



# Agenda

## DEBT AFFORDABILITY ADVISORY COMMITTEE

Friday, November 8, 2019  
2:30 P.M.

651 Pine Street, 11<sup>th</sup> Floor - Martinez CA 94553

Hon. Robert R. Campbell, Auditor-Controller  
Hon. Russell V. Watts, Treasurer-Tax Collector  
Lisa Driscoll, County Finance Director  
John Kopchik, Department of Conservation and Development

### Agenda Items:

Items may be taken out of order based on the business of the day  
and preference of the Committee

1. Introductions/Call to Order
2. Public comment on any item under the jurisdiction of the Committee and not on this agenda (speakers may be limited to three minutes).
3. CONSIDER reviewing underwriter proposals received related to a potential 2020 Lease Revenue Bond refunding and make recommendation(s) for selecting an underwriter for this issuance.  
**(Timothy Ewell, Chief Assistant County Administrator) (Page 3)**

Attachments:

- A. Request for Proposals, Issued on October 2, 2019 **(Page 3)**

4. Adjourn

*The Debt Affordability Advisory Committee will provide reasonable accommodations for persons with disabilities planning to attend Debt Affordability Advisory Committee meetings. Contact the staff person listed below at least 72 hours before the meeting.*

 Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the County to a majority of members of the Debt Affordability Advisory Committee less than 96 hours prior to that meeting are available for public inspection at 651 Pine Street, 10th floor, during normal business hours.

 Public comment may be submitted via electronic mail on agenda items at least one full work day prior to the published meeting time.

For Additional Information Contact:

Timothy Ewell, Chief Assistant County Administrator  
Phone (925) 335-1036, Fax (925) 646-1353  
Timothy.Ewell@cao.cccounty.us

## Acronyms, Abbreviations, and other Terms (in alphabetical order):

Contra Costa County has a policy of making limited use of acronyms, abbreviations, and industry-specific language in its Board of Supervisors meetings and written materials. Following is a list of commonly used language that may appear in oral presentations and written materials associated with Board meetings:

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<b>AB</b>	Assembly Bill	HCD	(State Dept of) Housing & Community Development
ABAG	Association of Bay Area Governments	HHS	Department of Health and Human Services
ACA	Assembly Constitutional Amendment	HIPAA	Health Insurance Portability and Accountability Act
ADA	Americans with Disabilities Act of 1990	HIV	Human Immunodeficiency Syndrome
AFSCME	American Federation of State County and Municipal Employees	HOV	High Occupancy Vehicle
AICP	American Institute of Certified Planners	HR	Human Resources
AIDS	Acquired Immunodeficiency Syndrome	HUD	United States Department of Housing and Urban Development
ALUC	Airport Land Use Commission	Inc.	Incorporated
AOD	Alcohol and Other Drugs	IOC	Internal Operations Committee
BAAQMD	Bay Area Air Quality Management District	ISO	Industrial Safety Ordinance
BART	Bay Area Rapid Transit District	JPA	Joint (exercise of) Powers Authority or Agreement
BCDC	Bay Conservation & Development Commission	Lamorinda	Lafayette-Moraga-Orinda Area
BGO	Better Government Ordinance	LAFCo	Local Agency Formation Commission
BOS	Board of Supervisors	LLC	Limited Liability Company
CALTRANS	California Department of Transportation	LLP	Limited Liability Partnership
CalWIN	California Works Information Network	Local 1	Public Employees Union Local 1
CalWORKS	California Work Opportunity and Responsibility to Kids	LVN	Licensed Vocational Nurse
CAER	Community Awareness Emergency Response	MAC	Municipal Advisory Council
CAO	County Administrative Officer or Office	MBE	Minority Business Enterprise
CCHP	Contra Costa Health Plan	M.D.	Medical Doctor
CCTA	Contra Costa Transportation Authority	M.F.T.	Marriage and Family Therapist
CDBG	Community Development Block Grant	MIS	Management Information System
CEQA	California Environmental Quality Act	MOE	Maintenance of Effort
CIO	Chief Information Officer	MOU	Memorandum of Understanding
COLA	Cost of living adjustment	MTC	Metropolitan Transportation Commission
ConFire	Contra Costa Consolidated Fire District	NACo	National Association of Counties
CPA	Certified Public Accountant	OB-GYN	Obstetrics and Gynecology
CPI	Consumer Price Index	O.D.	Doctor of Optometry
CSA	County Service Area	OES-EOC	Office of Emergency Services-Emergency Operations Center
CSAC	California State Association of Counties	OSHA	Occupational Safety and Health Administration
CTC	California Transportation Commission	Psy.D.	Doctor of Psychology
dba	doing business as	RDA	Redevelopment Agency
EBMUD	East Bay Municipal Utility District	RFI	Request For Information
EIR	Environmental Impact Report	RFP	Request For Proposal
EIS	Environmental Impact Statement	RFQ	Request For Qualifications
EMCC	Emergency Medical Care Committee	RN	Registered Nurse
EMS	Emergency Medical Services	SB	Senate Bill
EPSDT	State Early Periodic Screening, Diagnosis and treatment Program (Mental Health)	SBE	Small Business Enterprise
et al.	et ali (and others)	SWAT	Southwest Area Transportation Committee
FAA	Federal Aviation Administration	TRANSPAC	Transportation Partnership & Cooperation (Central)
FEMA	Federal Emergency Management Agency	TRANSPLAN	Transportation Planning Committee (East County)
F&HS	Family and Human Services Committee	TRE or TTE	Trustee
First 5	First Five Children and Families Commission (Proposition 10)	TWIC	Transportation, Water and Infrastructure Committee
FTE	Full Time Equivalent	VA	Department of Veterans Affairs
FY	Fiscal Year	vs.	versus (against)
GHAD	Geologic Hazard Abatement District	WAN	Wide Area Network
GIS	Geographic Information System	WBE	Women Business Enterprise
		WCCTAC	West Contra Costa Transportation Advisory Committee

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# County Administrator

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651 Pine Street, 10th Floor  
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(925) 335-1080  
(925) 335-1098 FAX

**David J. Twa**  
County Administrator

# Contra Costa County



## Board of Supervisors

**John M. Gioia**  
1<sup>st</sup> District

**Candace Andersen**  
2<sup>nd</sup> District

**Diane Burgis**  
3<sup>rd</sup> District

**Karen Mitchoff**  
4<sup>th</sup> District

**Federal D. Glover**  
5<sup>th</sup> District

**October 2, 2019**

## **FOLLOW-UP REQUEST FOR PROPOSALS ("RFP") FOR 2020 SERIES A LEASE REVENUE BOND FINANCING**

### **I. Background**

In May 2019, the County distributed an RFP for a potential lease revenue bond forward refunding. After consideration of various factors, the County elected to postpone the transaction until it could be completed on a current basis. This RFP is a follow-up to the May 2019 RFP and requests some additional information from responders. The County will consider the information provided to this follow-up along with the original responses which were submitted to the May 2019 RFP for this proposed transaction.

### **II. Purpose**

The County has 2010 Lease Revenue Bonds with an optional call date of June 1, 2020. The County would like to current refund the 2010 Bonds for debt service savings.

### **III. Requested Services**

The County is soliciting bids for book-running senior manager for a tax-exempt public issuance or a fixed rate direct purchase.

### **IV. Timeline**

- October 2, 2019: County Issues Follow-up RFP
- October 10, 2019: Questions Due by 5pm PT
- October 15, 2019: Addendum with Question Responses Released (if necessary)
- October 24, 2019: Proposals Due
- Early-November 2019: Firm(s) Selected for 2020 Series A LRB Financing
- February 2020: Price Bonds
- March 3, 2020 (or later) Close Bonds

**V. Additional Information:**

The leased assets on the existing 2010 Lease Revenue Bonds have not changed from those in the 2010 OS. The 2020 Series A LRBs are expected to have fewer leased assets, due to the decrease in par amount. They will likely be secured by the West County Health Clinic which was built in 2010.

The leased assets are currently insured against all risk of loss, including by earthquake, through the California State Association of Counties Excess Insurance Authority. The current coverage runs until March 31, 2020 and it is the County's intent to maintain this insurance. The insured amounts are currently:

West County Health Clinic: \$29,283,912

Clerk Recorder Building: \$7,497,732

Employment and Human Services Department Building: \$13,511,772

For purposes of this RFP, assume that the 2010 reserve fund balance is unchanged from what is shown in the 2010 OS.

The County intends to refund all three existing series (2010A-2, 2010A-3 and 2010B) with one tax-exempt series, provided there is refunding savings for all three series.

**VI. Required Responses:**

The County is requesting proposals for two options: 1) a tax-exempt public issuance; and 2) a direct placement. Firms may provide a response to one or both options. The County is also open to alternative structures that provide an economic benefit to the County. Below are the required responses for each option:

**1. Public Issuance Option:**

- A. Provide updated numerical sizing runs for the 2020 Series A LRBs and a discussion of the expected spreads. For bond sizing purposes, assume rates as of October 10, 2019.
- B. Indicate whether your prior (May 2019) fee proposal still applies or provide an updated fee proposal to perform underwriting services for the 2020 Series A LRBs, including takedown and underwriter expenses (reimbursed at cost only). Note that the County will not pay a management fee or underwriting fee.
- C. The County is interested in retail investor participation in the sale of its 2020 Series A LRBs. Please propose a focused "mom and pop" retail (as opposed to institutional retail) investor engagement strategy that will allow interested individuals to invest in Contra Costa County, including in-house platforms, agreements with retail brokerages, partnering with a co-manager or selling group member, etc. The County is not opposed

to institutional retail participation; however, the desire and focus is aimed at seeking direct investment in government projects by residents as a means of civic engagement, investment and pride in community.

## **2. Direct Placement Option:**

If your firm is interested in offering a fixed rate direct purchase, please provide the following:

- A. A detailed description of the product, including a summary of the potential benefits and risk factors.
- B. Describe whether the bank intends to treat the transaction as a loan or as a security and whether or not the bank will, or will not, retain the right to offer the debt to other investors.
- C. Detail the documentation (e.g., credit information, offering memorandum, legal opinions, ratings, etc.) that the institution requires in order to successfully close the transaction. Please note that the Continuing Covenant Agreement (“CCA”) for the County’s 2017 Series A bonds is available on EMMA at:  
<https://emma.msrb.org/ES1012665-ES793317-ES1194671.pdf>  
The County would prefer to use the existing material terms and conditions to the extent possible. Please provide a list of material changes from the 2017 Series A CCA that your firm’s direct purchase would require.
- D. Provide numerical sizing runs and a Term Sheet summarizing the proposal, including an indicative fixed rate(s) as of October 10, 2019, the basis for determining such rate(s) (e.g., percent of LIBOR swap rate plus a spread) and all material fees and expenses. Note that the County is only interested in fixed rate products. For purposes of evaluating a direct placement product, the County will consider the existing final maturity date of 6/1/2040 or potentially shortening the final maturity date to 6/1/2038 with the existing reserve fund balance.

## **3. Other:**

If your firm recommends an alternative to the above structures, please provide a summary of the structure, numerical sizing runs, indicative rate(s) as of October 10, 2019 and all material fees and expenses.

## **VII. Questions**

All questions concerning this RFP are to be directed to Natalie Perkins, Managing Director, Montague DeRose, at [perkins@montaguederose.com](mailto:perkins@montaguederose.com) or (925)256-9797. Questions are due by October 10, 2019 at 5 pm Pacific time.

## VIII. Submission

RFP responses should be submitted electronically by 5 pm Pacific time on October 24, 2019 to [timothy.ewell@cao.cccounty.us](mailto:timothy.ewell@cao.cccounty.us) and [perkins@montaguederose.com](mailto:perkins@montaguederose.com) with “[Name of Firm] response to CCC UW RFP” as the subject line.

**This Request for Proposal does not commit the County to execute any transaction. The County will not pay any costs incurred in the preparation of a proposal. Only written proposals will be considered. The County reserves the right to reject any or all proposals without further discussion or negotiations, and may waive technical errors or discrepancies if doing so would serve the interest of the County.**