
SOUTHWEST COMMUNITY FINANCING AUTHORITY

MINUTES OF ANNUAL MEETING

November 13, 2017 at 3:00 p.m.

Murrieta City Council Chambers
1 Town Square
Murrieta, CA 92562

Members Present:

Randy Bonner	Vicki Warren, Chairman, City of Canyon Lake
Bridget Moore	City of Wildomar
Randon Lane	City of Murrieta
Natasha Johnson	City of Lake Elsinore

Members Absent:

Maryann Edwards	Vice-Chairman, City of Temecula
Kevin Jeffries	County of Riverside, First Supervisorial District

Staff and Guests were also present at the meeting

1. CALL TO ORDER:

The Southwest Communities Financing Authority (SCFA) meeting of the Board of Directors was called to order at 3:10 p.m. by Chairman Randy Bonner (Alternate for Vicki Warren). The following board members were present: Chairperson Randy Bonner (Alternate for Vicki Warren), Members Bridget Moore, Randon Lane, and Natasha Johnson. Chairman Bonner led the group in the flag salute.

2. MEMBER COMMENTS: No comments

3. APPROVAL OF MEETING MINUTES: No minutes for approval

4. PROGRAM ADMINISTRATOR UPDATE

Mr. Brian Nestande, Program Administrator for the SCFA, stated that the date of the meeting was moved up to approve the bond because of the tax laws now proposed in Congress if passed as is, these will not be tax exempt bonds starting December 31. The timeline had to be made quickly to take advantage of that to have the savings.

5. RECEIVE AND FILE: No items.

6. AFV SHELTER UPDATES: No update.

7. DISCUSSION ITEMS: No items.

8. ACTION ITEMS:

Member Lane asked if the bond would be reducing the cost bonds for the cities and if the output would be less, or if this is just covering the bases for the new rules going into effect December 31. Mr. Nestande answered that they do anticipate as of that day, a net present value of \$3.977 million, almost \$4 million, which still needs to be worked out how it will be divided up between the cities per the counts that the different cities do. Mr. Nestande asked Stephanie Persi, Principal Management Analyst from the Riverside County Executive Office, to explain the process. John Rottschaefter, Partner from Best, Best, & Krieger, stated that this is being done to achieve significant cost savings, reduction of interest rate, and there will be a very complicated formula for how that flows to the various participants.

Member Lane asked if they would be changing the formula that was in place, where the cost was sent to each different city, or if it was the same formula with different rates. Ms. Persi stated that the formula is not changing. Mr. Rottschaefter stated that the formula changes from year to year, depending on where the use is coming from. Member Lane said each year they go back and do counts to see where the amount of use is coming from each city. Member Lane asked if the formula by how they do that was changing, and if this was giving them the ability to pay less in interest rates as they move forward from the bond, but it is not changing the formula by how it is divided up. Mr. Rottschaefter said that was correct.

Member Lane asked if there were large amounts of closing costs or fees that they were paying. Ms. Persi stated the cost of issuance itself is \$275,000 to pay all of their attorneys and counsel. There is a \$65,000 underwriter discount that the underwriters are getting paid, so the total is \$340,000. Mr. Rottschaefter stated that the savings that was mentioned is net of that, and is already taken into account.

Member Lane asked if the action items needed to be approved separately or could be approved in one motion. County Counsel Kristine Bell-Valdez stated that the action items should be approved separately for the record.

A) Approval of the Resolution Authorizing and Directing Execution of an Escrow Deposit and Trust Agreement and Termination Agreement and Execution of Related Documents

Member Lane made a motion to approve item 8A.

Member Moore seconds the motion.

Motion passed unanimously.

B) Approval of the Second Amendment to the Operations Agreement

Member Lane made a motion to approve item 8B.

Member Johnson seconds the motion.

Motion passed unanimously.

8C) Approval of the Escrow Agreement.

Member Moore made a motion to approve item 8C.

Member Lane seconds the motion.

Motion passed unanimously.

8D) Approval of the Termination Agreement

Member Lane made a motion to approve item 8D

Member Moore seconds the motion.

Motion passed unanimously.

9. Public Comments No comments.

10. ADJOURNMENT: The Board adjourned the meeting at 3:17 p.m. to its regular meeting scheduled for February 1, 2018, at 2:00 P.M., at the Murrieta City Council Chambers, 1 Town Square, Murrieta, CA 92562.