



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Fire
Department No.: 031
For Agenda Of: 06/03/2008
Placement: Admin
Estimated Tme: NA
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department John Scherrei, 681-5507
Director(s)
Contact Info: Chris Hahn, Fire 681-5554
Mark Paul, Auditor-Controller 568-2141

SUBJECT: Internal Loan to Fire from Fire's Motor Pool Funds

County Counsel Concurrence

As to form: NA

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Debt Advisory Committee

Recommended Actions:

That the Board of Directors:

Approve an internal loan from Fire's Motor Pool Funds to the Fire Department for the purchase of five vehicles used for the Leaking Underground Fuel Tanks (LUFT) program in an amount not to exceed \$50,000.

Summary Text: The vehicles used in the LUFT program, originally purchased in 1999, currently have mileage ranging from 120,000 to 150,000 and are in need of replacement. The Department has accumulated approximately 55% for the replacement costs for the vehicles. The Department went to the Debt Advisory Committee (DAC) to finance the replacements with external financing. After discussion, the DAC recommended an internal loan rather than using external financing to save overall costs to the County. In the future sufficient resources will be collected over the life of the vehicles to purchase the replacements without additional funding. The proposed internal loan would be paid off over a two year period and interest will be charged at the treasury pool rate.

Background:

The LUFT program is a grant reimbursed program. The grant program can make payment for the lease of vehicles, but not for the capital purchase of vehicles. Subsequent to the last purchase of vehicles in 1999, the Department repaid the cost and associated interest to the Vehicle Operations Fund over a five year period. Beginning in 2004, the Department continued making payments to the Fund to begin

building up funds to allow for the down payment on a future lease of replacement vehicles. Approximately 55% of the amount necessary to replace the vehicles has been accumulated.

Fiscal Analysis:

The FY 2008-09 LUFT contract with the State and the requested County Budget both incorporate a total of \$44,000 for the lease, operation and maintenance of the five LUFT vehicles.

Special Instructions:

Attachments:

Authored by: Sauer