OFFICE OF THE TREASURER-TAX COLLECTOR

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CHANGES IN ELIGIBILE CREDITS

In the month of January, there were two changes to the Treasurer's approved eligibility list of issuers.
The following was added to the CP/ MTN Eligibility list:

1) **Coca-Cola Company**

The following was removed from the CP/ MTN Eligibility list:

2) **Giro Funding US Corp.**

Please refer to the attached TIC memos for further information.

FYI:
Societe Generale (AA *-/Aa2/AA- A-1+/P-1/F1+)
On January 24, 2008, Moody's downgraded Societe Generale one notch to Aa2 with a stable outlook. The action was primarily driven by the 4.9 billion euro loss; it also follows the announcement of additional write-downs in excess of 2 billion euros in 4Q07 related to the credit crisis. Moody's recognizes the bank's prompt decision to replenish its core capital base and notes its proven liquidity management capacity.

Standard and Poor's was more cautious, placing their AA ratings on credit watch with negative implication. Both agencies affirmed their highest short-term ratings.

Citigroup (AA-/Aa3/AA A-1+/P-1/F1+)
Citibank (AA/Aa1/AA A-1+/P-1/F1+)
On January 15, 2008, Standard and Poor's (S&P) lowered the long-term ratings on Citigroup one notch to AA- and on Citibank to AA and removed the credit watch. This action reflects the group's recent severe losses and considers the possibility of continued operating difficulties for U.S. banks. S&P adds that Citi's "fundamental earnings power is not impaired". Citi's diverse and strong franchise is expected to support the company through expected earnings volatility.

Bank of America Corp (AA/Aa1 *-/AA A-1+/P-1/F1+)
Bank of America NA (AA+/Aaa/AA+ A-1+/P-1/F1+)
On January 11, 2008, Moody's placed the long-term ratings of Bank of America Corp (BAC) on credit watch negative. This review will focus on BAC's ability and willingness to raise capital so support its balance sheet after a number of sizable acquisitions including Countrywide. Moody's notes that BAC generates substantial earnings from its banking franchise, bank liquidity is strong, and the holding company has ample cash. The bank's Aaa rating was affirmed as were all P-1 short-term ratings.

The Extended Fund is jointly owned by the County Investment and Educational Investment pools.

Extended Fund	Description	Maturity Date	Face Amount	% of Extended Fund	ST/LT Ratings	
CC(USA) INC.	MTN	1/23/2009	50,000,000	2.23	S&P	A-1+ / AAA
CC(USA) INC.	MTN	2/9/2009	$ 50,000,000	2.23	Moody's	P-1*- /Aaa *-
			$ 100,000,000	4.46	Fitch	F1+ /AAA
					where rated by Fitch	
FIVE FINANCE	MTN	6/6/2008	$ 50,000,000	2.23		
FIVE FINANCE	MTN	11/25/2008	15,000,000	0.67		
FIVE FINANCE	MTN	11/25/2008	50,000,000	2.23		
			$ 115,000,000	5.13		
TANGO FIN	MTN	11/12/2008	50,000,000	2.23		
TANGO FIN	MTN	6/10/2009	$ 50,000,000	2.23		
TANGO FIN	MTN	7/30/2009	40,000,000	1.78		
TANGO FIN	MTN	9/25/2009	25,000,000	1.11		
			$ 165,000,000	7.35		
WHISTLEJACKET	MTN	1/25/2009	50,000,000	2.23		
WHISTLEJACKET	MTN	1/26/2009	$ 30,000,000	1.34		
			$ 80,000,000	3.33		

Money Market Investment Pool	Description	Maturity Date	Face Amount	% of Money Market Pool	Credit Watch Negative	ST/LT Ratings
Calyon	YCD	2/1/2008	50,000,000.00	2.53	S&P	A-1+ / AA-
Calyon	YCD	2/1/2008	50,000,000.00	2.53	Moody's	P-1 / Aa1 *-
				5.06	Fitch	F1+ / AA
Bank of America Corp.	CP	3/10/2008	50,000,000.00	2.52	S&P	A-1+ / AA
Bank of America Corp.	CP	3/11/2008	15,000,000.00	0.76	Moody's	P-1 / Aa1 *-
				3.28	Fitch	F1+ / AA

Educational Investment Pool	Description	Maturity Date	Face Amount	% of Educational Pool	Credit Watch Negative	ST/LT Ratings
Calyon	YCD	2/1/2008	50,000,000.00	2.53	S&P	A-1+ / AA-
					Moody's	P-1 / Aa1 *-
					Fitch	F1+ / AA

John Wayne Pool	Description	Maturity Date	Face Amount	% of John Wayne Pool	Credit Watch Negative	ST/LT Ratings
Calyon	YCD	2/1/2008	2,000,000.00	3.53	S&P	A-1+ / AA-
					Moody's	P-1 / Aa1 *-
					Fitch	F1+ / AA

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To: Treasury Investment Committee
From: John Byerly, Senior Financial Analyst
Date: January 23, 2008

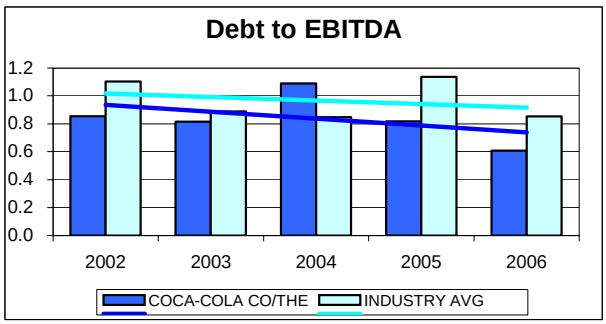
Subject: **Coca-Cola Co.**
Ratings: A-1/P-1/F1 A+/Aa3/A+
Exposure: County/Schools/JWA/X-Fund: None
Recommend: Add Coca-Cola Co. to Eligibility List

Summary:

The Coca-Cola Company (Coke) is the world's largest manufacturer, marketer, and distributor of soft drinks. Earnings for this company are geographically diverse which should shelter the company from any one country's economic cycles. Coke has been focused on expanding its product lines outside of soft drinks through a series of acquisitions. Recent purchases include the 2007 acquisition of smartwater and vitaminwater maker Energy Brands (Glacuau) for $4 billion in cash.

With low debt, high profitability and strong free cash flow levels, Coke stands out among its beverage industry peers as a strong investment grade credit. Cash balances and bank facilities equal or exceed commercial paper outstandings. Dealers of Coca-Cola Co. commercial paper include Goldman Sachs and Merrill Lynch. Currently, there is $5.4 billion outstanding.

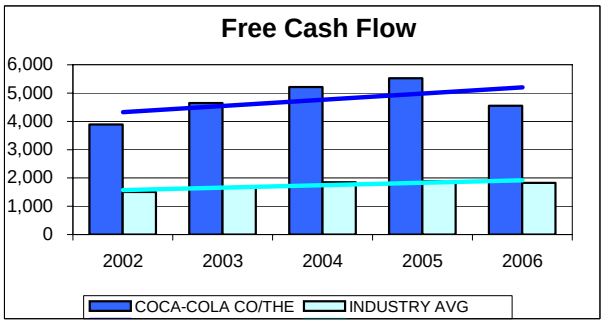
I recommend adding Coca –Cola Co. to the CP/MTN Eligibility List.



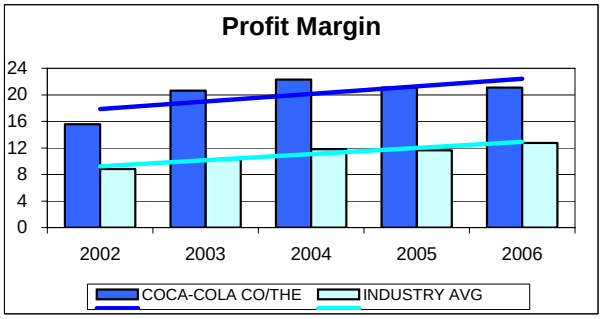
Nice and steady; well below peers in 05/06

Leverage up somewhat in 2007 from acquisitions

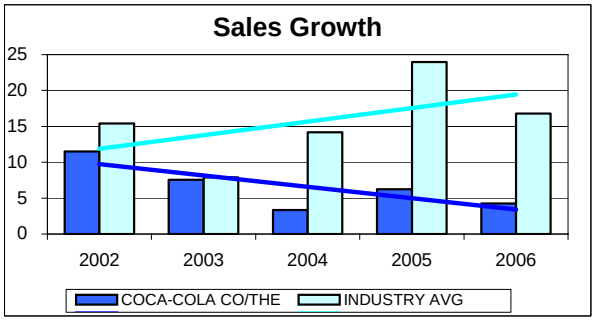
including Glaceau



Strong FCF...definitely stands out



Consistently better PM than Pepsi



2002 Industry skewed by Molson's growth...

Molson Coor's purchased remaining Bass Holdings

businesses, significantly added to revenue growth

Hansen also significantly skews this chart

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To: Treasury Investment Committee
From: John Byerly, Senior Financial Analyst
Date: January 8, 2008

Subject: **Giro Funding US Corp.**
Ratings: A-1/P-1/F1+
Exposure: County/Schools/JWA/X-Fund: None
Recommend: Remove Giro Funding US Corp: program closed

Summary:
Giro Funding US Corp (GUS), a partially-supported securities arbitrage ABCP program, was created in July 1998 by Bayerische Landesbank (BayernLB). GUS purchased only highly rated corporate bonds and asset-backed securities. BayernLB was the program's administrator and liquidity & hedging counterparty. The ratings of the program were closely aligned to the short term ratings of BayernLB, currently A-1/P-1/F1+.

Strengths of the program included:

- High credit quality of underlying assets
- "Put" feature of program removes deteriorating credits (this is an additional protection provided by liquidity support)
- Full liquidity support from BayernLB N.Y. and BayernLB London
- Bankruptcy remote nature of GUS
- Interest rate and FX risks hedged with BayernLB N.Y.
- ABCP investors are secured creditors

In response to changing economics, especially within securities arbitrage programs and in particular regard to residential mortgage assets, GUS's administrator purchased all of the securities from GUS in a series of sales. The final purchase occurred on December 21, at which point all CP had been repaid. I have removed the name from the CP/MTN eligibility list.

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To: Treasury Investment Committee
From: John Byerly, Senior Financial Analyst
Date: January 16, 2008

Subject: **Credit Discussion**

Update:

Up until recently the credit environment had become ever more benign. Non-performing assets at large banks fell ever lower as a percentage of loans and correspondingly less money had been provisioned for bad debt helping out banks' bottom line. As we have discussed, cycles are not dead and we are now seeing a good number of companies challenged by their exposure to residential mortgage related assets. Related to this theme, the approved names currently on credit watch negative are as follows:

1. On December 19, Fitch and Moody's affirmed Morgan Stanley (AA- *-/ Aa3/AA-, A-1+/P-1/F1+) with Negative outlook. S&P placed the A-1+ and AA- ratings on credit watch negative.

   The rating action followed the announcement of $9.4 billion in CDO market related write-downs for the quarter ended November 30, 2007. Morgan Stanley has indicated that much of this exposure was connected to proprietary trading activity.

   S&P will assess management's current stance with respect to principal risk taking, actions being taken to enhance risk management capabilities, remaining exposures to certain asset types and counterparty risks, and core business outlook.

   S&P notes further that Morgan's liquidity position is still strong and a downgrade below A+/A-1 is unlikely.

2. On December 21, 2007, Moody's announced that it had placed Calyon's Aa1 long-term ratings on review for a possible downgrade in response to impairments on its super senior CDO portfolio and on monoline insurer exposures. At the same time, Moody's affirmed Credit Agricole's ratings noting they believed there were adequate "capital cushions and earning generation capacity to absorb its subsidiary's losses and support it going forward."

   Calyon (AA-/Aa1 *-/AA, A-1+/P-1/F1+) is a subsidiary of Credit Agricole, France's largest bank. The bank's revenue is garnered from project financing, asset-based financing for aircraft, ships and commodities. Calyon also offers merger and acquisition and underwriting services.

   S &P affirmed Credit Agricole's ratings but revised their outlooks to stable from positive.

3. On January 9, 2008, Moody's placed the A- Bank Financial Strength Rating of Freddie Mac on watch negative reflecting an increased concern that it may experience higher credit losses than Moody's previously thought. Freddie Mac's Aaa senior debt, P-1 short-term and other ratings were all affirmed with a stable outlook.

   My understanding of this office's opinion is that Freddie Mac's involvement in US residential mortgages and subprime lending will undoubtedly continue to fuel increasingly negative earnings announcements and news headlines.

   In the midst of current, challenging markets, it is important to note the unique position of government-sponsored enterprises such as Freddie Mac. Significantly supporting Freddie's Aaa-rating is the implicit support of the United States government.

4. On January 11, 2008, Moody's placed the long-term ratings of Bank of America Corp (AA/Aa1 *-/AA, A-1+/P-1/F1+) and the financial strength rating of Bank of America NA (AA+/Aaa/AA) on credit watch negative. BofA's financial strength rating is currently the highest at A. The bank's Aaa deposit rating was affirmed as were all P-1 short term ratings.

These actions followed the Countrywide Financial acquisition announcement. The acquisition gives Bank of America a leading position in mortgage banking. This may merit little fanfare in the near term since BAC's capital position will be pressured and volatile mortgage asset valuations and potential litigation are added challenges.

That being said, Bank of America is a $1.5 trillion US banking franchise with a strong liquidity profile. Holding company liquidity is substantial. Cash is kept on deposit on an overnight basis with subsidiary banks supporting liquidity and benefiting holding company creditors. While the Fed remains committed to ensure system liquidity, Bank of America holds top deposit positions in a number of states with favorable demographic trends.

After several years of credit upgrades in the banking industry, expect to see the rating agencies take some back this year. Please let me know if you have any concerns over these or other approved issuers.