

The County's Use of Debt for Capital Projects

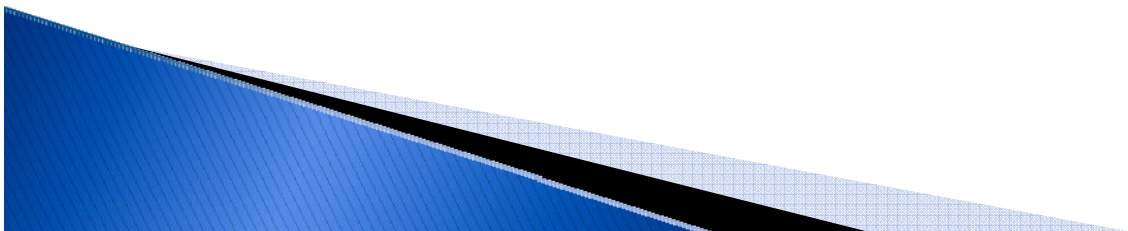
Bob Geis, CPA, CPFO, Auditor–Controller

Harry Hagen, CPA, CPFO, Treasurer–Tax Collector

Bob Nisbet, Director, General Services

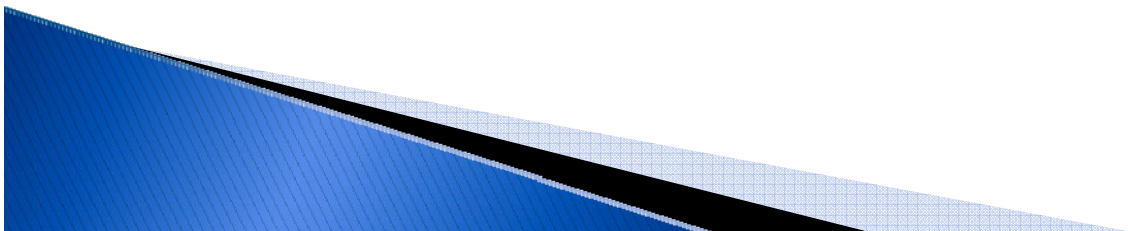
Long Term Debt as a Monetary Tool

- ▶ County Uses a Combination of Pay as You Go and Long Term Financing for Its Capital Asset Needs.
- ▶ No Debt is Used to Finance County Operating Expenses
- ▶ County Has Used Various Types of Financing Instruments:
 - Revenue Bonds
 - Certificates of Participation
 - Capital Leases
- ▶ Debt Has Been Issued Via Open Market and Private Placement



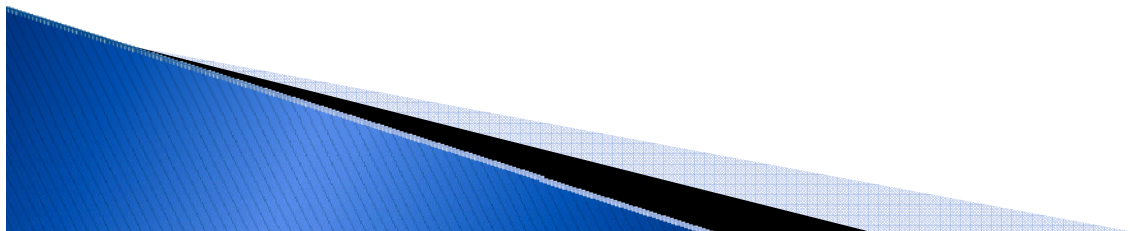
SBCO Debt Issuance Practices

- ▶ Debt Advisory Committee Reviews all Requests for Debt Financing and makes Recommendations to Board of Supervisors
- ▶ No Debt is Issued without a Specific Source of Repayment Identified
- ▶ Accelerated Principal Repayment
- ▶ Twenty Year Maximum Repayment Schedule
- ▶ Strong Financial Team – Bond Counsel/Underwriter/County Staff
- ▶ Capital Improvement Plan



Projects Using Debt That Has Been Paid Off

<u>Year</u>	<u>Description</u>	<u>Amount of Debt</u>	<u>Payoff Year</u>
1968	Main Jail	\$4.1 M	1990
1978	East Side Storm Drain	2.0 M	1987
1983	Human Resources Building	1.0 M	2010
1986	Laguna Sanitation Facility	2.7 M	1998
1987	San Antonio Building Rehab	7.4 M	2011
1988	Social Services Building	12.6 M	2011
1990	Betteravia Government Center	31.7 M	2011
1991	Santa Maria Courthouse	39.0 M	2010
	Isla Vista Open Space Baron Ranch		
2006	Reprographics Equip. & Copiers	2.3 M	2011



Projects Using Debt With Some Balance Outstanding

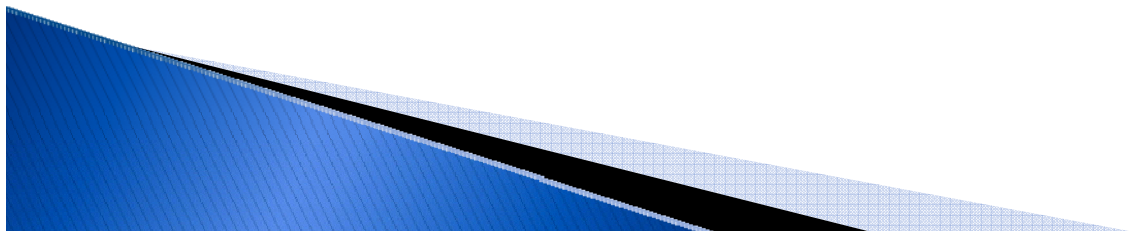
<u>Year</u>	<u>Description</u>	<u>Amount of Debt</u>	<u>Payoff Year</u>
2001	Naomi Schwartz Building Casa Nueva Building A.D.M.H.S Children's Services Building Santa Barbara Juvenile Hall District Attorney Building Santa Maria Court Clerk Building	\$31.4 M	2021
2005	Hall of Records Remodel Elections Storage Building Lompoc Sheriff/Fire Isla Vista Foot Patrol A.D.M.H.S Children's Services Building	18.8 M	2025
2008	RDA Projects Tajiguas Liner	23.6 M	2028
2010	Public Defender Remodel Betteravia Administration Building E.O.C	18.6 M	2040



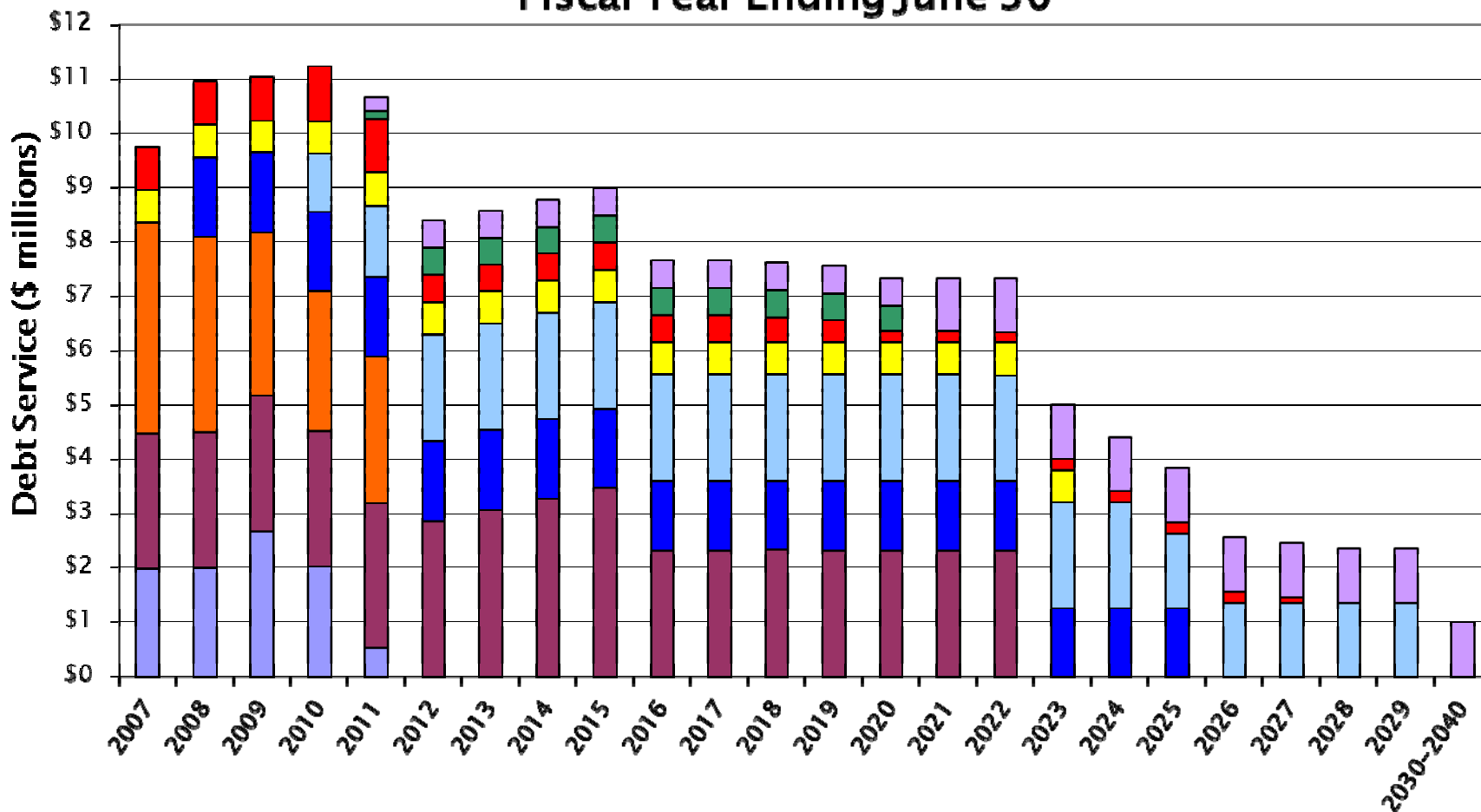
DEBT PAYMENT SCHEDULE BY FUND TYPE

As of March 31, 2011

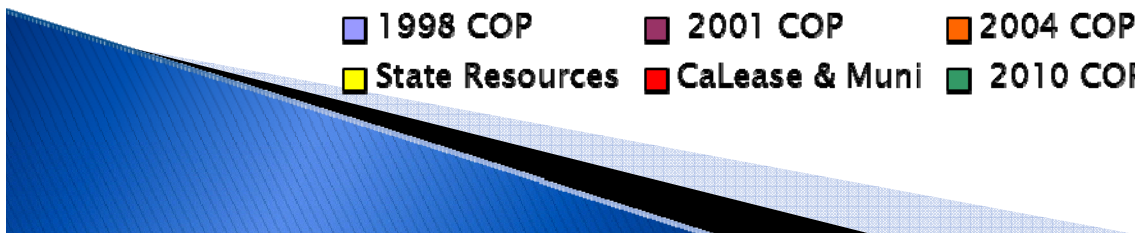
DESCRIPTION	ORIGINAL ISSUANCE	NET OUTSTANDING PRINCIPAL AND INTEREST	PAYMENTS FY 11-12
COP'S - GENERAL AND OPERATING FUNDS	\$84,748,760	\$92,689,895	\$6,503,271
COP'S - ENTERPRISE FUNDS	7,701,240	7,733,953	506,364
OTHER FINANCING - GENERAL AND OPERATING FUNDS	4,960,000	5,522,567	661,435
OTHER FINANCING - ENTERPRISE FUNDS	9,369,710	7,144,526	595,377
TOTAL DEBT	\$106,779,710	\$113,090,941	\$8,266,447



Santa Barbara County Debt Payment Structure Fiscal Year Ending June 30

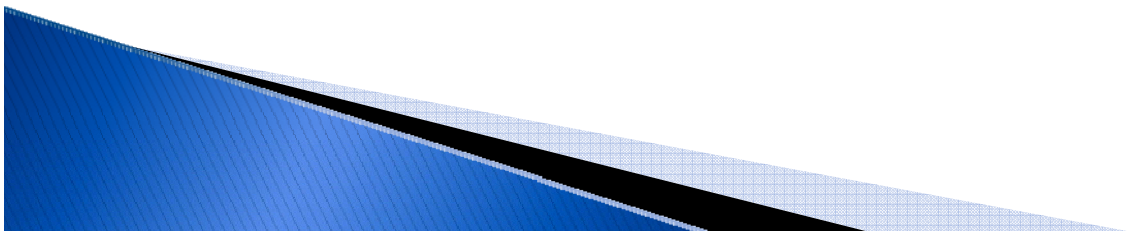


- 1998 COP
- 2001 COP
- 2004 COP
- 2005 COP
- 2008 COP
- State Resources
- CaLease & Muni
- 2010 COP
- 2010 RZEDB



Standard & Poor's Ratings

- Long-Term: AA+
 - Upgraded from AA in October 2008 due to strong reserves and wealth indicators, low debt levels, and a viable economic base
- Short-Term: SP-1 +
 - Highest possible short-term rating



Reallocation of Capital Projects Funding



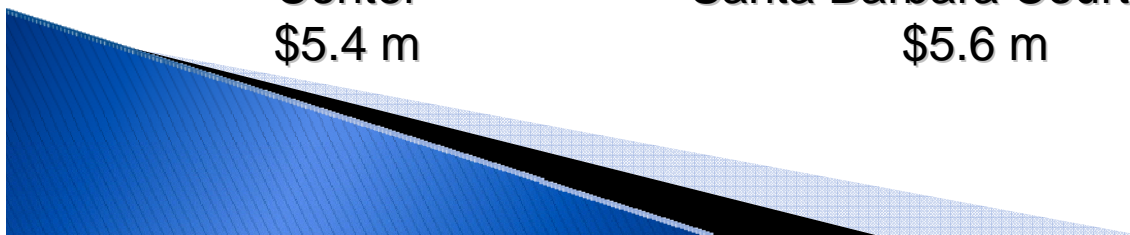
Emergency Operations
Center
\$5.4 m



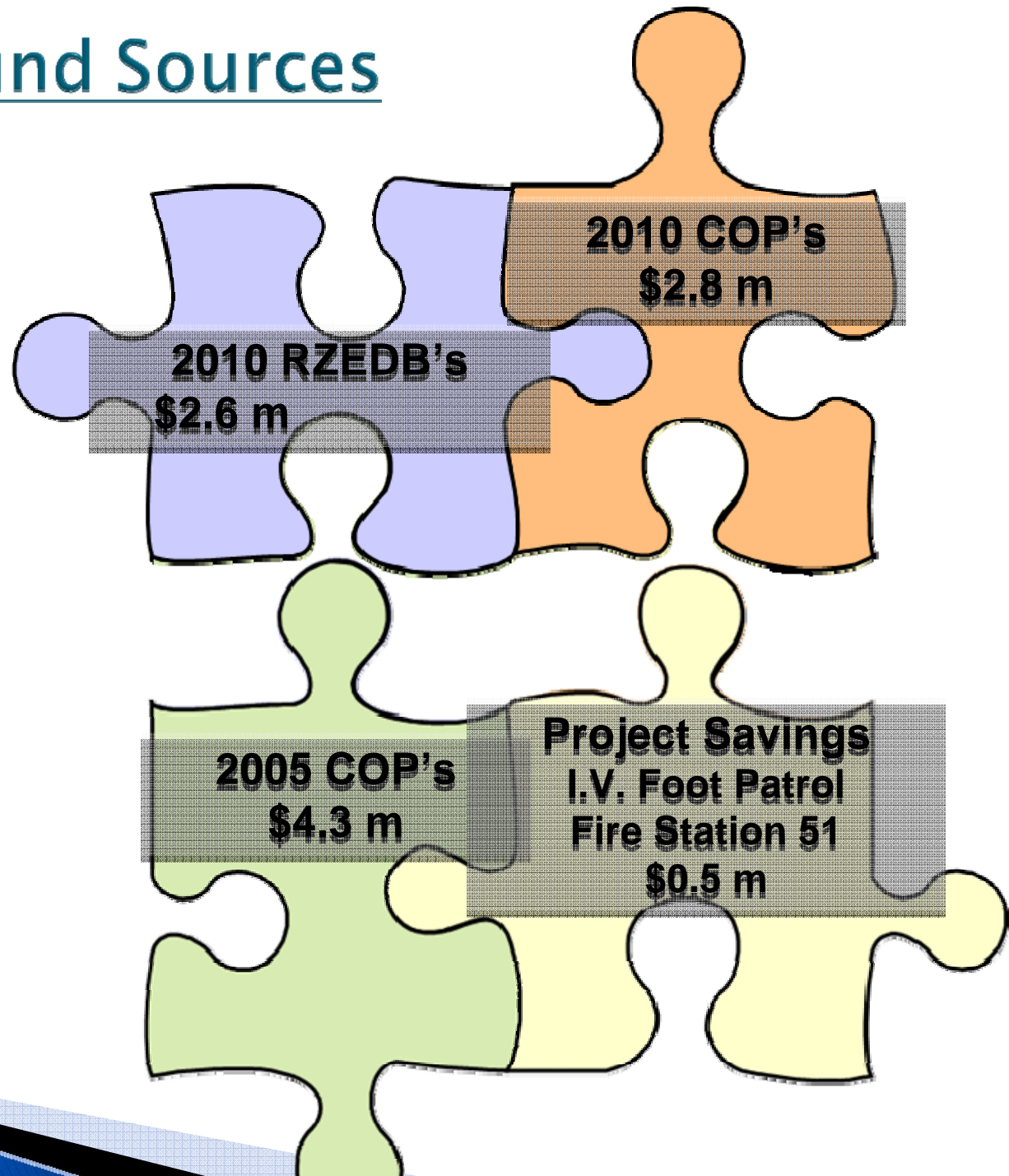
Public Defender Office
Santa Barbara Courthouse
\$5.6 m



Building E – Betteravia GC
\$6.1 m



Remaining Fund Sources



Total
\$10.2 m

RZEDB's Reallocation

(With CDLAC Approval)



2010 RZEDB's
\$2.6 m

New Roof Underlayment – Santa Barbara Courthouse (Public Defender Office)

\$0.2 m

2/3's Required Funding– Santa Barbara Courthouse (Tower Elevator)

\$0.4 m

EOC Audio Visual Equipment– (Incident Management Room)

\$0.25 m

EOC Enhanced Computer Room

\$0.55 m

Betteravia Government Center – Bldg. D (Expand Bldg D & Remodel Hearing Room)

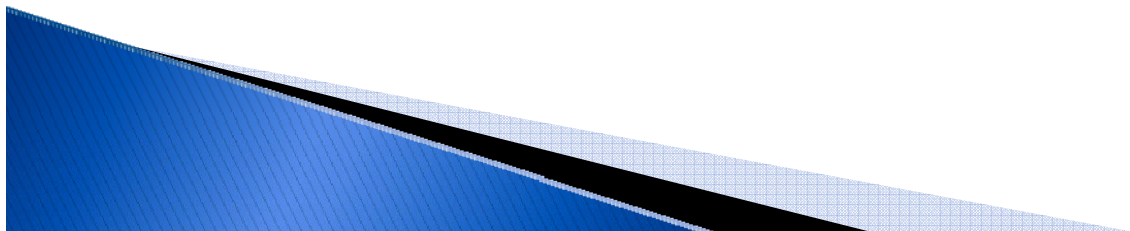
\$1.2 m

2010 COP's Reallocation



Tajiguas Landfill (Liner Project) **\$2.8 m**

2010 COP's
\$2.8 m



2005 COP's Reallocation



Final Payment– North County Jail Site
\$1.8 m

Main Jail Kitchen & Sewer Replacement
\$1.2 m

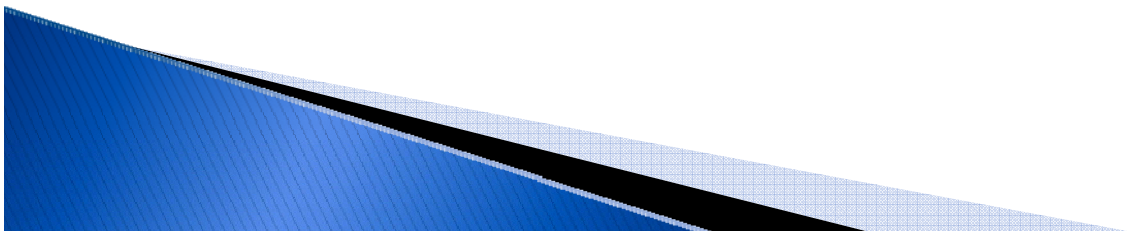
Santa Barbara Courthouse-HVAC (Initial Phase)
\$1.1 m

1/3 Funding Santa Barbara Courthouse Tower Elevator
\$0.2 m

Project Savings Reallocation



→ Pay Down Debt Service \$0.5 m



Presented by:

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Bob Nisbet, Director, General Services

