



# BUTTE COUNTY ADMINISTRATION

25 COUNTY CENTER DRIVE  
OROVILLE, CALIFORNIA 95965-3380  
Telephone: (530) 538-7631 Fax: (530) 538-7120

## MEMBERS OF THE BOARD

BILL CONNELLY  
JANE DOLAN  
MAUREEN KIRK  
STEVE LAMBERT  
KIM K. YAMAGUCHI

SCOTT TANDY  
Interim Chief Administrative Officer

## Butte County Receives Top Credit Ratings for Short-Term Borrowing

News Release

FOR IMMEDIATE RELEASE: May 25, 2010 – 9:00 a.m.

Contact: Sang Kim (530) 538-3875

**Oroville, CA** – Butte County officials announced that they have received top credit ratings from two rating agencies, Moody's and Standard & Poor's, for short-term borrowing needs known as Tax and Revenue Anticipation Notes (TRAN). This will allow Butte County to issue short term notes at favorable terms.

"I am delighted that we have once again received favorable credit status from these two firms," said Linda Barnes, Butte County Treasurer-Tax Collector. "This was made possible because of the sound budgetary decisions implemented by the Board of Supervisors and the hard work put forth by the professional staff from many County departments. Butte County has demonstrated that it can control costs and preserve its cash balances."

Most local governments, including Butte County, rely on TRAN to meet their cash flow requirements because expenses are spread out through the year while revenues are received unevenly. The money, borrowed at the beginning of the fiscal year, allows the County to meet its ongoing financial obligations including payroll until property tax payments are received in December and April. The County sets aside funds for repayment for the TRAN in two installments, the first in January and the second in April.

The economic slowdown and weakness of the financial markets have made TRAN more difficult to obtain than in prior years. Financial markets have required TRAN issuers to be in a stable financial position with a sound management plan and a top credit rating. Complicating this picture is the State's budgetary and cash flow challenges, which have served to bring down the standings of all local governments in California. Despite the challenges, Butte County was able to demonstrate a sound management plan and obtained high ratings.

With top TRAN ratings in hand, Butte County will carefully time the offering of its notes to investors in the market and negotiate for favorable borrowing terms. The County hopes to receive short-term cash flow loan funds by early July.

###



[ButteBusinessResources.com](http://ButteBusinessResources.com)