Board Agenda Item 10

DATE: November 18, 2025

TO: Board of Supervisors

SUBMITTED BY: Paul Nerland, County Administrative Officer

SUBJECT: Bonds Presentation from KNN Public Finance

RECOMMENDED ACTION(S):

Receive presentation by Municipal Advisor KNN Public Finance on rating agency scoring related to the issuance of municipal bonds to finance County facilities.

This item is countywide.

ALTERNATIVE ACTION:

There is no viable alternative action.

FISCAL IMPACT:

There is no Net County Cost associated with the recommended action. Although no decision has been made to finance a project by issuing municipal bonds, this presentation will provide a realistic scenario. However, should the County issue bonds in the future, ongoing debt obligations would impact NCC available for ongoing operations.

DISCUSSION:

On February 25, 2025, your Board received a presentation from the County Administrative Office on potential renovations of the Hall of Records and options for new facilities for the Board of Supervisors and the Sheriff's Administration. Pursuant to discussion by your Board regarding exploring options for financing a new facility, the CAO engaged the County's Municipal Advisor, KNN Public Finance, to present an introduction to municipal bonds and an overview of the County's existing debt profile to the Debt Advisory Committee (DAC) on April 18, 2025. The DAC directed staff to proceed with a presentation from KNN to your Board to discuss debt affordability and the County's potential fiscal capacity to issue and repay bonds.

KNN will provide an overview of the County's current General Fund debt, present pro forma debt service numbers for hypothetical financing generating $50 million in proceeds for an Administration building project, provide results of their analysis regarding the impact of additional debt on key rating agency debt metrics, and present conclusions about the affordability of additional debt.

ATTACHMENTS INCLUDED AND/OR ON FILE:

Presentation

<u>CAO ANALYST:</u>

Paige Benavides