



Public Financing Advisory Committee

Thursday, September 9, 2021, 1:30 p.m.

Hall of Administration, Planning Commission Room

MEETING MINUTES

- I. Call to Order/Instructions/Opening Remarks:** Meeting called to order by Public Finance Director Suzanne Luster at 1:32 p.m. with roll call. The meeting was turned over to PFAC Chairman Carney at 1:34.

Attendees: Carlos Carney (Chair) via telephone, Wallace B. Rodecker (Vice Chair) via telephone, Min Chai (Committee Member) via telephone, Tom Hammond (Committee Member) via telephone, John J. Moohr (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 May 13, 2021, Minutes:** Member Moohr made a Motion to approve the meeting minutes, Member Chai seconded the motion. The Motion passed unanimously. Treasurer-Tax Collector Freidenrich joined the meeting via phone.
- III. In concept, recommend to the Board of Supervisors the proposed issuance of short-term Taxable Pension Obligation Bonds to prepay the County's Fiscal Year 2022-23 pension obligation and selection of financing professionals (Audio Time 3:30):** Shari Freidenrich, Treasurer-Tax Collector, recused herself as a member of the Committee for this item as the Treasurer-Tax Collector would be the purchaser of the issuance and, as such, is available for questions. Public Finance Director Luster presented the recommendation to prepay the 2022-23 annual pension obligation in January 2022. OCERS' assumed rate of return for calendar year 2020 was over 11 percent which is higher than the assumed 7 percent. The early pay discount is 5.8 percent. The Public Finance staff will return with a detailed plan of the financing and savings estimates at the December 2, 2021, PFAC meeting. This recommendation will be an agenda item at the September 28 Board of Supervisors Board meeting.

CFO Michelle Aguirre joined the meeting via phone on behalf of CEO Frank Kim.

Member Hammond inquired about the process for negotiating the terms between the Treasurer-Tax Collector's office and the County to ensure its an arms-length transaction. Treasurer-Tax Collector Freidenrich explained the transaction process in detail. Public Finance Director Luster reiterated the process with no conflict of interest.

Member Hammond asked if a conflict has ever been raised with interest rates and pricing. Treasurer-Tax Collector Freidenrich explained that a conversation was generated and the items were negotiated and resolved.

Member Hammond asked if a contract was sent out to bid for bond counsel and municipal advisor. Public Finance Director Luster stated that when the services were out to bid a couple years back and the current contract has an option for extensions for two one-year extensions.

Member Moohr questioned the percent discount rate for the last four years. Public Finance Director Luster explained the history and process as well as Treasurer-Tax Collector Freidenrich.

Chair Carney requested the funded status of the plan. Treasurer-Tax Collector Freidenrich said the funding status of the plan is actuarial rate is high 70%'s and market rate is above 80%.

Member Chai asked about the true-up process and if there is a follow-up report presented to the PFAC Committee. Public Finance Director Luster said there is a report through the Auditor-Controller. Through the Chair, Member Chai requested a column to be added to the report for the true-up from year to year on an annual basis. Public Finance Director Luster will add the information from 2014 forward.

Chair Carney inquired about the fixed income percentage in the OCERS portfolio. Treasurer-Tax Collector Freidenrich stated it is very low.

Vice Chair Rodecker made a motion to approve the recommendation, Member Hammond seconded the motion. The Motion passed unanimously.

IV. Public Finance Status Report (Audio Time 40:52): Treasurer-Tax Collector Freidenrich returned as a member of the Committee. Suzanne Luster, Public Finance Director, presented a Directive that the Board of Supervisors adopted standardized bylaws for dozens of boards, commissions and committees on May 25, 2021. Staff is converting the PFAC bylaws and will bring this item back to the committee at the December meeting. No action is needed on this item. Staff will reach out to each Supervisor Chief of Staff and let them know if a waiver is needed for a PFAC committee appointee that does not reside in the Supervisor's district.

V. Public Comments: None.

VI. Committee Comments: Discussion occurred regarding a possible in-person meeting on December 2. Chair Carney will attend in-person in December. The virus numbers will be tracked, and it was recommended to meet via phone through the end of 2021.

VII. Adjournment: Chair Carney adjourned the meeting at 2:28 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/2021>