



Auditor- Controller/Treasurer Tax Collector

COUNTY OF TULARE AGENDA ITEM

BOARD OF SUPERVISORS

LARRY MICARI
District One

PETE VANDER POEL
District Two

AMY SHUKLIAN
District Three

EDDIE VALERO
District Four

DENNIS TOWNSEND
District Five

AGENDA DATE: December 17, 2024 REVISED

Public Hearing Required	N/A
Scheduled Public Hearing w/Clerk	N/A
Published Notice Required	N/A
Advertised Published Notice	N/A
Meet & Confer Required	N/A
Budget Transfer (Aud 308) attached	N/A
Personnel Resolution attached	N/A
Agreement(s) attached	N/A

CONTACT PERSON: Sacramento Jimenez PHONE: 559-636-5204

SUBJECT: Approve the purchases through the Vehicle Internal Borrowing Program that exceeded the temporary 25% cap.

REQUEST(S):

That the Board of Supervisors:

Approve the capital asset purchase of 10 Sheriff patrol vehicles authorized through the Vehicle Internal Borrowing Program that exceeded the temporary 25% cap established by County Administrative Regulation No. 4.

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.

On August 2, 2022, the Board of Supervisors approved the Fiscal Year 2022-23 Vehicle Internal Borrowing Program with an estimated cost of \$1,567,000.00. The authorization included the purchase of 32 Sheriff, 3 Public Defender, and 2 Resource Management Agency replacement vehicles. The authorized payment of those vehicles is 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.

For Fiscal Year 2022-23, the original budgeted amount for a new Patrol UPI was \$43,000.00. However, due to inflation and a shortage of vehicles, the budget for the Patrol UPI's were rolled over to Fiscal Year 2023-24 and purchased at a higher cost. When the vehicles were purchased, the final cost was presumed to be within the 25% capital asset threshold temporarily established per Administrative Regulation No. 4,

SUBJECT: Approve the purchases through the Vehicle Internal Borrowing Program that exceeded the temporary 25% cap.

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Budgetary Controls, which allowed the County Administrative Officer to approve the increase.

The vehicles were purchased from an out-of-state vendor. At the time of purchase, sales and use taxes were not incorporated into the invoices by the vendor and the County is now in the process of submitting taxes along with penalty fees and interest to the California Department of Motor Vehicles (CA DMV). It may be possible for the County to waive the penalty fees, if the CA DMV approves the County's waiver request. With the inclusion of \$39,591.70 in taxes and \$7,600.00 in estimated penalty fees and interest, the total cost of the 10 Sheriff Patrol vehicles increased to \$560,000.00, or 30.23% over the initially budgeted amount of \$430,000.00, which exceeds the 25% increase approval authority of the County Administrative Officer. The budget increase will allow the Auditor's Office to cover the excess amount for taxes, interest, and potential penalty fees due to the California Department of Motor Vehicles in Fiscal Year 2024-25.

FISCAL IMPACT/FINANCING:

The increase of \$39,591.70 in taxes and additional \$7,600.00 due to estimated penalty fees and interest is included in the Fiscal Year 2024-25 Capital Acquisitions budget. The Sheriff's Office will be required to repay the General Fund in full within 36 months of the initial borrowing date. If the penalty fees are waived, then those penalty fees will be excluded from the Sheriff's Office's amount due, and the Auditor's office will credit its internal borrowing line. The required principal and interest payments at the Treasury Pool's annual interest rate will be obtained by annual charges to the participating department's accounting line until the cost of the vehicles are fully amortized. There is no additional Net County Cost.

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 program 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:

/s/ Cass Cook

Auditor-Controller/Treasurer-Tax Collector

Cc: County Administrative Office

Attachments: Fiscal Year 2022-23 Financing by Vehicle Type (Revised December 2024).