



**Memorandum
Office of Jenine Windeshausen
Treasurer-Tax Collector**

To: The Board of Supervisors
From: Jenine Windeshausen, Treasurer-Tax Collector 
Date: July 21, 2015
Subject: mPOWER TRAN

Action Requested:

- 1) Adopt a resolution authorizing the issuance of a County of Placer, 2015-2016 Placer mPOWER Program Administration Tax and Revenue Anticipation Note (the "TRAN") and approving sale of the TRAN to the Placer County Treasurer in an amount not to exceed \$1 Million at an interest rate of 0.50%.

Background:

Your Board is being asked to consider authorization of a TRAN to finance mPOWER operations for fiscal year 2015-2016 in an amount not to exceed \$1,000,000 at an interest rate of 0.50%.

mPOWER was designed to be self-sustaining and to achieve cost recovery over time based on the volume of assessments financed by utilizing a combination of fees and a portion of the interest paid on the assessment as revenues to offset program expenditures. Most of the program revenues are collected on the property tax bill. It can take up to 18 months from the time funds are first disbursed to a property owner before the first installment is received. Therefore, there is a lag between time of program expenditure and when revenue is received. This lag in the receipt of revenue is covered by issuing a TRAN.

On June 18, 2013 your Board passed a resolution authorizing the issuance of a Tax and Revenue Anticipation Note (TRAN) in an amount not to exceed \$2.1 million. The current TRAN, in the amount of \$2.1 million, will mature on July 22, 2015. A new TRAN will need to be issued in an amount not to exceed \$1,000,000 to maintain cash flow to support ongoing administrative expenses until associated revenues are received. As program activity continues, the amount of the TRAN will continue to be reduced.

The note resolution authorizes the issuance of a thirteen month note, not to exceed \$1.0 million, at an interest rate not to exceed 0.50%. There is no penalty for prepayment. The note will be purchased by the Treasurer for the Treasurer's Investment Pool. It is anticipated that the TRAN will be reduced next fiscal year when the revenue from the new current year assessments are received through the property tax levy.

Fiscal Impact:

A TRAN in the amount of \$1.0 million is needed to finance prior program expenses, 2015/16 year program expenses. The TRAN including the interest expense will be repaid as revenues are recovered from interest charges and other revenue collected on mPOWER Placer assessments over time.

Attachment: TRAN Resolution

Before the Board of Supervisors County of Placer, State of California

In the matter of:

Resol. No: _____

Authorizing the Borrowing of Funds and the Issuance and Sale of a County of Placer 2015-16 Tax and Revenue Anticipation Note for the mPOWER Placer Program in an Amount Not to Exceed \$1.0 Million and maturing not more than 13 months from the date of issuance.

Related to Ord. No: _____

The following Resolution was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held on July 21, 2015 .

By the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chair of the Board of Supervisors

Attest:
Clerk of said Board

WHEREAS, pursuant to Article 7.6 (commencing with section 53850) of Chapter 4 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Law"), this Board of Supervisors (the "Board of Supervisors") has found and determined that moneys are needed for the requirements of the County of Placer, a municipal corporation and county duly organized and existing under the laws of the State of California (the "County"), and that it is necessary that said sum be borrowed for such purpose at this time by the issuance of a note in anticipation of the receipt of taxes, income, revenue, cash receipts and other moneys to be received by the County for the mPOWER Placer Program Enterprise Fund (the "Program Fund"), during or allocable to the fiscal year of the County beginning July 1, 2015 and ending June 30, 2016 ("Fiscal Year 2015-16");

NOW THEREFORE, the Board of Supervisors of the County of Placer does hereby resolve, determine and order as follows:

Section 1. Authorization and Terms of Note. Solely for the purpose of anticipating taxes, income, revenue, cash receipts and other moneys to be received by the County for the Program Fund during or allocable to Fiscal Year 2015-16, and not pursuant to any common plan of financing, the County hereby determines to and shall borrow the principal amount not-to-exceed \$1 Million Dollars (\$1,000,000) subject to the (the "Maximum Principal Amount") by the issuance of a note under the Law, designated "County of Placer, California 2015-16 Placer mPOWER Program Administration Tax and Revenue Anticipation Note" (the "Note"). The Note shall bear interest at the rate of no more than 0.50% on the outstanding principal amount of the Note. The Note shall be dated the date of initial delivery, shall mature no later than thirteen months after the date of issuance, and shall bear interest, payable at maturity and computed on a 30-day month/360-day year basis. Both the principal of and interest on the Note shall be payable in lawful money of the United States of America, as described below.

The Note is subject to redemption prior to maturity, in whole or in part, at any time, without premium.

Section 2. Purchase of Note; Payment of Principal and Interest. The Treasurer-Tax Collector is authorized to purchase the Note, in an amount not to exceed the Maximum Principal Amount, on behalf of the Placer County Treasurer's Investment Pool.

All payments of the principal of and interest on the Note and all notices with respect to the Note shall be made and given to the Treasurer-Tax Collector.

Section 3. Limitation on Maximum Amount. The principal amount of the Note, when added to the interest payable thereon, shall not exceed one and one-half percent (1.50%) of the estimated amount of the uncollected taxes, income, revenue, cash receipts and other moneys of the County for the Program Fund attributable to Fiscal Year 2015-16, and available for the payment of the Note and the interest thereon, and then subsequently of the estimated amount of the uncollected taxes, income, revenue, cash receipts and other moneys of the County for the Program Fund attributable to Fiscal Year 2015-16 and available for the payment of the Note and the interest thereon.

Section 4. Initial Principal Amount; Increases in the Principal Amount. The initial principal amount of the Note shall be an amount determined by the Treasurer-Tax Collector; provided that the maximum principal amount shall not exceed the Maximum Principal Amount. Thereafter, the Treasurer-Tax Collector may cause the principal amount of the Note to be increased by causing a replacement Note to be prepared to reflect such increased principal amount; provided that the maximum principal amount shall not exceed the Maximum Principal Amount.

Section 5. Form of Note. The Note shall be issued as a single note in fully registered form, without coupons, and shall be substantially in the form and substance set forth in Exhibit A attached hereto and by reference incorporated herein, the blanks in said form to be filled in with appropriate words and figures.

Section 6. Use of Proceeds. The proceeds of the sale of the Note shall be deposited in a segregated account in the Program Fund and used by the County to pay the costs of administering the County's "money for Property Owner Water & Energy Efficiency Retrofitting Program" mPOWER Placer Program (the "Program").

Section 7. Security. The principal amount of the Note, together with the interest thereon, shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by the County for the Program for Fiscal Year 2015-16, and then subsequently, payable from taxes, income, revenue, cash receipts and other moneys which are received by the County for the Program for Fiscal Year 2015-16. As security for

the payment of the principal of and interest on the Note the County hereby pledges the first “unrestricted moneys” (as hereinafter defined) to be received by the County (a) an amount equal to one hundred percent (100%) of the principal amount of the Note in the month of July, 2016; and (b) an amount sufficient to pay interest as due on the Note at their maturity, in the month of July, 2016 (such pledged amounts being hereinafter called the “Pledged Revenues”). The principal of the Note and the interest thereon shall constitute a first lien and charge thereon and shall be payable from the Pledged Revenues. To the extent not so paid from the Pledged Revenues, the Note shall be paid from any other moneys of the County lawfully available therefor. In the event that there are insufficient “unrestricted moneys” received by the County to permit the deposit into the Redemption Fund (as hereinafter defined) of the full amount of the Pledged Revenues to be deposited in any month by the last business day of such month, then the amount of any deficiency shall be satisfied and made up from any other moneys of the County lawfully available for the repayment of the Note and interest thereon. The term “unrestricted moneys” shall mean taxes, income, revenue, cash receipts, and other moneys intended as receipts for the Program for Fiscal Year 2015-16 and which are generally available for the payment of current expenses and other obligations of the County.

Section 8. Redemption Fund. There is hereby created, within the Program, a special account to be designated the “2015-16 mPOWER Placer Program Administration Tax and Revenue Anticipation Note Redemption Fund” (the “Redemption Fund”) and applied as directed in this Resolution. Any money placed in the Redemption Fund shall be for the benefit of the owners of the Note and, until the Note and all interest thereon are paid or until provision has been made for the payment of the Note at maturity with interest to maturity, the moneys in the Redemption Fund shall be applied solely for the purposes for which the Redemption Fund is created.

Section 9. Deposit and Investment of Redemption Fund. All moneys held by the County in the Redemption Fund, if not invested, shall be held in time or demand deposits as public funds and shall be secured at all times by bonds or other obligations which are authorized by law as security for public deposits, of a market value at least equal to the amount required by law.

Moneys in the Redemption Fund shall, to the greatest extent possible, be invested by the County directly, or through an investment agreement, in investments as permitted by the laws of the State of California as now in effect and as hereafter amended, and the proceeds of any such investments shall be deposited in the Redemption Fund. The moneys in the Redemption Fund may be invested in the Placer County Treasurer’s Investment Pool.

Section 10. Execution of Note. The Chairman of the Board of Supervisors, the County Executive Officer, or the Treasurer-Tax Collector (each an “Authorized Officer”) is hereby authorized to execute the Note by manual or facsimile signature, and the County Clerk of the County is hereby authorized to countersign the same by manual or facsimile signature (although at least one of such signatures shall be manual) and to affix the seal of the County thereto by facsimile impression thereof, and said officers are hereby authorized to cause the blank spaces thereof to be filled in as may be appropriate.

Section 11. Transfer of Note. The Note is not subject to transfer.

Section 12. Covenants and Warranties. It is hereby covenanted and warranted by the County that all representations and recitals contained in this Resolution are true and correct, and that the County and its appropriate officials have duly taken all proceedings necessary to be taken by them, and will take any additional proceedings necessary to be taken by them, for the prompt collection and enforcement of the taxes, income, revenue, cash receipts and other moneys pledged hereunder in accordance with law and for carrying out the provisions of this Resolution.

Section 13. Tax Matters. The interest on the Note is not exempt from federal income taxation.

Section 14. Official Action. The Chairman of the Board of Supervisors, the County Executive Officer, the Treasurer-Tax Collector and the County Clerk, or any of them, are further authorized and directed to make, execute and deliver such certificates, agreements and other closing documents as are necessary to consummate the transactions contemplated by this Resolution.

Section 15. Amendment. The Chairman of the Board of Supervisors, the County Executive Officer and the Treasurer-Tax Collector are all authorized to make minor amendments to this Resolution in order to correct any mis-reference or misspelling contained herein. Such amendment shall be done by a certificate signed by the Chairman of the Board of Supervisors, the County Executive Officer, the Treasurer-Tax Collector and the County Clerk.

Section 16. Effective Date. This Resolution shall take effect upon its adoption.

EXHIBIT A
FORM OF NOTE

No. 1

*****\$1,000,000*****

COUNTY OF PLACER, CALIFORNIA

2015-16 PLACER MPOWER PROGRAM ADMINISTRATION
TAX AND REVENUE ANTICIPATION NOTE

INTEREST RATE:	MATURITY DATE:	ISSUE DATE:	CUSIP:
0.50%	July 22 2016	July 22, 2015	

REGISTERED OWNER: COUNTY TREASURER-TAX COLLECTOR

PRINCIPAL AMOUNT:*****ONE MILLION DOLLARS*****
(NOT TO EXCEED \$1 MILLION DOLLARS)

The COUNTY OF PLACER, a county duly organized and existing under and by virtue of the Constitution and laws of the State of California (the "County"), for value received hereby promises to pay to the Registered Owner stated above (the "Owner"), on the Maturity Date stated above, the Principal Amount stated above, in lawful money of the United States of America, and to pay interest thereon in like lawful money at the rate per annum stated above, payable on the Maturity Date stated above, calculated on the basis of 360-day year composed of twelve 30-day months. Both the principal of and interest on this Note shall be payable at maturity to the Owner.

It is hereby certified, recited and declared that this Note is authorized to be issued in a principal amount not to exceed \$1 Million Dollars (\$1,000,000) (the "Maximum Principal Amount"), pursuant to Resolution No. _____ of the Board of Supervisors of the County duly passed and adopted on July 21, 2015 (the "Resolution"), and pursuant to Article 7.6 (commencing with section 53850) of Chapter 4, Part 1, Division 2, Title 5, of the California Government Code, and that all things, conditions and acts required to exist, happen and be performed precedent to and in the issuance of the Note exist, have happened and have been performed in regular and due time, form and manner as required by law, and that this Note, together with all other indebtedness and obligations of the County, does not exceed any limit prescribed by the Constitution or statutes of the State of California.

Pursuant to the Resolution, the initial principal amount of the Note shall be an amount determined by the Treasurer-Tax Collector; provided that the maximum principal amount shall not exceed the Maximum Principal Amount. Thereafter, the Resolution authorizes the Treasurer-Tax Collector to cause the principal amount of the Note to be increased by causing a replacement Note to be prepared to reflect such increased principal amount; provided that the maximum principal amount shall not exceed the Maximum Principal Amount.

The principal amount of the Note, together with the interest thereon, shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by the County for the Program for Fiscal Year 2015-16. As security for the payment of the principal of and interest on the Note the County hereby pledges the first "unrestricted moneys" (as hereinafter defined) to be received by the County (a) an amount equal to one hundred percent (100%) of the principal amount of the Note in the month of July, 2016; and (b) an amount sufficient to pay interest as due on the Note at their maturity, in the month of July, 2016 (such pledged amounts being hereinafter called the "Pledged Revenues"). The principal of the Note and the interest thereon shall constitute a first lien and charge thereon and shall be payable from the Pledged Revenues. To the extent not so paid from the Pledged Revenues, the Note shall be paid from any other moneys of the County lawfully available therefor. In the event that there are insufficient "unrestricted moneys" received by the County to permit the deposit into the Redemption Fund (as hereinafter defined) of the full amount of the Pledged Revenues to be deposited in any month by the last business day of such month, then the amount of any deficiency shall be satisfied and made up from any other moneys of the County lawfully available for the repayment of the Note and interest thereon. The term "unrestricted moneys" shall mean taxes, income, revenue, cash receipts, and other moneys intended as receipts for the Program for Fiscal Year 2015-16 and which are generally available for the payment of current expenses and other obligations of the County.

The Note is issuable as fully registered note, without coupons.

The Note is subject to redemption, in whole or in part, at any time without premium prior to maturity.

This Note is not subject to transfer.

IN WITNESS WHEREOF, the County of Placer has caused this Note to be executed by the Placer County Treasurer Tax Collector and countersigned by the County Clerk, all as of the Issue Date stated above.

COUNTY OF PLACER

By _____
Treasurer-Tax Collector

Countersigned:

By _____
County Clerk