Dear Members of the Board:

**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>
<thead>
<tr>
<th>April 21st Authority</th>
<th>Revised Authority Requested</th>
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</thead>
<tbody>
<tr>
<td>Annual debt service payments:</td>
<td>$4.4 million</td>
</tr>
<tr>
<td>Term:</td>
<td>30 years</td>
</tr>
<tr>
<td>Minimum net proceeds</td>
<td>$28 million</td>
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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,

**Matthew Hymel**
County Administrator

**Roy Given, CPA**
Director of Finance