

RESOLUTION NO. _____

**RESOLUTION APPROVING OF A LINE OF CREDIT FOR THE
CAYUCOS FIRE PROTECTION DISTRICT AND AUTHORIZING THE
AUDITOR-CONTROLLER TO EXECUTE AN AGREEMENT
PROVIDING THE SAME**

The following resolution is hereby offered and read:

WHEREAS, the Cayucos Fire Protection District (hereafter "District") is responsible for providing fire protection and emergency medical services to approximately 2,943 residents in the community of Cayucos and the surrounding area; and

WHEREAS, the District, by resolution and contract, has an "Amador" contract with the California State Department of Forestry and Fire Protection (hereafter "CAL FIRE"), whereby Cayucos is provided enhanced fire protection service at CAL FIRE expense during the fire season, and at District expense during the non-fire season; and

WHEREAS, revenue received by the District has not kept pace with expenditures, especially the "Amador" contract with CAL FIRE; and

WHEREAS, the District will be unable to make payment on the Fiscal Year 2012-2013 "Amador" contract with CAL FIRE and is faced with the possible loss of this contract, and consequently, a significant reduction of fire protection in Cayucos and the surrounding area; and

WHEREAS, on November 6, 2012, the District sought and has received voter approval of an increase in the Special Fire Tax to help alleviate the Districts financial difficulties, increasing annual revenue received from the Fire Special Taxes from approximately \$50,000 per year to approximately \$250,000 per year; but the District will not begin to receive this enhanced level of revenue until October of 2013; and

WHEREAS, Government Code Section 23010 of the State of California authorizes counties to lend funds to a fire protection district in order to enable the district to perform its functions and meet its obligations, provided that the loan does not exceed 85 percent of the district's anticipated revenue in the year in which it is made or the following fiscal year, and that it shall be repaid out of that revenue prior to the payment of any other obligation of the district; and

WHEREAS, the San Luis Obispo County Debt Advisory Committee (hereafter "DAC"), which consists of the Auditor-Controller, the Treasurer-Tax Collector and the county Administrative Officer, was established to serve as a central review mechanism for all proposed debt related matters: and

WHEREAS, the Cayucos Fire Protection District has requested that the DAC recommend that the Board of Supervisors approve a line of credit to the District for the purpose of making payment to CAL FIRE for the FY 2012-2013 "Amador" contract payment; and

WHEREAS, the DAC, recognizing the significant and important services provided by the District and its "Amador" contract with CAL FIRE, has recommended approval of a line of credit to the District; and

WHEREAS, there is a need to maintain the current level of fire protection in the community of Cayucos and the surrounding area;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that:

1. The Auditor-Controller is authorized to enter into an agreement on behalf of the County with the District for the provision of a line of credit to the District;
2. The agreement for a line of credit with the District shall provide for:
 - (a) A principal amount not to exceed \$250,000;
 - (b) An interest rate equal to the County Treasury rate, plus 0.50 percentage points compounded quarterly;
 - (c) Payment of the outstanding principal balance and accrued interest on that balance, in the fiscal year immediately following the fiscal year in which an advance was made; and
 - (d) Payment to the County to be made through withholding from the Fire Special Tax or General Property Taxes collected by the County Tax Collector from the Borrower's District, as outlined in the loan agreement.

Upon motion of Supervisor _____, seconded

by Supervisor _____, and on the following roll call vote,

to wit:

AYES:

NOES:

ABSENT:

The foregoing resolution is hereby adopted.

Chairperson, Board of Supervisors

APPROVED AS TO FORM AND LEGAL EFFECT:

^{h.}
RITA NEAL,
County Counsel

By: _____

Chief Deputy County Counsel

Printed Name and Title

Date

ATTEST:

JULIE RODEWALD,
Clerk of the Board of Supervisors

By: _____
Deputy Clerk

Date