

TOBACCO SECURITIZATION AUTHORITY OF NORTHERN CALIFORNIA
700 H STREET, SUITE 3650
SACRAMENTO, CALIFORNIA 95814-1280
OFFICE (916) 874-8252

BOARD OF DIRECTORS:

SUE FROST, CHAIR
PATRICK KENNEDY, VICE CHAIR
NATHAN FLETCHER, DIRECTOR

FLORENCE EVANS, SECRETARY
BRITT FERGUSON, TREASURER/CONTROLLER

AGENDA

NOVEMBER 3, 2020 AT 8:30 AM
700 H STREET, 1st FLOOR, HEARING ROOM NO. 2
SACRAMENTO, CA 95814

-And-

TELEPHONE CONFERENCE
(Members may participate via teleconference)

PUBLIC COMMENT PROCEDURES

In compliance with directives of the County, State, and Centers for Disease Control and Prevention (CDC), this meeting is live stream and closed to public attendance. Meeting procedures are subject to change pursuant to guidelines related to social distancing and minimizing person-to-person contact.

Live Meeting Comment

Sign up to make a public comment during a live meeting. Registration opens when the agenda is posted 72-hours prior to the meeting date. Dial (916) 875-2501 to provide contact information. On the day of the meeting, callers will be contacted by phone and transferred to the meeting to make a comment on a specific agenda item or off-agenda item. Callers may sign up until public comments are closed for a specific item, respectively.

Written Comment

- Send an email comment to Boardclerk@saccounty.net. Include meeting date and agenda item number or off-agenda item. Contact information is optional.
- Mail a comment to 700 H Street, Suite 2450, Sacramento, CA 95814. Include meeting date and agenda item number or off-agenda item. Contact information is optional.
- Written comments are distributed to members and filed the record.

VIEW MEETING

The meeting will be streamed live through BlueJeans Events. Members of the public may watch and/or listen to the meeting as follows:

Audio from a PC: <https://primetime.bluejeans.com/a2m/live-event/vswsdbjg>

Audio from a mobile device: <https://primetime.bluejeans.com/a2m/live-event/vswsdbjg> (Enter Event ID Code: **vswsdbjg**)

Teleconference (audio only) dial: (415) 466-7000 (Enter PIN Code: **2867889#**)

MEETING MATERIAL

The online version of the agenda and associated material is available at <http://sccob.saccounty.net> (click "Public Meetings" and "Veterans Advisory Commission"). Some documents may not be posted online because of size or format limitations. Contact the Clerk's Office at (916) 874-5411 for arrangements to obtain copies of documents.

ACCOMODATIONS

Requests for accommodations pursuant to the Americans with Disabilities Act (ADA) should be made with the Clerk's Office by telephone at (916) 874-5411 (voice) and CA Relay Services 711 (for the hearing impaired) or email at BoardClerk@saccounty.net prior to the meeting.

ROLL CALL

PLEDGE OF ALLEGIANCE

AGENDA ITEMS

1. Approval of Minutes from Prior Meeting
2. Adopt Fiscal Year 2020-21 Revised Budget
3. Public Comments

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MINUTES

ANNUAL MEETING
OCTOBER 6, 2020 AT 8:30 AM
700 H STREET, 1st FLOOR, HEARING ROOM NO. 1
SACRAMENTO, CA 95814

-And-

TELEPHONE CONFERENCE
(Members may participate via teleconference)

PUBLIC COMMENT PROCEDURES

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Teleconference (audio only) dial: (415) 466-7000 (Enter PIN Code: **6115142#**)

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ROLL CALL

Director Sue Frost called the meeting to order. All members were present.

ATTENDEES

Britt Ferguson, Treasurer/Controller of the Authority
Colin Bettis, County Debt Officer
Lisa Randall, Management Analyst II
Lisa Travis, County Counsel
Peter Aw-Yang, Senior Accounting Manager
Alma Muñoz, Assistant Clerk
Bunty Khetan, MGO, External Auditor of the Authority
Stephanie Gioia-Beckman, Director of Policy, Fourth District, San Diego
Tanya Eames, Debt & Capital Finance Officer, San Diego

AGENDA ITEMS

1. Approval of October 8, 2019 Minutes

On a motion by Director Kennedy, seconded by Director Frost and carried by unanimous vote, approved the meeting minutes of October 8, 2019, as submitted.

2. Approval of Fiscal Year 2020-21 Recommended Budget

On a motion by Director Kennedy, seconded by Director Fletcher and carried by unanimous vote, approved the Fiscal Year 2020-21 Budget as submitted.

3. Presentation of Fiscal Year 2019-20 Audited Financial Report Prepared By Macias Gini & O'Connell, LLP

Bunty Khetan, MGO Audit Manager, reported a clean audit with no exceptions. Received and filed the Report.

4. Approve The Selection Of Jefferies For Senior Underwriter And Citi And Ramirez As Co-managing Underwriters

On a motion by Director Kennedy, seconded by Director Frost and carried by unanimous vote, approved the selection as submitted.

5. Adopt Resolution Scheduling Additional Regular Meetings

On a motion by Director Frost, seconded by Director Kennedy and carried by unanimous vote, adopted Resolution No. **TSA-20-001** scheduling additional regular meetings.

6. Public Comments

No public comments were received.

Meeting adjourned at 8:49 a.m.

Respectfully submitted,

FLORENCE EVANS, Secretary
Tobacco Securitization Authority
of Northern California

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CALIFORNIA**

**700 H STREET, SUITE 3650
SACRAMENTO, CALIFORNIA 95814-1280
(916) 874-9039**

BOARD OF DIRECTORS:

**SUE FROST, CHAIR
PATRICK KENNEDY, VICE CHAIR
WILLIAM HORN, DIRECTOR**

**FLORENCE EVANS, SECRETARY
BRITT FERGUSON, TREASURER/CONTROLLER**

For the Agenda of:
November 03, 2020
Time: 8:30 a.m.

To: Board of Directors,
Tobacco Securitization Authority of Northern California

From: Britt Ferguson,
Treasurer/Controller

Subject: Adopt Fiscal Year 2020-21 Revised Budget

RECOMMENDATIONS:

That the Board of Directors of the Tobacco Securitization Authority of Northern California (the Authority) take the following actions:

- Adopt the Fiscal Year 2020-21 Revised Budget

BACKGROUND:

On October 10, 2000, the Sacramento County Board of Supervisors approved Joint Exercise of Powers Agreements with the County of San Diego to create two joint powers authorities for the express purpose of facilitating a tobacco revenues securitization for each county. The County of San Diego approved the agreements on October 17, 2000. The Tobacco Securitization Authority of Northern California is the governmental entity that issued bonds on behalf of Sacramento County. The Tobacco Securitization Authority of Southern California issued bonds on behalf of San Diego County.

On August 23, 2001, the Authority issued its Tobacco Settlement Asset-Backed Bonds, Series 2001, in the amount of \$199,620,000 (2001 Bonds), and maturing

Adopt Fiscal Year 2020-21 Revised Budget
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in June 2041, to securitize anticipated revenues from the national Tobacco Litigation Settlement (TLS). This allowed the County to sell its entire revenue stream from the TLS payments, thereby shifting all of the risk of the receipt of TLS payments to investors, in exchange for a large up-front payment in the form of bond proceeds, which funded an Endowment Fund and funding for capital projects.

On December 6, 2005, the Authority issued its Tobacco Settlement Asset-Backed Bonds, Series 2005 Refunding, in the amount of \$255,486,288 (2005 Bonds), and maturing in June 2045. This issuance refunded the 2001 Bonds and provided an additional \$63,225,245 in bond proceeds for capital projects.

DISCUSSION:

Authority Budget

The Authority must annually approve a budget for the costs related to administering the securitization. The budget for Fiscal Year 2020-21 was presented and adopted at the October 6, 2020 meeting for a total budget amount of \$143,000. This revised budget, submitted as Item 2, reflects an increase of \$169,000 due to the addition of \$150,000 in non-contingent costs to enter into an engagement with S&P for rating services associated with the potential bond refunding, \$30,000 additional costs associated with PFM the County's financial consultant, and a budget reduction for Treasury services which will be covered through costs of issuance of the bonds. The additional costs for PFM were budgeted for in the Corporation, but if paid should be paid solely by the Authority. While these will be budgeted for, it is assumed that the costs of issuance of the bonds will be covered by bond proceeds. However, due to the volatility of the tobacco bond market, these costs may need to be incurred prior to receiving the proceeds.

Respectfully submitted,

BRITT FERGUSON
Authority Treasurer/Controller

Attached Material:

Item 2 - Fiscal Year 2020-21 Revised Budget

cc: Colin Bettis, County Debt Officer
Michele Crichlow, Debt Finance Manager, County of San Diego

**ITEM 2
ATTACHMENT 1**

**TOBACCO SECURITIZATION AUTHORITY OF NORTHERN CALIFORNIA
FISCAL YEAR 2020-21 REVISED BUDGET RECOMMENDATION (FUND 062A)**

Expenditure Description	Fiscal Year 2020-21 Approved Budget	Fiscal Year 2020-21 Revised Budget Request
Administrative Services		
Credit Monitoring-Moody's	10,000	10,000
Credit Monitoring-Standard & Poor's	10,000	160,000
Other Misc. Services/Contingency	52,000	80,000
Accounting Services		
Audit Services	7,500	7,500
Continuing Disclosure-BondLogistix	40,000	40,000
Trustee-Bank of New York	5,500	5,500
Treasury/Trustee Services	18,000	9,000
Total Expenditures:	143,000	312,000
FY 2020-21 Financing Required:		312,000