



Public Financing Advisory Committee

Thursday, December 3, 2020, 1:30 p.m.

Hall of Administration, Planning Commission Room

MEETING MINUTES

- I. Call to Order/Instructions/Opening Remarks:** Meeting called to order by Chair Chai at 1:31 p.m.

Attendees: Min Chai (Chair) via telephone, Tom Hammond (Vice Chair), John J. Moohr (Committee Member) via telephone, Carlos Carney (Committee Member) via telephone, Wallace B. Rodecker (Committee Member) via telephone, Shari Freidenrich (Treasurer-Tax Collector) via telephone, Frank Davies (Auditor-Controller) via telephone, Michelle Aguirre (Chief Financial Officer) via telephone, Suzanne Luster (Public Finance Director) and Nikhil Daftary (County Counsel).

Absent: None.

- II. Approval of Minutes of September 10, 2020 Minutes:** Vice Chair Hammond made a Motion to approve the meeting minutes. Member Rodecker seconded. The Motion passed unanimously.
- III. Approval of Public Financing Advisory Committee 2021 Calendar of Meetings:** It was noted that the HOA Planning Commission Room could be used for in-person/conference call meetings but is not set up for Zoom meetings. The minimum number of meetings held each year is outlined in the bylaws. Member Carney made a Motion to approve 2021 calendar of meetings. Vice Chair Hammond seconded. The Motion passed unanimously.
- IV. Recommend qualified panels of Bond/Disclosure Counsel and Municipal Advisor for future County of Orange financings:** Christine Gardea, Public Finance Manager, presented the item. Members of the consulting firms were available for inquiries.

Member Moohr inquired about a possible conflict of interest as he sat on the evaluation panel. Nikhil Daftary, County Counsel, confirmed there was not a conflict of interest.

Discussion occurred on length of contracts with renewal recommendations to Board of Supervisors.

Member Moohr made a Motion to approve the recommended actions. Member Rodecker seconded. The Motion passed unanimously.

- V. Recommend to the Board of Supervisors the issuance of short-term Taxable Pension Obligation Bonds, 2021 Series A in an amount not to exceed \$525 million:** Treasurer-Tax Collector Freidenrich recused herself as a member of the Committee for this item as the Treasurer-Tax Collector is the purchaser of the bonds. Suzanne Luster, Public Finance

Director, presented the item along with a summary. The financing team was called into the meeting and were available to answer the Committee's questions.

Vice Chair Hammond requested an explanation for the rationale for the process of pricing the notes and how it is fairly negotiated and represents fair market value. Suzanne Luster explained the process including the team members and their involvement.

Anna Sarabian, Municipal Advisor with Fieldman, Rolapp & Associates discussed the comparable spreadsheet, credit ratings, publicly sold transactions. The conservative true interest cost estimate was 2.06 percent in the good faith estimate.

Vice Chair Hammond called on Nikhil Daftary, County Counsel and asked about the State's statutes for municipalities about arbitrage and how this transaction is not arbitrage. Nikhil Daftary, County Counsel, explained that the transaction is not arbitrage because the County does not receive the proceeds in search of a lower interest rate. The transaction is the County contracting with OCERS, a separate entity from the County, for the discounted rate of the County's required pension contribution. Mr. Daftary stated that this financing has gone through the court validation process in 2007 that affirmed that the transaction is not an arbitrage.

There was an interruption in the conference line and the meeting was paused briefly. The meeting reconvened with a roll call ensuring all Committee members were present.

Suzanne answered Member Moohr's questions regarding the pension obligation bonds and worksheet.

Vice Chair Hammond emphasized the Supervisors should know the table was studied and it is an important piece of information for their consideration.

Member Moohr inquired about John Wayne Airport and their prepayment. Suzanne Luster explained.

Discussion held on the number of departments prepaying. Six departments opted are paying with their own resources. A request was made for a copy of the January 1, 2007, default judgment for the Committee members.

Vice Chair Hammond made a motion to approve the recommended actions, Member Moohr seconded the motion. The Motion passed unanimously.

- VI. Public Comments:** None.
- VII. Committee Comments:** Member Moohr and Chair Chai wished everyone a happy holiday season.
- VIII. Adjournment:** Chair Chai adjourned the meeting at 2:45 p.m.

Please follow the link to listen to the audio recording of the meeting.
<https://cfo.ocgov.com/public-finance/public-finance-advisory-committee/2020>