



Agenda Item Number: 2009-5-8C

BERNALILLO COUNTY BOARD OF COUNTY COMMISSIONERS

Meeting Date: May 26, 2009

Department: Finance Staff Contact: Hughes & Strumor, Ltd. Co.
Thaddeus Lucero, County Manager

TITLE: Sale of Tax and Revenue Anticipation Notes

ACTION: Motion to approve Financial Resolution **FR -2009** authorizing the issuance and sale of Bernalillo County, New Mexico Tax and Revenue Anticipation Notes, Series 2009, in the aggregate principal amount not to exceed \$30,000,000.

SUMMARY:

Tax and Revenue Anticipation Notes (TRAN) are short-term obligations of a municipal government that are used to finance current expenditures pending receipt of tax payments. Bernalillo County will not receive its 1st half of property tax revenues until December 20th. TRAN proceeds allow the County to reduce fluctuations in cash flow due to the fact that certain revenues, especially property taxes, are not received evenly each month. Any resulting increase in the cash balance is available for investment. The difference between the interest earned by investing the TRAN proceeds and the interest paid on the debt represents additional investment revenue for the County.

The Deputy County Manager for Finance will coordinate with Bond Counsel and the County Treasurer to immediately invest the proceeds in order to maximize the investment revenue on this transaction.

Budgeted FY'09 property tax and gross receipts tax collections have been evaluated and it has been determined that the proceeds from this TRAN are necessary in order to minimize the County's cash flow fluctuations.

ATTACHMENT:

1. Financial Resolution **FR -2009** Authorizing the issuance and sale of Bernalillo County, New Mexico Tax and Revenue Anticipation Notes, Series 2009.

FISCAL IMPACT

Ensure adequate cash flow for operation expenses until final receipt of property tax in 2009.

STAFF ANALYSIS SUMMARY

COUNTY MANAGER

I recommend Board approval. TL 5/20/2009

DEPUTY COUNTY MANAGER FOR BUDGET & FINANCE

The resolution allows the sale of the TRAN for an amount not to exceed \$30,000,000. The final amount of the TRAN will be established with Bond Counsel upon analysis of the County's reserves and cash flow requirement. D. Mayfield, Deputy County Manager for Budget & Finance 5/13/09

LEGAL

Documents prepared by Hughes & Strumor Ltd., Bond Counsel

ELECTED OFFICIAL/OTHERS

County Treasurer

In today's market we will not be able to invest the TRAN proceeds at greater than 1% for one year. Patrick Padilla, County Treasurer 5/13/09