

MINUTES OF SEPTEMBER 23, 2020
REGULAR MEETING OF GOVERNING BOARD OF
SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY

The meeting began at 11:06 AM

1. Roll Call

Members Present: 3 - Thomas Casey III, Paul Scannell, and John Gemello.

Members Absent: 1 - Steve Alms was absent during roll call and arrived at 11:11 AM

Vacant Seat: 1

Staff Present: Roberto Manchia, County Chief Financial Officer;
Paul Okada, Chief Deputy County Counsel;
Daniel McCloskey, Deputy County Counsel;
Kim-Anh Le, Deputy Controller; and
Sherry Golestan, Deputy Clerk of the Board.

2. Public Comment – There were no public comments.

3. Approval of the Minutes of May 27, 2020

Motion: Casey

Second: Gemello

Roll Call Vote: Yes – 4 : Steve Alms, Thomas F. Casey III, John M. Gemello, Paul Scannell

No – 0

4. Action Item: Resolution authorizing the Unwind of Forward Delivery Agreement

Motion: Gemello

Second: Alms

Roll Call Vote: Yes – 4 : Steve Alms, Thomas F. Casey III, John M. Gemello, Paul Scannell

No – 0

Mark Epstein discussed the reserve fund and discussions with Wells Fargo as payor of the investment agreement to terminate the agreement. Mr. Epstein opined that it would be beneficial to terminate the agreement. Steven Gald noted that the JPFA was required to provide interest earnings on portions of the JPFA reserves and that, by terminating the agreement, the County would yield an excess of \$3M. The Board directed staff to proceed in negotiating and executing a termination agreement with Wells Fargo.

5. Update: Cordilleras Mental Health Facility, and County Office Building 3 (COB3)

Cordilleras:

- Adam Ely, Project Development Unit Director, noted that the COB3 architect has been replaced. The current BOS-approved budget for COB3 is \$120,000,000 with approximately \$8,300,000 spent to date.
- Scott Gurley, Cordilleras Project Manager, discussed the risks and complexities regarding the Cordilleras construction. Mr. Gurley noted that environmental permits are anticipated to be received by the end of September 2020 with all sign-offs from all environmental agencies before November 2020. Board approval is anticipated in November 2020 with grading activities to commence at the end of the year. Mr. Ely noted that project is scheduled to be completed by 2023 with final close-out and disbursement by March 2024.
- Thomas Casey inquired about the public outreach efforts concerning the project and Mr. Gurley confirmed that all of the nearby landowners have been notified. Mr.

Ely indicated that PDU plans to circle back to the community with respect to further communication.

- Steve Alms suggested adding signage in the community and Scott Gurley confirmed that they will implement this and more community outreach.
- Mary Collins inquired into the status of a resolution concerning Cordilleras Bonds, and Roberto Manchia indicated that the matter would likely be brought to the Board of Supervisors in October.

COB 3:

- Adam Ely confirmed that a new architect has been brought onto the project at the end of June 2020. Daniel Griffiths, Project Manager for COB 3 provided more information.
- Daniel Griffiths shared that COB3 is currently in the design phase, and is being redesigned to be geometrically more square to lower costs. The projected construction commencement is June 2021 for approximately 24 months, with a Certificate of Occupancy date being in the second quarter of 2023. The building will be built using a renewable resource called cross-laminate timber. This redesign is also a more flexible layout should a reconfiguration be desired in the future. It is projected to be a 100+ year use building.
- President Scannell asked if there would be changes to underground work/digging and Daniel Griffiths confirmed that there would not be a lot of re-work and that the area is cleared using the same general contractor, TrueBeck construction.
- Adam Ely mentioned that due to the re-design, they discovered that adding a 5th floor is being considered by the County due to saved costs in the redesign making it more affordable to add such floor, and consolidating leased space by the County. He mentioned that the County Manager has emphasized optimizing use of our land. The costs have increased due to delays and redesign but have been significantly less overall due to such redesign by 4.6%.

6. Update: Cordilleras Bond

- Roberto Manchia, County Chief Financial Officer and JPFA Secretary, indicated that the County is contemplating the issuance of bonds in January or February 2021. Mr. Manchia indicated that, in connection with discussions with the County's financial services advisors, the County is planning to utilize \$45,000,000 in general fund monies in connection with such bond financing in order to allow the County's debt service to stay flat notwithstanding the issuance of additional bonds to finance the Cordilleras construction.
- Mark Epstein, California Financial Services, stated that the plan is to issue an RFP in or about mid-November and that, in connection with that RFP, the County plans to ask potential underwriters for recommendations as to the utilization of the above-referenced \$45,000,000. Mr. Epstein indicated that the County anticipates a steep falloff in its debt by 2030. The expectation is for a standalone financing without additional bonds, but that the County is open to such bonds if it is beneficial.

7. Update: Potential Recommendation to Board of Supervisors Regarding JPFA member vacancy

- Paul Okada, Chief Deputy County Counsel, reviewed the Board's prior discussions regarding filling the vacancy left by the passing of James Fox. The JPFA Board discussed the desire of the President of the Board of Supervisors to increase the diversity of the JPFA Board and, in connection with those discussions, Mr. Alms resigned for the purposes of creating a second vacancy on the Board.

8. Other Business – Scheduling of Next JPFA Meeting: January 27, 2021, and a second tentative meeting may be held on February 24, 2021.

9. **Adjournment** – The meeting adjourned at 12:15 PM.