

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

DEPT: Auditor-Controller

BOARD AGENDA: 5.B.8  
AGENDA DATE: June 5, 2018

**SUBJECT:**

Approval to Authorize the Auditor Controller to Temporarily Loan Funds During the 2018-2019 Fiscal Year to the Oakdale Fire Protection District for Operational Expenses Under Government Code 23010 in an Amount Not to Exceed \$1,700,000

**BOARD ACTION AS FOLLOWS:**

**RESOLUTION NO. 2018-0260**

On motion of Supervisor Chiesa Seconded by Supervisor Olsen  
and approved by the following vote,

Ayes: Supervisors: Olsen, Chiesa, Withrow, Monteith, and Chairman DeMartini

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: PAM VILLARREAL, Assistant Clerk of the Board

File No. DF-8-C-9

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

DEPT: Auditor-Controller

BOARD AGENDA:5.B.8  
AGENDA DATE: June 5, 2018

CONSENT:

CEO CONCURRENCE: YES

4/5 Vote Required: No

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Approval to Authorize the Auditor Controller to Temporarily Loan Funds During the 2018-2019 Fiscal Year to the Oakdale Fire Protection District for Operational Expenses Under Government Code 23010 in an Amount Not to Exceed \$1,700,000

**STAFF RECOMMENDATION:**

1. Authorize the Auditor-Controller to loan funds under Government Code Section 23010 for operational expenses to Oakdale Fire Protection District in an amount not to exceed \$1,700,000 (or 85 percent of anticipated revenue amounting to \$2,000,000 for the 2018-2019 Fiscal Year).

**DISCUSSION:**

The County has received a request from Oakdale Fire Protection District (District), dated April 12, 2018, for a temporary loan of funds for the 2018-2019 Fiscal Year. This loan of funds is intended to address the District's cash needs for the 2018-2019 Fiscal Year. The request is made under the provision 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 District to utilize the County Treasury funds on a temporary basis. The Auditor-Controller staff monitors the cash flow of the District to ensure the District does not exceed the 85 percent limitation during the fiscal year.

The loan being requested will ensure the continuation of critical public safety services to District residents. Funds loaned may only be used to meet maintenance and operational expenses.

**POLICY ISSUE:**

Government Code Section 23010 states that counties may lend any of its available funds to special districts, including fire protection districts, who maintain their funds in the custody of the County Treasury. It also stipulates that the loan shall not exceed 85 percent of the district's anticipated revenue for the fiscal year in which the loan is made or for the next ensuing fiscal year. The loan requires Board of Supervisors' approval.

**FISCAL IMPACT:**

As stipulated in Government Code Section 23010, the District's cash is pooled with the cash of the County. During the period of negative cash flow, the District draws from the County's Treasury. Interest expense is charged based on the amount and the length of

the negative cash balance. The interest rate is equal to the average rate of return in the County's Treasury. As the District's cash flow improves, the County's cash balance is replenished.

The Oakdale Fire Protection District is requesting the maximum loan of 85 percent of the District's anticipated revenue of \$2,000,000. Based on the anticipated revenue during the 2018-2019 Fiscal Year, the maximum amount of dry period financing is \$1,700,000. There is no impact to the General Fund.

**BOARD OF SUPERVISORS' PRIORITY:**

The recommended action is consistent with the Board's priority of *Delivering Efficient Public Services and Community Infrastructure* by allowing the Oakdale Fire Protection District to operate during the dry period that precedes property tax apportionment in the 2018-2019 Fiscal Year.

**STAFFING IMPACT:**

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

**CONTACT PERSON:**

Sam Groves, Manager II

Telephone: (209) 525-5786

**ATTACHMENT(S):**

1. Oakdale Fire Protection District Dry Period Funding Request for Fiscal Year 2018-2019

"To Save Life &amp; Property"

**OAKDALE FIRE PROTECTION DISTRICT**

P.O. BOX 932

OAKDALE, CALIFORNIA 95361

PHONE (209) 543-0190

FAX (209) 543-6719

Board Members *Raymond Martin-Chairman Ryan Cope Vincent Victorine Richard Ardis Jane Lopes*

April 12, 2018

Stanislaus County Board of Supervisors  
 1010 10<sup>th</sup> Street, Suite 6500  
 Modesto, CA 95354

**Re: Dry Period Funding for Fiscal Year 2018-2019**

Dear Board of Supervisors,

The Oakdale Fire Protection District continually 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 revenue and expenditures.

Our anticipated revenue for the 2018-2019 fiscal year is \$2,000,000.00. Our District has always depended on the dry-period funding authorized by the County wherein we are able to operate on funds "loaned" by the County until our property taxes are apportioned to us beginning in December. Therefore, we respectfully request that pursuant to Government Code Section 23010 that the County approves to 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 District understands that any tax apportionments received will be repaid to the County prior to any other obligations. Further we request that the dry-period funding be approved for the 2018-2019 fiscal year in the amount of \$1,700,000.00, which is 85% of our anticipated revenue.

We would appreciate your consideration of this request as soon as possible since our ability to continue operations is dependent on having a consistent cash flow.

Sincerely,

Raymond Martin  
 Board Chairman

Cc: Lauren Klein-Auditor Controller  
 Jody Hayes-Stanislaus County CEO

BOARD OF SUPERVISORS  
 2018 APR 16 A 10:10 AM