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# DEBT ADVISORY COMMITTEE MEETING

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## MINUTES OF DAC MEETING

May 11, 2023 at 9:00 a.m.

**Members Present:**

Don Kent	County Executive Office (Chair)
Jarvyk Punzalan	Community Facilities District/Assessment District
Giovane Pizano	Treasurer-Tax Collector
Minh Tran	County Counsel
Darrylenn Prudholme-Brockington	Flood Control and Water Conservation District
Amber Jacobson	Office of Economic Development
Tanya Harris	Auditor-Controller Office

**Members Absent:**

None

**Staff and Guests Present:**

Imelda Delos Santos	Executive Office
Jonathan Gutierrez	Executive Office
Mike Williams	Columbia Capital
Anna Sarabian	Fieldman, Rolapp & Associates
Tyler Old	JP Morgan (via Teams)
John Byerly	Treasurer-Tax Collector
Katie Ponce	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 October 13, 2022.**

**MOTION: Ben Benoit moved to approve the DAC meeting minutes from October 13, 2022.**

**Minh Tran seconded this.**

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

**3. Review and Recommend – County of Riverside FY 2023-24 TRAns**

Chairman Don Kent, with the Executive Office, introduced item number three on the agenda, the FY 2023-24 Tax and Revenue Anticipation Notes. This item will be going before the Board of Supervisors for approval on May 23, 2023. This is an annual transaction and the purpose for it is to provide needed funds to cover the cash-flow deficits of the General Fund throughout the course of the fiscal year. The County's property tax revenue collection cycle with twice a year installments of December and in April, is the reason for the needed funds. Mr. Kent introduced Anna Sarabian with Fieldman, Rolapp and Associates to explain further.

Ms. Sarabian reported that this transaction has taken place annually for over 20 years and is necessary due to the timing of property tax revenue collections that do not match the County's on-going expenditure requirements. Every year an analysis is conducted as to whether it is beneficial for the County to issue TRAns and, again this year, the County is proceeding with this financing. The size is very modest at \$360 million in comparison to the size of the General Fund and is the same amount as last year.

The structure, whether a single maturity or several maturities, depends on the market and each year this is taken into consideration. This year it will be a single maturity which matures in June of 2024 and the TRAns will be paid in the same year. As in the last 9 years or so, there will be the 60/40 structure; 60% of debt service will be set aside in January, and 40% in May.

The senior managing underwriter is J.P. Morgan Securities LLC and the co-manager is Samuel A. Ramirez & Co., Inc. The two underwriting firms were selected through a RFP by the County and were awarded the contract. The issuance cost is estimated around \$350,000, assuming a \$360 million Note size, with underwriter's compensation of approximately \$123,318. The all-in true interest cost for the twelve-month tax-exempt note is estimated at approximately 3.31%.

After some discussions, the Auditor-Controller's office (ACO) has agreed to work on getting the cash-flow earlier this year to be able to get ahead of the upcoming Fed meeting in June, therefore, the County is in a position to price in early June. Our team appreciates the ACO's hard work and communications. Ms. Sarabian stated she is available to answer any questions and Tyler Old, with J.P. Morgan, is here if there any market related questions.

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Mr. Kent shared that in prior years they entered the market in the second week of June and last year the rates increased 20 basis points. Thanks to collaboration with the ACO, this year it will be earlier in June. Ms. Sarabian added that the ratings on the TRANS will be from Fitch and Standard and Poor's (S&P), like in prior years. This afternoon we will have our first meeting with Fitch and on May 15 we will meet with S&P. Everything is lined up to have the ratings back before the Board meeting on May 23.

**4. Review and recommend approval of the County of Riverside FY 2023-24 TRANS.**

**MOTION:** Ben Benoit moved to approve the recommendation of the County of Riverside FY 2023-24 TRANS.

Don Kent seconded this.

All were in favor. The motion passed unanimously.

**5. Public Comment**

None

**6. Other Business**

None

**7. Next Meeting**

The next regularly scheduled Debt Advisory Committee Meeting is scheduled for Thursday, June 8, 2023, or as needed.

**8. Adjourn**

With no further business, Chairman Don Kent, adjourned the Debt Advisory Committee Meeting at 9:13 a.m.