



DEPARTMENT OF FINANCE

Excellent and responsive fiscal leadership.

June 16, 2015

Board of Supervisors
County of Marin
Civic Center
San Rafael, CA 94903

Roy Given, CPA
DIRECTOR

Cristine Alilovich
ASSISTANT DIRECTOR

Dear Members of the Board:

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SUBJECT: Revised Debt Restructuring Authority to Address Building Infrastructure and County facilities

RECOMMENDATION: We are recommending that your Board authorize the Director of Finance to hold a competitive bid to award a Certificate of Participation debt issuance to the investor with the lowest True Interest Cost (TIC) consistent with the revised authority detailed in staff report.

SUMMARY: On April 21, 2015 your Board authorized the County Administrator and Director of Finance to proceed with a debt restructuring to increase the County's annual payment rate by 10%, to \$4.4 million, over 30 years for a minimum of \$28 million in net proceeds. Due to subsequent changes in the debt issuance market increasing interest rates since April 21, we are requesting to revise our authority as follows:

Table with 3 columns: Item, April 21st Authority, Revised Authority Requested. Rows include Annual debt service payments, Term, and Minimum net proceeds.

Although interest rates have increased over the past eight weeks, rates remain low. As market sentiment appears to indicate that rates are more likely to increase over the long term, we are recommending that your Board authorize staff to hold a competitive bid and accept the lowest True Interest Cost (TIC) in order to maximize the proceeds of sale, net of escrow and corresponding cost of issuance.

If approved by your Board, staff will return to your Board to allocate the net proceeds for the highest priority capital needs such as the Civic Center roof and fire station improvements.

Please let us know if you have any questions or concerns.

Sincerely,

Handwritten signature of Matthew Hymel

Matthew Hymel
County Administrator

Handwritten signature of Roy Given

Roy Given, CPA
Director of Finance