



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: 06/2/2009  
Placement: Administrative  
Estimated Time:  
Continued Item: No  
If Yes, date from:  
Vote Required: Majority

0602-36 09:00534

TO: Board of Supervisors

JUN 02 2009

FROM: Department For Bernice James, Treasurer – Tax Collector, (805) 568 - 2490  
Director(s)  
Contact Info: Stacey Matson, Investment & Debt Officer, Office of the Treasurer  
– Tax Collector, (805) 568 - 2158

SUBJECT: Temporary Transfers to Cover Cash Flow Deficits Occurring Between July 1, 2009  
and April 26, 2010

**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:**

Adopt a Resolution "In the Matter of Authorizing the County Treasurer to Make Temporary Transfers to School and Community College Districts, Special Districts, and County Operating Funds, for the Fiscal Year 2009 – 2010

**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 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 occur between July 1 and the last Monday in April.

In order to address the timing differences of revenue receipts and operating expenditures, Article XVI, Section 6 of the Constitution of the State of California authorizes the Treasurer to make temporary transfers between agencies with deposited funds in the Investment pool, as follows:

The temporary transfers cannot exceed 85% of the anticipated revenues accruing to an agency, shall be repaid to the County Treasurer before any other obligations of the agency, cannot overlap fiscal years, and may not be outstanding after the last Monday in April.

Therefore, it is proposed that the County Treasurer be authorized to make such temporary transfers in the fiscal Year 2009 – 2010 for the period July 1, 2009 through the last Monday in April, April 26, 2010.

**Performance Measure:**

**Fiscal and Facilities Impacts:**

Budgeted: Select \_ Budgeted

**Fiscal Analysis:**

Narrative:

Per the State Constitution, these temporary transfers cannot exceed 85% of anticipated revenues accruing to an agency and are required to be re-paid prior to any other obligation of the agency. 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:**

**Legal Positions:**

**FTEs:**

**Special Instructions:**

**Attachments:**

Resolution

**Authored by:**

Stacey Matson

**cc:** Robert Geis, Auditor – Controller  
Dennis Marshall, County Counsel

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

IN THE MATTER OF AUTHORIZING )  
THE COUNTY TREASURER TO MAKE )  
TEMPORARY TRANSFERS TO COUNTY )  
OPERATING FUNDS, SCHOOL AND )  
COMMUNITY COLLEGE DISTRICT FUNDS, )  
AND SPECIAL DISTRICT FUNDS FOR THE )  
FISCAL YEAR 2009 -10 )

RESOLUTION NO. \_\_\_\_\_

WHEREAS, the 2008-09 Secured Taxes accruing to the County funds of Santa Barbara County and to various School and Community College Districts, and to various Special Districts of the County will not become available until tax collection time on or about December 3, 2009 and April 30, 2010; and

WHEREAS, the cash in said funds may be insufficient to meet the obligations that will be incurred between July 1, 2009 and April 26, 2010.

NOW THEREFORE, BE IT AND IT IS HEREBY ORDERED AND RESOLVED that the Board of Supervisors of Santa Barbara County does hereby authorize and direct the County Treasurer of the County of Santa Barbara to make temporary transfers between July 1, 2009 and the last Monday in April, April 26, 2010, from available funds in her custody as County Treasurer, to County Operating Funds, Special District Funds, or Community College and School District General Funds. Said temporary transfers are to be repaid to the County Treasurer from the revenues accruing to each such fund before any other obligation of said funds are met from such revenues, 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 2nd day of  
June 2009 by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
CHAIR, BOARD OF SUPERVISORS

ATTEST:  
CLERK OF THE BOARD OF SUPERVISORS

BY \_\_\_\_\_

APPROVED AS TO FORM:  
DENNIS MARSHALL  
COUNTY COUNSEL

APPROVED AS TO ACCOUNTING FORM:  
ROBERT W. GEIS, C.P.A.  
AUDITOR-CONTROLLER

BY   
DEPUTY COUNTY COUNSEL

BY 