



COUNTY OF HUMBOLDT

For the meeting of: 5/14/2019

File #: 19-637

To: Board of Supervisors

From: Treasurer/Tax Collector

Agenda Section: Consent

SUBJECT:

Supplemental Budget Request for the 2018-19 Fiscal Year (4/5 Vote Required)

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve a supplemental budget request for budget unit 1100109 for an additional \$ 13,000 for fiscal year (FY) 2018-19. (4/5 vote required)

SOURCE OF FUNDING:

Fund 3560000-807560 County Pool Interest. The Treasurer may deduct from the gross interest earnings those budgeted administrative costs relating to the management of the treasury, including salaries and other compensation, banking costs, equipment costs, supplies, the cost of information services, audit and any other costs as provided by Section 27013 of the Government Code.

DISCUSSION:

The request (attached) is due to unanticipated additional charges for banking and armored car services associated with cash used to pay excise tax obligations. For cash deposits the bank charges 9 cents per \$100 deposited, and armored car services are 25 cents for every \$ 1000 deposited over the \$ 500,000 daily limit to cover additional liability insurance. In March 2019 alone these combined specific charges were \$2119.

Per Government Code (GC) 53683 costs “shall be paid by the treasurer by applying such consideration as costs applied on a pro rata basis against the interest earned by all agencies for which the treasurer invests”. Therefore, in conjunction with GC 27013, these additional costs will be paid by deducting the amount needed from county pool interest prior to interest apportionment to all pool participants.

FINANCIAL IMPACT:

Interest apportionment for the FY 4th quarter will be reduced \$ 13,000 and transferred on a pro-rata basis from all pool participants. For comparison purposes the 2nd quarter interest apportioned for FY 2018-19 was \$1,379,633 after expenses. A reduction of \$13,000 from that amount equals a .009 percent reduction.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by providing for and maintaining infrastructure .

OTHER AGENCY INVOLVEMENT:

All Pool Participants will have slightly reduced interest apportioned for the FY 2018-19 4th quarter relative to what they would have received had these additional expenses not materialized.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

If denied budget unit 1100109 will have a shortfall for FY 2018-19.

ATTACHMENTS:

1. Supplemental Budget Request

PREVIOUS ACTION/REFERRAL:

Board Order No.: N/A

Meeting of: N/A

File No.: N/A