


Memo

To: Board of Supervisors
From: Supervisor Jack Sweeney 
Date: 2/18/2010
Re: Item #27 on February 23, 2010 BOS Agenda – Serrano

It is my opinion that this item puts our board in an adjudicatory position on a very technical matter! I believe we need to have an independent auditor examine the transactions to date to provide this Board with a third party opinion of the correctness of the past transactions. Once this audit is complete, we would ask our Bond Counsel to opine as to its compliance with the indenture documents and to opine as to any corrections that might be needed.

During both the audit and Bond Counsel process, both the County staff and the claimant's staff would be allowed to discuss their positions on the matter with the outside auditors and the Bond counsel.

The outside auditor would be selected by agreement with the parties through the CAOs office; once selected the Auditor would work through and be supervised by the CAO. Since I believe this matter may be subject to litigation' funding could come from risk management accounts.

I would ask that the Board hear the following motion and that if the motion passes it would pre-empt the item requested to be heard and, with agreement of the claimant, that matter would be continued off calendar pending the results of the audit and bond counsel input.

Supervisor Sweeney moves to direct CAO to hire an outside auditor that is acceptable to County Staff and claimant; to direct such auditor to provide a full transactional analysis of the Serrano Mello Roos fund and with an analysis of such transactions compliance with the indenture documents. Upon receipt of such audit and analysis, CAO would transmit such to Bond Counsel for his opinion.