



Legislation Text

File #: 10-0328, **Version:** 1

Health Services Department recommending Board consider the following:

- 1) Accept the gift of funds from the Gladys L. Closson Trust ("Trust");
- 2) Accept payment as beneficiary under Mass Mutual Annuity Contract ODY15328763 ("Annuity");
- 3) Authorize the Chair to sign the Waiver of Objections and Consent to Informal Accounting of Trust Estate and Consent to Proposed Distribution and Designation of Preference and the Mass Mutual Annuity Claims Packet.

FUNDING: Gladys L. Closson Living Trust and Annuity policy.

Fiscal Impact/Change to Net County Cost: There is no Net County Cost associated with this gift of funds.

Background: The Gladys L. Closson 1991 Living Trust named The El Dorado County Animal Control Shelter Aid Trust Fund as a residual beneficiary. As such, under the terms of the Trust, the El Dorado County Animal Control Shelter Aid Trust Fund is entitled to receive twenty-five percent (25%) of the residual estate of the trust.

Additionally, the "El Dorado County Animal Control Shelter and Trust Fund" (*it is believed this title is a typographical error and should read "El Dorado County Animal Control Shelter Aid Trust Fund, which is consistent with the title used in the Living Trust"*) is named as a beneficiary under an annuity policy issued by Massachusetts Mutual Life Insurance Company and affiliates, Contract number ODY15328763. Gladys L. Closson was the annuitant under the policy.

It is estimated that the gift under the Trust is approximately thirteen thousand seven hundred seventy-three dollars (\$13,773). It is estimated that the gift under the Annuity is approximately ninety-five thousand dollars (\$95,000).

The Animal Services section of the Health Services Department - Public Health Division ("Animal Services") was contacted by the co-trustee Marianne Oliphant and was provided with the following documents to be executed in order to expedite the disbursement of the funds:

1. Waiver of Objections and Consent to Informal Accounting of Trust Estate and Consent to Proposed Distribution and Designation of Preference (Attachment A); and
2. Annuity Claim Packet (Attachment B).

The first document relates to the Trust assets and waives the need for a formal accounting of those assets. This would reduce the costs associated with the administration of the Trust. As a residual beneficiary, the cost of a formal accounting could reduce the amount received by Animal Services. Animal Services has been provided an informal accounting of trust assets to justify the amounts being distributed to Animal Services. Given the delay and cost of a formal accounting and the adverse impact such costs could have on the amount to be received by Animal Services, it is recommended that the Board authorize the Chair to sign the Waiver and Consent.

The second document relates to the funds available from the Annuity. It requires basic information such as address, telephone number, tax identification number and a decision as to how to receive the payment. It is requested that the Board accept this gift, direct Animal Services to complete the claim form and authorize the Chair to sign the claim form on behalf of the “El Dorado County Animal Control Shelter and Trust Fund.”

Pursuant to Government Code section 25355, the Board “may accept or reject any gift, bequest, or devise made to or in favor of the county or to or in favor of the board in trust for any public purpose.” However in accepting the gift, “The board may hold and dispose of the property... for those lawful uses and purposes as are prescribed in the terms of the gift, bequest, or devise.” *(In contrast, under Government Code section 25356, where the gift, bequest or devise does not limit the uses to which the gift can be put, the gift shall be deposited in the General Fund and the county is free to use the funds for any lawful public purpose.)*

In the case of both the Trust funds and the Annuity funds, the grantor has specified that the funds be used for the El Dorado County Animal Control Shelter Aid Trust Fund and the El Dorado County Animal Control Shelter and Trust Fund, respectively. While there is not a specifically designated Animal Control Shelter Aid Trust Fund or Shelter and Trust Fund, Animal Services does have a Pet Aid Trust Fund which includes “Shelter Aid.” These funds are used to pay for special food, medication, blankets, remedial surgery and like matters to care for animals awaiting adoption at the Animal Shelter. In keeping with the intent of the language of the Trust and the Annuity, the use of the funds should be directed into the Pet Aid account for use in providing “Shelter Aid.”

Reason for Recommendation:

The Health Services Department recommending the Board accept this generous gift in honor of Gladys L. Closson, in keeping with her intent to ensure ongoing care for animals awaiting adoption at the El Dorado County Animal Services Shelter.

Action to be taken following Board approval:

1. Chair to sign three (3) original Annuity Claims, and three (3) Waiver of Objections and Consent to Informal Accounting of Trust Estate and Consent to the Proposed Distribution and Designation of Preference;
2. Board Clerk’s Office to return two (2) signed originals of each document to Department;
3. Department to submit fully executed forms to Mass Mutual; and
4. Upon receipt of the funds, the Department will submit funds to the Auditor-Controller for deposit in the Pet Aid Trust Fund.

Contact: Kathryn Lang

Concurrences: County Counsel