



AGENDA

PUBLIC FINANCE AUTHORITY

REGULAR MEETING

WEDNESDAY, JANUARY 29, 2020, 5:00 P.M.

CITY HALL COUNCIL CHAMBERS

601 CARMEN DRIVE, CAMARILLO, CALIFORNIA

AGENDA REPORTS AND OTHER DISCLOSABLE PUBLIC RECORDS RELATED TO OPEN SESSION AGENDA ITEMS ARE AVAILABLE ON THE CITY'S WEBSITE UNDER AGENDAS AT WWW.CITYOFCAMARILLO.ORG AND AT CITY HALL LOCATED AT 601 CARMEN DRIVE, CAMARILLO, IN THE OFFICE OF THE CITY CLERK DURING REGULAR BUSINESS HOURS, MONDAY THROUGH FRIDAY, 8:00 A.M. TO 5:00 P.M. MEETINGS ARE BROADCAST ON THE LOCAL GOVERNMENT CHANNELS – SPECTRUM CHANNEL 10 AND FRONTIER CHANNEL 29.

FOR YOUR INFORMATION – The PFA Board will hear from the public on any item on the agenda or an item of interest that is not on the agenda. The Board cannot take action on any item that is not on the agenda. These items may be referred to staff or scheduled on a future agenda. Comments are to be limited to three minutes for each speaker, unless extended by the Board, and each speaker may only speak once on each item. You have the opportunity to address the Board at the following times:

- A. AGENDA ITEM - at the time the Board considers the agenda item, and
- B. NON-AGENDA ITEMS - during Public Comments.

Please keep your comments brief and complete a speaker card for the City Clerk.

CALL TO ORDER

ROLL CALL

- I. AMENDMENTS TO THE AGENDA - this is the time and place to change the order of the agenda, delete or add any agenda item(s).
- II. PUBLIC COMMENTS
- III. CONSENT CALENDAR
 - A. Minutes
Approval receives and files minutes of the meeting of the Camarillo Public Finance Authority held July 24, 2019.
 - B. Presentation of the Annual Report
Informational only; no action necessary.

CONSENT CALENDAR ACTION:

A MOTION TO APPROVE THE RECOMMENDATION FOR CONSENT ITEMS A AND B.

- IV. DEPARTMENTAL – NO ITEMS
- V. ADJOURN

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT THE CITY CLERK AT (805) 388-5353. NOTIFICATION 48 HOURS PRIOR TO THE MEETING WILL ENABLE THE CITY TO MAKE REASONABLE ARRANGEMENTS TO ENSURE ACCESSIBILITY TO THIS MEETING.

MINUTES
CAMARILLO PUBLIC FINANCE AUTHORITY
REGULAR MEETING
WEDNESDAY, JULY 24, 2019

CALL TO ORDER/ROLL CALL

Chair Kildee called the meeting to order at 5:00 p.m.

Directors Present: Kevin Kildee, Chair
Tony Trembley, Vice Chair
Shawn Mulchay, Director
Susan Santangelo, Director

Directors Absent: Charlotte Craven, Director

Staff Present: Dave Norman, Executive Director
Tully Clifford, Assistant City Manager
Dave Klotzle, Public Works Director
Jeffrie Madland, Secretary
Dave Murray, Police Department Commander
Carmen Nichols, Administrative Services Director
Brian Pierik, Legal Counsel
Genie Rocha, Treasurer
Joe Vacca, Community Development Director

FLAG SALUTE

Director Santangelo led the Pledge of Allegiance to the Flag.

- I. AMENDMENTS TO THE AGENDA – NONE
- II. PUBLIC COMMENTS – NONE
- III. CONSENT CALENDAR

Vice Chair Trembley moved, seconded by Director Santangelo, to approve Consent Calendar Item A.

A. Minutes

Approved the minutes of the Camarillo Public Finance Authority meeting held January 23, 2019.

Motion carried 4-0-1 (Craven absent).

RECESS / RECONVENE

IV. DEPARTMENTAL

A. Water Revenue Bonds, Series 2019 - Authorizing the Issuance (Joint with the City Council)

Curt DeCrisis, Bond Finance Consultant, provided a summary of the sale of Water Revenue Bonds to fund \$12.6 million in costs to construct the North Pleasant Valley Desalter Facility.

Maryann Goodkind, Bond Counsel, was present to answer questions.

Vice Chair Trembley moved, seconded by Director Mulchay, to adopt PFA Resolution No. 2019-1 authorizing the issuance of Water Revenue Bonds, Series 2019, in an aggregate principal amount not-to-exceed \$12,695,000, approving an Indenture of Trust, an Installment Agreement, a Preliminary Official Statement, a Final Official Statement, and Sale Documents; and authorizing official actions and execution of related documents.

Motion carried 4-0-1 (Craven absent).

V. ADJOURN

The meeting adjourned at 8:53 p.m.

Secretary

ATTEST:

Chair

DRAFT



Public Finance Authority

AGENDA REPORT

Date: January 29, 2020
To: Honorable Chairman and Board of Directors
From: Dave Norman, Executive Director *DN*
Submitted by: Misty Cheng, Interim Treasurer
Subject: **Presentation of the 2019 Annual Report**

SUMMARY

This is the annual report for the Camarillo Public Finance Authority (PFA) for calendar year 2019.

DISCUSSION

The PFA was established pursuant to a Joint Exercise of Powers Agreement dated November 4, 1998, by and between the City of Camarillo (the "City") and the Camarillo Sanitary District (the "District") in accordance with the provisions of the Joint Exercise of Powers Act, consisting of Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the California Government Code (the "Joint Powers Act"). The members of the City Council comprise the PFA's Board of Directors. The PFA has no independent staff and consequently is dependent upon the City's officers and employees to administer the day-to-day activities on its behalf. The PFA was established for the original purpose of issuing lease revenue bonds to combine and refund three existing bonds to take advantage of favorable interest rates. The PFA has subsequently been used as a bond issuer in other bond issues, most recently in 2019, for the Water Revenue Bonds, Series 2019.

In 2003, the PFA issued \$8,930,000 in Lease Revenue Bonds to pay the matching costs of a new library. The City received a grant of \$15.6 million from the State of California which required a certain match. The library opened on March 31, 2007. The City leased the City Hall property to the PFA to facilitate the lease transaction and the repayment of the bonds. The 2003 Bonds have since been refunded and defeased with the funds from the issuance of the 2012 Lease Revenue Bonds described below.

On April 26, 2012, the PFA issued \$7,630,000 in Lease Revenue Bonds to provide the funds to refund and repay the 2003 Lease Revenue Bonds and realize a net present value savings of approximately \$876,000, with annual debt service savings ranging from \$49,000 - \$55,000 per year. The 2003 Bonds were repaid on May 2, 2012. The lease for the 2012 Bonds is on the City Hall property, with the ability to transfer the lease to another property in the future. Payment of principal and interest on the 2012 Bonds is made with

the revenues generated by the lease, with the debt service for the bonds appropriated each year by the City of Camarillo based on the debt service schedule. These bonds were rated “AA+” by Standard and Poor’s (S & P) when the bonds were issued, with an underlying rating of “AA+” as well. To date, the ratings remain the same.

In November 2005, the PFA issued \$23,000,000 in Wastewater Revenue Bonds to finance improvements to the Camarillo Sanitary District’s wastewater treatment system. The 2005 Bonds were then refunded and defeased with the funds from the issuance of the 2015 Wastewater Refunding Bonds described below.

On July 21, 2015, the Camarillo Sanitary District issued, through the PFA, \$18,900,000 in refunded revenue bonds, bearing interest rates ranging between 2% and 5% and maturing on June 1, 2036. The proceeds of the 2015 Bonds were used to redeem the 2005 Bonds and pay the cost of issuance relating to the 2015 Bonds. This advance refunding resulted in a lowered interest rate with an economic gain (difference between the present value of the old and new debt service payments) of \$2.0 million, as well as cash flow savings of approximately \$2.8 million. Average annual debt service savings are \$132,090 over the remaining life of the bonds. Payment of principal and interest on the 2015 Bonds is paid by the net revenues of the wastewater enterprise, derived primarily from charges for services earned by the District, with the debt service for the bonds appropriated each year by the Camarillo Sanitary District based on the debt service schedule.

In August 2019, the PFA issued \$11,800,000 in Water Revenue Bonds to fund \$12.7 million in costs to construct the North Pleasant Valley Desalter Facility. The Water Revenue Bonds have a proposed term of 20 years generating net proceeds of approximately \$12,695,000. The Bonds will be callable (which means the issuer has the option to redeem them from the investor prior to its maturity) after eight years without penalty. The annual debt service for the bonds is appropriated each year by the City of Camarillo based on the debt service schedule, and debt service is paid by the net revenues of the water enterprise. These bonds were rated “AA+” by Standard and Poor’s (S & P) when the bonds were issued. To date, the ratings remain the same.

The day-to-day administration for all of the PFA bonds is accomplished through a trustee and City staff. U.S. Bank serves as Trustee for all of the PFA issues. Special District Financing and Administration (SDFA) prepares the annual bond disclosure reports for all the PFA bond issues. The annual bond disclosure reports are required to be filed by February 1 (2012 Lease Revenue Bonds and 2015 Wastewater Revenue Bonds) and March 31 (2019 Water Revenue Bond) of each year with Electronic Municipal Market Access (“EMMA”), making the information available to the investment community. Although the annual disclosure reports are required to be filed with “EMMA”, as an additional disclosure option, the City contracts with Digital Assurance Corporation (DAC), who also places the annual disclosure reports on the DAC website at dacbond.com. This option makes the disclosure information more accessible to the investment community. It also allows the City to place its Comprehensive Annual Financial Report (CAFR) on the DAC site for investors to review.

Debt service payments for all issues have been made on schedule to date and no issues of note are being reported for the calendar year ended December 31, 2019. As of December 31, 2019, there was a total of \$5,305,000 principal outstanding on the 2012 Lease Revenue (Library) Bonds, \$16,300,000 principal outstanding for the 2015 Wastewater Refunding Bonds, and \$11,800,000 principal outstanding for the 2019 Water Revenue Bonds. The 2012 Lease Revenue (Library) Bonds are scheduled to be paid in full in December 2033, the Wastewater Refunding Bonds are scheduled to be paid in full in June 2036, and the 2015 Wastewater Refunding Bonds are scheduled to be paid in full in June 2039.

BUDGET IMPACT

There is no budget impact as a result of this action.

SUGGESTED ACTION

Receive and file the annual report.

ATTACHMENTS

None.

Finance Review: MVC