



Auditor-Controller COUNTY OF TULARE AGENDA ITEM

BOARD OF SUPERVISORS

KUYLER CROCKER
District One

PETE VANDER POEL
District Two

AMY SHUKLIAN
District Three

EDDIE VALERO
District Four

DENNIS TOWNSEND
District Five

AGENDA DATE: September 15, 2020

Public Hearing Required	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Scheduled Public Hearing w/Clerk	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Published Notice Required	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Advertised Published Notice	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Meet & Confer Required	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Electronic file(s) has been sent	Yes <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>
Budget Transfer (Aud 308) attached	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Personnel Resolution attached	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Agreements are attached and signature line for Chairman is marked with tab(s)/flag(s)	Yes <input type="checkbox"/>	N/A <input type="checkbox"/>

CONTACT PERSON: Erica Hough PHONE: 559-636-5234

SUBJECT: Vehicle Internal Borrowing Purchases for Fiscal Year
2020-21

REQUEST(S):

That the Board of Supervisors:

1. Approve the purchase of 30 Sheriff replacement vehicles, 5 Probation replacement vehicles, and 1 Co-Operative Extension replacement vehicle.
2. Authorize payment for those vehicles through the utilization of the County's Vehicle Internal Borrowing Program which is made possible by a loan from the General Fund, not to exceed 36 months.

SUMMARY:

In Fiscal Year 2015, the County set aside \$3 million to fund the Vehicle Internal Borrowing Program (the Program) for the future replacement of County vehicles. The initial \$3 million, along with the annual collection of payments from participating departments, has been sufficient to fund the Program on an ongoing basis.

The Program is open to all departments with vehicles deemed eligible for replacement. The first annual payment for these vehicles will be made on, or before, June 30, 2021, and the final payment will be paid no more than 36 months after the initial payment date. The interest rate to repay the General Fund will be equivalent to the annual rate of the Treasury Pool for the duration of the loan. The annual interest rates for the Fiscal Years ending June 30, 2018, 2019, and 2020 were 1.46%, 2.01%, and 2.50%, respectively.

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While the use of the Program is only recommended for departments who are not able to pay for necessary vehicles in full the year vehicles are purchased through the normal budgeting process, it is recommended that any necessary vehicles be funded internally from the General Fund, as opposed to borrowing funds from an outside lender.

FISCAL IMPACT/FINANCING:

The estimated cost for 36 replacement vehicles ranges from \$32,500 to \$38,500 for a total estimated cost of \$1,285,250. A further breakdown of these vehicles and their estimated costs is attached. The department will be responsible for paying the first quarter of the total purchase price the year the County takes possession of the vehicles, and the remaining three (3) quarters will be borrowed from the General Fund at that time. The payment required for the 2019-21 Fiscal Year has been included in the County's recommended budget document for the 2019-21 Fiscal Year; hence, an AUD 308 will not be required upon approval. The departments will be required to repay the General Fund in full within 36 months of the initial borrowing date. The required principal and interest payments, at the Treasury Pool's annual interest rate, will be obtained by annual charges to the Sheriff's accounting line 001-240-2100-9148, Probation's accounting line 001-205-1100-9148, and Co-Operative Extension's accounting line 001-055-1055-9148 until the cost of the vehicles are fully amortized.

LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:

The County's five-year strategic plan includes the Organizational Performance Initiative to provide for the stability of County operations through periods of economic fluctuations and changing priorities and service demands. The Vehicle Internal Borrowing Purchase for Fiscal Year 2019-21 helps fulfill this initiative by continuing to ensure the County's fiscal stability. The Treasury Pool's annual interest rate is expected to be less than the interest rate charged by an outside lender, thus, resulting in projected savings.

ADMINISTRATIVE SIGN-OFF:



Cass Cook, CFIP
Auditor-Controller

cc: County Administrative Office

Attachment(s) Fiscal Year 2020-21 Financing by Vehicle Type

**BEFORE THE BOARD OF SUPERVISORS
COUNTY OF TULARE, STATE OF CALIFORNIA**

IN THE MATTER OF VEHICLE INTERNAL)
BORROWING PURCHASES FOR) Resolution No. _____
FISCAL YEAR 2020-21) Agreement No. _____
)

UPON MOTION OF SUPERVISOR _____, SECONDED BY
SUPERVISOR _____, THE FOLLOWING WAS ADOPTED BY THE
BOARD OF SUPERVISORS, AT AN OFFICIAL MEETING HELD _____
_____, BY THE FOLLOWING VOTE:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST: JASON T. BRITT
COUNTY ADMINISTRATIVE OFFICER/
CLERK, BOARD OF SUPERVISORS

BY: _____
Deputy Clerk

* * * * *

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County of Tulare | Auditor-Controller
Fiscal Year 2020-21 Financing by Vehicle Type

TULARE COUNTY SHERIFF DEPARTMENT

Quantity	Description	Average Purchase Price Per Vehicle	Total
5	1500 Truck	\$ 32,500.00	\$ 162,500.00
1	2500 Truck	38,500.00	38,500.00
14	Ford Explorer - Admin	35,000.00	490,000.00
10	Ford Explorer - Interceptor	37,500.00	375,000.00
30			\$ 1,066,000.00

TULARE COUNTY PROBATION DEPARTMENT

Quantity	Description	Average Purchase Price Per Vehicle	Total
5	Ford Explorer	36,750.00	183,750.00

TULARE COUNTY COOPERATIVE EXTENSION

Quantity	Description	Average Purchase Price Per Vehicle	Total
1	3/4 ton Dodge	35,500.00	35,500.00
36			<u>\$ 1,285,250.00</u>