

COUNTY OF MADERA
 BUDGET UNIT DETAIL
 BUDGET FOR THE FISCAL YEAR 2022-23

Department: PUBLIC WORKS PROJECTS
 REVOLVING FUND
 (00245)
 Function: General
 Activity: Other General
 Fund: General

	<u>ACTUAL 2020-21</u>	<u>BOARD APPROVED 2021-22</u>	<u>DEPARTMENT REQUEST 2022-23</u>	<u>CAO RECOMMENDED 2022-23</u>
<u>ESTIMATED REVENUES:</u>				
OTHER FINANCING SOURCES				
680524 Repaid Cash Flow Loan	0	0	3,000,000	3,000,000
TOTAL OTHER FINANCING SOURCES	0	0	3,000,000	3,000,000
<u>TOTAL ESTIMATED REVENUES</u>	<u>0</u>	<u>0</u>	<u>3,000,000</u>	<u>3,000,000</u>
<u>EXPENDITURES:</u>				
SERVICES & SUPPLIES				
790500 Cash Flow Loan	0	0	3,000,000	3,000,000
TOTAL SERVICES & SUPPLIES	0	0	3,000,000	3,000,000
<u>TOTAL EXPENDITURES</u>	<u>0</u>	<u>0</u>	<u>3,000,000</u>	<u>3,000,000</u>
<u>NET COUNTY COST (EXP - REV)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

PUBLIC WORKS PROJECTS REVOLVING FUND

COMMENTS

This budget provides on-demand cash flow loans for eligible Public Works Projects that have approved third-party grant funding. Road and bridge projects often are fully funded through a combination of state, federal or local tax measure funding. However, these funding sources are provided on a reimbursement basis, which requires the county to cash flow design and preconstruction contracts at the beginning of the project. This creates an enormous challenge for the Public Works Department as it has limited cash resources, which delays project initiation. Alternative cash flow instruments, such as Grant Anticipation Notes (GAN) issued by the Treasurer, are available however are infeasible to fund the early construction and design phase. GANs are more appropriate to use for the major construction phase of the project, after all design and preconstruction work has already been done and claims for reimbursements have been initiated with the applicable granting entities. The Public Works Projects Revolving Fund aims to fill the cash flow need prior to a GAN becoming a feasible option for cash flow financing.

PROGRAM PARAMETERS

- Projects eligible for cash flow loans under this program are projects that have fully executed funding agreements
- Cash flow loans that are repayable within the same budget year, including repayments within the 90 day accrual period, and of a cumulative total not exceeding \$3 million, shall be approved by the County Administrative Officer (CAO) under the existing budgetary authority approved by the Board through passage of the annual county budget, which includes this budget org.
- Cash flow loans for projects that have a repayment window beyond the budget year accrual window will need to be approved by the Board
- Once cash flow loans are reimbursed by the 3rd party granting authority, Public Works will reimburse the general fund the cash flow loan amount, plus interest earned based on the Treasurer-Tax Collector average investment earnings for the applicable quarter
- Once cash flow loans are reimbursed, it restores the “revolving loan limit” allowing for additional loans to be issued for projects that fit the criteria. Restoration of this revolving loan limit may require the CAO to recommend budgetary adjustments to the Board at various points during the fiscal year

ESTIMATED REVENUES

680524 Repaid Cash Flow Loan (\$3,000,000) represents the estimated repaid cash flow loans from Public Works Projects

SERVICES & SUPPLIES

790500 Cash Flow Loan (\$3,000,000) is recommended for cash flow loans for Public Works Projects