

# DEBT ADVISORY COMMITTEE

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## Special DAC Teams Meeting

Thursday, May 20, 2021

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 Kathleen Ponce at (951) 955-1142. 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 Kathleen Ponce at [kmponce@rivco.org](mailto:kmponce@rivco.org) prior to 8:30 a.m. on May 20. 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 October 8, 2020 DAC Meeting Minutes
3. FY 21/22 Tax and Revenue Anticipation Notes
4. Public Comment on any item not on the agenda
5. Next Meeting (June 10, 2021) or as needed
6. Adjourn

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# DEBT ADVISORY COMMITTEE

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## MINUTES OF CONFERENCE CALL

October 8, 2020 9:00 a.m.

### Webex Conference Call

**Members Present:**

Don Kent	County Executive Office (Chair)
Stephanie Persi	Community Facilities District/Assessment District
Steven Faeth	Treasurer-Tax Collector
Michael Thomas	County Counsel
Jeannine Rey	Flood Control and Water Conservation District
Amber Jacobson	Business & Community Services

**Members Absent:**

Tanya Harris	Auditor-Controller Office
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**Staff and Guests Present:**

Kim Byrens	Best, Best & Krieger
Mike Williams	Columbia Capital
Jennifer Kammerer	County Executive Office
Imelda Delos Santos	County Executive Office
Anna Sarabian	Fieldman, Rolapp & Associates
Isela Licea	Treasurer-Tax Collector
Eric McKean	Stifel

**1. Call to Order and Self-Introductions**

The Debt Advisory Committee meeting was called to order at 9:00 a.m. Chair Don Kent opened meeting with roll call of committee members followed by other staff and guests present.

**2. Approval of the DAC Meeting Minutes for September 17, 2020.**

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

**Amber Jacobson seconded this.**

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

**3. Community Facilities District #07-2 Clinton Keith, Special Tax Bonds, Series 2020**

Stephanie Persi, from the Executive Office, reported that the Community Facilities District No. 07-2 Clinton Keith was formed on June 26, 2007 to finance the widening of Clinton Keith Road between Antelope Road and State Route 79. The original bond issuance was anticipated to be sold in full immediately following the formation of the district in one series. But due to market conditions in 2007, the financing was delayed, and the Transportation Department phased out the project.

The County sold previously two other series of bonds in 2015 and 2017. The proposed 2020 series will be the third and final parity series. This will complete the remaining two lanes of the six-lane road between Whitewood Road and Trois Valley Street. The Transportation Department will use other sources to supplement this series.

The 2020 bonds will be issued in the amount of \$27.22 million with a term of 25 years to coincide with the special tax that is currently in place. If approved, these will be fixed rate bonds. It is anticipated the net interest cost will be 3.1% and the average annual debt service is anticipated to be approximately \$1.84 million. The special tax is anticipated to be levied on developed and approved properties.

Stradling, Yocca Carlson & Rauth will service as bond counsel, Fieldman, Rolapp & Associates, Inc. as financial advisor, and Stifel, Nicolaus and Company, Inc. as underwriter.

**MOTION: Stephanie Persi moved to approve.**

**Don Kent seconded.**

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

**4. Public Comment**

None.

**5. Next Meeting**

The next regularly scheduled Debt Advisory Committee Meeting is scheduled for Thursday, November 12, 2020 or as needed.

**6. Adjourn**

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

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



**FROM:** EXECUTIVE OFFICE

**AGENDA DATE:** May 20, 2021

**SUBJECT:** Fiscal Year 2021-22 Tax and Revenue Anticipation Notes (TRANS)

**RECOMMENDED MOTION:** Recommend approval to the Board of Supervisors of the issuance of the FY 2021-22 TRANS

**BACKGROUND:** The County annually issues 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 and Other Post-Employment Benefits) directs the Pension Advisory Review Committee (PARC) to review and make a recommendation regarding the prepayment of the annual CalPERS contribution. PARC has recommended the prepayment for the last 17 years and is doing so again for FY 2021-22.

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 are 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 the true interest cost for either a tax-exempt issuance, or, a taxable issuance will be less than 1% for a 12-month note.

The FY 2021-22 resolution authorizes the issuance of 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, and, also allows for an issuance on either a tax-exempt or taxable basis. The final sizing and type of issuance will be based on determining factors including the FY 2021-22 Recommended Budget, estimated incorporation of federal stimulus funds, and, cashflows.

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 JP Morgan Securities LLC, as senior managing underwriter, together with Stifel Nicolaus & Company, Inc., as co-manager.

A handwritten signature in blue ink, appearing to read "Don Kent", is written over a horizontal line.

Don Kent  
Finance Director

## 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 2021-22 Tax and Revenue Anticipation Notes

Aggregate Principal Amount \$ 340,000,000

Type of Sale (check one)

Negotiated Sale  Competitive Sale  Private Placement

Estimated Issue Date July 1, 2021

Estimated Pricing Date +/- June 17, 2021

Final Maturity Date June 30, 2022

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 2021-22

**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: US Bank

Underwriter: JP Morgan Securities LLC (Senior Manager); Stifel Nicolaus & Company, Inc. (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 2022  
 Level debt service (yes/no) no  
 Escalating debt service (yes/no) no  
 Decreasing debt service (yes/no) no  
 Average annual debt service \$341.7 million  
taxable issuance, or, \$351.1 million  
tax-exempt issuance

**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):**

Direct Draw LOC \_\_\_\_\_  
 Standby LOC \_\_\_\_\_  
 Municipal Bond Insurance \_\_\_\_\_  
 Investment Securities Collateral \_\_\_\_\_  
 Backup LOC \_\_\_\_\_

**Provider:**

**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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2021 TAX AND REVENUE ANTICIPATION NOTE  
Market Conditions as of May 11, 2021  
Preliminary, Subject to Change

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## SOURCES AND USES OF FUNDS

COUNTY OF RIVERSIDE  
2021 TAX AND REVENUE ANTICIPATION NOTE  
Market Conditions as of May 11, 2021  
Preliminary, Subject to Change

Dated Date            07/01/2021  
Delivery Date        07/01/2021

### Sources:

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Bond Proceeds:	
Par Amount	340,000,000.00
Premium	9,543,800.00
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	349,543,800.00

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### Uses:

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Project Fund Deposits:	
Project Fund	349,094,347.38
Delivery Date Expenses:	
Cost of Issuance	330,000.00
Underwriter's Discount	119,452.62
	<hr/>
	449,452.62
	<hr/>
	349,543,800.00

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Note: Assumes \$340 million par amount and \$330,000 costs of issuance

## BOND SUMMARY STATISTICS

COUNTY OF RIVERSIDE  
 2021 TAX AND REVENUE ANTICIPATION NOTE  
 Market Conditions as of May 11, 2021  
 Preliminary, Subject to Change

Dated Date	07/01/2021
Delivery Date	07/01/2021
First Coupon	06/30/2022
Last Maturity	06/30/2022
Arbitrage Yield	0.180044%
True Interest Cost (TIC)	0.214353%
Net Interest Cost (NIC)	0.220412%
All-In TIC	0.309226%
Average Coupon	3.000000%
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	349,543,800.00
Total Interest	10,171,666.67
Net Interest	747,319.29
Total Debt Service	350,171,666.67
Maximum Annual Debt Service	350,171,666.67
Average Annual Debt Service	351,147,075.21
Underwriter's Fees (per \$1000)	
Average Takedown	0.250000
Other Fee	0.101331
Total Underwriter's Discount	0.351331
Bid Price	102.771867

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Tax and Revenue Anticipation Note	340,000,000.00	102.807	3.000%	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)	9,543,800.00	9,543,800.00	9,543,800.00
- Underwriter's Discount	-119,452.62	-119,452.62	
- Cost of Issuance Expense		-330,000.00	
- Other Amounts			
Target Value	349,424,347.38	349,094,347.38	349,543,800.00
Target Date	07/01/2021	07/01/2021	07/01/2021
Yield	0.214353%	0.309226%	0.180044%

## BOND PRICING

COUNTY OF RIVERSIDE  
 2021 TAX AND REVENUE ANTICIPATION NOTE  
 Market Conditions as of May 11, 2021  
 Preliminary, Subject to Change

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Premium (-Discount)	Takedown
Tax and Revenue Anticipation Note:	06/30/2022	340,000,000	3.000%	0.180%	102.807	9,543,800.00	0.250
		340,000,000				9,543,800.00	

Dated Date	07/01/2021	
Delivery Date	07/01/2021	
First Coupon	06/30/2022	
Par Amount	340,000,000.00	
Premium	9,543,800.00	
Production	349,543,800.00	102.807000%
Underwriter's Discount	-119,452.62	-0.035133%
Purchase Price	349,424,347.38	102.771867%
Accrued Interest		
Net Proceeds	349,424,347.38	

## BOND DEBT SERVICE

COUNTY OF RIVERSIDE  
2021 TAX AND REVENUE ANTICIPATION NOTE  
Market Conditions as of May 11, 2021  
Preliminary, Subject to Change

Dated Date 07/01/2021  
Delivery Date 07/01/2021

<b>Period Ending</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Debt Service</b>
06/30/2022	340,000,000	3.000%	10,171,666.67	350,171,666.67
	340,000,000		10,171,666.67	350,171,666.67

## COST OF ISSUANCE

COUNTY OF RIVERSIDE  
2021 TAX AND REVENUE ANTICIPATION NOTE  
Market Conditions as of May 11, 2021  
Preliminary, Subject to Change

<b>Cost of Issuance</b>	<b>\$/1000</b>	<b>Amount</b>
COI	0.97059	330,000.00
	0.97059	330,000.00

## UNDERWRITER'S DISCOUNT

COUNTY OF RIVERSIDE  
2021 TAX AND REVENUE ANTICIPATION NOTE  
Market Conditions as of May 11, 2021  
Preliminary, Subject to Change

<b>Underwriter's Discount</b>	<b>\$/1000</b>	<b>Amount</b>
Average Takedown	0.25000	85,000.00
DALCOMP	0.02419	8,225.51
CUSIP	0.00042	141.50
Day Loan	0.02569	8,735.61
DTC	0.00103	350.00
Underwriters' Counsel	0.04412	15,000.00
Investor Presentation	0.00588	2,000.00
	0.35133	119,452.62

## PROOF OF ARBITRAGE YIELD

COUNTY OF RIVERSIDE  
2021 TAX AND REVENUE ANTICIPATION NOTE  
Market Conditions as of May 11, 2021  
Preliminary, Subject to Change

<b>Date</b>	<b>Debt Service</b>	<b>Present Value to 07/01/2021 @ 0.1800443625%</b>
06/30/2022	350,171,666.67	349,543,800.00
	350,171,666.67	349,543,800.00

### Proceeds Summary

Delivery date	07/01/2021
Par Value	340,000,000.00
Premium (Discount)	9,543,800.00
Target for yield calculation	349,543,800.00



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Market Conditions as of May 13, 2021  
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## SOURCES AND USES OF FUNDS

COUNTY OF RIVERSIDE  
2021 TAX AND REVENUE ANTICIPATION NOTE  
Taxable Issuance  
Market Conditions as of May 13, 2021  
Preliminary, Subject to Change

Dated Date 07/01/2021  
Delivery Date 07/01/2021

### Sources:

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Bond Proceeds:	
Par Amount	340,000,000.00
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	340,000,000.00

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### Uses:

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Project Fund Deposits:	
Project Fund	339,550,785.97
Delivery Date Expenses:	
Cost of Issuance	330,000.00
Underwriter's Discount	119,214.03
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	449,214.03
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	340,000,000.00

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Note: Assumes \$340 million par amount and \$330,000 costs of issuance

## BOND SUMMARY STATISTICS

COUNTY OF RIVERSIDE  
 2021 TAX AND REVENUE ANTICIPATION NOTE  
 Taxable Issuance  
 Market Conditions as of May 13, 2021  
 Preliminary, Subject to Change

Dated Date	07/01/2021
Delivery Date	07/01/2021
First Coupon	06/30/2022
Last Maturity	06/30/2022
Arbitrage Yield	0.249845%
True Interest Cost (TIC)	0.285059%
Net Interest Cost (NIC)	0.285161%
All-In TIC	0.382632%
Average Coupon	0.250000%
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	340,000,000.00
Total Interest	847,638.89
Net Interest	966,852.92
Total Debt Service	340,847,638.89
Maximum Annual Debt Service	340,847,638.89
Average Annual Debt Service	341,797,075.21
Underwriter's Fees (per \$1000)	
Average Takedown	0.250000
Other Fee	0.100630
Total Underwriter's Discount	0.350630
Bid Price	99.964937

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Tax and Revenue Anticipation Note	340,000,000.00	100.000	0.250%	0.997	34,000.00
	340,000,000.00			0.997	34,000.00

	TIC	All-In TIC	Arbitrage Yield
Par Value	340,000,000.00	340,000,000.00	340,000,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-119,214.03	-119,214.03	
- Cost of Issuance Expense		-330,000.00	
- Other Amounts			
Target Value	339,880,785.97	339,550,785.97	340,000,000.00
Target Date	07/01/2021	07/01/2021	07/01/2021
Yield	0.285059%	0.382632%	0.249845%

## BOND PRICING

COUNTY OF RIVERSIDE  
 2021 TAX AND REVENUE ANTICIPATION NOTE  
 Taxable Issuance  
 Market Conditions as of May 13, 2021  
 Preliminary, Subject to Change

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Takedown
Tax and Revenue Anticipation Note:	06/30/2022	340,000,000	0.250%	0.250%	100.000	0.250
		340,000,000				

Dated Date	07/01/2021		
Delivery Date	07/01/2021		
First Coupon	06/30/2022		
Par Amount	340,000,000.00		
Original Issue Discount			
Production	340,000,000.00	100.000000%	
Underwriter's Discount	-119,214.03	-0.035063%	
Purchase Price	339,880,785.97	99.964937%	
Accrued Interest			
Net Proceeds	339,880,785.97		

## BOND DEBT SERVICE

COUNTY OF RIVERSIDE  
2021 TAX AND REVENUE ANTICIPATION NOTE  
Taxable Issuance  
Market Conditions as of May 13, 2021  
Preliminary, Subject to Change

Dated Date 07/01/2021  
Delivery Date 07/01/2021

<b>Period Ending</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Debt Service</b>
06/30/2022	340,000,000	0.250%	847,638.89	340,847,638.89
	340,000,000		847,638.89	340,847,638.89

## COST OF ISSUANCE

COUNTY OF RIVERSIDE  
2021 TAX AND REVENUE ANTICIPATION NOTE  
Taxable Issuance  
Market Conditions as of May 13, 2021  
Preliminary, Subject to Change

<b>Cost of Issuance</b>	<b>\$/1000</b>	<b>Amount</b>
COI	0.97059	330,000.00
	0.97059	330,000.00

## UNDERWRITER'S DISCOUNT

COUNTY OF RIVERSIDE  
2021 TAX AND REVENUE ANTICIPATION NOTE  
Taxable Issuance  
Market Conditions as of May 13, 2021  
Preliminary, Subject to Change

<b>Underwriter's Discount</b>	<b>\$/1000</b>	<b>Amount</b>
Average Takedown	0.25000	85,000.00
DALCOMP	0.02419	8,225.51
CUSIP	0.00042	141.50
Day Loan	0.02499	8,497.02
DTC	0.00103	350.00
Underwriters' Counsel	0.04412	15,000.00
Investor Presentation	0.00588	2,000.00
	0.35063	119,214.03

## PROOF OF ARBITRAGE YIELD

COUNTY OF RIVERSIDE  
2021 TAX AND REVENUE ANTICIPATION NOTE  
Taxable Issuance  
Market Conditions as of May 13, 2021  
Preliminary, Subject to Change

<b>Date</b>	<b>Debt Service</b>	<b>Present Value to 07/01/2021 @ 0.2498448116%</b>
06/30/2022	340,847,638.89	340,000,000.00
	340,847,638.89	340,000,000.00

### Proceeds Summary

Delivery date	07/01/2021
Par Value	340,000,000.00
Target for yield calculation	340,000,000.00