

SANTA BARBARA COUNTY BOARD AGENDA LETTER



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

Agenda Number:

Prepared on: June 16, 2005
Department: Auditor-Controller
Budget Unit: 061
Agenda Date: June 28, 2005
Placement: Administrative
Estimate Time:
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Robert W. Geis, CPA, CPFO Auditor-Controller
Bernice James, Treasurer-Tax Collector

STAFF CONTACT: Betsy Schaffer, CPA
Chief Deputy Controller (x2126)

SUBJECT: **TEMPORARY TRANSFERS TO COVER CASH FLOW DEFICITS
BETWEEN APRIL 26, 2005 AND JUNE 30, 2005**

Recommendation(s):

That the Board of Supervisors:

Authorize the County Treasurer to make temporary transfers between April 26, 2005 and June 30, 2005 from the County General Fund to County Operating Funds in such amounts as may be directed by the County Auditor-Controller.

Alignment with Board Strategic Plan:

The recommendation(s) are primarily aligned with actions required by law or by routine business necessity.

Executive Summary and Discussion:

The Board of Supervisors has authorized the County Treasurer to make temporary transfers between County operating funds under statutory provisions from July 1, 2004 through April 25, 2005. These temporary transfers are generally necessary to accommodate cash flow deficiencies during the fiscal year that begins July 1st mainly due to the property tax distribution system that apportions taxes in December and April.

In at least two cases, we are now experiencing cash flow deficiencies due to delayed reimbursements from the State and Federal Government. This situation is occurring in the Alcohol, Drug and Mental Health Fund because of late Medical reimbursements and in the Road Fund due to late Federal reimbursements for disaster assistance. As a result, cash in these funds may be insufficient to meet obligations that will occur between April 26, 2005 and June 30, 2005.

Therefore, it is requested that the County Treasurer be authorized to make temporary transfers between the County General Fund and County operating funds after the statutory repayment deadline of April 25, 2005. All such temporary transfers will be repaid to the County Treasurer from any revenue proceeds from said County operating funds. The repayment will occur as cash in said operating funds become available.

Mandates and Service Levels:

No change in programs or service levels.

Fiscal and Facilities Impacts:

If allowable, all interest cost will be repaid to the General Fund. However, in some cases, due to the nature of the funding sources of the County operating fund, the General Fund may be required to pay for the interest expense of these loans. It would appear at June 30, 2005, the General Fund will have to loan approximately \$5 to \$8 million to the Road Fund and \$3 to \$6 million to the Alcohol, Drug and Mental Health Fund. Other operating funds may also need temporary transfers, but these amounts are estimated to be for much lower amounts. The County General Fund currently has almost \$37 million in cash available for anticipated temporary loans.

Special Instructions:

None

Concurrence:

Auditor-Controller
Treasurer-Tax Collector
County Counsel

