

YOLO COUNTY DEBT COMMITTEE
MINUTES OF MEETING

May 12, 2017

3:30 PM
County Offices
600 A Street, Suite C
Davis, CA 95616

Members (all present): Jim Provenza (Board of Supervisors); Matt Rexroad (Alternate Board of Supervisors); Phil Pogledich (County Counsel); Kevin Yarris (Dept. of General Services); Howard Newens (CFO) Patrick Blacklock (CAO), joining by phone from County Administration Building, 625 Court St, Woodland.

Staff present: Chad Rinde (Dept. of Financial Services);

Purpose of meeting: Review and approve future county borrowings

1. Chair Provenza called the meeting to order at 3:30 PM
2. The agenda was reviewed and approved.
3. There were no public comments
4. Howard Newens presented a red-lined version of the proposed changes to Policy on Borrowing, Debts and Obligations to reflect changes in the law, regulations and industry best practices. The Committee approved unanimously the revisions (Pogledich, Yarris).
5. Chad Rinde explained in detail the proposed plan to finance the CIP 2017 projects with lease revenue bonds. This plan was presented to the Board of Supervisors on 4/25/17. While recognizing that the County still has ample debt capacity according to industry debt ratio standards, Supervisor Rexroad recommends that the County consider the extent of all county obligations (hard and soft liabilities such as unfunded OPEB and pension obligations) before approving new debts or obligations. This will be added to the above-mentioned Policy. The Committee approved unanimously the financing plan (Yarris, Pogledich).
6. Chad Rinde presented the upcoming request from the Valley Clean Energy Alliance JPA for a guarantee by all member agencies to support a loan or line of credit application for about \$7 million for up to three years to provide seed funding for operations. The loan guarantee will likely be provided on a joint and several basis, meaning that though all agencies are jointly liable for the debt, they could also be held liable separately for the entire amount. This request will be presented in detail to the full Board of Supervisors in July. The Committee approved unanimously the concept (Yarris, Pogledich).

7. Chad Rinde presented the proposed dry-period financing of the Treasury Pool to enable the County to prepay its annual premium obligation to PERS in July, pursuant to the California Constitution. The County would borrow approximately \$16.3 million from the Treasury Pool from July 1, 2017 and the last Monday of April 2018 at interest charged at the pool earning rate. The prepayment would net the County a saving of 2.55%, or about \$415,000. The Committee approved unanimously. (Pogledich, Blacklock).
8. The Committee considered the request from Beth Gabor for a two temporary loans for North Davis Meadows CSA water and sewer funds:
 - a. Bridge loan of \$430,000 to cover cost of Water Consolidation Project until the State long-term loan is approved, up to one year.
 - b. Loan of \$93,000 to cover operating deficit in the Sewer Fund to be fully paid back in four years.

The Committee approved unanimously (Provenza, Pogledich).

9. The Committee adjourned at 4:50 PM.

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