

April 24, 2012

Board of Supervisors  
County of Ventura  
800 South Victoria Avenue  
Ventura, CA 93009

**J. Matthew Carroll**  
Assistant County Executive Officer

**Paul Derse**  
Assistant County Executive Officer/  
Chief Financial Officer

**Catherine Rodriguez**  
Assistant County Executive Officer/  
Labor Relations & Strategic Development

**Subject: Authorize Planning for the Issuance, Sale, and Delivery of Tax and Revenue Anticipation Notes by Ventura County, in an Amount not to Exceed \$160,000,000 for Fiscal Year 2012-13.**

**Recommendations:**

Pursuant to the Government Code of the State of California, Sections 53850 – 53858, it is recommended that your Board:

1. Authorize the County Executive Office to proceed with the planning for the issuance, sale, and delivery of Tax and Revenue Anticipation Notes (TRANS) by Ventura County, in an amount not to exceed \$160,000,000 for fiscal year 2012-13.
2. Authorize the following expenditures relating to this borrowing, estimated as follows:
  - A. Fulbright & Jaworski - Bond Counsel - \$40,000 for legal services.
  - B. Fieldman, Rolapp & Associates - Financial Advisor - \$40,000 for marketing and financial services.
  - C. Other County Expenses - \$60,000 including, but not limited to, rating agencies' fees and printing charges.
  - D. Interest and Underwriter Expenses - to be determined at the time of sale.

**Fiscal Impact:**

Mandatory:	No
Source of funding:	General Fund
Impact on other departments:	Auditor-Controller, County Counsel and Treasury

**Summary of Revenue & Total Costs:**

Total cost of issuance is estimated to be \$140,000 plus interest and underwriter expenses. However, exact costs will not be known until the size of the issue is determined and market conditions at the time of issue are known. Sufficient appropriations are available in the County Executive Office budget to cover any expenses incurred this fiscal year.

Historically, interest earnings on TRANS funds have exceeded borrowing and interest costs for the TRANS issuance.

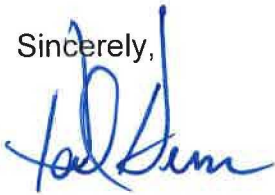
**Discussion:**

The County's cash requirements for fiscal year 2012-13 are projected to exceed cash receipts until the first property tax installment is received in early December. Funds obtained from the TRANS will bridge this shortfall. We have utilized this type of short-term financing since 1979. In prior years, the County issued the TRANS on a negotiated basis. For the last two years, the TRANS offering has been issued on a competitive bid basis. In a competitive bid, the issue is sold through a public auction which is considered a more transparent process. In addition, competition among underwriters and market forces effectively keeps interest costs at their lowest. This year, we will again proceed with a competitive TRANS offering.

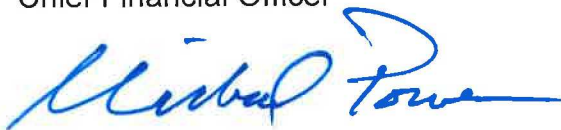
The County Executive Office intends to return to your Board to recommend the issuance of a maximum of \$160,000,000 in TRANS. The issued amount will cover the County's cash requirements and be within the limits of arbitrage as prescribed in Internal Revenue Code section 148 and the related Treasury Regulations.

The above item has been approved by the County Financial Planning Committee. This letter has been reviewed by County Counsel and the Auditor-Controller's Office. If you have any questions, please contact me at 662-6792.

Sincerely,



PAUL DERSE  
Chief Financial Officer



MICHAEL POWERS  
County Executive Officer