

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

DEPT: Chief Executive Office

BOARD AGENDA #: \*B-8

AGENDA DATE: April 5, 2016

**SUBJECT:**

Authorization for the Chief Executive Officer to Negotiate and Execute an Agreement with Oakdale Rural Fire Protection District and Approval to Use Community Development Funds for the Purpose of Assisting with the Annexation of Division 1 North

**BOARD ACTION AS FOLLOWS:**

No. 2016-167

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

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

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: Elizabeth A. King  
ELIZABETH A. KING, Clerk of the Board of Supervisors

File No. DF-8-C-2

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
AGENDA ITEM**

DEPT: Chief Executive Office BOARD AGENDA #: \*B-8  
Urgent  Routine  pht AGENDA DATE: April 5, 2016  
CEO CONCURRENCE: 4/5 Vote Required: Yes  No

---

**SUBJECT:**

Authorization for the Chief Executive Officer to Negotiate and Execute an Agreement with Oakdale Rural Fire Protection District and Approval to Use Community Development Funds for the Purpose of Assisting with the Annexation of Division 1 North

---

**STAFF RECOMMENDATIONS:**

1. Authorize the Chief Executive Officer to negotiate and execute an agreement with the Oakdale Rural Fire Protection District for receipt of available funding from the Community Development Fund.
2. Approve the use of up to \$18,000 in Community Development Funds for the purpose of assisting the Oakdale Rural Fire Protection District with the annexation of the Division 1 North area.

**DISCUSSION:**

The Oakdale Rural Fire Protection District (District) is located in the northern portion of Stanislaus County and services the unincorporated communities of Valley Home, Knights Ferry, and the East Oakdale area. The area directly north, identified as Division 1 North, is currently outside any organized fire protection district boundary and stretches from the Oakdale region to the northern edges of Stanislaus County. Fire suppression services are currently being provided by the District, with fire prevention services provided by the Stanislaus County Fire Warden's Office.

The Oakdale Fire Protection District Board of Directors wishes to pursue the annexation of the Division 1 North area into the District's boundaries in order to provide all fire protection services to the region. The decision to annex will be determined by property owner vote through the Proposition 218 process. The District has requested that Capitol Public Finance Group, LLC (Capitol PFG) assist in this process. Based on the proposal prepared by Capitol PFG and the understanding of additional charges required to complete the project, the District has determined that costs will total approximately \$20,000.

Capitol PFG has provided the District with a proposal totaling \$7,000 for territory annexation services. Additionally, the Local Agency Formation Commission (LAFCO) requires an application fee of approximately \$8,000, which includes fees for the Sphere of Influence amendment and annexation. LAFCO would also collect a fee on behalf of the State Board of Equalization for final filing, estimated at \$3,500. Another \$1,500 has been included in the cost estimate to accommodate any potential legal description or document charges that would arise related to the completion of the project.

Authorization for the Chief Executive Officer to Negotiate and Execute an Agreement with Oakdale Rural Fire Protection District and Approval to Use Community Development Funds for the Purpose of Assisting with the Annexation of Division 1 North

---

Preliminary discussions between the County and the District have resulted in a tentative agreement, wherein the County would provide 90 percent of the costs for the project. It is recommended that the Chief Executive Officer negotiate a formal agreement with the District to clearly define the arrangement. The agreement would include a caveat that should the attempt to annex Division 1 North fail, the District would then agree to annex the entire Woodward reservoir area, including all County owned adjacent parcels. If the annexation of Division 1 North occurs, the County would agree to distribute 12.5 percent of County property taxes to the District. The value of the property tax shift is estimated at \$21,000 in annual revenue. Additionally, the agreement would include language designating that the existing fire station would become the property of the District, with the County having first right of refusal.

Once an agreement has been reached, it is recommended that funding for the 90 percent County portion of the annexation project come from Community Development Funds assigned to District 1. The Stanislaus County Community Development Fund was established by the Board of Supervisors at \$1.5 million as part of the fiscal year 2007-2008 Adopted Final Budget. To date, twenty-seven projects have been awarded funding from this source. Such community projects have included sidewalk, lighting, and infrastructure improvements; establishing maintenance districts in the unincorporated communities of Stanislaus County; and neighborhood cleanup activities.

The use of Community Development Funds to assist in the annexation process of the Division 1 North area into Oakdale Rural Fire Protection District would benefit the unincorporated areas in northern Stanislaus County by ensuring the continuation of fire and life safety services.

**POLICY ISSUE:**

The use of Community Development Funds must be approved by the Board of Supervisors.

**FISCAL IMPACT:**

The County has tentatively agreed to provide 90 percent of the estimated \$20,000 funding required. The County would reimburse the district 90 percent of final costs once the project has been completed, not to exceed \$18,000. As of March 1, 2016, the uncommitted balance in the Community Development Fund is \$2,468,527. If the use of \$18,000 in Community Development Funds is approved, the uncommitted balance would be \$2,442,527, not including interest earnings. Additionally, it is recommended that the formal agreement include the shift of 12.5 percent County property taxes, estimated at \$21,000.

Authorization for the Chief Executive Officer to Negotiate and Execute an Agreement with Oakdale Rural Fire Protection District and Approval to Use Community Development Funds for the Purpose of Assisting with the Annexation of Division 1 North

---

<b>Cost of recommended action:</b>		\$ 39,000
<b>Source(s) of Funding:</b>		
Community Development Fund	\$ 18,000	
Property Tax Shift	\$ 21,000	
<b>Funding Total:</b>		<u>\$ 39,000</u>
<b>Net Cost to County General Fund</b>		<u>\$ -</u>

<b>Fiscal Year:</b>	2015-2016
<b>Budget Adjustment/Appropriations needed:</b>	No

<b>Fund Balance as of 3/1/16:</b>	
Community Development Fund	\$ 2,468,527

**BOARD OF SUPERVISORS' PRIORITY:**

The recommended action is in alignment with the Board's priority for a Well-Planned Infrastructure System, the Efficient Delivery of Public Services, and Effective Partnerships by working with the Oakdale Rural Fire Protection District in the annexation process to provide services to areas currently outside its boundaries.

**STAFFING IMPACT:**

Oakdale Rural Fire Protection District assumes all staffing needs in connection with the annexation process of the Division 1 North area.

**CONTACT PERSON:**

Stan Risen, Chief Executive Officer	Telephone: (209) 525-6333
Dale Skiles, Fire Warden/Assistant Director-OES	Telephone: (209) 525-3600

**ATTACHMENT(S):**

N/A