SUMMARY OF PROPOSED
MAJOR REVISIONS TO
COUNTY OF FRESNO DEBT POLICY
(TO BE RENAMED DEBT MANAGEMENT POLICY)

(Section headings below correlate to updated Policy)

I. Overview – Importance of the Debt Management Policy
Notes: Updated Policy focuses on minimizing debt; includes provisions that address new legal compliance under SB 1029.

Current Policy	Proposed Policy Updates
Key provisions: The County has established this Debt Policy to ensure financial stability of the County, to reduce the County's costs of borrowing, and to protect the County's good credit quality through proper debt management. This policy, while providing a framework for debt issuance, should be applied in a flexible manner to take advantage of market opportunities or to respond to changing conditions without jeopardizing essential public services. The policy also should include the types and amounts of permissible debt, the method of sale that may be utilized, and structural features of debt that may be issued under that policy. Refers to County Facilities Planning Committee's role in developing a master capital projects planning program.	**Key provisions:** Policy articulates principles that foster best practices for ensuring that the County will be capable of minimizing, and fully and timely repaying its debt. Clarifies and adds policy provisions needed for County to include in any report to CA Debt & Invest. Advisory Comm. (CDIAC) of a proposed debt issuance a certification that the County has adopted local debt policies concerning the use of debt and that the contemplated debt issuance is consistent with those local debt policies; the revised Policy addresses certain elements: (A) purposes for the use of debt proceeds; (B) types of debt that may be issued; (C) relationship of debt to capital improvement program or budget, if applicable; (D) Policy goals related to County's planning goals; and (E) Internal control procedures. (See Gov. Code § 8855, sub (i) (SB 1029). (Note: County Facilities Planning Committee has been discontinued)

No corresponding provision.	Goals for Good Debt Management: • Maintain the County's financial stability by ensuring that its financing commitments are affordable and do not create undue risk or burden for the County, and, to that end, maintain a transparent public record of the County's debt; • Preserve the County's good credit quality, and the confidence of taxpayers, ratepayers, and the investing public in the County's finances; • Staff need to provide decision makers with accurate, timely, and relevant information so that the decision makers can make sound, consistent decisions for the County's debt management; • When considering the direct costs of a proposed debt issuance, the County also will consider the estimated costs of indirect or related fiscal impacts that such debt may have on the County's operations; • Demonstrate accountability and prudence in determining whether to incur debt for the County, and in managing the County's debt, by using this Policy; • Apply the general guiding principles, below, especially when this Policy does not provide specific guidance to unforeseen circumstances or opportunities; and • Preserve institutional knowledge of County decision-making process and related actions so that the County maintains a consistent, seamless long-term debt management program.

II. General Guiding Policy Principles for Managing the County's Debt

Notes: Updated Policy reordered, added to, and revised the wording for the principles that will guide the management of the County's debt.

Current Policy	Proposed Policy Updates
Key provisions: a. The amount of all outstanding debt shall be reasonable for the County's foreseeable future, considering the circumstances then prevailing, specifically including, but not limited to, the general economic conditions, and the anticipated needs of and financial demands upon the County. b. The County incurs debt in a prudent manner with a view toward using debt only (i) to meet the County's annual cash flow needs through the issuance of Tax and Revenue Anticipation Notes, (ii) when it is necessary to do so in order to meet capital or equipment needs that cannot reasonably be satisfied with lawfully available funds in one budget year, and in doing so, it shall be in a cost-effective manner, or (iii) to reduce the total cost of other currently outstanding debt or legal obligations. c. The debt financing structure is generally accepted, and the type of risks arising from such debt does not expose the County to a level of legal or financial risk that is above the level of such risks that the County normally would assume in other financing transactions for similar projects. d. Unless approved by the voters, the debt financing is not to be used as a means of financing the cost of current County	**Key provisions:** • The proposed debt issuance should not be expected to cause financial instability or uncertainty for the County and the County will not incur debt in such a way that will unduly burden current or future taxpayers, ratepayers, or residents. • The proposed debt issuance should be expected to preserve the County's good reputation in the financing markets and the County's creditworthiness. • The County should strive to seek low interest rates for new County debt. • When communicating with potential investors and rating agencies in connection with a proposed debt issuance, the County will comply with all applicable federal securities laws to disclose all material information relating to the County's ability to repay the debt. • The total amount of all outstanding debt, after taking into account proposed debt, shall be reasonable for the County's current and foreseeable future anticipated needs. • The County will not issue debt to finance the cost of current County operations, except when necessary and allowable by law (e.g. Tax and Revenue Anticipation Notes, or "TRAN"). • The County will incur debt only for the

operations (except for Tax and Revenue Anticipation Notes). e. Debt to be issued is not expected to cause financial instability for the County. f. Debt financing is carried out with those financing mechanisms that preserve the County's good reputation in the financing markets, and maximizes the County's creditworthiness. g. Debt financing which includes the use of capitalized interest shall detail the specific reasons for recommending the use of capitalized interest. h. The use of derivative products shall be limited to situations where the derivative can increase the County's financial flexibility, provide opportunities for interest rate savings, alter the pattern of debt service payments, create variable rate exposure, or limit or hedge variable rate payments. i. The County will give first priority (including the dedication of staff resources) to County financings over financings which primarily benefit third parties, including, without limitation, conduit financings, financings for private development, financings in which the County would be a member of a joint powers agency governed by a board of directors other than the County's Board of Supervisors, and financings for housing programs, and commercial and industrial development.	following reasons: o To meet the County's annual cash flow needs, by issuing a TRAN when it is allowable by law; o When it is necessary to do so in order to meet capital needs that cannot be practically satisfied with available funds in one budget year; o To reduce the amount of outstanding County debt by issuing refunding debt that will produce net savings; and o For providing land secured financing for public improvements that benefit private commercial/industrial development. • The proposed debt issuance should be similar to the type of debt that has been successfully issued by California counties of similar size, and the amount of debt should not materially exceed the amount of debt of other California counties similar to the County . • The proposed debt issuance should not expose the County to any legal or financial risk greater than that which the County would normally assume in other, similar financing transactions. • When considering the direct costs of a proposed debt issuance, the County will also consider the estimated costs of indirect or related fiscal impacts that such debt may have on the County's operations, including but not limited to: o The annual estimated costs of operating and staffing the new capital improvements to be financed by the debt; o The County's ability to obtain annual third party reimbursements to the County's federally- and state-funded programs for the costs of the debt; and o The annual estimated costs of administration of the debt. • When considering a proposed debt

	issuance, the County will determine whether other funding sources are available to minimize the amount of debt to be incurred for capital improvements, including but not limited to: o Any funds available on a "one-time" basis; o Any collected, unspent facilities impact fees, which may be used for the capital improvement; and o Any Federal or State grants that may be sought. • If the ACTTC or his or her designee, in consultation with County Counsel or his or her designee, determines that this Policy does not provide sufficient guidance with respect to a particular issue of importance to the County, the ACTTC will seek the guidance of the DAC and, if necessary, the guidance of the Board.

III. Prioritization of County Resources
Notes: Updated Policy moved this provision from a "guiding principle" to this revised Section III.

Current Policy	Proposed Policy Updates
Key provisions: This section was previously section II.i., as can be read above.	**Key provisions:** Policy articulates that the County's financings will be granted first considerations. Second priority will be given towards financings that benefit non-County parties.

IV. Debt Advisory Committee
Notes: Updated Policy further memorializes the DAC's role and identifies the Financing Team and its members; Financing Proposals and their minimum requirements along with their review process; reaffirms the Board's final authority for issuing County debt.

Current Policy	Proposed Policy Updates
Key provisions: The DAC is responsible for reviewing all potential financings issued by the County and making appropriate recommendations to the Board of Supervisors. The role of the DAC will vary depending on the purpose of the debt issuance. The DAC serves as a "clearing house" to ensure that there is a centralized point for all proposed/requested financing issues and that all parties affected by the issue are involved from the beginning of the process. The DAC may utilize the	**Key provisions:** The DAC serves as a ***centralized point for the County's first public vetting*** of all potential financings to be issued by, for, or through the County, or approved by the County, as well as all financing matters that may involve the County (collectively, Financing Proposals) that either are proposed by departments or offices of the County or non-County parties (each, a Requester). The DAC makes the appropriate recommendation to the Board regarding all

services of an independent financial advisor for assistance in analyzing all proposed/requested financing issues. The current version of the County of Fresno Debt Advisory Committee Policy Guidelines for Public Financing is included in this document as Attachment A. See Section X for Financing Team.	such Financing Proposals. The Auditor-Controller/Treasurer-Tax Collector (ACTTC) is the Chairman of the DAC. The ACTTC's Staff is the primary staff to the DAC. The Financing Team (the Team) is comprised of permanent members (ACTTC's Office, CAO's Office, County Counsel's Office) requesting members (which personnel are Requesters only from the County department or office making the Financing Proposal), and advisory members (e.g., municipal advisor, bond counsel, and disclosure counsel). The Financing Team advises and assists the DAC and the Board in their decision-making relating to Financing Proposals. To assist the DAC in its review, the Requester of each Financing Proposal that includes a debt issuance shall include in the minimum analysis in its Financing Proposal as required by the DAC Guidelines. The DAC reserves the right to request further information or explanation at any point in the DAC review process. All proposed County debt issuances shall be, without exception, subject to the review and requested recommendation of the DAC to the Board prior to such County debt issuance. • The results of any DAC action or lack of action, concerning a Financing Proposal shall be reported to the Board by the Requester as part of the Financing Proposal. If the Requester is a non-County party, the ACTTC or CAO shall report such information to the Board. • The lack of any recommendation by the DAC to the Board regarding a Financing Proposal submitted to the DAC shall not prohibit an item from being considered by the Board. • In those instances where ACTTC

	determines that it is impractical for the DAC to meet and act upon a Financing Proposal (but excluding a decision to recommend a proposed County debt issuances) before the next meeting of the Board, the item may be submitted by the Requester directly to the Board, provided that the Requester informs the Board why the item could not be heard by the DAC and gives the reason why such item should be heard and acted upon the Board before the next regular meeting of the DAC. The Board is the final authority in the County for taking any actions on any Financing Proposals, including approving any proposed County debt, and all other matters related to the management of County debt.

V. Restrictions and Limitations Applicable to All Financings
Notes: Updated Policy moves section VIII up in the Policy and expand it to include additional types of limitations beyond the CA Constitution.

Current Policy	Proposed Policy Updates
Key provisions: This section was previously listed as VIII as: California Constitution Article XVI, section 18 limits the amount of debt that the County may lawfully incur without approval of 2/3 of the qualified electorate: “(a) No county …shall incur any indebtedness or liability in any manner or for any purpose exceeding in any year the income and revenue provided for such year, without the assent of two-thirds of the voters of the public entity voting at an	**Key provisions:** The Policy summarizes the reference to the California Constitution debt limit in Article XVI, section 18. The Policy summarizes the restrictions per Gov. Code § 53591 regarding the County’s Municipal Advisor Relationships and Services provided. The County will not use derivatives in connection with any new financings.

election to be held for that purpose, …" However, the County recognizes that judicial interpretations have created several exceptions to the foregoing rule, authorizing certain forms of long term financings without the necessity of such voter approval (e.g., leases), which are commonly called "debt" in this policy, but actually are exceptions to this debt limitation rule. The County will evaluate legal limitations and affordability of debt prior to any new financings or refinancings. It is important for the County to consider its current debt levels as well as legal restrictions imposed by statute or by existing bond covenants. The County will employ specialized legal and financial advisors, as necessary, to assist in the evaluation of additional debt. Depending on the circumstances (e.g., new form of financing), the County may consider the use of a validation action (Code of Civ. Proc., sec. 860 et seq.) to determine the validity of a matter in connection with the issuance of a bond.	The County will not become obligated for any new County debt or otherwise be involved in any new financing that would include a variable rate of interest or variable debt service (exclusive of additional rent payable under a financing lease or other obligation for ongoing transaction fees). CAO Management Directive 412.1 sets forth the County's policy for the minimum useful life of expenditures that may be classified in the County's financial statements as capital assets. This CAO Management Director shall be used as the base line for establishing the minimum useful life of expenditures that may be financed. Prior to applying CAO Management Directive 412.1 for purposes of this Policy, the ACTTC shall be consulted on his or her interpretation of CAO Management Directive 412.1 with respect to the specific expenditure proposed to be financed.

VI. Approved Financing Methods

Notes: Updated Policy segregates approved types of funding by short vs. long term and, for long term, by funding sources types.

Current Policy	Proposed Policy Updates
Key provisions: This section was previously section IV. This section listed and defined the below methods of financing: • TRANS • POBs (pension obligation bonds) • LRBs (lease revenue bonds) • COPs (certificates of participation) • Revenue Bonds • Special Assessment Bonds • Leases (financing leases) • "Conduit Financings" • Pay-as-you-go • Inter-fund borrowing • GO bonds approved by voters • Derivatives • Securitization of future revenue streams (e.g. Tobacco securitization)	**Key provisions:** In any instance where its usage is appropriate, adopting a "pay-as-you-go" (*i.e.*, paying from current revenues) strategy is an acceptable strategy to finance projects or capital acquisitions undertaken by the County. … The use of a "pay-as-you-go" plan alongside a long-term debt plan is acceptable as well. The County will consider whether "pay-as-you go" (or moneys available on a "one-time" basis) is practical before considering financing the acquisition or construction of capital assets. Short-term Financing includes: • Short-term note (e.g. TRAN) • Inter-fund borrowing • CSA revolving fund • Cash flow loans to CSA and WWD Long-term Financing includes: • Ad valorem taxes (e.g. GO Bonds) • General Fund Obligations (e.g. LRBs, Leases, and POBs) • Asset-backed bonds (e.g. Tobacco Securitization) • Special fund obligations (e.g. revenue bonds) • State financing programs (e.g. CA Clean Water State Revolving Fund Program) • Land-secured financing (e.g. Mello-Roos)

VII. Budgetary Planning; relationship of debt to budget; integration of debt to County's budget
Notes: Updated Policy includes this section as an express commitment to state the County's plan for managing its debt in relation to its budget.

Current Policy	Proposed Policy Updates
Key provisions: Refunding and early retirement of debt were previously section V. and VI. Section V. The County will consider undertaking a refunding (i.e., refinancing) for any of the following reasons: (1) to reduce interest costs of outstanding debt, (2) to restructure the debt service for a more favorable interest rate, and (3) to eliminate old bond covenants that may have become restrictive to the County, provided that the overall benefits to be obtained from eliminating such bond covenants are expected to outweigh the cost of the new debt. Most bond refundings will occur in order to take advantage of lower interest rates. Section VI. The County annually shall review callable outstanding debt and its current debt service requirements to determine if it is appropriate and in the County's best interests to retire debt early. Preference shall be given to calling bonds that will result in the greatest savings to the County. During its annual review of outstanding debt and future debt service requirements, the County shall also review any refinancing options for current outstanding debt, consistent with the principles of this Debt Policy.	**Key provisions:** The County's plans for capital improvement expenditures shall be recommended to the Board by the CAO and approved by the Board as follows: • On an as-needed basis, as opportunities come to the CAO's or the Board's attention; • On a prioritized basis, as recommended from time to time by the CAO to the Board; or • As part of the Board's adoption of its annual budget. The County will consider refunding outstanding debt, if available and cost-effective to reduce interest costs of outstanding debt, to restructure the debt service for a more favorable interest rate and/or for shortening the final maturity of the bonds.

VIII. Funding Mechanics; Structuring new debt
Notes: Updated Policy consolidates various sections into this one section to outline the County's goal for the method of sale and the structure of the various types of financings that the County may approve.

Current Policy	Proposed Policy Updates
Key provisions: The County may utilize competitive, negotiated, limited-competitive (hybrid) or private placement methods of sale. The appropriate method should be determined on a case-by-case basis after evaluating the proposed financing. The County's goal is to protect the public's interest by obtaining the lowest possible interest cost under reasonable financing terms. Flexibility in structuring the financing should be evaluated when deciding which method of sale will be used. If in the opinion of the financial advisor pre-sale marketing will enhance the County's ability to sell the bonds, the financing team should evaluate the benefits of a negotiated sale where legally permissible. • Maturity Structures • Credit Enhancements • Reserve Fund and Coverage Policy • Capitalized Interest • Interest Rate Limitation • Trustee Services	**Key provisions:** The overarching goal for this component is to seek to protect the public's interest by striving for the lowest possible interest cost under reasonable financing terms for any new debt issuance. Bonds: • Maturity Structures • Debt Services Principal & Interest Payments • Collateral for LRBs • Credit Enhancements • Reserve Fund and Coverage Policy • Capitalized Interest • Interest Rate Limitations • Trustee Services • Investment of Bond Proceeds pending use Leases and LPAs • Entered into directly with finance companies • Leases and LPAs for real estate or for equipment • End-term buy out

IX. Rating Agencies
Notes: Updated Policy clarifies the situations in which the County will communicate to the rating agencies, as arranged by its Municipal Advisors.

Current Policy	Proposed Policy Updates
Key provisions: When evaluating the County's creditworthiness, rating agencies will analyze the County in four broad areas: economic base; debt burden; administrative management; and fiscal management. The County will provide all necessary information, including its Comprehensive Annual Financial Report and Quarterly Treasury Compliance Report, for the credit rating agencies to evaluate the County's creditworthiness. The County will make every reasonable effort to maintain and/or improve its high quality credit ratings to minimize borrowing costs and to ensure its access to the credit markets.	**Key provisions:** The County has developed relationships with ratings agencies through good communication that have been arranged by the County's independent municipal advisor. To that end, the County, with the assistance of its independent municipal advisor, would undertake the following, as deemed necessary by the ACTTC: • Ensure the rating agencies are provided updated financial information of the County as it becomes publicly available prior to the sale of the bond issuance. • Prior to each proposed new debt issuance, schedule meetings or conference calls with agency analysts and provide an appropriate update on the County's financial position, including the impacts of the proposed debt issuance.

X. Post-Issuance Legal Compliance Procedures

Notes: Updated Policy revises references to the County's legal compliance requirements and describes the requirements of the various types of compliance requirements.

Current Policy	Proposed Policy Updates
Key provisions: The County, through its CAO, ACTTC and County Counsel, with the assistance of disclosure counsel, will ensure that applicable state and federal regulations and laws regarding continuing disclosure are observed for all financings. If the County is an obligated party for continuing disclosure purposes, annual reports shall be filed with the appropriate state information depositories (SIDs), if any, and/or nationally recognized municipal securities information repositories (NRMSIRs) in a timely manner as required by the financing documents. All "material events" notices will be filed timely by the County with such SIDs, if any, and NRMSIRs, and promptly communicated by the County Auditor-Controller/Treasurer-Tax Collector in a written memorandum to the DAC, the Board of Supervisors, and the Fresno County Financing Authority (if the Authority issued the bonds). The County may engage the services of disclosure counsel to satisfy disclosure-reporting requirements. (Note: SIDs and NRMSIRs have been replaced by the Electronic Municipal Market Access)	**Key provisions:** The County is committed to legal compliance with all applicable federal and state laws and has adopted polices or procedures designed to assure such compliance as follows. • Federal Income Tax Compliance • Securities Disclosure Compliance; bond covenants • Reports to CDIAC • Administration • Use of Bond Proceeds.

XI. Transparent Recordkeeping of County's Outstanding Debt
Notes: Updated Policy to specifically refer the reader to the most recent outstanding Bond Debt Amortization schedule along with the outstanding Capital Leases as of June 30, 2017.

Current Policy	Proposed Policy Updates
Key provisions: New section, was previously provided in Attachments A and B and incorporated into various allowable methods of financing debt.	**Key provisions:** To provide transparency to the public of the County's obligations for outstanding County debt, the outstanding Bond Debt Amortization Schedule, as of the revised date of this Policy, is included on Attachment A and the outstanding Capital Leases, as of the revised date of this Policy, are summarized on Attachment B. As of the revised date of this Policy, the percentage of General Debt Service to General Fund Expenditures within the Comprehensive Annual Financial Report for fiscal year FY 2016-17 was 3.51%.

XII. Periodic Review of Policy; Policy Revisions
Notes: Updated Policy changes from an annual review to a periodic review and update to the Board.

Current Policy	Proposed Policy Updates
Key provisions: The DAC annually shall review this Debt Policy and make recommended changes, if any, to the Board of Supervisors. The Board of Supervisors annually will review and either adopt or reject any recommended changes proposed by the DAC. The annual review will be presented by the Auditor-Controller/Treasurer-Tax Collector as a regular agenda item for discussion and action by the Board of Supervisors. When new financing plans/structures are introduced, they must be reviewed by the DAC and a recommendation to amend the Debt Policy must be presented to the Board of Supervisors for approval prior to the issuance of the new debt structure.	**Key provisions:** The DAC will review, from time to time upon the recommendation of the ACTTC, this Policy and the DAC thereupon may make recommended Policy revisions, if any, to the Board. These recommended revisions may include, for example, and not as a limitation, new financing plans or structures after having been introduced to the DAC. Any DAC review of this Policy and any DAC recommendations to the Board will take into consideration any Board-adopted goals, and polices for the County, generally. Generally, upon approval by the Board, the Policy updates will be revised prospectively. The Board reserves the right to revise this Policy at any time.

Notes:

Please refer to Section XIII, Glossary and Contact Information, for the redline changes to the Glossary terms.

Attachments to the Debt Policy are not summarized in this document.

SUMMARY OF PROPOSED
MAJOR REVISIONS TO
COUNTY OF FRESNO DEBT ADVISORY COMMITTEE GUIDELINES
(TO BE RENAMED DEBT ADVISORY COMMITTEE
POLICY GUIDELINES FOR PUBLIC FINANCING)

(Section headings below correlate to updated Guidelines)

I. Scope and Authority
Notes: Updated Guidelines further memorialize the description of the DAC's role, as stated in the updated Debt Management Policy.

Current Guidelines	Proposed Guidelines Updates
Key provisions: The DAC will serve as a "clearing house" to ensure that there is a central focal point for all proposed/requested issues (See Section "County Financings") The DAC 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 DAC shall review all requests for financings and submit its report to the County Administrative Office. 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 a confidentiality of	**Key provisions:** The DAC serves as a ***centralized point for the County's first public vetting*** of all potential financings to be issued by, for, or through the County, or approved by the County, as well as all financing matters that may involve the County (collectively, Financing Proposals) that either are proposed by departments or offices of the County or non-County parties (each, a Requester). The DAC makes the appropriate recommendation to the Board of Supervisors (Board) regarding all such Financing Proposals. All proposed County debt issuances shall be, without exception, subject to the review and requested recommendation of the DAC to the Board, prior to such County debt issuance. The DAC considers the types of Financing Proposals that are identified in the County's *Debt Management Policy* (*Policy*). Terms used in these DAC Guidelines (Guidelines), unless defined herein, have the same meaning given to

the applicant's detailed financial data. The Committee may, however, when appropriate use this information as grounds for a negative recommendation.	them in the *Policy*. The DAC typically is requested to make a recommendation to the Board regarding a Financing Proposal. The results of any DAC action or the lack of action by the DAC concerning a Financing Proposal shall be reported to the Board by the Requester as part of the Financing Proposal. If the Requester is a non-County party, the ACTTC or CAO shall report such information to the Board.

II. Debt Advisory Committee Members; Staff

Notes: Updated Guidelines for minor verbiage and to clarify the ACTTC staff is the primary staff of the DAC.

Current Guidelines	**Proposed Guidelines Updates**
Key provisions: 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.	**Key provisions:** The ACTTC is the Chairman of the DAC. The ACTTC's Staff are the primary staff to the DAC.

III. Submittal Process for DAC Review
Notes: Updated Guidelines to add this section to clarify the process a Requestor must follow.

Current Guidelines	Proposed Guidelines Updates
Key provisions: None	**Key provisions:** The ACTTC Staff will be the first point of contact for all Financing Proposal submissions to the DAC. All County departments and offices contacted by non-County parties, or their consultants, regarding Financing Proposals shall refer said parties or consultants to the ACTTC Staff. Departments and offices shall not make commitments to work with non-County parties, or their consultants, for Financing Proposals. The ACTTC Staff shall receive, review, and organize the flow and submission of each Financing Proposal to the DAC. The DAC will convene to review and comment on the Financing Proposal set forth in the noticed DAC meeting agenda. All DAC members will be given access to all pertinent documents pertaining to all Financing Proposals presented to the DAC. The DAC may, in its discretion, receive input from the Requester regarding its Financing Proposal. The DAC reserves the right to request further information or explanation at any point in the DAC review process.

IV. County Financings
Notes: Updated Guidelines to clarify and add to the list of items the DAC may review or comment upon.

Current Guidelines	Proposed Guidelines Updates
Key provisions: 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 services obligations and the County's maximum limit of debt services obligations from either a legal or 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 in 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.	**Key provisions:** • The necessity of the capital improvement or equipment proposed to be financed or the debt to be incurred and how it relates to the County's mission; • The County's primary objectives to be achieved by undertaking the proposed financing; • The reasonableness of the Requester's proposed time line for undertaking and completing the financing; • The impact of a proposed debt issuance on the County's total outstanding debt service obligations, including the County's ability to meet debt service obligations; • The impact of a proposed debt issuance on the County's ability to incur debt in the short term and in the long term (including the potential impact on the ratings of the County's outstanding debt); • A risk assessment (*e.g.*, public benefits of proposed debt vs. fiscal and legal burdens and financial and legal risks to the County associated with undertaking a financing as proposed by the Requester); • The structure of a proposed debt issuance; • Any potential legal issues, including compliance with the State's constitutional debt limitation, and any

	potential legal risks to the County associated with the Financing Proposal; • The County's existing continuing disclosure undertakings entered into in accordance with SEC Rule 15c2-12; • The County's ability to obtain annual third party reimbursements to the County's federally- and state-funded programs for the costs of the debt; • State and Federal legal compliance requirements; • Alternatives for the requested debt issuance that would reduce fiscal and legal risks and burdens on the County, including alternatives that the Requester did not identify in the Financing Proposal; • For leases: Departmental proposals for lease purchase plans, including multi-year plans, for financing capital improvements and/or equipment; and • The financial stability of a non-County Requester that may be involved in the proposed financing.

V. Land Secured Financings (Assessment Districts and Mello Roos Districts)

Notes: Updated Guidelines to clarify the County's role in these financings.

Current Guidelines	Proposed Guidelines Updates
Key provisions: 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	**Key provisions:** The DAC may review debt-financing proposals and make appropriate recommendations to the Board based on the *County's Policy for Use of Public Financing for Private Development Projects*, as initially approved by the Board on February 9, 1993, and last revised by the Board on September 23, 1997, on file with

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	the Public Works and Planning Department (see *Policy*, VI.B.6, Land Secured Financings (Assessment Districts and Mello Roos Districts). Any issues that may affect the County's credit rating, including refinancing of outstanding debt issuances, will be reviewed by the DAC. The County is not obligated to assist with land secured financings, and reserves the right at the County's discretion either to provide or not provide assistance.

VI. Tax Equity and Fiscal Responsibility Act (TEFRA) Hearings.

Notes: Updated Guidelines to memorialize responsibility for TEFRA hearings.

Current Guidelines	Proposed Guidelines Updates
Key provisions: None.	**Key provisions:** The DAC will review and act upon timely requests for the Board to conduct a TEFRA hearing.

VII. School District Financings

Notes: Updated Guidelines for minor verbiage clean-up and added line-items.

Current Guidelines	Proposed Guidelines Updates
Key provisions: The DAC will not routinely review and/or comment on issues of other political	**Key provisions:** The DAC will not routinely review and/or comment on issues of other governmental

entities that are required by law to be approved by the Board of Supervisors. Examples of such issues are: • School District General Obligation Bonds • School District TANS or TRANS (cash flow financings)	entities that are required by law to be approved by the Board. Examples of such issues are: • School district general obligation bonds. • School district tax anticipation notes (TAN) or tax and revenue anticipation notes (TRAN) cash flow financings. • School district certificates of participation (COPs) and financing leases.

VIII. Financing Proposals to DAC; Minimum Information and Analysis
Notes: Updated Guidelines to include new item explaining the process of preparing a Financing Proposal and referring the Requestor to the procedure for doing so.

Current Guidelines	Proposed Guidelines Updates
Key provisions: None.	**Key provisions:** To assist the DAC in its review, the Requester of each Financing Proposal that includes a proposed debt issuance shall complete a questionnaire, the form of which will be prepared and made available by the ACTTC Staff (this section enumerates minimum analysis needed). An analysis of the County's debt tolerance is an important component to ensure that the amount of debt issued is affordable and cost effective. Therefore, completion of this section of the questionnaires referred to in this section must be completed and submitted to the DAC as part of the Financing Proposal.

IX. Periodic Debt Report
Notes: Updated Guidelines to include a periodic review and update to the DAC.

Current Guidelines	Proposed Guidelines Updates
Key provisions: None.	**Key provisions:** The ACTTC will in his or her determination, from time to time, prepare a debt report to be presented to the DAC. Generally, the debt report will inform the DAC on the following matters and any include any additional items that may be appropriate in reporting on the activities of the prior period subsequent to the last report. • An updated Bond Debt Amortization Schedule, see *Policy* Attachment A – Outstanding Bond Debt Amortization Schedule; • Cash received for and repayments to the County's debt throughout the fiscal year; • Projects funded with debt approved by the Board and the status thereof; • Any potential refunding or extinguishing of debt that may occur in the near future; • Any other information as specifically requested by the DAC members.

X. Revisions and Effective Date
Notes: Updated Guidelines to include a reference to revisions.

Current Guidelines	Proposed Guidelines Updates
Key provisions: None.	**Key provisions:** Generally, upon approval by the Board, the updates to the Guidelines will be revised prospectively. The Board reserves the right to revise the Guidelines at any time.