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AGENDA COVER MEMO

AGENDA DATE: September 24, 2003

TO: LANE COUNTY BOARD OF COMMISSIONERS

DEPT.: LANE COUNTY OFFICE OF LEGAL COUNSEL

PRESENTED BY: Teresa J. Wilson, County Counsel 

AGENDA ITEM TITLE: **Public Hearing**/The Tax Equity and Fiscal Responsibility Act of 1983 (TEFRA)/ with Respect to the Issuance and Sale by Lane County of General Obligation Refunding Bonds, Series 2003

I. MOTION: No motion is needed; after Public Hearing, move to Order, which is the next item on the agenda.

II. ISSUE OR PROBLEM: Under the Tax Equity and Fiscal Responsibility Act of 1983, a public hearing is required before the Board can direct that refunding bonds be issued.

III. DISCUSSION

A. Background. In May, 1995, the voters approved issuance of \$38,940,000 of general obligation bonds for the Juvenile Justice Center. In August, 1995, the Board approved their issuance. Since then, the bonds were, in fact sold, the proceeds have been appropriately used to construct the Juvenile Justice Center and other improvements at the John Serbu campus, and payments have been made to bond holders.

B. Analysis. With the drop in interest rates, it is prudent for the Board to consider authorizing the issuance and sale of what are called general obligation refunding bonds to accomplish a lowering of the interest rate and thus a lowering of taxes collected from Lane County residents for this project. The actual approval of such an action is the subject the item that will be scheduled immediately after this item. The hearing that is the subject of this item is required by Section 147(f) of the Internal Revenue Code. The purpose is to allow the members of the public to raise with the Board any concerns they may have with regard to issuance of these refunding bonds in an amount not to exceed \$35,000,000, and their uses and purposes. The hearing is a prerequisite to any action to direct that the bonds be issued. Notice has been appropriately published 2 weeks in advance of the hearing; comments were solicited either in writing or orally at this time.

C. Alternatives/Options

1. Conduct the hearing.
2. Do not conduct the hearing and do not issue any bonds.

D. Recommendation. Recommend Option 1.

IV. IMPLEMENTATION/FOLLOWUP

Immediately after the hearing, the Board can consider the Order which has been presented concerning the actual issuance of the bonds.