

**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: 5/12/04
Department Name: Treasurer-Tax Collector
Department No.: 065
Agenda Date: 5/25/04
Placement: Administrative
Estimate Time:
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Bernice James
Treasurer - Tax Collector

STAFF CONTACT: Stacey Matson, CPA
568-2150

SUBJECT: Short Term Financing Program for Fiscal Year 2004-05

Recommendation(s):

That the Board of Supervisors:

- A. Adopt a Resolution "IN THE MATTER OF PROVIDING FOR THE BORROWING OF FUNDS FOR FISCAL YEAR 2004-2005 AND THE ISSUANCE AND SALE OF COUNTY OF SANTA BARBARA, CALIFORNIA, 2004-2005 TAX AND REVENUE ANTICIPATION NOTES THEREFOR";
- B. Adopt a Resolution "IN THE MATTER OF AFFIRMING THAT MONEYS IN SELF INSURANCE FUNDS ARE AVAILABLE ONLY FOR DESIGNATED PURPOSES AND ARE REASONABLY REQUIRED";
- C. Authorize the Treasurer – Tax Collector to execute the Contract of Purchase for the issuance of non-taxable Tax and Revenue Anticipation Notes in accordance with State and Federal law, in an amount not to exceed \$70,000,000 and at a yield not to exceed 3 percent, to meet General Fund cash flow requirements during the 2004-2005 fiscal year;
- D. Authorize an agreement with Orrick, Herrington, and Sutcliffe, LLP to perform legal services as bond counsel incident to the execution and delivery of 2004-2005 Tax and Revenue Anticipation Notes in an amount not to exceed \$15,000; and
- E. Authorize the Treasurer – Tax Collector, with consultation of the Debt Advisory Committee, to abandon this issuance if market conditions are deemed financially unfavorable.

Alignment with Board Strategic Plan:

The recommendations are primarily aligned with actions required by law or by routine business necessity.

Executive Summary and Discussion:

Statutory provisions allow public agencies to issue Tax and Revenue Anticipation Notes (TRANs) to address seasonal cash flow requirements during a specified fiscal year. The County of Santa Barbara has consistently issued a TRANs in past fiscal years. Proceeds from a non-taxable TRANs issuance up to \$70,000,000 will allow the County to cover periods of deficits in our cash position that result from the uneven flow of revenues, while expenditures remain relatively level. The principal of and the interest on the TRANs shall be payable from taxes, income, revenues, cash receipts and other moneys which are received by the County, for the General Fund of the County, and is solely attributable to the fiscal year 2004-2005. The TRANs shall mature within 13 months after the date of original issuance. It is anticipated that Series A will be sized at approximately \$50,000,000 and that the balance may be issued as Series B at a later date to address any significant changes in revenue flow that may occur.

Mandates and Service Levels:

No change in programs or service level.

Fiscal and Facilities Impacts:

The costs associated with the issuance of these notes are paid from the proceeds by its inclusion within the issuance structure.

Special Instructions:

Please return three full sets of signed resolutions to Stacey Matson in the Treasurer – Tax Collector’s Office. Our office will forward these documents to bond counsel for inclusion in the TRANs proceedings transcripts.

Concurrence:

Debt Advisory Committee

Attachments:

Resolution