
DEBT ADVISORY COMMITTEE MEETING

MEETING MINUTES

April 11, 2024, at 9:00 a.m.

Members Present:

Don Kent	County Executive Office (Chair)
Jarvyk Punzalan	Community Facilities District/Assessment District
Ben Benoit	Auditor-Controller
Kristine Bell Valdez	County Counsel
Darrylenn Prudholme-Brockington	Flood Control and Water Conservation District
Amber Jacobson	Office of Economic Development
Giovane Pizano	Treasurer-Tax Collector

Members Absent: None

Staff and Guests Present:

Trina Head	Executive Office
Imelda Delos Santos	Executive Office
Jonathan Gutierrez	Executive Office
Anna Sarabian	Fieldman, Rolapp & Associates, Inc.

1. Call to Order and Self-Introductions

The Debt Advisory Committee meeting was called to order at 9:00 a.m. Those present made self-introductions.

2. Approval of the DAC Meeting Minutes for April

MOTION: Don Kent moved to approve the Special DAC meeting minutes from April 04, 2024.

Giovane Pizano seconded.

All were in favor. The motion passed unanimously.

3. Review and Recommend Approval of the Community Facilities District No. 04-2 (Lake Hills Crest) of the County of Riverside Special Tax Refunding Bonds, Series 2024

Jarvyk Punzalan, with the Executive Office, provided a brief overview of the submittal of the Community Facilities of the County of Riverside Special Tax Refunding Bonds, Series 2024. The Community Facilities District No. 04-2 (Lake Hills Crest) of the County of Riverside (the "District") was formed in 2005 to finance public improvements. The district is located in the northwest portion of the county in an unincorporated area one mile south of the 91 freeway and 3 miles east of Interstate 15. All the property is residential use as single-family detached homes.

Anna Sarabian, our financial advisor with Fieldman, Rolapp, reviewed the Financing Fact Sheet.

MOTION: Amber Jacobson moved to review and recommend approval of the Community Facilities District No. 04-2 (Lake Hills Crest) of the County of Riverside Special Tax Refunding Bonds, Series 2024.

Ben Benoit seconded.

All were in favor. The motion passed unanimously.

4. Review and Recommend Approval of the Community Facilities District No. 05-8 (Scott Road) of the County of Riverside Special Tax Refunding Bonds, Series 2024.

Jarvyk Punzalan, with the Executive Office, provided a brief overview of the submittal of the Community Facilities District No. 05-8 (Scott Road) of the County of Riverside that was formed in 2006 to finance public improvements. The District consists of several properties located in the City of Menifee and part of unincorporated areas of the county, approximately 10 miles north of Temecula. The District previously issued its Special Tax Bonds, Series 2008 for approximately \$11.59 million.

In 2013, the District issued its Special Tax Bonds, series 2013 for approximately \$16.9 million to refinance the 2008 Bonds. In 2018, the District issued its Special Tax Bonds, Series 2019 in the original aggregate amount of \$5.12 million to finance additional public improvements. Currently, the 2013 Bonds are outstanding at about \$15.23 million. The 2018 Bonds are still outstanding for \$5.12 million because these Bonds are wrapped around the 2013 Series with the first principal

payment starting on September 1, 2043. The 2018 Bonds can be optionally redeemed on September 1, 2025, plus a redemption premium of 3%.

The 2013 Bonds can be refinanced by issuing approximately \$10,950,000 in tax-exempt fixed-rate 2024 Bonds. The 2018 Bonds can be legally defeased reducing significant cost savings. The 2024 Bonds will maintain the final maturity as the 2013 Bonds, September 1, 2042. The 2024 Bonds will close off the remaining lien since there are no remaining improvements to be funded and the remaining unissued authorization is no longer needed closing the lien as well. As a result, all accumulated Special Tax Revenues and various funds associated with the District will be contributed to the full defeasance of the 2018 Bonds and refunding of the 2013 Bonds reducing the size of the 2024 Bonds. Enhancing the refunding savings and reducing the future annual Special Taxes to be levied on the properties within the District. The net present value savings is estimated at 10.8% above the Board policy of 3%. Interest on the Bond is payable semi-annually, March and September.

Anna Sarabian, our financial advisor with Fieldman, Rolapp, reviewed the Financing Fact Sheet.

Ben Benoit inquired about the funds for the infrastructure being no longer needed and if the City of Menifee is aware.

Anna Sarabian explained the County department of Transportation and Land Management Agency (TLMA) and the City of Menifee have been contacted on several occasions to discuss the Bonds. TLMA and the City of Menifee have not had any request for infrastructure changes. The City of Menifee is also now incorporated which Scott Road fall in the City's jurisdiction. Don Kent explained that the city would need to form on their own and the County is performing its role of closing the lien. Any new improvements outside of the jurisdiction of the county would then shift to the city.

Darrylenn Prudholme-Brockington with Flood Control and Water Conservation District asked why the previous CFD had a 25-basis point versus 15-basis point cushion for this one.

Anna Sarabian responded that it was to create some competition. We had two underwriters and at the time the market was expecting rate cuts and may not be happening.

There was open discussion regarding the Bonds and verifying that the City of Menifee is aware of the recommendation.

MOTION: Ben Benoit moved to review and recommend the approval of the Community Facilities District No. 05-8 (Scott Road) of the County of Riverside Special Tax Refunding Bonds, Series 2024, pending the Executive Office would follow up with the City of Menifee regarding closing off the lien and defeasing the 2018 bonds.

Darrylenn Prudholme-Brockington seconded.

The motion passed unanimously.

5. Public Comment

None

6. Other Business

None

7. Next Meeting(s)

The next regularly scheduled Debt Advisory Committee Meeting on Thursday, May 09, 2024, is canceled.

A Special Debt Advisory Committee Meeting is scheduled for Thursday, May 16, 2024, at **11:00 a.m.**

7. Adjourn

With no further business, Chairman Don Kent, adjourned the Debt Advisory Committee Meeting at 9:39 a.m.