

**BERNICE JAMES**  
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DATE: March 6, 2007

TO: Michael Brown, Chief Executive Officer  
Bob Geis, Auditor – Controller  
Stephen Shane Stark, County Counsel  
Janet Wolf, Second District Supervisor

FROM: Bernice James, Treasurer – Tax Collector

RE: Minutes of the County Debt Advisory Committee Meeting of February 23, 2007.

- 1. Roll Call:** Meeting began at 12:00 p.m. Committee members Bernice James, Michael Brown, Shane Stark (via teleconference; absent at 1:30) and Bob Geis, were present. Janet Wolf was absent. Salud Carbajal served as her back up and arrived at approximately 1:30.
- 2. Public Comment:** No public comments were made.
- 3. Approval of Minutes:**

Brown/Geis Motion: Approve the February 23, 2007 DAC Meeting Minutes.

Approved: 4 - 0

**4. Financing Issues:**

a) **Options Family Services Non-Profit TEFRA:**

Consider and take appropriate action regarding holding a TEFRA hearing on behalf of Options Family Services. Santa Barbara County would act as the host jurisdiction, (but not as the issuer), to allow them to proceed in refinancing loans on two properties located within Santa Barbara County, in an amount not to exceed \$3.8 million.

Terence Murphy, California Statewide Communities Development Authority, presented information on the non-profit and requested that the DAC recommend the Board of Supervisors hold the TEFRA hearing and approve the financing. He verified for the DAC that the County would hold the hearing but not be involved in the financing. The County does not sign any documents, and is not indicated as a party on any financing documents. In addition, the County is fully indemnified in the documents and the financing will be insured by Cal Mortgage.

Geis/Brown Motion: Recommend the TEFRA hearing be held by the Board of Supervisors and the resolution for the financing be forwarded to them for their consideration and approval.

Roll Call: Bernice James, Michael Brown, Bob Geis, and Shane Stark  
Approved: 4 - 0

b) **Music Academy of the West, Certificates of Participation:**

Consider and take appropriate action regarding Santa Barbara County issuing, in an amount not to exceed \$17 million, tax-exempt Certificates of Participation as a conduit for the Music Academy of the West.

Gary Hicks, financial advisor for the Music Academy of the West (MAW) presented information on the financing, the projects to be financed, and the non-profit. He requested the DAC consider recommending the County act as a conduit issuer for the financing. The planning permit status was discussed. The debt will be issued prior to the final permits. If the final building permits are not issued there will be a provision to allow for extraordinary redemption. The MAW will meet all policies and requirements of the County. A rating of A- has been assigned by the rating agency. The financing will be insured to achieve the "A" rating required by the County. The insurance will allow the financing to receive an "AA" rating. A County fee, paid up-front, to reimburse the County for costs related to the issuance was agreed to. The County is also indemnified in all the legal documents, and for any costs in the future. Barbara Robertson, MAW, Vice President of Finance, presented information on the trust revenue, investment income (corpus of \$28 million), and pledges of the MAW. All It is expected by the MAW that pledges and earnings will fully pay for debt service and for the half of the project to be funded without financing by the MAW.

Brown/Geis Motion: Moved to recommend that the Board of Supervisors consider and approve acting as a conduit for the MAW for a \$17 million financing.

Roll Call: Bernice James, Michael Brown, Bob Geis, and Shane Stark  
Approved: 4 - 0

c) **Casa Floral Counseling and Education Center Lease, Probation:**

Review and take appropriate action on the five year (with five, one year renewal options) lease.

Martin Connelly, Deputy, Probation, presented an overview of the program and the request for a lease in Lompoc. A new lease is needed, after 30 years in the current location, because the landlord is renovating and needs the space. Many properties, including modular units on County land, were researched and considered. This lease is essential to prevent costly placements of the children outside of Lompoc. Staff may need to be cut to cover the cost of the lease.

Brown/Geis Motion: Moved to recommend the Casa Floral Counseling and Education lease.

Roll Call: Bernice James, Michael Brown, Bob Geis, and Shane Stark  
Approved: 4 - 0

d) **Accela Permit Management Software Upgrade, Planning & Development:**

Review and take appropriate action on the five year lease.

Steve Mason presented information regarding the request to finance the software in an amount of \$594,335. Costs of maintenance in addition to the financed debt service were discussed. The upgrade is necessary to enhance on-line servicing of permits and for achieving overall greater efficiencies in the permitting process. The new software has the

capacity to provide service the current version does not. The debt service would be financed by a technology fee. The DAC members discussed the advisability of financing software and the timing of payments to the vendor. The product's reliability was discussed. Funding from the strategic reserve with, or without incurring interest at the pool rate, was discussed. As the Department is in the general fund it was discussed that interest to the general fund (the strategic reserve) would not be necessary.

Brown/Geis Motion: Moved to recommend the software be funded by an interest free loan from the strategic reserve to the Planning & Development Department, subject to the extension of the technology fee.

Roll Call: Bernice James, Michael Brown, Bob Geis, and Salud Carbajal  
Approved: 4 - 0

**5. COP Project Update**

Paddy Langlands, General Services, presented the update on the 2001 and 2005 projects.

The DAC discussed the status of the SB1732 Courthouse Construction project and the Sheriff's technical services building project, and the related proceeds. A pending project for the Public Defender was also discussed.

**6. Other Business:** None.

**7. Adjournment:** The DAC adjourned at approximately 2:00 pm.