



April 9, 2024

Board of Directors
Ventura County Public Financing Authority
County of Ventura
800 South Victoria Avenue
Ventura, CA 93009

SUBJECT: Resolution of the Board of Directors of the Ventura County Public Financing Authority Authorizing and Approving the Execution and Delivery of the Amended and Restated Revolving Credit Agreement, the Second Amendment to the Sublease, and the Second Amendment to the Site Lease between Wells Fargo Bank, the Ventura County Public Financing Authority, and the County of Ventura.

RECOMMENDATIONS:

Adopt the attached Resolution authorizing and approving the execution and delivery of the Amended and Restated Revolving Credit Agreement (Exhibit B), the Second Amendment to the Sublease (Exhibit C), the Second Amendment to the Site Lease (Exhibit D) and approving the Authority Resolution (Exhibit A) in connection with the renewal of the Revolving Credit Agreement facility and other documents that may be necessary to effectuate the purposes of the Resolution.

DISCUSSION:

The County has maintained a \$51 million financing program since 1998 to provide flexibility in funding various capital projects. The program is currently administered by Wells Fargo Bank via a Revolving Credit Agreement. This agreement is set to mature on April 16, 2024.

In February 2024, our Financial Advisor, KNN, conducted a request for proposal from a variety of banking institutions. Five entities responded to the Tax-Exempt Revolving Credit Agreement portion of the solicitation. Wells Fargo, the incumbent provider, came forward with the lowest combined applicable spread and undrawn fee. There was a response that was lower in overall cost but came with the requirement of establishing a banking relationship.

The proposal from Wells Fargo was for an amended and restated Revolving Credit Agreement for a 3-year term, with interest cost for amounts drawn set at 80% of the daily SOFR Index plus the applicable spread of 0.70%. The fee for amounts not drawn is lower at 0.28%. As with the current agreement, the fee rate is dependent on the ratings assigned by Moody's and Standard and Poor's to the County's long-term debt and is subject to increases in the event of a downgrade of the County's credit rating. The County currently has the highest credit ratings from both agencies.

This Amendment to the Revolving Credit Agreement was approved by the Financial Planning Committee on March 26, 2024.

This letter has been reviewed by the Auditor-Controller's Office and County Counsel. If you have any questions, please contact Scott Powers at 677-8761.

Sincerely,



Scott Powers
Interim County Chief Financial Officer



Sevet Johnson, PsyD
County Executive Officer

Attachments:

- Exhibit A – Authority Resolution
- Exhibit B – Amended and Restated Revolving Credit Agreement
- Exhibit C – Second Amendment to Sublease
- Exhibit D – Second Amendment to Site Lease