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# SPECIAL DEBT ADVISORY COMMITTEE

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## MINUTES OF CONFERENCE CALL

April 9, 2020 9:00 a.m.  
(Approved)

### Webex Conference Call

#### Members Present:

Don Kent	County Executive Office (Chair)
Stephanie Persi	Community Facilities District/Assessment District
Jon Christensen	Treasurer-Tax Collector
Oscar Valdez	Auditor-Controller Office
Michael Thomas	County Counsel
Rose Salgado	Economic Development Agency
Jeanine Rey	Flood Control and Water Conservation District

#### Members Absent:

None.

#### Staff and Guests Present:

Giovane Pizano	Treasurer-Tax Collector
Mike Williams	Columbia Capital
Kim Byrens	Best Best & Krieger
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 DAC Meeting Minutes for February 20, 2020.**

Chairman Don Kent shared that additional comments for the February 20, 2020 meeting minutes were provided. To ensure these comments were added to the minutes and all had time to review, Mr. Kent suggested they be approved at the next DAC meeting on May 14, 2020.

**MOTION: Don Kent moved to approve the DAC meeting minutes from February 20, 2020 at the May 14, 2020 DAC meeting.**

**Jon Christensen seconded this.**

**The motion approved unanimously.**

**3. Approval of the Agreement for the Multi-Year Lease Line of Credit for Financing Purchases of Fixed Assets for the County of Riverside**

Teresa Summers, Director of Purchasing and Fleet Services, reported that the item presented to the Debt Advisory Committee (DAC) is a request for a new line of credit in the amount of \$40 million and in increments of \$20 million each. The Purchasing and Fleet Services Department secures a lease line of credit through a competitive process, as needed, for county departments to finance capital equipment. Riverside County has been utilizing the lease line of credit for over 20 years. A similar request was brought before the DAC on June 14, 2018 for a line of credit in the amount of \$ 50 million and was later approved for another \$25 million as a result of the need for financing equipment for the hospital for the new facility.

Recently, there have been some large purchases such as those for the hospital, a helicopter, fire apparatus, fleet vehicles, and large equipment for the Transportation and Land Management Agency (TLMA). These are all typically items that departments need to finance. Ms. Summers explained that the job of the Purchasing and Fleet Services Department is to make sure there is an available lease line of credit to meet the departments' needs as they need it.

An RFP was released in March to over 205 contacts and the department received only 3 bids: Bank of America, Union Bank and U.S. Bank Corporation. The Evaluation Committee, consisting of the Auditor-Controller, Executive Office and Treasurer-Tax Collector, recommends the award be made to Bank of America. The other two banks provided little to no interest rates with the response that they could not provide them given the current marketplace. Bank of America is the current incumbent and has provided the last few lines of credit to the county and typically has the best interest rates.

Mr. Kent shared that it is clear that Bank of America has stepped up and is being a good partner with the county. Despite disarray in the financial markets, their interest rates are quite good. He added that, regarding the county budget, many of these purchases do not impact the Net County Cost (NCC).

Jon Christensen shared that the existing relationship with Bank of America has been a fantastic one. They have been very help. He sees no reason for not to keep that relationship.

Ms. Summers shared the relationship with Bank of America has been very good. The bank has worked with department on a number of items. Initially, when the lease line of credit for \$50 million was established, it came to their attention that the documents were not submitted correctly to allow for escrow funding. Bank of America worked with the county to make the modification at no additional cost and with the same interest rate. An additional \$25 million was added as a result of the new hospital facility and the bank kept the same interest rates. A \$3.1 million remodel project for the Department of Child Support Services was presented at the last BOS meeting. Bank of America provided an interest rate of a little more than 1% for 5 years.

With no further questions or comments, Mr. Kent motioned to approve the item.

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

**Jon Christensen seconded.**

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

#### **4. Public Comment**

Imelda Delos Santos of the Executive Office inquired if the financing is subject to the disclosure requirement.

Kim Byrens of Best Best & Krieger confirmed that, as of a year ago last January, financing that is a general fund transaction is a disclosable event.

Mr. Kent provided further clarification. Although not all, some purchases will be taken from the general fund and, as a result, the item of discussion must be disclosed.

#### **5. Next Meeting**

The next regularly scheduled Debt Advisory Committee Meeting is scheduled for Thursday, May 14, 2020 or as needed.

#### **6. Adjourn**

With no further business, Chairman Don Kent, adjourned the Debt Advisory Committee Meeting at 9:34 a.m.