



Board Agenda Item 26

DATE: August 24, 2021

TO: Board of Supervisors

SUBMITTED BY: Jean M. Rousseau, County Administrative Officer

SUBJECT: Loan of Funds for Coalinga-Huron Recreation & Parks District for Fiscal Year 2021-22 Dry Period Financing

RECOMMENDED ACTION(S):

Adopt resolution authorizing the County Auditor-Controller/Treasurer-Tax Collector to make one or more loans to the Coalinga-Huron Recreation and Parks District under Government Code section 23010 for fiscal year 2021-22 in the aggregate maximum amount of \$400,000.

Your Board may authorize the Auditor-Controller/Treasurer-Tax Collector to make one or more loans from available funds in the custody of the County to Coalinga-Huron Recreation and Parks District ("District") as requested by the District to meet obligations incurred between July 1, 2021, and April 15, 2022, for an aggregate maximum amount of \$400,000, which is not more than 85% of the anticipated revenues to those funds for the current fiscal year, or the next ensuing fiscal year. Such loans must be repaid to the County with interest at the Treasury Investment Pool rate by April 10, 2022.

ALTERNATIVE ACTION(S):

If the resolution is not adopted, no loan will be made to the District for FY 2021-22. This will result in the District not being able to meet its payroll and vendor obligations unless it is able to obtain an alternative financing source.

FISCAL IMPACT:

There is no fiscal impact to the County of Fresno as the loans are made from available General Fund cash and repaid with interest, which is accrued on the outstanding balance of the loan at a rate equal to the Treasury Investment Pool rate at the time of payback.

DISCUSSION:

Each year after July 1, the District experiences a cash-flow problem pending the receipt of real property taxes in December of that fiscal year. Government Code section 23010, subdivision (a), provides that, "pursuant to a resolution adopted by its board of supervisors, a county may lend any of its available funds to any ... recreation and park district ... located wholly within the county, if its funds are or when available will be in the custody of the county or any officer of the county, in order to enable

the district to perform its functions and meet its obligations.” Any such loans have historically been repaid to the County by April 10 of each fiscal year and before any other obligations of the entity are paid from revenues accruing to the entity.

The District has requested a total amount of \$ 400,000. The Auditor-Controller/Treasurer-Tax Collector would make one or more loans with an aggregate maximum total up to that amount, as obligations of the District come due. The County has adequate funds available to make the requested loans.

The District provided a projected monthly cash flow analysis for the first seven months of fiscal year 2021-22. The County Auditor-Controller/Treasurer-Tax Collector prepared an analysis based on the fiscal year 2020-21 revenues, which are expected to remain stable through fiscal year 2022-23, to determine that the requested loans of \$400,000 would not be more than 85% of the District’s anticipated revenues for fiscal year 2021-22 or fiscal year 2022-23 .

Adoption of the recommended resolution by your Board is necessary to authorize the Auditor-Controller/Treasurer-Tax Collector to issue one or more loans to the District between July 1, 2021 and April 10, 2022, with the first loan to be processed upon approval of this agenda item on or about August 25, 2021.

REFERENCE MATERIAL:

BAI #53, September 1, 2020

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Resolution including Exhibit “A” letter from the District

On file with Clerk - Fresno County Auditor Cash Flow Analysis

CAO ANALYST:

Greg Reinke