

Attachment A

Debt Advisory Committee Guidelines

COUNTY OF FRESNO
DEBT ADVISORY COMMITTEE

POLICY GUIDELINES FOR PUBLIC FINANCING

SCOPE AND AUTHORITY OF COMMITTEE

The Debt Advisory Committee will be responsible for reviewing all potential financings issued by the County and will make appropriate recommendations to the Board of Supervisors. The Committee's role will vary depending upon the purpose of the issuance.

The Debt Advisory Committee shall review all requests for financings and submit its report to the County Administrative Officer. When action by the Board of Supervisors is required, the County Administrative Officer shall submit the Committee's recommendations on the matter to the Board of Supervisors. All members of the Committee will have access to all pertinent documents pertaining to the issuance. The members will maintain the confidentiality of the applicant's detailed financial data. The Committee may, however, when appropriate, use this information as grounds for a negative recommendation.

DEBT ADVISORY COMMITTEE COMPOSITION

The Debt Advisory Committee will be comprised of the following County officials or their designee:

1. Two members, Board of Supervisors
2. County Administrative Officer
3. Auditor-Controller/Treasurer-Tax Collector
4. County Counsel

The Debt Advisory Committee shall seek input as may be appropriate from County departments, and other officials who may seek debt financings, or who may be otherwise concerned with debt related matters.

COUNTY FINANCINGS

The Committee will serve as a "clearing house" to ensure that there is a central focal point for all proposed/requested issues. This will ensure that all parties affected by an issuance are involved at the beginning, and the issue is structured and designed to meet the various needs and/or requirements of the affected departments. The Committee may review or comment on any of the following items, which is not necessarily an all-inclusive listing:

1. State and Federal reporting requirements
2. Legal liability of the County, if any
3. Impact on ability of the County to borrow short or long term (rating impact)
4. Impact of proposed issue on total outstanding debt service obligations and the County's maximum limit of debt service obligations from either a legal or a financial position
5. Financial stability of the parties involved

6. Adequacy of coverage and payment procedures in case of default, i.e., guarantees, insurance, collateral, etc.
7. Provision for accurate and timely redemption procedures, i.e., trustee, sinking funds, notification in case of early calls, registry of bonds, etc.
8. Responsibility, if any, of the County for monitoring the full compliance reporting requirements
9. Reinvestment of bond proceeds
10. Alternatives for the requested issuance
11. Departmental proposals for lease purchase plans for financing facilities and/or equipment

SCHOOL DISTRICT FINANCINGS

The Committee will not routinely review and/or comment on issues of other political entities that are required by law to be approved by the Board of Supervisors. Examples of such issues are:

1. School District General Obligation Bonds
2. School District TANS or TRANS (cash flow financings)

NON-COUNTY FINANCINGS

The Committee will review debt financing proposals and make appropriate recommendations to the Board of Supervisors based on the County's Policy for Use of Public Financing for Private Development Projects (enclosed Exhibit A). Any and all issues that may impact the County's credit rating, including refinancing of outstanding issues, will be reviewed by the Committee. The County is not obligated to assist with infrastructure financings on behalf of an applicant; and reserves the right at the County's discretion, to either provide or not provide assistance.

The following types of non-county financings will be reviewed by the Committee under appropriate circumstances:

1. 1911, 1913 and 1915 Improvement Act Bonds
2. Mello-Roos Community Facilities District Bonds
3. Marks-Roos Pooled Financing
4. Certificates of Participation
5. Revenue Bonds
6. Other types of financial instruments as deemed appropriate by the Committee

COUNTY PROJECT FINANCING PROCEDURES

All departments contacted by firms and individuals regarding potential debt financing shall refer said firms to the Committee. Departments shall not make commitments to work with firms or individuals for debt financing. Debt financing as used in this document includes equipment and facility lease/purchase agreements.

All departmental requests for financing or refinancing of projects and/or equipment will be submitted to the Committee. Upon receipt of a departmental request, the Committee will convene to review and comment on the requested financing.