
DEBT ADVISORY COMMITTEE MEETING

MEETING MINUTES

October 12, 2023 at 9:00 a.m.

Members Present:

Don Kent	County Executive Office (Chair)
Jarvyk Punzalan	Community Facilities District/Assessment District
Matt Jennings	Treasurer-Tax Collector
Minh Tran	County Counsel
Darrylenn Prudholme-Brockington	Flood Control and Water Conservation District
Ben Benoit	Auditor-Controller's Office (via Zoom)

Members Absent:

Amber Jacobson	Office of Economic Development
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Staff and Guests Present:

Jon Gutierrez	Executive Office
Imelda Delos Santos	Executive Office
Katie Ponce	Executive Office (via Zoom)

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 September 14, 2023

MOTION: Matt Jennings moved to approve the DAC meeting minutes from September 14, 2023.

Jarvyk Punzalan seconded this.

With one abstention, the motion passed.

3. Review and Recommend – Approval to the Board of Supervisors the increased amount to the Master Lease Purchase Agreement line of credit for Financing Purchases of Fixed Assets with JPMorgan Chase Bank, N.A., by an additional \$75,000,000.

Chairman Don Kent, with the Executive Office, introduced item three on the agenda, the increased amount to the Master Lease Purchase Agreement line of Credit for Financing Purchases of Fixed Assets with JPMorgan Chase Bank, N.A., by an additional \$75,000,000.

Chairman Kent gave an overview of the reason for this financing. The County still has a line of credit (LOC) available with JPMorgan (approved in October of 2022) as well as obligations being paid down with Bank of America. The LOC has largely been used for County departments such as the Fire Department for fire trucks, Sheriff's Department for specialized equipment and vehicles, by the Transportation Department for heavy-duty vehicles, Fleet for vehicles, and DPSS for reimbursable tenant improvements.

Chairman Kent pointed out that all financed purchases must have prior Board of Supervisors approval, through either the annual budget process, or a separate Form 11 submittal to utilize the LOC. As of October 5, there is approximately \$20 million remaining on the LOC to accommodate future requests. This remaining amount is projected to be exhausted within the next several months due to approximately \$64 million of Board approved financed requests in the FY 2023-24 Adopted Budget. Due to current remaining requests, there is a need for this increase. JPMorgan Chase Bank, N.A. can accommodate an increase in the LOC in the amount of \$75 million, which would serve the County's need for the future.

There are no additional fees associated with this additional amount. County departments utilizing the LOC will, however, incur interest charges at the then prevailing rate when an asset purchase is requested to be financed. Due to current financial market conditions, JPMorgan Chase Bank, N.A. has increased the Fixed Index Spread component and is applicable to both tax-exempt and taxable rates.

Matt Jennings, the County's Treasurer-Tax Collector asked if the \$56 million is in addition to the \$64 million that has already been adopted. Chairman Kent explained that this amount is part of the original \$64 million and is what is still remaining to be delivered due to a lag resulting from worldwide COVID lockdown conditions in prior years. Mr. Jennings responded, therefore with the

additional \$75 million, \$40 million is unspent and would be for items outside of the adopted budget. Chairman Kent stated, yes, that is correct.

Ben Benoit, the County's Auditor Controller, asked if this transaction will affect the County's credit rating. Chairman Kent responded that it will not since it is part of the Adopted Budget and does not drain any reserves. Chairman Kent concluded his overview by stating that this item will be going to the next Board meeting on Tuesday, Oct 17, 2023.

MOTION: Ben Benoit moved to approve the Approval to the Board of Supervisors the increased amount to the Master Lease Purchase Agreement line of credit for Financing Purchases of Fixed Assets with JPMorgan Chase Bank, N.A., by an additional \$75,000,000.

Minh Tran seconded.

All were in favor. The motion passed unanimously.

4. Public Comment

None

5. Other Business

6. Next Meeting(s)

The next regularly scheduled Debt Advisory Committee Meeting is scheduled for Thursday, November 9, 2023, or as needed.

7. Adjourn

With no further business, Chairman Don Kent, adjourned the Debt Advisory Committee Meeting at 9:22 a.m.