



Agenda Date: 4/26/2005
Agenda Placement: 6S

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Susan Ingalls for Robert Westmeyer - County Counsel
County Counsel
REPORT BY: Krishan Chopra, Attorney III , 259-8273
SUBJECT: California School Cash Reserve Program Authority 2005 Pooled Tax Revenue Anticipation Notes

RECOMMENDATION

County Counsel requests authorization for Clerk of the Board to execute memorandum by which the Board opts out of participating in the issuance of California School Cash Reserve Program Authority 2005 Pooled Tax Revenue Anticipation Notes ("TRANS"), and allows Calistoga Joint Unified, Napa Valley Unified and St. Helena Unified School Districts to issue TRANS on their own behalf.

EXECUTIVE SUMMARY

On April 6, 2005, this Office received in the mail on behalf of the Board of Supervisors a request from Bond Counsel that the Board either (1) not authorize the issuance of the TRANS, or (2) adopt resolutions authorizing the issuance of TRANS on behalf of the Calistoga Joint Unified School District, the Napa Valley Unified School District, and the St. Helena Unified School District. The request indicates that the Districts will be participating in a pooled arrangement sponsored by the California School Cash Reserve Program Authority.

Provisions in the law allow the County to opt out of participating in the TRANS process. Since 1990, the Board has consistently decided not to participate in the TRANS process for districts participating in pooled programs. Most recently, in April, 2004, the Board determined not to participate in the Year 2004 TRANS process for these school districts. By not authorizing the issuance of the TRANS, the County allows the school districts to issue the TRANS on their own behalf.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

State law authorizes certain local agencies, including school districts and community college districts, to temporarily borrow money against anticipated revenues (see Government Code section 53850 et seq.). The indebtedness of the local agency is represented by a Tax and Revenue Anticipation Note or Notes ("TRANS") issued to a lender. In the past, the law required a county board of supervisors to adopt a resolution and issue TRANS on behalf of certain of its school and community college districts. This requirement was changed in 1990. Now, districts that are participants in "pooled" efforts to issue such TRANS may do so without the participation of the county, if the Board fails to act or if the Board notifies the districts that it will not act, within a specified period of time (see Government Code section 53853(b)).

On April 6, 2005, this Office received in the mail on behalf of the Board of Supervisors a request that the Board either (1) not authorize the issuance of the TRANS, or (2) adopt resolutions authorizing the issuance of TRANS on behalf of the Calistoga Joint Unified School District, the Napa Valley Unified School District, and the St. Helena Unified School District. The request also indicated the Districts will be participating in a California School Cash Reserve Program Authority pooled arrangement.

Due to the changes in the law discussed above, this Office can identify no reason why the County should participate in the TRANS process described above. By not authorizing the issuance of the TRANS, the County allows the school districts to issue the TRANS on their own behalf.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Lorenzo Zíalcita