



County of El Dorado

330 Fair Lane, Building A
Placerville, California
530 621-5390
FAX 622-3645
www.edcgov.us/bos/

Legislation Text

File #: 11-0665, **Version:** 2

County Counsel recommending the Board indicate that it will not authorize the issuance of Tax and Revenue Anticipation Notes (TRANS) on behalf of the Lake Tahoe Community College District, thus freeing the College District to issue TRANS in their own name.

Fiscal Impact/Change to Net County Cost

None

Reason for Recommendation

The County has received a request from the Lake Tahoe Community College District for the County to issue TRANS on its behalf, or decline to do so so that they are free to do so in their own name. The Board of Supervisors is familiar with TRANS. It is a form of short term borrowing, to be paid back within the fiscal year, to even out cash flow during the year. School districts that have not been accorded fiscal accountability status, are required to ask the County to issue TRANS on their behalf. If the County fails to do so within 45 days, or advises the school districts that it will not authorize the issuance of the TRANS within the 45 days, the school districts are free to issue the TRANS themselves, in their own name. The Lake Tahoe Community College District has asked for the Board to decline to authorize the issuance of the TRANS so that they don't have to wait for the 45 days to expire.

This is a similar process we go through with the issuance of bonds by the school districts, except that it is not necessary to adopt a resolution. The Clerk of the Board will simply send the school district a notice that the Board refuses to issue the TRANS. Although the County does not assume fiduciary responsibility for the bonds, we see no reason for the County to get involved in the process, potentially exposing itself to litigation arising out of the issuance of the TRANS. The County Auditor and Treasurer/Tax Collector concur.

The maximum authorized amount of borrowing is \$4,000,000.00.

Action(s) to be taken following Board approval

The Board Clerk will send a notice to the Lake Tahoe Community College District advising them of the Board's action.

Contact

Judith Kerr