



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

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

Department Name: Treasurer – Tax
Collector
Department No.: 065
For Agenda Of: 06/7/2016
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Harry E. Hagen, CPA, CPFO, ACPFIM, CFIP, Treasurer – Tax
Director(s) Collector
(805) 568 - 2490 *Hy: Hy*
Contact Info: Jennifer C. Christensen, JD MBA CPFO CFIP, Investment and
Debt Officer
(805) 568 – 2925

SUBJECT: Temporary Transfers to Cover Cash Flow Deficits Occurring From July 1, 2016
through April 24, 2017

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Select_Other

As to form: Select_Concurrence

Recommended Actions:

That the Board of Supervisors:

- a. Adopt a Resolution “In the Matter of Authorizing the County Treasurer to Make Temporary Transfers to Political Subdivisions Whose Funds are in Custody and are Paid Out Solely Through the Treasurer’s Office for the Fiscal Year 2016 – 17”; and
- b. Determine that the above action involves government funding mechanisms and/or fiscal activities and is not a project under the California Environmental Quality Act (CEQA) pursuant to section 15378(b)(4) of the CEQA Guidelines.

Summary Text:

Section 6 of Article XVI of the Constitution of the State of California authorizes the County Treasurer to make temporary transfers to offset cash flow demands that may occur prior to actual revenue receipts, thus providing cash to meet obligations incurred by political subdivisions whose funds are in the

Treasurer's custody and paid out solely through the Treasurer's Office (School Districts, Special Districts, Community College Districts, and the County).

Background: Agencies with funds on deposit in the Treasurer's Investment Pool receive the bulk of their revenue from secured property taxes which are primarily collected in December and April of the fiscal year. They are then apportioned to each agency in the Treasurer's Investment Pool by the Auditor – Controller on, or before, December 31 and April 30. As a result, cash in these funds may be insufficient to meet obligations that will occur between July 1 and the last Monday in April.

In order to address the timing differences between revenue receipts and operating expenditures, Article XVI, Section 6 of the Constitution of the State of California authorizes the Treasurer to make temporary transfers from available funds in his custody to agencies with funds on deposit in the Investment Pool. Such temporary transfers cannot exceed 85% of the anticipated revenues accruing to the agency, shall be made between the first day of the fiscal year and the last Monday in April of the same fiscal year, and must be repaid to the County Treasurer before any other obligations of the agency.

Therefore, it is proposed that the County Treasurer be authorized to make such temporary transfers in the fiscal Year 2016 – 2017 for the period July 1, 2016 through the last Monday in April, April 24, 2017.

Fiscal Analysis:

Agencies with funds on deposit in the Treasurer's Pool earn interest based upon their average daily cash balance over the quarter. In the event this balance is negative, interest will be charged to the agency at the quarterly earnings rate of the pool and interest earned by other entities will not be affected.

Staffing Impacts:

Special Instructions:

Attachments:

Resolution

Authored by:

Jennifer C. Christensen, JD MBA CPFO CFIP, Investment and Debt Officer

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA**

IN THE MATTER OF AUTHORIZING THE) RESOLUTION NO. 2016-
COUNTY TREASURER TO MAKE TEMPORARY)
TRANSFERS TO POLITICAL SUBDIVISIONS)
WHOSE FUNDS ARE IN CUSTODY AND ARE PAID)
OUT SOLELY THROUGH THE TREASURER'S)
OFFICE FOR THE FISCAL YEAR 2016-17)

WHEREAS, the 2016-17 Secured Taxes accruing to the County of Santa Barbara and to various School and Community College Districts, and to various Special Districts in the County will not become available until tax collection time on or about December 31, 2016 and April 30, 2017; and

WHEREAS, the cash of such political subdivisions may be insufficient to meet the obligations that will be incurred from July 1, 2016 through April 24, 2017;

NOW THEREFORE, BE IT AND IT IS HEREBY ORDERED AND RESOLVED that the Board of Supervisors of the County of Santa Barbara does hereby authorize and direct the County Treasurer of the County of Santa Barbara to make temporary transfers from July 1, 2016 through the last Monday in April, April 24, 2017, from available funds in his custody as County Treasurer, to political subdivisions whose funds are in custody and are paid out solely through the Treasurer's Office, as provided for by Section 6 of Article XVI of the Constitution of the State of California. Said temporary transfers shall be replaced from the revenues accruing to each such political subdivision before any other obligation of said political subdivision is met from such revenue, all as outlined and provided for by Section 6 of Article XVI of the Constitution of the State of California.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Barbara, this 7th day of June 2016 by the following vote:

AYES:

NOES:

ABSENT:

Chair of the Board of Supervisors

[SEAL]

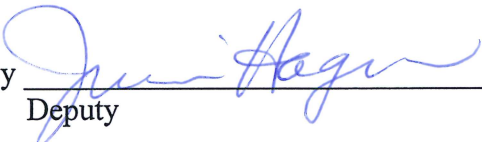
ATTEST:

Mona Miyasato
Clerk of the Board of Supervisors

APPROVED AS TO ACCOUNTING FORM:


Theodore A. Fallati, C.P.A.
Auditor-Controller

By _____

By  _____
Deputy

APPROVED AS TO FORM:

Michael Ghizzoni
County Counsel

By  _____
Deputy County Counsel