

**TOWN OF FAIRFAX  
STAFF REPORT**

**To: Mayor, Members of the Town Council**

**From: Michael Rock, Town Manager  
Laurie Ireland-Ashley, Finance Director**

**Date: July 13, 2011**

**Subject: Adoption of a Resolution of the Town Council of the Town of Fairfax authorizing the commencement of proceedings of the Private Placement Tax and Revenue Note (TRAN) for the 2011-12 fiscal year**

**RECOMMENDATION**

Adopt the resolution of the Town Council of the Town of Fairfax authorizing the commencement of proceedings in connection with the issuance of the Private Placement Tax and Revenue Anticipation Note (TRAN) for the 2011-12 fiscal year.

**BACKGROUND**

The attached resolution authorizes the commencement of proceedings in connection with the issuance by the Town of Fairfax of up to a \$1,000,000 Tax and Revenue Anticipation Note (TRAN) for 2012. The resolution authorizes various financing documentation, including a note purchase agreement, to be prepared. The resolution authorizes the Mayor, Town Manager, and Finance Director, or any of them to sign financing documentation in connection with the issuance of the TRAN. The resolution appoints the law firm of Quint & Thimmig LLP, as bond counsel to the Town and Wulff, Hansen & Co. as financial advisor. Both of these firms have worked with the Town in the past and have handled multiple TRANs.

The maturity of the 2012 TRAN will be June, 2012. The Town will receive the funds at the end of August, 2011. The Town issued a TRAN for \$750,000 in August, 2010 under a similar agreement with Tiburon. In the 2009-10 the Town issued two TRAN's for \$500,000 each in October, 2009 and March 2010 under a similar TRAN agreement with Tiburon. The Town's prior year TRAN with CA-Communities was \$1,000,000, which was due at the end of June 2008. There was no TRAN for the year of 2008-09.

**DISCUSSION**

The purpose of the Tax and Revenue Note is to increase available cash balances which provide operating funds to cover cash shortfalls, and has been a standard operating practice of the Town for many years. Cash shortfalls arise due to the timing differential of monthly cash receipts and disbursements throughout the 2011-12 fiscal year. These cash shortfalls will occur primarily in the calendar fourth quarter of 2011 as we await the first property tax payment in mid-December. This is a private placement TRAN with authorization of the short-term note up to the amount of \$1,000,000.

The attached resolution authorizes the issuance by the Town of Fairfax of a Tax and Revenue Anticipation Note (TRAN) up to \$1,000,000 for the fiscal year of 2011-12.