

**RESOLUTION NO. .**

**BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA**

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**RESOLUTION AUTHORIZING THE COUNTY MANAGER, OR THE COUNTY MANAGER'S DESIGNEE, TO MAKE LOANS PURSUANT TO GOVERNMENT CODE § 56381(C) FROM AVAILABLE COUNTY GENERAL FUNDS TO THE SAN MATEO COUNTY LOCAL AGENCY FORMATION COMMISSION, IN AN AMOUNT NOT TO EXCEED A TOTAL OF \$100,000 PER FISCAL YEAR**

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**RESOLVED**, by the Board of Supervisors of the County of San Mateo, State of California, that

**WHEREAS**, the San Mateo County Local Agency Formation Commission (LAFCO) is a state-mandated independent commission with jurisdiction over the boundaries of 20 cities, 22 independent special districts and many of the active county-governed special districts serving San Mateo County;

**WHEREAS**, LAFCO is authorized by state law to approve proposals for changes in the boundaries and organization of these entities, to establish and periodically update their spheres of influence, and to assist agency studies to improve efficiency and reducing costs of providing urban services;

**WHEREAS**, from time to time during the fiscal year, LAFCO may experience periods of restricted cash-flow pending its receipt of fees from agencies under its jurisdiction and/or due to differences in actual revenues received compared to budgeted estimates, and such conditions can restrict LAFCO's cash-flow needed to fund its operations and creates temporary budget shortfalls;

**WHEREAS**, LAFCO may at times be temporarily without adequate funds to operate due to these cash-flow issues;

**WHEREAS**, to ensure the commission’s liquidity at the start of the fiscal year, Section 56381(c) requires that, “[b]etween the beginning of the fiscal year and the time the auditor receives payment from each affected city and district, the board of supervisors shall transmit funds to the commission sufficient to cover the first two months of the commission's operating expenses as specified by the commission;

**WHEREAS**, pursuant to Government Code § 56381(c), the County can also loan funds to LAFCO to cover cash-flow issues and provide operating funds, such that: “[i]f, during the fiscal year, the commission is without adequate funds to operate, the board of supervisors may loan the commission funds. The commission shall appropriate sufficient funds in its budget for the subsequent fiscal year to repay the loan;”

**WHEREAS**, this Board finds that, to the extent that the County has funds available that are not immediately necessary for the County’s own financial obligations, it is necessary and desirable to authorize loans to LAFCO, on an as-needed basis, in an amount not to exceed a total amount of \$100,000 per fiscal year;

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the County Manager, or the County Manager’s delegee(s), is hereby authorized and directed to take necessary actions to provide loans from the County General Fund to LAFCO, on an as-needed basis, in an amount not to exceed a total amount of \$100,000 per fiscal year in order to address cash-flow issues and budget deficits, subject to interest charged at the pool rate, and subject to any memoranda of understanding, agreements, or other necessary documentation, as determined appropriate by the County Manager, in consultation with the County Controller and County Counsel.

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