



County of Riverside

Debt Advisory Committee (DAC)

Zoom Meeting
Thursday, October 13, 2022
9:00 a.m.

IMPORTANT NOTICE REGARDING DAC MEETING

This meeting is being conducted utilizing teleconferencing and electronic means. This is consistent with State of California Executive Order N-29-20 dated March 17, 2020, regarding the COVID-19 pandemic.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Kathleen Ponce at (951) 955-1142. Notification 48 hours prior to the meeting will enable us to make reasonable arrangements to ensure accessibility to the meeting [28 CFR 35.102.35.104 ADA Title II].

Submission of Public Comments: For those who wish to make public comments at this meeting, please submit your comments by email to Kathleen Ponce at kmponce@rivco.org prior to 8:00 a.m. on October 13. All email comments shall be subject to the same rules as would otherwise govern speaker comments at the meetings. All email comments shall not exceed three (3) minutes and will be read out loud at the meeting and become part of the record of the meeting.

AGENDA

1. Call to Order and Self-Introductions
2. Approval of Resolution No. 2022-004 a resolution of the Debt Advisory Committee authorizing remote teleconference meetings of the legislative bodies of the Debt Advisory Committee for the period of October 13, 2022 to November 12, 2022 pursuant to the Ralph M. Brown Act
3. Approval of the September 8, 2022 DAC Meeting Minutes
4. Review & recommend – Master Lease Purchase Agreement
5. Public Comment on any item not on the agenda
6. Other Business
7. Next Meeting November 10, 2022
8. Adjourn

1 not rescind the proclaimed state of emergency; and,

2 **WHEREAS**, on June 11, 2021, Governor Newsom also issued Executive Order N-08-21, which set
3 expiration dates for certain paragraphs of the State of Emergency Proclamation dated March 4, 2020 and
4 other Executive Orders but did not rescind the proclaimed state of emergency; and,

5 **WHEREAS**, as of the date of this Resolution, neither the Governor nor the state Legislature have
6 exercised their respective powers pursuant to Government Code section 8629 to lift the state of emergency
7 either by proclamation or by concurrent resolution the state Legislature; and,

8 **WHEREAS**, the California Department of Industrial Relations has issued regulations related to
9 COVID-19 Prevention for employees and places of employment. Title 8 of the California Code of
10 Regulations, Section 3205(5)(D) specifically recommends physical (social) distancing as one of the
11 measures to decrease the spread of COVID-19 based on the fact that particles containing the virus can travel
12 more than six feet, especially indoors; and,

13 **WHEREAS**, the Debt Advisory Committee finds that state or local officials have imposed or
14 recommended measures to promote social distancing, based on the California Department of Industrial
15 Relations' issuance of regulations related to COVID-19 Prevention through Title 8 of the California Code
16 of Regulations, Section 3205(5)(D); and,

17 **WHEREAS**, as a consequence, the Debt Advisory Committee does hereby find that it and its
18 legislative bodies shall conduct their meetings by teleconferencing without compliance with Government
19 Code section 54953 (b)(3), pursuant to Section 54953(e), and that such legislative bodies shall comply with
20 the requirements to provide the public with access to the meetings as prescribed by Government Code
21 section 54953(e)(2).

22 **NOW, THEREFORE, BE IT RESOLVED, FOUND AND ORDERED** by the Debt Advisory
23 Committee in regular session assembled on October 13, 2022 does hereby resolve as follows:

24 Section 1. Recitals. All of the above recitals are true and correct and are incorporated into this
25 Resolution by this reference.

26 Section 2. State or Local Officials Have Imposed or Recommended Measures to Promote Social
27 Distancing. The Debt Advisory Committee hereby proclaims that state officials have imposed or
28 recommended measures to promote social (physical) distancing based on the California Department of

1 Industrial Relations' issuance of regulations related to COVID-19 Prevention through Title 8 of the
2 California Code of Regulations, Section 3205(5)(D).

3 Section 3. Remote Teleconference Meetings. The Debt Advisory Committee and any of its
4 legislative bodies are hereby authorized and directed to take all actions necessary to carry out the intent and
5 purpose of this Resolution including, conducting open and public meetings in accordance with Government
6 Code section 54953(e) and other applicable provisions of the Brown Act.

7 Section 4. Effective Date. This Resolution shall take effect immediately upon its adoption and
8 shall be effective until the earlier of (i) November 12, 2022, or (ii) such time the Debt Advisory Committee
9 adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time
10 during which its legislative bodies may continue to teleconference without compliance with Section
11 54953(b)(3).

12 ADOPTED this 13th day of October, 2022 by the Debt Advisory Committee, by the following vote:

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14 YES:

15 NO:

16 ABSENT:

17 ABSTAIN:

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**SUBMITTAL TO THE DEBT ADVISORY COMMITTEE
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: EXECUTIVE OFFICE, PURCHASING AND FLEET SERVICES

AGENDA DATE: October 13, 2022

SUBJECT: Master Lease Purchase Agreement

RECOMMENDED MOTION: That the Debt Advisory Committee:

1. Review and recommend approval to the Board of Supervisors JPMorgan Chase Bank, N.A. as the winning bidder of the RFP for a master lease purchase agreement of \$25,000,000, with the option for an additional \$25,000,000, after the initial funds are exhausted.

BACKGROUND: In order to meet the operational demands of the County, departments have the need to procure assets such as vehicles, aircraft, heavy equipment, computer hardware, software and related peripherals, communications and hospital equipment through a financing mechanism when funds for outright purchases are not available. The Executive Office and Purchasing has ensured that a line of credit (LOC) is in place so that departments may draw upon it when necessary.

With the current LOC nearing the end of available capacity, it is essential to have a new agreement in place soon to ensure that the payment for deliveries of assets is completed timely. After the review of this Committee, the new Master Lease Purchase Agreement LOC is tentatively scheduled for the Board of Supervisors agenda on October 25, 2022.

In August 2022, Purchasing issued RFP #RivCo-RFP-0000511 to establish a new \$50 million LOC (in increments of \$25 million) to meet future County financing requirements, prior to the current LOC being depleted of funds. Requests were sent to 166 lending institution contacts and was advertised on Purchasing's website. Bids were received from four financial institutions including, JPMorgan Chase Bank, N.A., Banc of America Public Capital Corp, MUFG Union Bank, and Signature Bank.

The evaluation team consisting of the Executive Office and the Treasurer-Tax Collector's Office reviewed the responses and recommends the award to JPMorgan as the most responsive bidder, which also provided the lowest tax-exempt and taxable interest rates to the County.

Once the current line with Banc of America Public Capital Corp is exhausted, the new master lease purchase agreement LOC will be accessed on an as needed basis. This provides for a readily available funding source that does not require repeated approval by the Board of Supervisors for multi-year financing each time a department requires to finance the purchase of equipment. Through the annual budget process, or, a separate Form 11 submittal, the Board approves items for purchase; all financed purchases must have prior approval in order to utilize the LOC.

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See the table below for the indicative tax-exempt and taxable rates for the terms of 2 through 10 years. Rates are subject to change based on market conditions, however, is fixed for the life of the term once the item is purchased.

Rate Calculation

Lease Term (Years)	SWAP Rate*	x % of Index	+ Fixed Index Spread	= Indicative Tax-Exempt Rate
2	3.5394%	79%	0.2289%	3.025%
3	3.4337%	79%	0.2374%	2.950%
4	3.4337%	79%	0.1324%	2.845%
5	3.1926%	79%	0.2279%	2.750%
6	3.1926%	79%	0.1929%	2.715%
7	2.9894%	79%	0.3373%	2.699%
8	2.9894%	79%	0.3234%	2.685%
9	2.8575%	79%	0.4616%	2.719%
10	2.8575%	79%	0.4916%	2.749%

Lease Term (Years)	SWAP Rate*	+ Spread	= Indicative Taxable Rate
2	3.5394%	0.2036%	3.743%
3	3.4337%	0.2113%	3.645%
4	3.4337%	0.0783%	3.512%
5	3.1926%	0.1984%	3.391%
6	3.1926%	0.1524%	3.345%
7	2.9894%	0.3326%	3.322%
8	2.9894%	0.3126%	3.302%
9	2.8575%	0.4835%	3.341%
10	2.8575%	0.5175%	3.375%

* Swap rates were as of 8:30 a.m. E.S.T. 8/17/22, and based on the SOFR (Secured Overnight Financing Rate - a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities) and the BSBY (Bloomberg Short-Term Bank Yield index which measures the average yields at which global banks access U.S. dollar senior unsecured marginal wholesale funding).

PRICE REASONABLENESS: JPMorgan offers the most competitively priced interest rates to serve the County's needs for the lease terms shown above which ranged from 0.24% to 0.47% better than the second-place bidder for the tax-exempt rate, and 0.44% to 0.72% for the taxable rate.



Jarvyk Punzalan
County Executive Office
Management Analyst