



**SUMMARIZED MINUTES OF THE  
PUBLIC FINANCING ADVISORY COMMITTEE  
Thursday, January 10, 2013 at 1:30 P.M.  
Hall of Administration  
Planning Commission Room**

**Committee Members:** Carl Groner, Vice Chairman, Committee Member; Wallace Rodecker, Committee; Member Lisa Hughes, Committee Member; Shari Freidenrich, Treasurer Tax-Collector; Frank Kim, Interim Chief Financial Officer; Jan Grimes, Chief Deputy Auditor-Controller

**Absent:** Chairman Thomas Hammond

**County Representatives Present:** Angie Daftary, County Counsel, CEO/Public Finance; Suzanne Luster, Public Finance Manager; Richard Mendoza, Louis McClure, Laurie Sachar, Anil Kukreja, Alex Martinez

- 1. Call to Order:** The meeting was called to order at 1:30 P.M by Vice Chairman, Carl Groner.
- 2. Approval of Minutes of December 13, 2012:** Committee Member Freidenrich moved to approve the minutes. The motion was seconded by Committee Member Grimes. The minutes were approved.
- 3. Election of Public Financing Advisory Committee Chair and Vice Chair:** Ms. Luster opened the floor for nominations for the chair and vice chair. Committee Member Hughes made the motion for Mr. Hammond to continue as Chair. The nomination was seconded by Ms. Freidenrich and all members present voted in favor. Wallace Rodecker made the motion that Carl Groner continue serving as Vice Chair. Mrs. Hughes seconded and all members present voted in favor.
- 4. Approve Financing the Teeter Plan with a Note Purchase and Reimbursement Agreement:** Ms. Luster briefly presented the item. Ms. Luster also mentioned that the documents included in the staff report reflect a rate of 60 basis points for the financing but that subsequently Wells Fargo has agreed to reduce the rate to 58 basis points.

Mrs. Hughes inquired about the current property tax default rate and Ms. Luster responded that it was below 2 percent this year. Ms. Freidenrich clarified that she believed the total secured taxes were over 98.5 percent collected. Mrs. Hughes inquired about the amounts we've needed to finance in past years and Ms. Freidenrich followed up by asking if the \$150 million requested is enough to cover future program needs. Mr. Groner followed up by inquiring if there was an objective way the \$150 million amount was determined. Ms. Luster responded that the County used a conservative financial model to determine the amount.

Ms. Freidenrich inquired about the rate charged the County being based on the County's ratings and what would happen if individual rating agencies issued different ratings and specifically if the documents addressed this issue. Mr. Brodsky from KNN Public Finance (the Financial Advisor for the Teeter Plan) clarified that the financing documents do indeed specify how the rate is calculated should there be split ratings.

Mr. Groner inquired if a representative from Wells Fargo could address the issue of the County possibly needing more than \$150 million to cover the Teeter program. Ms. Love from Wells Fargo replied that Wells Fargo is fully committed to the County and the County's credit needs. The \$150 million is expected to reflect the actual needs and usage. Wells Fargo would certainly entertain and hopefully meet the County's needs for any additional credit requests that would come up.

Ms. Freidenrich moved and Mr. Rodecker seconded the recommended action with the amended change to the 58 basis points for the interest rate agreement. The item was approved unanimously.

**5. Training Session – Verbal Presentation:** Presentation by Piper Jaffray – “Fundamentals of Land-Secured Financing”

**Public Comment:** There was no public comment.

**Additional Comment:** None

**Adjournment:** The meeting was adjourned at 3:30 P.M.