



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: June 18, 2024
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Harry E. Hagen, CPA, CCMT, CPFA, CPFO, ACPFIM, CFIP,
Director(s) CGIP, Treasurer – Tax Collector (805) 568 - 2490
Contact Info: Daniel A. Chandler, CPA, CCMT, CFIP, CGIP, Chief Investment
Officer (805) 568 - 2925

SUBJECT: Temporary Transfers to Cover Cash Flow Deficits Occurring from July 1, 2024
through April 28, 2025

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence:

As to form: N/A

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 2024 - 25”; 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 2024 - 2025 for the period July 1, 2024, through the last Monday in April, April 28, 2025.

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:

1. Resolution

Authored by:

Daniel A. Chandler, CPA, CCMT, CGIP, CFIP, Chief Investment Officer