,304,336.00
Assessments	<u>\$6,230,280.00</u>
Total	\$8,534,616.00
85%	\$7,254,423.60

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.

We respectfully request under the provisions of Government Code Sections 23010 and 23010.1 that dry period funding be approved for FY 2014-15 in the amount of \$7,254,423.60.

Thank you for your time and consideration.

Sincerely,

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

DW:mlg