



Legislation Text

File #: 2020-1316, **Version:** 1

To: Board of Supervisors

Department or Agency Name(s): County Administrator's Office

Staff Name and Phone Number: Terri Wright, 565-2431

Vote Requirement: 4/5th

Supervisory District(s): All Districts

Title:

Fire Apparatus Lease Payoff and Mayacamas Asset Exchange Agreement

Recommended Action:

- A) Approve a Budget Resolution to the FY 2020-21 Budget, increasing expenditure appropriations by \$88,306 to pay off the remaining balance of a lease with KS State Bank, which finances two fire apparatus (engines)
- B) Authorize the County Administrator to enter into an Asset Transfer Agreement with the Sonoma Valley Fire District to transfer assets acquired by the Mayacamas Community Facilities District. One of the engines associated with the KS State Bank lease payoff will be transferred through this agreement.

(4/5th Vote Required)

Executive Summary:

This item will enable the County to transfer the assets associated with the recent annexation of the Mayacamas area to the Sonoma Valley Fire District. To enable the asset transfer, it is first necessary to pay off a fire apparatus (engine) lease that was entered into by the former Fire and Emergency Services Department in 2013 to finance two fire engines that serve the Camp Meeker and the Mayacamas Volunteer Fire Companies (VFC).

Discussion:

On February 11, 2020, the County entered into a Revenue Exchange Agreement with the Glen Ellen Fire Protection District (now the Sonoma Valley Fire District) to transfer the property tax revenue generated in the territory served by the Mayacamas Volunteer Fire Company upon the completion of annexation proceedings by the Sonoma County Local Agency Formation Commission (LAFCO). LAFCO recorded the certificate of completion for this annexation, which included detachment of the Mayacamas territory from CSA-40 and annexation of that territory to the Sonoma Valley Fire District, on June 15, 2020. In addition to the tax revenue generated in the Mayacamas territory, the Revenue Exchange Agreement also included a one-time payment of \$92,000 and annual payments of \$158,000 as negotiated.

In 1999, voters in the Mayacamas territory approved a Community Facilities District (Mello Roos) Tax, which collected additional revenue for the specific benefit of the territory. Five vehicles currently in service were acquired with these funds. One of the vehicles acquired with these funds was a fire engine financed by CSA-40 through a lease with KS State Bank. That lease includes a second fire engine for the area served by the Camp Meeker Volunteer Fire Company.

Before the County can transfer the assets acquired through the Mayacamas Mello Roos Tax funds to the Sonoma Valley Fire District, the County must to pay off the KS State Bank lease to separate the two assets that were financed through the lease. The lease terms only allow pay off at the same time as the lease's twice yearly payments are due; the next payment is due on February 20, 2021. The payoff quote from KS State Bank, included as an attachment is valid through February 20, 2021. The Budget Resolution, included as an attachment approves additional appropriations to pay off the KS State Bank lease from Mayacamas Mello Roos funds and from CSA 40 fund balance.

The other assets acquired with the Mayacamas Mello Roos funding, including four additional vehicles that are represented in the attached fixed asset report and any unspent cash in the Mayacamas fund, will also be transferred through the agreement. Staff is requesting delegated authority to execute the agreement since the pay off of the lease must occur first, which may necessitate minor changes to the agreement. Because the Mayacamas territory is now funded through the Sonoma Valley Fire District, the Mayacamas Special Tax is no longer required to be collected. CSA-40 did not impose the Mayacamas Special Tax this year. Staff will return to your Board by spring with an item to formally dissolve the Mayacamas Community Facilities District, which will terminate the Mayacamas Special Tax.

Prior Board Actions:

February 11, 2020 - Mayacamas Revenue Exchange Agreement approved by the Board

February 5, 2013 - KS State Bank lease approved by the Board

FISCAL SUMMARY

| Expenditures | FY 20-21 Adopted | FY21-22 Projected | FY 22-23 Projected |
|------------------------------------|-----------------------------|------------------------------|-------------------------------|
| Budgeted Expenses | | | |
| Additional Appropriation Requested | 88,306 | | |
| Total Expenditures | 88,306 | 0 | 0 |
| Funding Sources | | | |
| General Fund/WA GF | | | |
| State/Federal | | | |
| Fees/Other | | | |
| Use of Fund Balance | 88,306 | | |
| Contingencies | | | |
| Total Sources | 88,306 | 0 | 0 |

Narrative Explanation of Fiscal Impacts:

The attached budget resolution will increase appropriations to pay off the KS Bank State Bank Lease. Half of the lease will be paid from the Mayacamas Mello Roos fund 13325, which has approximately \$58,000 in fund balance, the other half will be paid with CSA 40 fund balance.

Staffing Impacts:

| Position Title (Payroll Classification) | Monthly Salary Range (A-I Step) | Additions (Number) | Deletions (Number) |
|--|--|-------------------------------|-------------------------------|
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Narrative Explanation of Staffing Impacts (If Required):

None

Attachments:

Budget Resolution
Draft Asset Transfer Agreement
KS State Bank payoff quote
Mayacamas Fixed Asset summary

Related Items "On File" with the Clerk of the Board:

None