



**County of El Dorado**  
OFFICE OF AUDITOR-CONTROLLER

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**JOE HARN, CPA**  
Auditor-Controller

**BOB TOSCANO**  
Assistant Auditor-Controller

December 4, 2020

Board of Supervisors  
County of El Dorado  
330 Fair Lane  
Placerville, California 95667

RE: Authorize Auditor-Controller to Execute Contracts with Firms and take all other necessary and reasonable steps to Refund (Refinance) Community 2005-2 (Laurel Oaks) Mello Roos Bonds.

Ladies and Gentlemen:

**Recommendation:**

The Auditor-Controller recommends that the Board of Supervisors authorize the Auditor-Controller to negotiate and execute all necessary contracts related to the refunding of the Community Facilities District (CFD) 2005-2 outstanding Mello Roos Bonds after each agreement has been approved by County Counsel and Risk Management and authorize the Auditor-Controller to take all necessary steps to prepare all documents required for refunding of the aforementioned bonds.

**Reason for Recommendation:**

Because of the current extremely low interest rate environment, it appears the County may be able to refund (refinance) the aforementioned bonds and secure a significant benefit to the property owners in the CFD. Approximately \$2.8 million in bonds remain outstanding at an average interest rate of about 5.1%. It appears that these bonds could be refunded at a significantly lower interest rate.

In order to refund these bonds a number of legal documents and an offering statement will have to be prepared. In order to proceed with these tasks, the County must contract with a bond counsel, a bond underwriter, a special tax consultant, and potentially other consultants.

These consulting firms will provide "special services" as described in section 3.12.230 of the County's Purchasing Ordinance and section 31000 of the Government Code, and accordingly, are exempt from any formal competitive procurement requirements.

The final decision on refunding these bonds will be made by your Board at a Board meeting in the future.

Board of Supervisors

County of El Dorado

RE: Authorize Auditor-Controller to Execute Contracts with Firms for Proposed Public Services

Community Facility District Formation and Financing and Approve Form of Deposit Agreement

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**Action:**

Authorize the Auditor-Controller negotiate and execute agreements with consultants and lawyers after approval by Risk Management and the County Counsel, as needed.

Authorize the Auditor-Controller to take all necessary steps to prepare all documents required to prepare an offering statement.

**Fiscal Impact:**

This item will have no impact on the County General Fund. All the costs related to this action will be paid from special taxes collected in this CFD or from the bond proceeds.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jbe Harn".

Jbe Harn

Auditor-Controller

cc: Don Ashton, CAO