

Lead Agency: Non-Departmental - All

Program Contact: Mark Campbell

Program Offer Type: Existing Operating

Related Programs:

Program Characteristics:

Executive Summary

This program offer budgets the interest expense on short-term Tax and Revenue Anticipation Notes (TRANs).

Program Description

Oregon Revised Statutes 288.165 permits the County to issue Tax and Revenue Anticipation Notes (TRANs). The TRANs are issued in anticipation of the receipt of taxes and other revenues not yet received in order to fund an anticipated cash flow deficit. The TRANs can not be issued in an amount greater than eighty percent (80%) of the amount of budgeted General Fund revenue in the adopted budget. The Board of County Commissioners will authorize by resolution the issuance of the TRANs. With the assistance of a financial advisor the Chief Financial Officer and Finance staff determine the principal amount, interest rate and denominations of the notes, and select the underwriter for the issuance. The selection of the underwriter is through a competitive bid process. The notes are issued during the first few days of the fiscal year in July and mature no later than the last business day of June in the same fiscal year.

Prior to the receipt of property tax payments in November, the County typically experiences a cash flow deficit of more than \$20 million. The deficit is caused by timing issues related to the inflow of property taxes in November, and the ongoing and regular expenditures in the preceeding months, the County issues TRANs to fund this temporary deficit. The cash flow deficit calculations are defined by Internal Revenue Service regulations as well as the United States Treasury. The County has utilized TRANs for this purpose since 1982.

Performance Measures

Measure Type	Primary Measure	Previous Year Actual (FY08-09)	Current Year Purchased (FY09-10)	Current Year Estimate (FY09-10)	Next Year Offer (FY10-11)
Output	Bond Rating - MIG 1	0	0	0	1
Outcome		0	0	0	0

Performance Measure - Description

The performance measurement requires the County to maintain Moody's highest short-term investment rating for municipal debt, MIG 1. Maintaining this rating allows the County to issue the TRANs at the lowest possible interest rate, resulting in substantial savings, Performance Key: 1 = Achieved or Exceeded; 0 = Not Achieved

Note: The County did not issue a TRAN in either FY 2009 or FY 2010.

Legal/Contractual Obligation**Revenue/Expense Detail**

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2010	2010	2011	2011
Contracts	\$10,000	\$0	\$25,000	\$0
Debt Service	\$940,000	\$0	\$350,000	\$0
Total GF/non-GF:	\$950,000	\$0	\$375,000	\$0
Program Total:	\$950,000		\$375,000	
Program FTE	0.00	0.00	0.00	0.00
Program Revenues				
Other / Miscellaneous	\$50,000	\$0	\$265,000	\$0
Total Revenue:	\$50,000	\$0	\$265,000	\$0

Explanation of Revenues**Significant Program Changes**

Last year this program was: #10028, Tax and Revenue Anticipation Notes