
DEBT ADVISORY COMMITTEE

MINUTES OF MEETING

May 9, 2019 9:00 a.m.

County Executive Office
4080 Lemon Street, 4th Floor
Conference Room A

Members Present:

Don Kent	County Executive Office (Chair)
Jon Christensen	Treasurer-Tax Collector
Oscar Valdez	Auditor Controller
David McCarthy	County Counsel
Jeanine Rey	Flood Control and Water Conservation District
Stephanie Persi	Community Facilities District/Assessment District

Members Absent:

Rob Field	Economic Development
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Staff and Guests Present:

Giovane Pizano	Treasurer-Tax Collector
Steve Faeth	Treasurer-Tax Collector
Tanya Harris	Auditor Controller
Daniel Wiles	Fieldman, Rolapp, and Associates
Michael Williams	Columbia Capital
Imelda Delos Santos	County Executive Office
Valerie Arce	County Executive Office

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 Special DAC Meeting Minutes for April 10, 2019.

Corrections to reflect Simon Wirecki and remove Giovane Pizano in the meeting minutes were identified.

MOTION: Oscar Valdez moved to approve the Special DAC Meeting Minutes from April 10, 2019 with corrections.

Don Kent seconded this.

The motion approved unanimously.

3. TAX AND REVENUE ANTICIPATION NOTES SERIES 2019

Stephanie Persi reported on the Tax and Revenue Anticipation Notes Series 2019. Riverside County's issuance cost for the TRANS will be approximately \$350,000 assuming a \$340 million issuance. Ms. Persi added that \$340 million is the same amount as (borrowed) in past years. It is anticipated that interest rates for the tax-exempt notes will be approximately 1.70% for a 12-month note. The financial advisor will be Fieldman, Rolapp, and Associates. The trustee is Bank of New York Mellon Trust Company. The senior manager is Bank of America Merrill Lynch, with UBS Financial Services as the co-manager.

Giovane Pizano inquired about the current supply in California.

Daniel Wiles of Fieldman, Rolapp, and Associates informed that Los Angeles County will be at approximately \$700 million. Ventura County will be approximately \$170 million. This is about the same when compared to last year. Last year, there was more demand than supply. It is possible this is due to the tax changes. Wealthy individuals only have a limited number of places to do tax advantage investments. Tax exemptions, particularly in California, were popular. When comparing California's tax exemptions with national indexes, the spreads have become lower. In many cases for hybrids, the spreads have become lower than the national indexes.

Mr. Pizano inquired about the coupons. Mr. Wiles shared that they will be around a 5% note. Buyers still want to be slightly defensive and want a flow of income off the notes. A 5% note is the general expectation. While money market funds are slightly lower in their demand, the syndicates have understood the need to get retail investment and this is where the tax reform portion applies. Wealthy individuals have less places to go to and one of the places that they will go is the note market. As a result, approximately a third could potentially be sold to retail investors.

Mr. Valdez inquired if the (recommendation) was for authorization to issue only and asked for the date for the board presentations. Mr. Wiles informed that the presentations would be made in 14 days.

Don Kent pointed out that the first line of the report states, "The FY 2019-20 resolution authorizes the issuance of tax and revenue anticipation notes in the amount not-to-exceed \$340,000,000, though the actual amount should be less."

MOTION: Jon Christensen moved to approve.

Oscar Valdez seconded.

All were in favor. The motion approved unanimously.

4. Public Comment

No public comments.

5. Next Meeting

The next regularly scheduled Debt Advisory Committee Meeting is scheduled for Thursday, June 13, 2019 at 9:00 a.m., or as needed.

6. Adjourn

With no further business, Chairman Don Kent, adjourned the Debt Advisory Committee Meeting at 9:10 a.m.