

# TRAN

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Tax and Revenue Anticipation Notes

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Auditor-Controller/Treasurer-Tax Collector

# What is a TRAN?

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- Tax and Revenue Anticipation Notes
  - Tax-exempt or taxable bonds
  - Short-term loan – One Year or Less
  - Provides government entities ability to borrow based on anticipated revenues

# Why issue a TRAN?

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- Cash Monthly Smoothing for County's General Fund
  - Provides better liquidity during first part of the year
    - (July –November)
  - Higher Cash Period
    - (December – April – after Tax Collections)
- Lower Interest Rate
- Potential excess revenue

# Preliminary Official Statement (POS)

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- Why does the County need to prepare and post this statement?
  - Provides the following to potential investors:
    - Disclosures of Material Information Concerning the County
    - Provides General TRAN information
    - Appendix A of the POS – County Specific Economic and Financial Information
    - Investors use the POS as one of their criteria on whether “To Invest or Not to Invest” in our County TRAN

# TRAN Process

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- Cash Flows – demonstrate a need for a TRAN
- Sizing – determine the total TRAN issuance based on cash flows
- Debt Advisory Committee – Approved on May 21, 2021
- Rating – SP-1+ – May 28, 2021
- Board of Supervisors – Requesting Approval today
- Finalize and Distribute POS to the Investing Public – May 2021
- Sale of TRAN - Online – If Approved, early June 2021
- Receive TRAN Proceeds – Early July 2021
- Pay TRAN Back – June 2022

# Board of Supervisors

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- Agenda page 3
  - If a Board member knows of material facts or circumstances that are not accurately or completely stated in the draft preliminary official statement attached to this agenda which in their view relates to the County's ability to repay the County of Fresno's 2021-2022 TRAN, they should bring it to the Auditor-Controller's attention prior to posting to the investing bond market.

# Final Comments to the Board

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- Staff's recommended Action
  - Approve and authorize the Chairman to execute Resolution For Issuance Sale Of County of Fresno 2021-22 Tax and Revenue Anticipation Notes in one or more series in an amount not to exceed \$130,000,000 and approving a form of a preliminary Official Statement and certain other matters related Thereto.
- Alternate Actions
  - Your Board may choose to delay this matter to a later date. The TRAN is being presented to your Board at this time because the market is favorable. The ACTTC cannot predict the conditions of the market if the item is delayed and it could result in a higher interest rate and an increased cost of issuance.
  - If your Board does not approve the County's sale and issuance of Tax and Revenue Anticipation Notes (TRAN) at the proposed maximum amount stated above, the County's General Fund will not have sufficient operating cash prior to the County's receipt of the first installment of property tax revenues on December 10, 2021.

*Questions?*

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