

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

DEPT: Auditor-Controller *SK*

BOARD AGENDA # **B-2*

Urgent Routine

AGENDA DATE September 1, 2015

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 85% of Anticipated Revenue

STAFF RECOMMENDATIONS:

Authorize the Auditor-Controller to loan funds under Government Code 23010 for operational expenses to 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). It is recommended that the Board approve the dry funding loan retroactive to July 1, 2015.

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. 2015-407

On motion of Supervisor Monteith, Seconded by Supervisor O'Brien
and approved by the following vote,

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

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

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 85% of Anticipated Revenue
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FISCAL IMPACT (continued):

The Oakdale Rural Fire 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 Fiscal Year 2015-2016, 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.

DISCUSSION:

The County has received a request from Oakdale Rural Fire District dated May 5, 2015 for a temporary loan of funds for the Fiscal Year 2015-2016. This loan of funds is intended to address the Districts' cash needs for the Fiscal Year 2015-2016. The request is made under the provisions of Government Code Section 23010.

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 Districts 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 do not exceed the 85% limitation during the fiscal year.

The loan 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.

STAFFING IMPACT:

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

CONTACT PERSON:

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