COMMISSIONERS COURT CONSENT AGENDA REQUEST

NAME: **Bill Sinclair** TITLE: **County Treasurer**

REQUEST DATE: **February 1, 2010** COURT DATE: **February 8, 2010**

TELEPHONE: **(972) 204-6100**

REMARKS: The attached report is submitted for acceptance by the Commissioners Court. I am available to discuss the report upon request of any member of the Court.

CONCENT AGENDA ITEM: **BILL SINCLAIR, County Treasurer/Investment Officer, Receive Treasurer's Memo for the Record dated 2/1/10 – Arbitrage Rebate – Outstanding Obligations and Debt Service Fund.**

FISCAL IMPACT: **Not Applicable**

RETURN TO:
ROCKWALL COUNTY JUDGE
101 EAST RUSK STREET ROOM 202
ROCKWALL, TEXAS 75087

DATE AND TIME RECEIVED BY
COUNTY JUDGE'S OFFICE:

DEPARTMENTAL CORRESPONDENCE
Rockwall County Treasurer's Office
972-204-6100

February 2, 2010

To: Memo for the Record

Subject: Arbitrage Rebate – Outstanding Obligations and Debt Service Fund

Attachment: January 26, 2010 Letter from Shelley Weiske, Sr. VP, Arbitrage Rebate Compliance Services, First Southwest Asset Management [3 pages]

The attached report is provided for the record. It is a summary report indicating that the County has no material exposure to arbitrage rebate on its debt obligations. I have available in my office a bound document containing the details of each of the analyzed debt obligations. In addition, once the Commissioners Court has approved this item on the agenda, I will post an electronic copy of this summary and the detailed reports on the Treasurers web page.

Once again our debt service fund had a small surplus in excess of allowable balance and that amount was included in the applicable calculations.

During the budget process for fiscal year 2010, we calculated the projected surplus in the debt service fund at the end of fiscal year 2009 as $1.1M and reduced the debt service requirements for FY2010 by 1.0M. This action is expected to mitigate the rebate risk.

To offset the effect of this on the debt service levy rate, a payment on the remaining $5.0M of the $30.0M LTN for the new courthouse of principal and interest totaling $993,500 was included.

Bill Sinclair
County Treasurer

Printed: 2/2/2010 9:57 AM

RECEIVED
JAN 29 2010
ROCKWALL COUNTY TREASURER

FirstSouthwest
A PlainsCapital Company.

Shelley D. Weiske, CPA
Senior Vice President

January 26, 2010

Mr. Bill Sinclair
County Treasurer
Rockwall County, Texas
101 E. Rusk Street
Suite 201
Rockwall, TX 75087-

Dear Bill:

Enclosed is a copy of the arbitrage rebate report for the various bond issues subject to rebate for the period ending September 30, 2009. Also enclosed is a summary of rebatable arbitrage for the period ending September 30, 2009, as well as an invoice for our services.

If you have any questions, please do not hesitate to contact me at 1-800-678-3792 or directly at (214) 953-8756.

Sincerely,

Shelley Weiske

Shelley Weiske

direct 214.953.8756 toll free 800.678.3792
fax 214.840.5040
shelley.weiske@firstsw.com
325 North St. Paul Street, Suite 800, Dallas, Texas 75201-3852

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1/25/2010

Rockwall County, Texas
Summary of Rebatable Arbitrage and Yield Restriction "YR"
As of September 30, 2009
(for bond issues outstanding / evaluated as of date of this summary)

Final Numbers*

Delivery Date	Issue Par	Issue Description	Arbitrage Bond Yield	Rebatable Arbitrage / YR 09/30/08	Rebatable Arbitrage / YR 09/30/09	Upcoming Payments Next IRS Calc Date**	Upcoming Payments Next IRS Pay Date**
03/03/98	4,500,000	Certificates of Obligation (Ltd. Tax), Series 1998	4.529506%	(1)	(1)		
06/12/01	3,900,000	Permanent Improvement Bonds, Series 2001 (Ltd. Tax)		(2)	(2)		
12/02/03	850,000	Limited Tax Notes, Series 2003		(2)	(2)		
11/04/04	950,000	Limited Tax Notes, Series 2004		(2)	(2)		
11/30/05	550,000	Limited Tax Notes, Series 2005		(3)	(4)	11/30/2010	11/30/2010
05/24/07	11,500,000	Permanent Improvement Bonds (Ltd Tax), Series 2007	4.338835%	1,295.68 (5)	(41,892.24)		
09/18/07	1,250,000	Limited Tax Notes, Series 2007	3.947772%	(6,476.55)	(13,200.54)		
06/17/08	30,000,000	Limited Tax Notes, Series 2008	2.416738% VR	(6)	(376,591.62)		
09/25/08	2,000,000	Limited Tax Notes, Series 2008A	3.750103%	(6)	(26,771.36)		
07/01/09	10,620,000	Unlimited Tax Road Bonds, Series 2009	4.627991%	N/A	(65,998.03)		
07/01/09	24,705,000	Limited Tax Refunding Bonds, Series 2009	4.619805%	N/A	(249,267.39)		
		Total Cumulative Liability		**$1,295.68**	**$0.00**		

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A PlainsCapital Company.

1/25/2010

Rockwall County, Texas
Summary of Rebatable Arbitrage and Yield Restriction "YR"
As of September 30, 2009
(for bond issues outstanding / evaluated as of date of this summary)

Final Numbers*

Delivery Date	Issue Par	Issue Description	Arbitrage Bond Yield	Rebatable Arbitrage / YR 09/30/08	Rebatable Arbitrage / YR 09/30/09	Upcoming Payments: Next IRS Calc Date**	Upcoming Payments: Next IRS Pay Date**

(1) Funds previously spent; negative arbitrage liability.

(2) Met Small Issuer Exception for calendar year. The County has previously confirmed that the proceeds were spent within the permitted temporary period; consequently, we have not performed any calculations for this issue.

(3) We have confirmed with the County that unspent proceeds in excess of the Minor Portion Amount of $27,500 remained as of November 30, 2008 (the end of the 3 year temporary period for capital projects proceeds). Consequently, we will perform a formal yield restriction calculation next fiscal year.

(4) Information provided by the County for the period from November 30, 2008 forward indicates that the remaining proceeds, which are held at ANB, are earning less than the yield on the bonds.

(5) Cumulative spending as of fiscal year end indicates that issue is on track to meet the requirements of the 2-year spending exception. Liability presented for informational purposes.

(6) Due to short period from issue date to current fiscal year end, first calculation to be performed next fiscal year.

VR - Variable Rate.

N/A - Not Applicable.

**Unless otherwise noted, all liabilities represent annual estimations of the rebate and yield restriction amounts as of your current fiscal year end.*

***Next IRS Pay date represents potential payments that are upcoming in the next two years from the current fiscal year end. Actual IRS Calculation Dates and Payment Dates may be Accelerated as a result of Refundings / Defeasances occurring after the date of this summary.*