



April 9, 2024

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, CA 93009

SUBJECT: Resolution of the Board of Supervisors of the County of Ventura Authorizing and Approving the Execution and Delivery of the Amended and Restated Revolving Credit Agreement between Wells Fargo Bank, the Ventura County Public Financing Authority and the County of Ventura; Authorization of Waiver of County Administrative Manual Policy No. Chapter VI-1 Prohibiting the Inclusion of Attorney's Fees and Interest Payments in County Contracts; and Authorization of \$170,000 in Expenditures Related to the Transaction.

RECOMMENDATIONS:

1. Adopt the attached Resolution authorizing and approving the execution and delivery of the Amended and Restated Revolving Credit Agreement (Exhibit A), and approving the County Resolution (Exhibit B) in connection with the County's renewal of the Revolving Credit Agreement facility and other documents that may be necessary to effectuate the purposes of the Resolution.
2. As to the Revolving Credit Agreement, authorize waiver of County Administrative Manual Policy No. Chapter VI-1 prohibiting the inclusion of attorney's fees and interest payments in County contracts.
3. Authorize the following expenditures, up to a total of \$170,000, relating to the renewal of the Revolving Credit Agreement facility, estimated as follows:
 - A. Norton Rose Fulbright - Bond Counsel - \$40,000 for legal services.
 - B. KNN Public Finance - Financial Advisor - \$40,000 for financial advisory and solicitation services.
 - C. Title Insurance - \$50,000
 - D. Other County Expenses - \$40,000 including, but not limited to, Bank Counsel, document fees and other charges.

FISCAL IMPACT:

Mandatory: No

Source of funding: General Fund

Impact on other departments: Auditor-Controller, County Counsel

SUMMARY OF REVENUE & TOTAL COSTS:

Estimated one-time expenditures for the proposed renewal of the Revolving Credit Agreement facility are projected at approximately \$170,000. Due to market conditions it is anticipated that the incremental interest and fees associated with the proposed rates will be approximately \$80,000 per year under current utilization.

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 expire 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.

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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 1 – County Resolution
- Exhibit 2 – Amended and Restated Revolving Credit Agreement
- Exhibit 3 – Second Amendment to Sublease
- Exhibit 4 – Second Amendment to Site Lease