

**EL DORADO COUNTY BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL
MEETING OF November 1, 2011**

AGENDA TITLE: Authorize CAO To Execute Contracts with Firms for CFD 1992-1 Refunding	
DEPARTMENT: AUDITOR-CONTROLLER	DEPT SIGNOFF: <i>Joe Harn</i>
CONTACT: Joe Harn, Auditor-Controller	CAO USE ONLY
DATE: 10/26/11 PHONE: 5456	
DEPARTMENT SUMMARY AND REQUESTED BOARD ACTION:	
<p>The Auditor-Controller recommends that the Board of Supervisors authorize (1) the Auditor-Controller and CAO to negotiate contracts with Kronick, Moskovitz, Tiedemann & Girard (Bond and Disclosure Counsel), Stone & Youngberg (Underwriter), NBS Government Finance Group (NBS/GFG) (Special Tax Consultant), and Governmental Financial Strategies, Inc. (Pricing Consultant); (2) authorize the CAO to execute contracts with each of these firms after the contracts have been reviewed by County Counsel and Risk Management; and (3) authorize the CAO and Auditor-Controller to work with the Treasurer-Tax Collector, Assessor, and County Counsel to prepare a preliminary offering statement and take other necessary steps to refund the CFD 1992-1 (Serrano) Mello Roos Bonds as soon as practical.</p>	
CAO RECOMMENDATIONS:	
Financial impact? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Funding Source: <input type="checkbox"/> Gen Fund <input type="checkbox"/> Other Other:
BUDGET SUMMARY:	CAO Office Use Only:
Total Est. Cost _____	45's Vote Required. <input type="checkbox"/> Yes() No
Funding	Change in Policy <input type="checkbox"/> Yes() No
Budgeted _____	New Personnel <input type="checkbox"/> Yes() No
New Funding _____	CONCURRENCES:
Savings _____	Risk Management _____
Other _____	County Counsel _____
Total Funding _____	Other _____
Change in Net County Cost	
Explain	
BOARD ACTIONS:	
Vote: Unanimous _____ Or	<p>I hereby certify that this is a true and correct copy of an action taken and entered into the minutes of the Board of Supervisors.</p> <p>Date: _____</p> <p>Attest: Suzanne Allen de Sanchez, Board of Supervisors Clerk</p> <p>By: _____</p>
Ayes:	
Noes:	
Abstentions:	
Absent:	



County of El Dorado

OFFICE OF AUDITOR-CONTROLLER

360 FAIR LANE
PLACERVILLE, CALIFORNIA 95667-4193
Phone: (530) 621-5487 Fax: (530) 295-2535

JOE HARN, CPA
Auditor-Controller

BOB TOSCANO
Assistant Auditor-
Controller

October 26, 2011

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

Subject: Authorize CAO to Execute Contracts with Firms for CFD 1992-1 Refunding

Ladies and Gentlemen:

Recommendation

The Auditor-Controller recommends that the Board of Supervisors authorize (1) the Auditor-Controller and CAO to negotiate contracts with Kronick, Moskovitz, Tiedemann & Girard (Bond and Disclosure Counsel), Stone & Youngberg (Underwriter), NBS Government Finance Group (NBS/GFG) (Special Tax Consultant), and Governmental Financial Strategies, Inc. (Pricing Consultant); (2) authorize the CAO to execute contracts with each of these firms after the contracts have been reviewed by County Counsel and Risk Management; and (3) authorize the CAO and Auditor-Controller to work with the Treasurer-Tax Collector, Assessor, and County Counsel to prepare a preliminary offering statement and take other necessary steps to refund the CFD 1992-1 (Serrano) Mello Roos Bonds as soon as practical.

Reason for Recommendation

There is approximately \$60,000,000 of Serrano Mello Roos bonds currently outstanding. These bonds were issued in 1999 and 2004. Interest rates have dropped significantly since these bonds were issued. Because interest rates have dropped, it appears that at this time it would be advantageous to the property owners in the district if these bonds were refunded (refinanced).

In order to refinance these bonds an offering statement will have to be prepared. In order to prepare this offering statement, the County must contract with a bond counsel, a bond underwriter, and a special tax consultant. I recommend that the County also obtain the services of a bond pricing advisor and a disclosure counsel.

These 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.

Board of Supervisors

County of El Dorado

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I recommend that that we contract with the firm of Kronick, Moskovitz, Tiedemann & Girard (Kronick) to serve as bond and disclosure counsel. I recommend that we use Kronick because they have substantial municipal bond experience, they have an office in the Sacramento area, and they have performed satisfactorily for the County in the past. I recommend that we contract with NBS/GFG to serve as special tax consultant because they currently provide services to the Serrano Mello Roos District. I recommend that we hire Governmental Financial Strategies, Inc. to serve as our bond-pricing advisor. This firm has substantial local municipal bond experience and is recommended by the Treasurer-Tax Collector.

The County has received proposals from three bond underwriters. I recommend, with the concurrence of the Treasurer-Tax Collector, that the County use the firm of Stone & Youngberg as our bond underwriter. For the past 10 years, Stone & Youngberg has been the most active underwriter of special tax and special assessment municipal debt in California. They have been in business for over 80 years.

Fiscal Impact

This item will have no impact on the County General Fund. The contracts with underwriter and bond counsel will be contingent fee agreements. There will be no cost to the County unless the bonds are refunded and the costs will be paid out of the proceeds from the bond sale. The cost of the pricing consultant and special tax consultant will be paid for with Serrano Mello Roos District funds.

Sincerely,

Melanie Young for
Joe Harn, CPA
Auditor-Controller *Joe Harn*

CC: Terri Daly, CAO