



**SUMMARIZED MINUTES OF THE
PUBLIC FINANCING ADVISORY COMMITTEE
Thursday, December 13, 2012 at 1:30 P.M.
Hall of Administration
3rd Floor, CEO Main Conference Room**

Committee Members: Thomas Hammond, Chairman; Carl Groner, Vice Chairman, Committee Member; Wallace Rodecker, Committee Member; Shari Freidenrich, Treasurer Tax-Collector; Frank Kim, Interim Chief Financial Officer; Jan Grimes, Chief Deputy Auditor-Controller

County Representatives Present: Angie Daftary, County Counsel, CEO/Public Finance; Suzanne Luster, Public Finance Manager; Richard Mendoza, Louis McClure, Laurie Sachar, Anil Kukreja, Alex Martinez, Diane Wittenberg

Absent: Lisa Hughes

- 1. Call to Order:** The meeting was called to order at 1:30 P.M by Chair Hammond.
- 2. Approval of Minutes of December 13, 2012:** Committee Member Freidenrich moved to approve the minutes. The motion was seconded by Committee Member Grimes. The minutes were approved.
- 3. Approval of PFAC Calendar:** Ms. Luster presented Item #3. The calendar was unanimously approved.
- 4. Approve the issuance of short-term Taxable Pension Obligation Bonds, 2013 Series A in an amount not to exceed \$270 million:** Ms. Luster and Mr. McClure presented Item #4.

Chair Hammond inquired about what rating the County expected to receive and Ms. Luster answered that we expect similar ratings to last year with the possible exception of Moody's as they are reviewing the rating status of pension bonds across multiple municipalities. Committee member Groner stated that the County requested a rating from all three rating agencies and inquired if that was considered necessary and if the County should revisit the need to obtain ratings from all three agencies. Ms. Luster stated that in this case the team considered it important to the marketability of the Bonds but that the team continually analyzes the rating strategy for each financing. David Brodsky of KNN Public Finance, the County's financial advisor, further clarified that the underwriter recommended and KNN concurred the third rating would add value above and beyond the cost of the rating.

Chair Hammond noted that the Orange County Employees Retirement System (OCERS) reduced their assumed rate of return from 7.75% to 7.25% and inquired about OCERS' investment returns over the past few years. Ms. Luster provided the investment returns for the previous four years. Committee member Rodecker

noted that the average return over the previous four years continues to be lower than the 7.25%. Committee member Freidenrich responded that the 7.25% is a long term assumption not necessarily reflected in the prior four years. Committee member Rodecker inquired how often OCERS reviews their assumptions and Committee member Freidenrich responded generally every three years.

There was a motion for approval by Committee member Groner and a second by Committee member Rodecker. The item was approved unanimously.

5. Training Session – Verbal Presentation: Presentation by Fieldman Rolapp – “Revenue Bonds”

Public Comment: There was no public comment.

Additional Comment: None

Adjournment: The meeting was adjourned at 3:00 P.M.