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# SPECIAL DEBT ADVISORY COMMITTEE

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## MINUTES OF MEETING

September 19, 2019 9:00 a.m.

County Executive Office  
4080 Lemon Street, 4<sup>th</sup> Floor  
Conference Room A

**Members Present:**

Don Kent	County Executive Office (Chair)
Stephanie Persi	Community Facilities District/Assessment District
Matthew Jennings	Treasurer-Tax Collector
David McCarthy	County Counsel
Jeanine Rey	Flood Control and Water Conservation District
Rose Salgado	Economic Development Agency

**Members Absent:**

Paul Angulo	Auditor Controller
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**Staff and Guests Present:**

Brian Burkland	Auditor Controller
Darrylenn Prudholme-Brockington	Flood Control and Water Conservation District
Michael Williams	Columbia Capital
Anna Sarabian	Fieldman, Rolapp & Associates
Valerie Arce	County Executive Office

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**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. Don Kent clarified that two sets of meeting minutes need to be approved. The approval of the July 11, 2019 meeting minutes was delayed allowing ample time for all to review.

**Approval of the DAC Meeting Minutes for July 11, 2019.**

**MOTION: Don Kent moved to approve the Special DAC meeting minutes from July 11, 2019.**

**Stephanie Persi seconded this.**

**The motion approved unanimously.**

**Approval of the DAC Meeting Minutes for August 8, 2019.**

**MOTION: Don Kent moved to approve the Special DAC meeting minutes from July 11, 2019.**

**Stephanie Persi seconded this.**

**The motion approved unanimously.**

**3. 2019 Teeter Notes**

Stephanie Persi informed that the FY 2019-2020 Teeter Obligation Notes will be financed at approximately \$84 million, which is roughly \$10 million more than last year. This increase is due to higher delinquencies than the previous year. The previous year was at 1.19%. It is now at 1.52%. Most of the terms are the same as last year. The interest rate is predicted to be at 1.25%. The tax loss reserve is predicted to be \$16 million this year. She shared Michael Williams, Columbia Capital Financial Advisor, was present to answer any questions.

Don Kent noted that two rate cuts took place. One rate cut of 25 basis points was in July and another rate cut of 25 basis points occurred this month in September.

Mr. Williams informed short-term rates have been varying. The plan is to select the best date to sell and close by the hard deadline to refund of October 24, 2019. As Ms. Persi mentioned, there are about \$10 million more in notes this year than the previous year. This is due to a combination of factors. Delinquencies are up. Last year the interest rate was at 1.19%. The interest rate is now at 1.52%. These notes were paid down with the principal collections on delinquent taxes last year. There is a combination of fewer dollars to pay off the delinquencies and higher delinquencies in the current year. There does not seem to be a concern and the aim is to find an equilibrium.

**MOTION: Don Kent moved to approve.**

**Matthew Jennings seconded.**

**All were in favor. The motion approved unanimously.**

**5. Public Comment**

No public comments.

**6. Next Meeting**

The next regularly scheduled Debt Advisory Committee Meeting is scheduled for Thursday, October 10, 2019 at 9:00 a.m., or as needed.

**7. Adjourn**

With no further business, Chairman Don Kent, adjourned the Debt Advisory Committee Meeting at 9:25 a.m.