



## County of Ventura Financial Planning Committee

**January 26, 2021 at 12:00 p.m. or after the  
end of the Board of Supervisors Meeting**

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In response to the declared state and local emergencies due to the novel coronavirus, and in accordance with the California Governor's Stay at Home order and the County of Ventura Health Officer's Stay Well at Home order, the Ventura County Government Center Hall of Administration is closed to the public. Members of the public may telephonically attend the Financial Planning Committee meeting by calling the following teleconference phone number and then entering the following teleconference number:

Teleconference phone number: (669) 900-9128 or (253) 215-8782 or (346) 248-7799

Teleconference number: 990 1921 8353

Teleconference pin: 463803

Some or all of the members of the Financial Planning Committee may attend the meeting telephonically.

To submit a general public comment or to comment on a specific matter, members of the public may exercise one or both of the following options:

1. Submit a comment via e-mail by 5:00 p.m. Monday, January 25, to [FPC@ventura.org](mailto:FPC@ventura.org). Please indicate the agenda item number in the e-mail's subject line. The comment will be placed into the item's record at the meeting.
2. Submit a comment via e-mail during the meeting to [FPC@ventura.org](mailto:FPC@ventura.org). Please indicate the agenda item number in the e-mail's subject line (e.g., "Item 1" for general public comment). A comment submitted during the meeting may not exceed 250 words. Every effort will be made to read the comment into the record, if received before the conclusion of the agenda item. A comment received during the meeting but after the agenda item has been heard will be made part of the record.

Persons who require accommodation for any disability in order to review an agenda, or to participate in a meeting, of the Financial Planning Committee, pursuant to the Americans with Disabilities Act, may request such accommodation by letter addressed to the Clerk of the Financial Planning Committee, 800 South Victoria Avenue, Loc. #1920, Ventura, CA 93009, by e-mail at [FPC@ventura.org](mailto:FPC@ventura.org) or by telephone at (805) 477-7203. Any request for accommodation should be made at least 48 hours prior to the scheduled meeting for which assistance is requested.

# **AGENDA**

1. Public Comment
2. Minutes of the July 21, 2020 Financial Planning Committee Meeting
3. Renewal of County's \$51 million Revolving Credit Facility (RCF)
4. Committee Member Comments on Any Other Items



ITEM 2

## County of Ventura County Executive Office MEMORANDUM

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DATE: TBD – next meeting  
TO: Financial Planning Committee  
FROM: Bryan Friedman, County Executive Office

**SUBJECT: July 21, 2020 FINANCIAL PLANNING COMMITTEE MEETING MINUTES**

### **Virtual Attendance via Teleconference:**

#### Committee Members Present:

Kelly Long, Board of Supervisors  
Linda Parks, Board of Supervisors  
Mike Powers, Chair, County Executive Office  
Jeff Burgh, Auditor-Controller

#### County Staff

Kaye Mand, County Executive Office  
Bryan Friedman, County Executive Office  
Brian Ganley, Information Technology Systems Department  
Terry Theobald, Information Technology Systems Department  
Keith Taylor, Assessor's Office

Chair Mike Powers called the meeting to order at 8:10 a.m. on July 21, 2020.

### **1. Public Comment**

No Public Comments were submitted.

### **2. Approval of Minutes of the May 12, 2020 Financial Planning Committee Meeting**

Jeff Burgh made a motion to approve the minutes and Supervisor Long seconded the motion. There was no opposition and the motion passed.

### **3. Ventura County Property Tax Assessment and Collection System (PTACS) Supplemental Financing through the County's Revolving Credit Agreement in an amount not to exceed \$3,900,498**

Ms. Kaye Mand, County Chief Financial Officer stated that the Property Tax Assessment and Collection System is a joint venture between the Assessor, Auditor-Controller, and Tax Collector's Office. Previously \$13.3M had been approved for this project.

Mr. Brian Ganley, Director of the Information Technology Service Department, provided some background on the project. The previous attempt at an integrated property tax system started in 2013 with Thompson Reuters. Two years later the County opted to discontinue that project and led an internal based property tax integration system, utilizing the consultant BrainSharpe. It was originally set to finish in 2018, but an additional year was requested from the Board. As this project gets closer to completion, understanding the additional needs are becoming clearer. With the additional funds and time, this project can go live July 1, 2021.

Supervisor Parks inquired about the inherent connection between the 3 departments. She understood the connection between the Assessor and Tax-Collector's Office, but not the Auditor Controller's side. Supervisor Parks questioned if changing direction to only have the 2 departments on this project would be a better scope.

Mr. Ganley stated that the core intention of this project was that of integration between all 3 departments. He explained how many of the Auditor's processes were currently being handled outside of the mainframe and that many of their tasks were the most complex.

Mr. Jeff Burgh added that the Auditor's Office has a core role in the entire Property Tax process. His staff takes information from the Assessor and establishes the billing amounts that are then conveyed to the Tax Collector. Once the taxes are collected, the Auditor's office is the entity that turns around and distributes the revenue to the associated taxing entities.

Ms. Mand offered additional background on the Revolving Credit Agreement (RCA). Of the \$51M agreement, \$25M has been spent. \$19.7M is currently uncommitted and available for project financing, meaning that sufficient funding is available for the PTACS project. For Fiscal Year 2019-20 the average interest rate on the RCA was 1.6%, but the current rate is 0.46% because of the current economic climate. Utilizing a long-term conservative interest rate of 3.0%, this would add approximately \$500,000 in annual debt service, payable from the general fund.

Supervisor Parks inquired about how digitized parcel maps would be integrated into this system. Keith Taylor, Assessor's Office, responded that the digitization project would be a separate project, in the future, to build out their public facing website and allow electronic access to the public maps.

Mr. Michael Powers noted this is a complex and important project and that even with the additional funding, the estimated \$17.2 million total project costs is still under the prior \$19.7 million estimate.

Supervisor Long made a motion to approve RCA funding for the PTACS project and Jeff Burgh seconded the motion. There was no opposition and the motion passed.

#### **4. Committee Member Comments on Any Other Items**

The meeting was adjourned at 8:22 a.m.



## County of Ventura County Executive Office MEMORANDUM

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**DATE:** January 26, 2021

**TO:** Financial Planning Committee

**FROM:** Kaye Mand, County Executive Office 

**SUBJECT:** Renewal of \$51 million **Revolving Credit Facility (RCF)**

**Background:** The County has maintained a \$51 million financing program since 1998 to provide flexibility in funding various capital projects. The program is currently administered by Wells Fargo Bank via a Revolving Credit Facility (RCF). This agreement is set to expire on February 19, 2021.

### 1. Extension of the Revolving Credit Facility Agreement with Wells Fargo Bank.

**Recommendation:** Approve a three-year extension of the County's Revolving Credit Facility Agreement with Wells Fargo Bank with annual interest cost at 80% of the one-month LIBOR Index plus the applicable spread of 0.42% and a LIBOR Index Floor of 0.10% (if applicable). The fee for amounts not drawn is 0.22%.

**Discussion:** To ensure the renewal reflected competitive rates, in November 2020, we asked our Financial Advisor, KNN, to conduct a Request for Proposal from a variety of financial institutions. Six entities responded to the solicitation and Wells Fargo, the incumbent provider, came forward with the lowest applicable spreads and undrawn fee.

The COVID-19 pandemic has led to general uncertainty and elevated risk in the municipal markets. Those concerns were reflected in the proposals we received. Most notably was the inclusion of a LIBOR Index Floor. The floor was a product of unprecedentedly low LIBOR rates. As of 1/20/21, the one-month LIBOR is 0.1285%, very close to the 0.10% LIBOR floor proposed by Wells Fargo. Structuring the facility to include a LIBOR floor inherently limits the banks down side risk in the event interest rates fall further.

Another unique element of the proposals relates to the pending discontinuation of the LIBOR index. Originally it was understood that beginning January 1, 2022 the LIBOR index would be discontinued. However, based on recent reports, it appears that most of the published LIBOR benchmarks (including one-month LIBOR) will be available until June 30, 2023. Given the uncertainty of the lifespan behind LIBOR, the RCF includes specific legal language on the transition to a new benchmark prior to the February 16, 2024 Facility Maturity Date. In the event that LIBOR is no longer available, the RCF

provides a mechanism for determining an alternative rate of interest. If after an alternative rate of interest becomes effective and the County does not find the alternative rate of interest to be desirable, then the County has the option to terminate the RCF with no fee.

Below is a comparative table of current and proposed terms with Wells Fargo Bank:

	<b>Current (Wells Fargo)</b>	<b>Recommended (Wells Fargo)</b>
<b>Amount</b>	\$51,000,000	\$51,000,000
<b>Term</b>	3 Years	3 Years
<b>Index</b>	80% of 1-month LIBOR	80% of 1-month LIBOR
<b>LIBOR Index Floor</b>	N/A	0.10%
<b>Spread to Index</b>	0.32%	0.42%
<b>Utilized Fee</b>	Index + Spread	Index + Spread
<b>Unutilized Fee</b>	0.20%	0.22%

The RFP proposals included a wide range of offers: proposed Index ranged from 80% to 85% of LIBOR; spreads ranged from 0.42% to 1.15%; Index Floors ranged from 0.00% to .50% on LIBOR. Unutilized Fee ranged from 0.22% to 0.50%.

## **2. Other Expenditures**

**Recommendation:** Approve estimated expenditures related to the renewal of the Revolving Credit Facility as follows:

- A. Bond Counsel - \$30,000 for legal services
- B. Financial Advisor - \$30,000
- C. Other - \$25,000 including, but not limited to, Bank Counsel, fees and other charges