



Public Financing Advisory Committee

Thursday, September 12, 2019, 1:30 p.m.

Hall of Administration, Board Hearing Room

MEETING MINUTES

- I. Call to Order/Instructions/Opening Remarks:** Meeting called to order by Chair Moohr at 1:30 p.m.

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

Chair Moohr asked for a moment of silence in memory of Auditor-Controller Eric Woolery.

- II. Approval of Minutes of April 11, 2019 Minutes:** Vice Chair Chai made a Motion to approve the meeting minutes. Member Rodecker seconded. Vice Chair Chai requested a correction to use her last name rather than her first name in the minutes. The Motion passed as amended.
- III. Public Finance Status Report:** Suzanne Luster, Public Finance Director, presented a status report.

At the last meeting, the Committee recommended the John Wayne Airport Revenue Refunding Bonds Series A and B. After the recommendation, the Airport Commission and the Board of Supervisors approved the refunding. Highlights for the refunding include: reducing the outstanding bond debt from \$146.2 million to \$85 million; shortened the term of bond debt from 2039 to 2030; and, bonds were issued with a short 8-year call option, to 2027, to give the Airport additional flexibility to pay off debt sooner. Net present value savings was 28.8% or \$38.1 million.

- IV. Request Approval of Amended Public Financing Advisory Committee By-Laws:** Discussion occurred regarding the proposed change of redefining a majority vote in the Public Finance Advisory Committee Bylaws to compliment the amended County Public Finance Procedures approved by the Board of Supervisors. The procedures take precedence over the bylaws. The bylaws were revised to define a Majority Vote from a majority of voting members present, to three of the five voting members are required to affirm a vote. A Motion to approve the amended Bylaws as recommended was made by Member Rodecker and seconded by Vice Chair Chai. A question was raised by Member Hammond regarding ex-officio members. Ms. Luster stated that the ex-officio members are listed in the Public Finance Policies. Quorum was the motivator for the revision. Member Hammond reported the history of PFAC voting members. The meeting attendance record, which is excellent for the public members, was referenced. The Motion passed.
- V. Recommend to the Board of Supervisors the Underwriter qualified panel for future County of Orange financings:** This recommendation will go before the Board at the October 8, 2019,

Board of Supervisors meeting. Request for Qualifications response packets were received from seventeen underwriter firms and were evaluated by a five-member evaluation panel. A Motion to approve the list that is going forward to the Board of Supervisors was made by Chair Moohr and seconded by Member Hammond. The Motion passed.

- VI. Recommend to the Board of Supervisors the selection of financing professionals for the possible formation and financing of one or more Rancho Mission Viejo Community Facilities Districts:** Christine Gardea, Public Finance Manager, presented a report on the selection of financing professionals with the current contract set to expire December 31, 2019. Three Request for Proposals were issued in June 2019 for Municipal Advisor, Bond and Disclosure Counsel, and Underwriter. Three separate five-member panels were formed to evaluate and make recommendations to PFAC. As a Bond Counsel panel participant, Member Hammond recused himself from that portion of the item. This item will go before the Board at the October 8, 2019, Board of Supervisors meeting.

A discussion occurred regarding the Rancho Mission Viejo CFDs along with the rotating lead Underwriter.

Treasurer-Tax Collector Freidenrich commented regarding: the volume of debt financing; structure; competitive vs. negotiated land secure; and, the Municipal Advisor bids. Chair Moohr requested the GFOA checklist for bond financing mentioned by Treasurer-Tax Collector Freidenrich.

Sarah Brown with Stifel answered Committee Members' questions.

The recommended selections are:

1. Fieldman, Rolapp & Associates, Inc. and CSG Advisors as Municipal Advisor
2. Stradling Yocca Carlson & Rauth as Bond and Disclosure Counsel
3. Stifel, Nicolaus & Company, Inc., Piper Jaffray & Co, and RBC Capital Markets, Inc. as Underwriter

A separate vote on each of the three recommended selections of financing professionals passed with Member Hammond abstaining on the Bond and Disclosure Counsel selection. The three recommended actions were approved. Member Hammond commented that the Committee was efficient and comprehensive.

- VII. 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 2020-21 pension obligation and selection of financing professionals:** Louis McClure, Public Finance Manager, presented a report on this item that is scheduled to go before the Board at the October 8, 2019, Board of Supervisors meeting.

Member Rodecker made a Motion to approve in concept, the recommendation to the Board of Supervisors the proposed issuance of short-term Taxable Pension Obligation Bonds to prepay the County's Fiscal Year 2020-21 pension obligation and selection of financing professionals. Vice Chair Chai seconded the motion.

The recommended financing professionals are:

1. Fieldman, Rolapp & Associates, Inc. as Municipal Advisor
2. Orrick, Herrington & Sutcliffe, LLP as Bond Counsel

The Motion passed for all three recommended actions.

VIII. Public Comments: None

IX. Committee Comments: None

X. Date of next regularly scheduled meeting: October 10, 2019. There is no anticipated new business for October or November. Staff anticipates a meeting for December. A proposed 2020 meeting calendar will be brought to the Committee at the next PFAC meeting.

XI. Adjournment: Chair Moohr adjourned the meeting at 2:30 p.m.