



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

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Auditor-Controller

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Assistant Auditor-Controller

March 12, 2018

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

Subject: First Amendment to NBS Government Finance Group, Inc. Agreement

Dear Board Members:

**Recommendation:**

- 1) Make findings that it is more economical and feasible to contract out the services in accordance with County Ordinance Chapter 3.13, Section 3.13.030.
- 2) Approve Amendment to Agreement 548-S1311 with NBS Government Finance Group, Inc. ("NBS") for the provision of Mello Roos bond administrative services for El Dorado Hills Community Facilities District 1992-1 (Serrano), Community Facilities District 2001-1 (Promontory), Community Facilities District 2005-1 (Blackstone), Community Facilities District 2005-2 (Laurel Oaks), and any additional Community Facilities Districts Bond administration services which may be formed during the term of the contract.

**Reasons for Recommendation:**

On April, 30, 2013 your board authorized and executed Agreement 548-S1311 with NBS Government Finance Group (NBS). This agreement is expiring on April 30, 2018. The Auditor- Controller requests that the Board of Supervisors approve an amendment to this agreement with NBS to provide Mello Roos Community Facilities District bond administration services, extending this agreement for one additional year and increase the not-to exceed amount by \$50,000 for a new not-to-exceed amount of \$300,000. The County Officer with responsibility for administering this agreement is Joe Harn, Auditor-Controller.

Since the County issued its first Mello Roos bonds in 1994, the County has engaged special tax consultants to provide bond administration services to the County. The cost of these services will be exclusively the responsibility of the property owners in the district. The only foreseeable circumstance that would make the County partially responsible for debt service payments or damages to bond investors would be if an error or omission is made by the County in the formation of the district, in the preparation of the offering statement, in the ongoing SEC required disclosures, or in the administration of the assessment district. NBS assists the Auditor-Controller's Office in administering the County's Mello Roos Districts in accordance with state law, federal law, and the bond indentures. NBS assists Cities and Counties in California in managing over 200 Mello Roos Districts. With NBS assistance, the County's likelihood of a material error or omission in administering the County's Mello Roos Districts is reduced to a low level. The Auditor-Controller recommends that the county contract with NBS to prepare the District's tax roll, and to serve, when requested, as the County's expert in Mello Roos District administration.

In accordance with County Ordinance Chapter 3.13, Section 3.13.030, comparative cost analysis would not be feasible. Special skills and qualifications are needed to perform the work of this contract and the Consultant possesses the skills and experience specific to those required for bond administration of Mello Roos Districts.

**Fiscal Impact:**

Funding is from special tax proceeds collected for the Community Facilities Districts.

**Net County Cost:**

None.

**Action to be Taken Following Approval:**

Board Clerk's office will forward the executed agreement to the Auditor-Controller for distribution.

Sincerely,



Joe Harn

Auditor-Controller