

Resolution of the Board of Supervisors Approving and Establishing Repayment Terms for a \$300,000 Disbursement from the County Service Area Revolving Fund to the Funds of County Service Area No. 34, Zone A (Brighton Crest)

WHEREAS, County Service Area No. 34, zone A (CSA 34A) has experienced financial instability for the past several years, primarily due to several equipment failures in the water infrastructure; and

WHEREAS, the Department of Public Works and Planning (Department) prepared a cash flow analysis, with which the Auditor-Controller/Treasurer-Tax Collector (Auditor) has concurred in writing, stating that if revenues and expenditures in CSA 34A continue at the current pace, the projected cash balance for CSA 34A at the end of Fiscal Year 2016-17 would be approximately \$300,000 in the negative; and

WHEREAS, on February 7, 2017, the Board of Supervisors (Board) established the County Service Area Revolving Fund (Revolving Fund) to provide a way for County Service Areas whose cash reserves are temporarily depleted to borrow for short periods from the County General Fund to timely pay charges for lawful expenses; and

WHEREAS, on February 7, 2017, the Board also adopted the County of Fresno Policy for Use of the County Service Area Revolving Fund (Policy); and

WHEREAS, the Department of Public Works and Planning (Department), which administers CSA 34A, requests a disbursement of \$300,000 from the Revolving Fund to the funds of CSA 34A, and proposes it be repaid over a period of 10 years in quarterly installments, due 30 days after the end of each fiscal year quarter, with interest at the rate that the County earns on its Treasury Investment Pool for each quarter; and

WHEREAS, the Auditor has certified in writing that funds are available in the Revolving Fund that are sufficient to make the requested disbursement to the funds of CSA 34A; and

WHEREAS, the Department has certified in writing that the cash reserves for CSA 34A are completely depleted, or projected to be depleted before the next revenue will be received; and

WHEREAS, the Department has certified in writing that service reductions in CSA 34A to reduce costs are not feasible because current operations and maintenance are being performed only to meet the basic health and safety needs of the community; and

WHEREAS, the Department has certified in writing that there are no outstanding prior Revolving Fund disbursements to the funds of CSA 34A; and

WHEREAS, in a proceeding compliant with Proposition 218 and all other applicable laws that was completed before the request for a revolving fund disbursement, the CSA 34A property owners approved and the Board levied fees and benefit assessments that are projected to be sufficient: (1) to repay the requested Revolving Fund disbursement within 10 years; (2) fund ordinary operations, maintenance, and administration during the same

period; and (3) establish a cash reserve in compliance with the minimum cash reserve policy established by the Board on November 10, 2006, Board Agenda Item No. 16; and

WHEREAS, not less than 60 days before requesting a disbursement from the Revolving Fund, Department staff notified the CSA 34A property owners in writing by United States Mail that a Revolving Fund disbursement of \$300,000 was to be requested, and the notification included: (1) an explanation of the reason for the disbursement request; (2) a proposed repayment schedule; (3) the date, time and place of the Board meeting where the Revolving Fund disbursement was to be requested; and (4) a statement that there would be a public community meeting with Department staff not less than 20 days before the Board meeting to discuss the disbursement request; and

WHEREAS, Department held a public community meeting in CSA 34A on May 10, 2017, to discuss the Revolving Fund disbursement request;

NOW, THEREFORE, THE BOARD HEREBY RESOLVES, FINDS, AND ORDERS AS FOLLOWS:

1. **Recitals.** All of the recitals above are true and correct.
2. **Disbursement Approval.** The Board hereby determines that CSA 34A is eligible under the Policy for disbursement from the Revolving Fund and approves a disbursement of \$300,000 ("Maximum Principal Amount") from the Revolving Fund to the funds of CSA 34A, to occur on June 1, 2017, and to be repaid according to the terms established in this resolution.
3. **Administration.** The Department may request the disbursement in a lump sum of the Maximum Principal Amount, or in smaller amounts as needed, provided that the total amount requested may not exceed the Maximum Principal Amount, by written request or requests to the Auditor. Each written request shall refer to this resolution and state the amount requested. The Auditor shall review each written request and, if the Auditor determines that the request would not cause the total amount requested to exceed the Maximum Principal Amount, shall transfer from the Revolving Fund to the funds of CSA 34A the amount requested. If the request would cause the total amount requested to exceed Maximum Principal Amount, the Auditor shall notify the Department in writing, and the Department may submit a revised request that would not cause the total amount requested to exceed the Maximum Principal Amount. The Auditor shall account for the administration of the Revolving Fund according to all applicable governmental accounting and budgeting standards.
4. **Repayment Schedule.** The disbursement shall be fully repaid from the funds of CSA 34A to the Revolving Fund over a term of 10 years according to the estimated repayment schedule that is attached as Exhibit A to this resolution. Each payment is due in arrears within 30 days after the end of each fiscal year quarter, with interest at the rate that the County earned on its Treasury Investment Pool for that quarter. The Auditor shall inform the Department of the rate of return on the County's Treasury Pool promptly after it is determined quarterly. The Department shall adhere as closely as

practicable to the repayment schedule set forth in this resolution, to minimize the interest payable by the CSA. Before submitting each payment, the Department shall obtain from the Auditor a written confirmation of the payment amount with interest. Immediately upon full repayment of each disbursement, the Auditor shall provide to the Department written confirmation of full repayment.

5. **Effective Date.** This resolution is effective immediately upon its adoption.

The foregoing resolution was adopted by the Board of Supervisors of the County of Fresno on June 20, 2017, by the following vote:

AYES: Supervisors Borgeas, Magsig, Mendes, Pacheco, Quintero

NOES: None

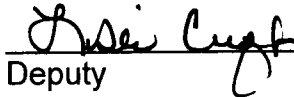
ABSENT: None



Brian Pacheco
Chairman, Board of Supervisors

Attest:

Bernice E. Seidel
CLERK TO THE BOARD OF SUPERVISORS



Deputy

EXHIBIT A

CSA 34A - Revolving Fund Loan
Estimated Quarterly Payment Schedule

Loan Disbursement Date: 6/30/2017
Loan Amount: \$300,000.00

				Estimated Interest Payment (Current Rate 1.319%)	Estimated Total Payment	Payment Date
	Balance	Principal Payment				
Payment 1:	\$ 300,000.00	\$ 7,500.00	\$ 989.25	\$ 8,489.25	\$ 8,489.25	10/30/2017
Payment 2:	\$ 292,500.00	\$ 7,500.00	\$ 964.52	\$ 8,464.52	\$ 8,464.52	1/30/2018
Payment 3:	\$ 285,000.00	\$ 7,500.00	\$ 939.79	\$ 8,439.79	\$ 8,439.79	4/30/2018
Payment 4:	\$ 277,500.00	\$ 7,500.00	\$ 915.06	\$ 8,415.06	\$ 8,415.06	7/30/2018
Payment 5:	\$ 270,000.00	\$ 7,500.00	\$ 890.33	\$ 8,390.33	\$ 8,390.33	10/30/2018
Payment 6:	\$ 262,500.00	\$ 7,500.00	\$ 865.59	\$ 8,365.59	\$ 8,365.59	1/30/2019
Payment 7:	\$ 255,000.00	\$ 7,500.00	\$ 840.86	\$ 8,340.86	\$ 8,340.86	4/30/2019
Payment 8:	\$ 247,500.00	\$ 7,500.00	\$ 816.13	\$ 8,316.13	\$ 8,316.13	7/30/2019
Payment 9:	\$ 240,000.00	\$ 7,500.00	\$ 791.40	\$ 8,291.40	\$ 8,291.40	10/30/2019
Payment 10:	\$ 232,500.00	\$ 7,500.00	\$ 766.67	\$ 8,266.67	\$ 8,266.67	1/30/2020
Payment 11:	\$ 225,000.00	\$ 7,500.00	\$ 741.94	\$ 8,241.94	\$ 8,241.94	4/30/2020
Payment 12:	\$ 217,500.00	\$ 7,500.00	\$ 717.21	\$ 8,217.21	\$ 8,217.21	7/30/2020
Payment 13:	\$ 210,000.00	\$ 7,500.00	\$ 692.48	\$ 8,192.48	\$ 8,192.48	10/30/2020
Payment 14:	\$ 202,500.00	\$ 7,500.00	\$ 667.74	\$ 8,167.74	\$ 8,167.74	1/30/2021
Payment 15:	\$ 195,000.00	\$ 7,500.00	\$ 643.01	\$ 8,143.01	\$ 8,143.01	4/30/2021
Payment 16:	\$ 187,500.00	\$ 7,500.00	\$ 618.28	\$ 8,118.28	\$ 8,118.28	7/30/2021
Payment 17:	\$ 180,000.00	\$ 7,500.00	\$ 593.55	\$ 8,093.55	\$ 8,093.55	10/30/2021
Payment 18:	\$ 172,500.00	\$ 7,500.00	\$ 568.82	\$ 8,068.82	\$ 8,068.82	1/30/2022
Payment 19:	\$ 165,000.00	\$ 7,500.00	\$ 544.09	\$ 8,044.09	\$ 8,044.09	4/30/2022
Payment 20:	\$ 157,500.00	\$ 7,500.00	\$ 519.36	\$ 8,019.36	\$ 8,019.36	7/30/2022
Payment 21:	\$ 150,000.00	\$ 7,500.00	\$ 494.63	\$ 7,994.63	\$ 7,994.63	10/30/2022
Payment 22:	\$ 142,500.00	\$ 7,500.00	\$ 469.89	\$ 7,969.89	\$ 7,969.89	1/30/2023
Payment 23:	\$ 135,000.00	\$ 7,500.00	\$ 445.16	\$ 7,945.16	\$ 7,945.16	4/30/2023
Payment 24:	\$ 127,500.00	\$ 7,500.00	\$ 420.43	\$ 7,920.43	\$ 7,920.43	7/30/2023
Payment 25:	\$ 120,000.00	\$ 7,500.00	\$ 395.70	\$ 7,895.70	\$ 7,895.70	10/30/2023
Payment 26:	\$ 112,500.00	\$ 7,500.00	\$ 370.97	\$ 7,870.97	\$ 7,870.97	1/30/2024
Payment 27:	\$ 105,000.00	\$ 7,500.00	\$ 346.24	\$ 7,846.24	\$ 7,846.24	4/30/2024
Payment 28:	\$ 97,500.00	\$ 7,500.00	\$ 321.51	\$ 7,821.51	\$ 7,821.51	7/30/2024
Payment 29:	\$ 90,000.00	\$ 7,500.00	\$ 296.78	\$ 7,796.78	\$ 7,796.78	10/30/2024
Payment 30:	\$ 82,500.00	\$ 7,500.00	\$ 272.04	\$ 7,772.04	\$ 7,772.04	1/30/2025
Payment 31:	\$ 75,000.00	\$ 7,500.00	\$ 247.31	\$ 7,747.31	\$ 7,747.31	4/30/2025
Payment 32:	\$ 67,500.00	\$ 7,500.00	\$ 222.58	\$ 7,722.58	\$ 7,722.58	7/30/2025
Payment 33:	\$ 60,000.00	\$ 7,500.00	\$ 197.85	\$ 7,697.85	\$ 7,697.85	10/30/2025
Payment 34:	\$ 52,500.00	\$ 7,500.00	\$ 173.12	\$ 7,673.12	\$ 7,673.12	1/30/2026
Payment 35:	\$ 45,000.00	\$ 7,500.00	\$ 148.39	\$ 7,648.39	\$ 7,648.39	4/30/2026
Payment 36:	\$ 37,500.00	\$ 7,500.00	\$ 123.66	\$ 7,623.66	\$ 7,623.66	7/30/2026
Payment 37:	\$ 30,000.00	\$ 7,500.00	\$ 98.93	\$ 7,598.93	\$ 7,598.93	10/30/2026
Payment 38:	\$ 22,500.00	\$ 7,500.00	\$ 74.19	\$ 7,574.19	\$ 7,574.19	1/30/2027
Payment 39:	\$ 15,000.00	\$ 7,500.00	\$ 49.46	\$ 7,549.46	\$ 7,549.46	4/30/2027
Payment 40:	\$ 7,500.00	\$ 7,500.00	\$ 24.73	\$ 7,524.73	\$ 7,524.73	7/30/2027
TOTAL		\$ 300,000.00		\$ 320,279.63		