



Public Financing Advisory Committee

Thursday, September 10, 2015 at 1:30 pm

Hall of Administration Planning Commission Room

MEETING MINUTES

Attendees: Lisa Hughes (Chair), Thomas Hammond (Committee Member), John J. Moohr (Committee Member), Carl Groner (Committee Member), Michelle Aguirre (Chief Financial Officer), Angie Daftary (County Counsel), Suzanne Luster (CEO/Public Finance Director), Louis McClure, Victoria Ross, Susie Ortiz; (Public Finance).

Absent: Wallace Rodecker (Committee Member), Shari Freidenrich (Treasurer-Tax Collector), Eric Woolery (Auditor-Controller)

- I. **Call to Order/Introductions/Opening Remarks:** Meeting called to order by Chair Lisa Hughes at 1:31 pm.
- II. **Review and Approval of Minutes:** Meeting Minutes of August 27, 2015 were passed to be approved at the October 15, 2015 due to lack of members who were present at the August 27th meeting.
- III. **Approval of selection of Stradling Yocca Carlson & Rauth as Disclosure Counsel for the 800MHz Countywide Coordinated Communications System Upgrade financing:** Louis McClure, CEO Public Finance provided a summary of the previously approved and non-approved actions taken thus far. He stated that Stradling Yocca Carlson & Rauth were the lowest bidder with no additional expenses. Chair Hughes asked why Orrick, Herrington & Sutcliffe did not bid this time around. Ms. Luster had previously sought the answer with Orrick and informed the committee that it was not intentional, but they did not bid.

Member Hammond asked if Squire Patton Boggs had changed their bid, and what made Public Finance pick Stradling Yocca Carlson & Rauth for the second process. Ms. Luster informed the committee that Squire Patton Boggs did not change their bid, but the change in process resulted in a change in recommendation. The previous process was a request for proposal (RFP). Public Finance prefers to go through the RFP process in order for staff to evaluate proposals and evaluate experience and expertise. With the RFP process, the staff had the opportunity to review all previous proposals twice and were satisfied that the proposals previously provided to PFAC were qualified candidates. To move this critical County project forward, staff used the invitation to bid process the second time. With an invitation to bid, the County puts forth the scope, qualifications and requirements and asks proposers to certify their qualifications, and Public Finance recommends the lowest responsive, responsible bidder.

Member Hammond expressed concern that the County may have lost a future vendor, and that the firm that originally scored the highest in the evaluation was not selected over a \$1,000 expense bill. Chair Hughes noted that a major concern Committee Members had were that Squire Patton Boggs had little or no experience working with the County and were an out of County firm based in Los Angeles versus Stradling being a local firm and having extensive

experience with the County. Ms. Luster noted that Squire Patton Boggs has done extensive work for several of our neighboring municipalities.

Motion: Member Moohr moved, Member Groner seconded. The motion was approved unanimously.

- IV. Approval of the issuance of the Series A Special Tax Bonds in Community Facilities District 2015-1 (Village of Esencia):** Ms. Luster, CEO Public Finance Director, provided a summary of the CFD 2015-1. After the presentation, a discussion ensued on the process of the Mello-Roos taxes, the two percent components that make up the maximum tax, and the project fund assets to be constructed or acquired by the County. Member Moohr asked about Mello-Roos and the affordable housing. Andrea Roess, Managing Director, David Taussig & Associates, Inc. responded to Member Moohr's question that the affordable housing and regular apartments have a fixed rate per unit, and that it is not based on the size per unit. The affordable housing units pay less than the non-affordable apartments.

Member Groner asked for the budget costs for Public Finance staff and other resources costs that were involved in the CFD. Ms. Luster said that the Board of Supervisors approved a reimbursement resolution and the developer deposited money into a trust fund that was used to pay Public Finance staff and the finance team. Accounting was provided to Rancho Mission Viejo, in order to provide additional deposits need be. The dollar figured spent thus far is about \$300,000 which includes County staff, financial advisor, underwriter, district engineer, etc.

Sara Brown, Managing Director, Stifel, Nicolaus & Co. answered Member Hammond's questions regarding the bond structure, sinking fund vs. reserve fund, and future investors.

Motion: Member Hammond moved, Member Moohr seconded. Member Hammond thanked Mr. DeMars and Rancho Mission Viejo for the financial information and Chair Hughes thanked them for the CFD 2015-1 tour. The motion was approved unanimously.

PFAC Committee Member's motioned to reschedule the next meeting from October 8, 2015 to October 15, 2015. Member Moohr moved, Member Groner seconded. The motion was approved unanimously.

- V. Date of next meeting:** October 15, 2015 at 1:30 pm
- VI. Public Comment:** None.
- VII. Adjournment:** The meeting was adjourned at 2:19 pm.