


**EL DORADO COUNTY BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL
MEETING OF June 26, 2012**

AGENDA TITLE: Authorization to Refund Serrano Mello Roos Bonds	
DEPARTMENT: AUDITOR-CONTROLLER	DEPT SIGNOFF:
CONTACT: JOE HARN	
DATE: 6/21/12 PHONE: 5456	
CAO USE ONLY	
DEPARTMENT SUMMARY AND REQUESTED BOARD ACTION:	
The Auditor-Controller recommends that the Board of Supervisors adopt the attached resolution, which authorizes the Board Chair, the Auditor-Controller, the CAO, and the Treasurer-Tax Collector to sign various documents necessary to issue the CFD 1992-1 (Serrano) 2012 Refunding Bonds. The attached resolution authorizes the County staff to issue a public offering statement that will be used by potential bond investors to decide whether to buy or sell these refunding bonds.	
CAO RECOMMENDATIONS:	
Financial impact? () Yes <input checked="" type="checkbox"/> No	Funding Source: () Gen Fund () Other Other: _____
BUDGET SUMMARY:	CAO Office Use Only:
Total Est. Cost _____	4\5's Vote Required. () Yes() No
Funding	Change in Policy () Yes() No
Budgeted _____	New Personnel () Yes() No
New Funding _____	CONCURRENCES:
Savings _____	Risk Management _____
Other _____	County Counsel _____
Total Funding _____	Other _____
Change in Net County Cost _____	
Explain	
BOARD ACTIONS:	
Vote: Unanimous _____ Or	I hereby certify that this is a true and correct copy of an action taken and entered into the minutes of the Board of Supervisors. Date: _____ Attest: Terri Daly, Board of Supervisors Clerk By: _____
Ayes:	
Noes:	
Abstentions:	
Absent:	



County of El Dorado

OFFICE OF AUDITOR-CONTROLLER

360 FAIR LANE
PLACERVILLE, CALIFORNIA 95667-4193
Phone: (530) 621-5487 Fax: (530) 295-2535

JOE HARN, CPA
Auditor-Controller

BOB TOSCANO
Assistant Auditor-
Controller

June 21, 2012

**Board of Supervisors
County of El Dorado
330 Fair Lane
Placerville, California 95667**

Subject: Authorization to "Refund" Serrano Mello Roos Bonds

Ladies and Gentlemen:

Recommendation

The Auditor-Controller recommends that the Board of Supervisors adopt the attached resolution, which authorizes the Board Chair, the Auditor-Controller, the CAO, and the Treasurer-Tax Collector to sign various documents necessary to issue the CFD 1992-1 (Serrano) 2012 Refunding Bonds.

Reason for Recommendation

There is approximately \$55,000,000 of Serrano Mello Roos bonds currently outstanding. These bonds were issued in 1999 and 2004. Interest rates have dropped significantly since these bonds were issued. Because interest rates have dropped, it appears that at this time it is advantageous to the property owners in the district if these bonds are refunded (refinanced).

In order to refinance these bonds a Preliminary Offering Statement has been prepared. The Preliminary Official Statement has been reviewed and approved for transmittal to the Board of Supervisors by County staff and its financing team. The distribution of the Preliminary Official Statement by the County is subject to federal securities laws, including the Securities Act of 1933 and the Securities Exchange Act of 1934. These laws require the Preliminary Official Statement to include all facts that would be material to an investor in the refunding bonds. Material information is information that there is a substantial likelihood would have actual significance in the deliberations of the reasonable investor when deciding whether to buy or sell the refunding bonds.

The Securities and Exchange Commission (the "SEC"), the agency with regulatory authority over the County's compliance with the federal securities laws, has issued guidance as to the duties of the Board of Supervisors with respect to its approval of the Preliminary Official Statement. In its "Report of Investigation in the Matter of County of Orange, California as it Relates to the Conduct of the Members of the Board of Supervisors" (Release No. 36761 / January 24, 1996) (the "Release"), the SEC stated that, if

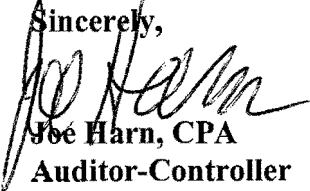
Board of Supervisors
County of El Dorado
Subject: Authorization to "Refund" Serrano Mello Roos Bonds
June 21, 2012
Page 2

a member of the Board of Supervisors has knowledge of any facts or circumstances that an investor would want to know about prior to investing in the refunding bonds, whether relating to their repayment, tax-exempt status, undisclosed conflicts of interest with interested parties, or otherwise, he or she should endeavor to discover whether such facts are adequately disclosed in the Preliminary Official Statement. In the Release, the SEC stated that the steps that a member of the Board of Supervisors could take include becoming familiar with the Preliminary Official Statement and questioning staff and consultants about the disclosure of such facts.

Fiscal Impact

This item is unlikely to have any impact on the County General Fund. The only foreseeable circumstance that would make the County partially responsible for debt service payments or damages to bond investors would be if an error or omission is made by the County in the formation of the district, in the preparation of the offering statement, in the ongoing SEC required disclosures, or in the administration of the community facilities district.

Sincerely,



Joe Harn, CPA
Auditor-Controller

CC: Terri Daly, CAO