DEBT ADVISORY COMMITTEE

DAC Conference Call

Thursday, May 14, 2020
9:00 - 10:00 a.m.

AGENDA

IMPORTANT NOTICE REGARDING DAC MEETING

This meeting is being conducted utilizing teleconferencing and electronic means. This is consistent with State of California Executive Order N-29-20 dated March 17, 2020, regarding the COVID-19 pandemic.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Valerie Arce at (951) 955-1130. Notification 48 hours prior to the meeting will enable us to make reasonable arrangements to ensure accessibility to the meeting [28 CFR 35 .102.35.104 ADA Title II].

Submission of Public Comments: For those who wish to make public comments at this meeting, please submit your comments by email to Valerie Arce at varce@rivco.org prior to 9:00 a.m. on May 14. All email comments shall be subject to the same rules as would otherwise govern speaker comments at the meetings. All email comments shall not exceed three (3) minutes and will be read out loud at the meeting and become part of the record of the meeting.

1. Call to Order and Self-Introductions

2. Approval of the February 20, 2020 and April 9, 2020 DAC Meeting Minutes

3. FY 20/21 Tax and Revenue Anticipation Notes

4. Public Comment on any item not on the agenda

5. Next Meeting (June 11, 2020) or as needed

6. Adjourn

SPECIAL DEBT ADVISORY COMMITTEE

MINUTES OF MEETING

February 20, 2020 3:00 p.m.

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

Members Present:

Don Kent	County Executive Office (Chair)
Michael Thomas	County Counsel
Matt Jennings	Treasurer-Tax Collector
Rose Salgado	Economic Development Agency
Oscar Valdez	Auditor-Controller Office

Members Absent:

Stephanie Persi	Community Facilities District/Assessment District
Jason Uhley	Flood Control and Water Conservation District

Staff and Guests Present:

Rohini Dasika	Economic Development Agency
Suzanne Holland	Economic Development Agency
Rob Larkin	Raymond James
Jonathan Jensen	Auditor-Controller Office
Curt de Crinis	Columbia Capital
Mike Williams	Columbia Capital
Kim Byrens	Best Best & Krieger
Amy Onopas	Human Resources
Aileen Yan	Superior Court
Mary Beth Redding	Bartel Associates
Valerie Arce	County Executive Office

1. Call to Order and Self-Introductions

The Debt Advisory Committee meeting was called to order at 3:00 p.m. Those present made self-introductions.

2. Approval of the DAC Meeting Minutes for November 14, 2019.

All reviewed the meeting minutes from the DAC meeting held on November 14, 2020.

MOTION: Matt Jennings moved to approve the DAC Meeting Minutes from November 14, 2019.

Suzanne Holland seconded this.

The motion approved unanimously.

3. County of Riverside Pension Obligation Bonds Series 2020

Chair Don Kent began with an overview. The Pension Advisory Review Committee (PARC) Report was presented to the Board of Supervisors (BOS) at the meeting held on January 14, 2020. The key topic was the unfunded liability of $3.5 billion. The BOS had questions regarding the funded status. Per Board Policy B-25 Pension Management and Other Post Employment Benefit Policy, the county seeks to maintain a funding level of 80%. The current funding level is close to 70% on a net funded ratio basis as of the June 30, 2018 valuation. CalPERS charges 7% interest on the unfunded liability. Bond market interest rates, outside of CalPERS, are considerably less. He shared that this is not the first time that the county has issued pension obligation bonds (POB), as this was performed in 2005, and also considered again in 2018.

Three reports, included in the meeting materials, were discussed: the 2020 POB report by Raymond James, the Proposed 2020 POB Study and Proposed 2020 POB Summary of Scenarios, both by Bartel Associates.

The Bartel Associates annual report shows that the County of Riverside has benefited by $138 million due to an all-in interest rate of 4.91%. The report also shows how CalPERS performed with the bond proceeds. The bond proceeds invested with CalPERS since the County's 2005 POB issuance has earned 6.5%, which is more than the bond rate.

There would be a great cost to exit CalPERS. The unfunded termination liability would range from $6.7-$8 billion for the miscellaneous plan and $3.2-$3.8 billion for the safety plan. Pension contribution rates would most likely double for departments. In addition, the county would then need to secure a new retirement plan.

Mr. Kent shared the options to address the unfunded liability. The first option is to pay the unfunded liability down with cash. The money could be pulled from the General Fund reserves but emphasized that he would never suggest this option, as this money is needed by the county to survive an economic downturn and to balance the books each year. It is also important to rating agencies who rate the county's debt based on sizable General Fund reserves.

The second option would be the money in the Section 115 Pension Trust. The trust was started in 2016 and is performing well with investment returns at over 7%. With a balance of approximately $30 million, it exceeds the rate that the county is paying CalPERS. Mr. Kent shared that he would like to see this money continue to grow. The funds could be used in the future as a "buffer" or to offset charges to departments. Another option is that the county could refinance some of what is being paid to CalPERS. Due to the current interest rate environment, there is an opportunity to cut the interest rate of 7% currently being paid to CalPERS to potentially less than half of that rate.

Michael Williams of Columbia Capital reported that the DAC was presented with financing options in 2018 similar to those being proposed now. In 2018, the county requested that Bartel Associates perform a risk analysis addressing the probability, or likelihood of success, of CalPERS earning a higher rate of return over an extended period of time versus the bond rate. However, there were two differences in 2018. The interest rates were 4.5% at that time and the bonds were structured to have some upfront budget savings. The DAC members ultimately decided that the likelihood of success, which was calculated at 67%, fell short of the DAC members 70% threshold in order to recommend moving it forward to the Board of Supervisors for their consideration.

Bond proceeds from the 2005 POB issuance were sent to CalPERS. According to Bartel Associates, despite the financial crisis that occurred in the ensuing years, the cumulative benefit to date of the 2005 Pension Obligations Bonds is $138 million.

Based on lower interest rates, Raymond James completed the financial analysis and provided it to Bartel Associates. The interest rate used as part of the analysis was 3.38%, less than the 4.5% in 2018. The probability of success increased from 67% to 80%. Today's option would provide savings that would be proportional to the term, yielding approximately $13 million in savings each year through FY 20-31 and declining to $3 million in 2041.

Mr. Kent shared that, regarding the staff report and in compliance with the B-24 Debt Management Policy, the proposed POB maturities will not extend beyond the bases to be paid off and be refinanced at the lower interest rate.

The fact sheet outlining the County of Riverside POB, Series 2020 was discussed. Two options were outlined: The base case issuance of $497 million and the alternate case issuance of $727.3 million with close to a 50/50 split between the miscellaneous and safety plans. The estimated issue date would be April 14, 2020 and the option selected would need to be approved by the BOS on March 17, 2020. The final maturity date for the base case would be February 2041 and 2038 for the alternate case.

Currently, Moody's Investors Service has a rating of A2 and Standard & Poor's rating is AA. The payment of $494.055 million or $723.186 million in CalPERS unfunded accrued actuarial liabilities would be financed. The paying agent would be Wells Fargo. Bond Counsel will be Orrick Herrington, which was the same bond counsel used in 2005. The underwriter would be Raymond James. An RFPs for co-managers for either size bond issue is being completed. These will be fixed rate bonds. The first year of amortization would be 2021. The average annual debt service would be $29.4 million on the base case and $48.9 million on the alternate case. The projected debt service is proportional to existing CalPERS pension bases which ramp up through FY 2030-31 before declining. No reserve funds are required.

Mary Beth Redding of Bartel Associates shared that the company has been in business since 2003, works entirely in the public sector, and focuses on work primarily in California. It often performs CalPERS projections and helps to determine whether POBs should be issued. Ms. Redding added that she has been an actuary for over thirty years and discussed projections. She shared that the company performs a lot of cost modeling, risk analysis and analysis of CalPERS costs to determine whether or not to issue POBs.

The process used to evaluate whether the county should issue bonds was discussed in more detail. The company reviewed how CalPERS invests its money and the asset classes used. Capital market assumptions are then built around each asset class, including the returns for each type of asset, the deviation of the returns, how likely they are to move in the same or different direction, and the nominal return where inflation is taken into the returns. The result is the POBs Analysis Assumptions.

The data resulted in a large spread in the returns. CalPERS returns are anticipated for the next ten years to be slightly lower than average. It was stated that it is more likely to get the average rate of return over 30 years. In 84% of the trials, results indicated that the county would end up better off issuing the bonds. In those trials where the county ends up worse off, the dollar amounts were small.

Because the likelihood of success is based on lower interest rates and today's rate are different than those in the past scenarios, Mr. Kent asked Rob Larkins of Raymond James to provide an overview of this. Mr. Larkins discussed the twenty-year historical perspective which graphed the ten-year U.S. Treasury and the thirty-year U.S. Treasury, as they are both the benchmark rates for taxable borrowing. Historical interest rates and CalPERS returns were also discussed.

Oscar Valdez of the Auditor-Controller Office inquired if departments would see any budgetary savings or an increase. Don informed that, per the B-25 Pension Management and Other Post Employment Benefit Policy, any issuance of pension related debt should first be reviewed by the Pension Advisory Review Committee (PARC). He confirmed that PARC already completed this last Thursday. The policy also outlines that a portion of the projected savings associated with an issuance is to be used at the recommendation of the County Finance Officer in a combination of five options: 1) to retire the pension bond debt, 2) to share the savings with departments, 3) to capture the savings throughout the payroll year and transfer them to CalPERS to further accelerate the pay down of the unfunded liability, 4) to deposit the savings in the Section 115 Pension Trust, or 5) to complete any combination of these options.

Mr. Kent shared he would not consider the option to retire the pension debt as the county is borrowing at an interest rate less than what it would be paying to CalPERS. At the last board meeting, the BOS clearly expressed that the priority is to pay down the unfunded liability. To complete this more quickly, his suggestion would be to capture the savings and complete one of the following: provide some to the Section 115 Pension Trust and some to CalPERS, move all savings to the trust, or provide all to CalPERS. This would need to be discussed with the PARC and recommendations would be provided to the BOS.

Mr. Kent introduced Amy Onopas of Human Resources who works with the staff of the Auditor-Controller's payroll division. He explained that an AUB payroll calculator would be used to set a rate.

Mr. Valdez stated that, based on the discussion, it seems as though departments would not see a decrease but an increase, as there would be an additional cost to the departments since the debt service would be spread among them. Mr. Kent clarified that it would not be an extra cost, but it would be what is normally paid to CalPERS. The county will see a net decrease in the unfunded accrued liability payment and the question yet to be determined is how the savings should be used.

Matt Jennings of the Treasurer-Tax Collector's Office shared that a comment was made to a board member regarding the increasing liability over the next couple of years and that the county plans to pay for this by possibly asking departments to cover these increases. As a result, the board member requested more information to determine what the amount to departments would be. Mr. Jennings informed that the options presented that some of the savings could be provided to CalPERS or to the Trust but also included the ability to offset what would be an increase to departments. This would mean that departments could possibly not encounter a savings but would also not encounter increases.

Mr. Kent confirmed this possibility but expressed that it would be a relatively small amount and sizable only over time. Depending on what scenario is selected, there will be a slight decrease in the contribution rates. He shared that at least two board members have expressed the need to accelerate payments to CalPERS. It is important to note that the Section 115 Pension Trust started in 2016 and is now at $30 million. The rate of return has outperformed CalPERS. Since inception, it is 7.5% and for calendar year 2019 it was up 17.7%. It has been performing nicely and the plan is to share this information with the BOS.

Mr. Jennings shared that economists predict the possibility of an economic downturn. Over the last twenty years, CalPERS investment returns have lost money during seven of those years. If they are not earning up to the 3% of the bonds, then the county is losing money. However, in the long-term, the county could still come out ahead. Despite this, the next few years could look like the county took a bad deal. He inquired how this will this be explained to the BOS and does this have any short-term true financial impact to the county. All discussed valuation, lag time, and further discussed the 30-year analysis performed by Bartel Associates and the reports provided to PARC. Mr. Kent confirmed that there is $30 million in the Section 115 Pension Trust and he would like to see this grow. However, some of this money could be used to "smooth out" some of the high points when the pain thresholds to departments is at its highest.

Mr. Kent added that it is important to remember that the $3.5 billion unfunded liability is not solely the responsibility of the county, as costs are also borne by the state and federal government and contract cities that are also paying the bill. Likewise, if there are any savings, they get the benefits of these savings too.

Mrs. Redding emphasized that it is important to remember that this is a long-term proposition. If you look at the 2005 POBs which was at a historically bad time, 15 years later it looked like a good deal. In 2008 and 2009, people at that time were probably regretting their decision.

Mr. Jennings stated that this is to his point. In the short-term if the market turns and losses are encountered, it is important for those making the decisions to remember that it may not look like a good deal just like in previous times. However, it is important to have patience because in the long-term it could be a good deal.

Mrs. Redding shared that the hope is that CalPERS learned its lesson and will take better actions as to not encounter such huge swings over the course of the plan.

Mr. Kent shared that interest rates and stocks are lower. The fears of coronavirus are affecting the market as well. He emphasized that it important to remember that this would be a long-term proposition.

Rohini Dasika of the Economic Development Agency inquired if both scenarios would be presented to the BOS and, if yes, then how will it be presented and this was discussed.

Michael Thomas of County Counsel inquired if anyone has looked at the different risks or differences in switching the CalPERS obligations to a bond obligation.

Mr. Larkins explained that there used to be the perception of soft liability versus hard liability. As seen in San Bernardino, Vallejo and Stockton, CalPERS does not take too kindly to not being paid. From the bond market perspective, that distinction has gone away. The rating agencies all perform their own modeling of the obligation. However, if one does not pay the bonds, it is a default which is extremely bad. From an operational standpoint, one will be paying one or the other until all is done.

When San Bernardino went through bankruptcy and defaulted on their POBs, the bondholders had to give up their interest payments on the bonds in order to settle the bankruptcy. All discussed that there are more negotiation options with bond holders than with CalPERS. If one does not pay CalPERS, they will come and take the money.

The B-24 Debt Management Policy states one of the following actions are to be taken: 1) review and file or 2) review and recommend action of the DAC to the BOS. The recommended motion is that the DAC recommends the approval of the POBs. The question before the DAC today is which of the two options to recommend.

Chairman Kent recommended the motion of the approval of the POBs alternative case. He shared the reason is that the county would be taking a “bigger bite of the apple” as more of the unfunded liability would be addressed, but his suggestion is also based on page 8 of the Raymond James presentation which states that the alternative case has a higher likelihood of success as outlined by Bartel Associates. It is based on a lower TIC. It also is an opportune time to proceed in terms of interest rates. With this, he motioned to approve alternative case 1.

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

Matt Jennings 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, March 12, 2020 or as needed.

6. Adjourn

With no further business, Chairman Don Kent, adjourned the Debt Advisory Committee Meeting at 4:30 p.m.

SPECIAL DEBT ADVISORY COMMITTEE

MINUTES OF CONFERENCE CALL

April 9, 2020 9:00 a.m.

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.

SUBMITTAL TO THE DEBT ADVISORY COMMITTEE
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: EXECUTIVE OFFICE **AGENDA DATE:** May 14, 2020

SUBJECT: Fiscal Year 2020-2021 Tax and Revenue Anticipation Notes

RECOMMENDED MOTION: Recommend approval to the Board of Supervisors of the issuance of the FY 2020-2021 Tax and Revenue Anticipation Notes.

BACKGROUND: The County annually issues Tax and Revenue Anticipation Notes (TRANs) to provide needed cash to cover the projected cash flow deficits of the County General Fund during the fiscal year. The deficit occurs because the timing of tax collections does not match the County's on-going expenditure requirements.

As a cost savings measure, the County evaluates annually the option of prepaying the unfunded liability portion of its pension obligation. Board Policy B-25 (Pension Management Policy) directs the Pension Advisory Review Committee (PARC) to review and make a recommendation regarding the prepayment of the annual CalPERS contribution. PARC recommended the prepayment of the CalPERS contribution for the last 15 years and recommends the prepayment of the FY 20-21 payment.

In April 2020, the Board of Supervisors approved the refunding of a portion of the pension obligation bonds. Through the successful sale of the bonds the County realized savings that resulted in a lower CalPERS pre-payment.

Staff will continue to evaluate the cash flow benefit of the prepayment up to the pricing of the TRANs. If, at the time of the pricing, there is insufficient savings, the prepayment will be removed from the TRANs.

The County's issuance cost for the TRANs will be approximately $330,000 assuming a $340 million issuance. It is anticipated that interest rates for the tax-exempt notes will be approximately 1% for a 12-month note.

The FY 2020-21 resolution authorizes the issuance of tax and revenue anticipation notes in an amount not-to-exceed $400,000,000, though the actual amount may be less. The large authorization provides the flexibility to issue an additional series of notes in the event the County and State budgets change substantially. The resolution also appoints the law firm of Orrick, Herrington & Sutcliffe LLP as bond counsel to the County, Kutak Rock LLP as disclosure counsel for the notes, Fieldman, Rolapp & Associates, Inc. as financial advisor, and Wells Fargo Corporate and Investment Banking, as senior managing underwriter, together with UBS Financial Services Inc., as co-manager.

Stephanie Persi
Principal Management Analyst

Date of Preparation: 5/8/20
Date of DAC Review: 5/14/20

COUNTY OF RIVERSIDE DEBT ADVISORY COMMITTEE FINANCING FACT SHEET

A. DESCRIPTION OF TYPE OF ISSUE (i.e., GO, COP, IDB, Single/Multi Family):

Name of Issue/Series Fiscal Year 2020-2021 Tax and Revenue Anticipation Notes
Aggregate Principal Amount $ 340,000,000
Type of Sale (check one)
Negotiated Sale X Competitive Sale ______ Private Placement ___
Estimated Issue Date July 1, 2020
Estimated Pricing Date +/- June 17, 2020
Final Maturity Date June 30, 2021
Projected Rating of the Securities:

Moody's	N/A	Standard & Poor's	SP-1+ (expected)
Fitch	F1+ (expected)		Non Rated

B. IDENTIFY THE PROJECT(S) TO BE FINANCED (including location):
Tax and Revenue Anticipation Notes for FY 2020-2021

C. IDENTIFY PARTICIPATING DEVELOPERS:
N/A

D. PRINCIPAL PARTIES TO THE TRANSACTION (firm/representative/location/phone):

Bond Counsel: Orrick, Herrington & Sutcliffe LLP

Trustee of Fiscal Agent and/or
Registrar/Transfer/Paying Agent: The Bank of New York Mellon Trust Company

Underwriter: Wells Fargo Corporate and Investment Banking (Senior Manager); UBS Financial Services (Co-Manager)

Financial Advisor: Fieldman, Rolapp & Associates, Inc.

Property Appraiser: None

Credit Enhancement Provider/Form
of Credit Enhancement: None

E. INITIATING COUNTY DEPARTMENT AND AMOUNT OF PROCESSING FEES RECEIVED: Executive Office

F. ADMINISTRATING COUNTY DEPARTMENT & SOURCE OF ADMINISTRATIVE FUNDS:
Executive Office

G. ANTICIPATED STRUCTURE OF DEBT: (check if applicable)

Variable rate interest	________
Fixed rate interest	X
Serial Bonds	X
Term Bonds	________
Capital Appreciation Bonds	________
Other	________

AMORTIZATION OF PRINCIPAL/DEBT SERVICE STRUCTURE:

1st year of Amortization	2021
Level debt service (yes/no)	no
Escalating debt service (yes/no)	no
Decreasing debt service (yes/no)	no
Average annual debt service	$355 million

H. CAPITALIZED COSTS:

	($)	(% Issue)	(# days)
Reserve Fund	N/A		
Capitalized Interest	N/A		
Contingencies	N/A		
Other Capitalized Accts.	N/A		

I. CREDIT ENHANCEMENT: N/A
Type of Credit Enhancement (check one):

Provider:

Direct Draw LOC	______
Standby LOC	______
Municipal Bond Insurance	______
Investment Securities Collateral	______
Backup LOC	______

Amount of Credit Enhancement:

Principal	________
Interest (# days)	________
Administrative Costs	________
Insurance Premiums	________
Other	

Term of Credit Enhancement:

Initial Term of LOC (# years)
Renewal Provisions

Requirements Upon Conversion (if variable rate):

Letter of Credit Required? (yes/no or n/a)
Bond Rating Required? (yes/no or n/a)
If yes, what rating
Minimum denomination of securities

J. SOURCES OF REPAYMENT (exclusive of credit enhancement): (Check if applicable)

Capitalized Interest	
Property Taxes	X
General Fund	X
Special Assessments	
Tax Increment	
Special Taxes	
Enterprise Revenue	
Mortgage Payments	
IDB/pvt Party	
Other	
Describe any revenue coverage	

K. ATTACHMENTS:

1. Attach Estimated Sources and Uses Statement
2. Attach Estimated Debt Service Schedule for Fixed Rate Transactions

IF MORE SPACE IS NEEDED TO CLARIFY AN ANSWER PLEASE ATTACH A SEPARATE SHEET OF PAPER.

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Preliminary, as of May 11, 2020

SOURCES AND USES OF FUNDS

County of Riverside
2020-21 Tax and Revenue Anticipation Notes
Preliminary, as of May 11, 2020

Dated Date	07/01/2020
Delivery Date	07/01/2020

Sources:

Bond Proceeds:	
Par Amount	340,000,000.00
Premium	11,111,200.00
	351,111,200.00

Uses:

Project Fund Deposits:		
TRAN Proceeds		350,631,838.00
Delivery Date Expenses:		
Cost of Issuance		330,000.00
Underwriter's Discount		149,362.00
		479,362.00
		351,111,200.00

BOND SUMMARY STATISTICS

County of Riverside
2020-21 Tax and Revenue Anticipation Notes
Preliminary, as of May 11, 2020

Dated Date	07/01/2020
Delivery Date	07/01/2020
First Coupon	06/30/2021
Last Maturity	06/30/2021
Arbitrage Yield	0.698806%
True Interest Cost (TIC)	0.741627%
Net Interest Cost (NIC)	0.766949%
All-In TIC	0.836333%
Average Coupon	4.000000%
Average Life (years)	0.997
Weighted Average Maturity (years)	0.997
Duration of Issue (years)	0.997
Par Amount	340,000,000.00
Bond Proceeds	351,111,200.00
Total Interest	13,562,222.22
Net Interest	2,600,384.22
Bond Years from Dated Date	339,055,555.56
Bond Years from Delivery Date	339,055,555.56
Total Debt Service	353,562,222.22
Maximum Annual Debt Service	353,562,222.22
Average Annual Debt Service	354,547,075.21
Underwriter's Fees (per $1000)	
Average Takedown	
Other Fee	0.439300
Total Underwriter's Discount	0.439300
Bid Price	103.224070

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Tax and Revenue Anticipation Notes	340,000,000.00	103.268	4.000%	0.997	37,400.00
	340,000,000.00			0.997	37,400.00

	TIC	All-In TIC	Arbitrage Yield
Par Value	340,000,000.00	340,000,000.00	340,000,000.00
+ Accrued Interest			
+ Premium (Discount)	11,111,200.00	11,111,200.00	11,111,200.00
- Underwriter's Discount	-149,362.00	-149,362.00	
- Cost of Issuance Expense		-330,000.00	
- Other Amounts			
Target Value	350,961,838.00	350,631,838.00	351,111,200.00
Target Date	07/01/2020	07/01/2020	07/01/2020
Yield	0.741627%	0.836333%	0.698806%

BOND PRICING

County of Riverside
2020-21 Tax and Revenue Anticipation Notes
Preliminary, as of May 11, 2020

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Premium (-Discount)
Tax and Revenue Anticipation Notes:						
	06/30/2021	340,000,000.00	4.000%	0.700%	103.268	11,111,200.00
		340,000,000.00				11,111,200.00

Dated Date	07/01/2020	
Delivery Date	07/01/2020	
First Coupon	06/30/2021	
Par Amount	340,000,000.00	
Premium	11,111,200.00	
Production	351,111,200.00	103.268000%
Underwriter's Discount	-149,362.00	-0.043930%
Purchase Price	350,961,838.00	103.224070%
Accrued Interest		
Net Proceeds	350,961,838.00	

BOND DEBT SERVICE

County of Riverside
2020-21 Tax and Revenue Anticipation Notes
Preliminary, as of May 11, 2020

Dated Date	07/01/2020
Delivery Date	07/01/2020

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
07/01/2020					
06/30/2021	340,000,000.00	4.000%	13,562,222.22	353,562,222.22	353,562,222.22
	340,000,000.00		13,562,222.22	353,562,222.22	353,562,222.22

COST OF ISSUANCE

County of Riverside
2020-21 Tax and Revenue Anticipation Notes
Preliminary, as of May 11, 2020

Cost of Issuance	$/1000	Amount
Other Cost of Issuance	0.97059	330,000.00
	0.97059	330,000.00

FORM 8038 STATISTICS

County of Riverside
2020-21 Tax and Revenue Anticipation Notes
Preliminary, as of May 11, 2020

Dated Date	07/01/2020
Delivery Date	07/01/2020

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Tax and Revenue Anticipation Notes:						
	06/30/2021	340,000,000.00	4.000%	103.268	351,111,200.00	340,000,000.00
		340,000,000.00			351,111,200.00	340,000,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	06/30/2021	4.000%	351,111,200.00	340,000,000.00		
Entire Issue			351,111,200.00	340,000,000.00	0.9972	0.6988%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	479,362.00
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	0.00