



**SUMMARIZED MINUTES OF THE
PUBLIC FINANCING ADVISORY COMMITTEE
Thursday, May 8, 2014 at 1:30 P.M.
Hall of Administration
Planning Commission Room**

Committee Members: Chair, Lisa Hughes; Vice-Chair Carl Groner; Committee Member Thomas Hammond; Committee Member, John J. Moohr; Shari Freidenrich Treasurer-Tax Collector; Jan Grimes, Auditor-Controller; Frank Kim, Chief Financial Officer

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

- 1. Call to Order:** Pursuant to Rule 5 of Chapter 1 of the General Provisions of the PFAC Bylaws, PFAC members selected Thomas Hammond to act as Chair Pro Tem in the temporary absence of the PFAC Chair and Vice Chair. The meeting was called to order at 1:40 P.M by Chair Pro Tem, Thomas Hammond.
- 2. Approval of the Minutes of January 9, 2014 Meeting:** Chair Pro Tem Hammond asked for an update of prior action items identified in the minutes. Ms. Luster, Public Finance Manager, provided a status on all three action items identified in the minutes. First, with respect to the status of notification to tax payers about the savings to be incurred as a consequence of refunding of the Ladera CFDs, Ms. Luster stated that the notification is in process, pending meetings to be scheduled with Treasure Tax-Collector staff and County Counsel. Ms. Luster reported that the notifications will be in place in time for the September tax bills.

Second, with respect to the Neighborhood Development and Preservation Project (NDAPP), Ms. Luster reported that staff will be providing a status on the list of projects associated with NDAPP at the June 8, 2014 meeting when staff finalizes outstanding administrative issues with the Successor Agency and returns to PFAC for final approval of the proposed refunding.

Third, with respect to the \$75 million that was swept by the State as a result of the dissolution of the two Redevelopment Agency projects in Orange County (Santa Ana Heights (SAH) and NDAPP), Ms. Luster reported that staff will provide a status at the June 8, 2014 PFAC meeting.

Chair Pro Tem Hammond asked for a motion to approve the minutes of the January 9, 2014 PFAC meeting. Committee Member Moohr moved to approve, Committee member Freidenrich seconded. The minutes were approved unanimously.

Chair Pro Tem Hammond returned the PFAC meeting to Chair Lisa Hughes after her arrival for the balance of the meeting.

3. Selection of Financing Professionals Related to the Proposed Formation of the Rancho Mission Viejo Community Facilities District and Bond Financing of Public Facilities and Projects: Committee member Hughes asked for a staff summary of the action item. Ms. Luster, Public Finance Manager, provided a background overview of the proposed Rancho Mission Viejo Community Facilities District, provided a handout clarifying the bond counsel pricing, and summarized the recommended actions regarding selection of financing professionals for the proposed formation and financing of the Rancho Mission Viejo Community Facilities District.

Several questions ensued regarding the proposed compensation for Fieldman Rolapp and Associates (Financial Advisor) and Stradling Yocca Carlson & Rauth (Bond and Disclosure Counsel). After discussion with staff and consultants from Fieldman Rolapp and Associates (Fieldman), PFAC recommended an adjustment to the proposed compensation for Fieldman in an amount not to exceed \$50,000 for services related to CFD formation and financing. Similarly, after considerable deliberation with staff about the proposed compensation for Stradling Yocca Carlson & Rauth (Stradling) for the CFD formation portion of the transaction, PFAC recommended an adjustment to include a not-to-exceed cap of \$25,000 for services related to CFD formation and \$80,000 for services related to CFD financing for each CFD.

Ms. Luster provided a summary of the procurement process for Market Absorption (MA) services. Ms. Luster informed the PFAC that of the 2,408 firms that were invited through the County's on-line procurement system (Bidsync), 17 firms downloaded and viewed the RFP and only one firm (Empire Economics) responded to the RFP. Ms. Luster stated that Empire Economics has considerable experience with CFDs in California and specifically in Orange County, having served as MA consultant for 91 County CFD bond issues since 1987. Ms. Luster added that the proposed fees are comparable to the current contract that Empire Economics has with the County for MA services.

Chair Hughes asked that CEO staff agendaize an item that provides a status on the costs for financing consultants associated with the first Rancho Mission Viejo CFD. Ms. Luster proposed that a status report be provided to the PFAC after completion of the formation of the first CFD.

Chair Hughes asked for a motion to approve Empire Economics, Incorporated as Market Absorption consultant for the proposed Rancho Mission Viejo CFD formations and financings. Committee member Hammond moved the motion, Committee member Grimes seconded, the motion was approved unanimously.

Chair Hughes asked for a motion to approve Stradling Yocca Carlson and Rauth as Bond and Disclosure Counsel, with compensation adjustments as described herein, for the proposed Rancho Mission Viejo CFD formations and financings. Committee member Moohr moved the motion, Committee member Hammond seconded, the motion was approved unanimously.

Chair Hughes asked for a motion to approve Fieldman Rolapp and Associates as Financial Advisor, with compensation adjustments as described herein, for the proposed Rancho Mission Viejo CFD formations and financings. Committee member Hughes moved the motion, Committee member Groner seconded, the motion was approved by a majority vote as follows:

Chair Hughes – Yes

Committee Member Groner – Yes

Committee Member Moohr - Yes

Committee Member Grimes - Yes

Committee Member Freidenrich – Yes

Committee Member Hammond - No

4. Adjournment: The meeting was adjourned at 3:15 p.m.