



County of El Dorado

OFFICE OF AUDITOR-CONTROLLER

360 FAIR LANE
PLACERVILLE, CALIFORNIA 95667-4193
Phone: (530) 821-5487 Fax: (530) 295-2535

JOE HARN, CPA
Auditor-Controller

BOB TOSCANO
Assistant Auditor-Controller

April 21, 2008

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

SUBJECT: 2008 TRAN

Dear Board Members:

RECOMMENDATION:

1. Authorize Auditor-Controller to submit final program application for the 2008 California Statewide Pooled Tax and Revenue Anticipation Notes (TRANs) Program.
2. Adopt the "local agency resolution" that is on file with the Board Clerk (this resolution will authorize the County's participation in the 2008 TRANs Program).
3. Direct the Treasurer to invest the proceeds of the TRAN in a separate and distinct pool and that the investments be in conformance in all respects, with the El Dorado County's Investment Policy.
4. Engage the Chief Administrative Officer, Treasurer-Tax Collector, and Auditor-Controller in a discussion regarding the timing of revenue recognition.

REASON FOR RECOMMENDATION:

The County's participation in the 2008 California Statewide Pooled TRANs Program may provide needed cash to finance General Fund operations for fiscal year 2008-2009 in the event that State or Board of Supervisors action create a cash flow problem for the County. We expect that the TRAN will be approximately \$38,735,000. The money that we borrow will go to the General Fund in early July 2008 and will need to be paid back, with interest, in 12 or 13 months.

2008 APR 21 PM 4:18
BOARD OF SUPERVISORS
EL DORADO COUNTY

**Board of Supervisors
Subject: 2008 TRAN
Page Two
April 21, 2008**

The attached resolution authorizes the issuance by the County of the TRAN in an amount not to exceed \$38,735,000. The Auditor-Controller will determine the exact amount and the maturity of the TRAN (12 or 13 month) depending on market conditions in June 2008.

Under the current market conditions, it is likely that we will incur a substantial loss (negative arbitrage) on the TRAN. The actual cost of the TRAN will be determined by market conditions on or shortly after June 2, 2008.


FISCAL IMPACT:

Without the TRAN borrowing, the General Fund may not have enough cash to pay the County's obligations in the fall of 2008 without borrowing from other sources.

ACTION TO BE TAKEN FOLLOWING APPROVAL:

The Auditor-Controller has submitted a draft TRAN application, but will finalize it. If our application is approved either the Auditor-Controller, Treasurer-Tax Collector, Chief Administrative Officer, or the Chairman of the Board of Supervisors, will be authorized to execute the final documents necessary for the County's borrowing of this working capital.

Sincerely,



**Joe Harn
Auditor-Controller**

Enc: Resolution

**Cc: Laura Gill, CAO
C.L. Raffety, Treasurer-Tax Collector**