



ALPINE FIRE PROTECTION DISTRICT
BOARD OF DIRECTORS SPECIAL MEETING

DIRECTOR EASTERLING
DIRECTOR PRICE
DIRECTOR TAYLOR
DIRECTOR WILLIS
DIRECTOR MEHRER

MONDAY
DECEMBER 27, 2021
9:00 A.M.

FIRE CHIEF BRIAN BOGGELN
CLERK OF THE BOARD ERIN DOOLEY

FIRE STATION 17 MEETING ROOM
1364 TAVERN ROAD
ALPINE, CA 91901

****SPECIAL MEETING****

**THIS BOARD OF DIRECTORS SPECIAL BOARD
MEETING WILL BE HELD VIA ZOOM.**

Zoom Call-In Information:

Time: Dec 27, 2021 09:00 AM Pacific Time (US and Canada)

Join Zoom Meeting:

<https://us06web.zoom.us/j/87686118904>

Meeting ID: 876 8611 8904

+1 669 900 6833 US (San Jose)

Meeting ID: 876 8611 8904

Agendas: Agenda packets are available for public inspection 72 hours prior to scheduled meetings; please email Admin@AlpineFire.org to request an electronic copy.

Packet documents are also posted online on our website: www.AlpineFire.org.



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DISABLED ACCESS TO MEETING: *A request for disability-related modification or accommodation, including auxiliary aids or services, may be made by a person with a disability who requires a modification or accommodation in order to participate in the public meeting. Any such request must be made to the Clerk of the Board at 619-445-2635 at least 24-hours before the meeting.*

WRITINGS DISTRIBUTED TO THE BOARD: *Pursuant to Government Code 54957.5, written materials distributed to the Board of Directors in connection with this agenda will be available to the public at the Alpine Fire Protection District Administration Office located at 1364 Tavern Road, Alpine, CA 91901. In addition, supporting documentation (including attachments referenced in the agenda) is available for viewing on the Alpine Fire Protection District website – www.alpinefire.org*

- 1) CALL TO ORDER AND DETERMINATION OF A QUORUM**
- 2) APPROVAL OF AGENDA**
- 3) PUBLIC COMMENT AND DISCUSSION**

Members of the public may address the Board during public comment on a particular agenda item, or if they wish to make a general comment on a matter within the subject matter jurisdiction of the District. The President of the Board will call on the member of the public at the appropriate time and allow the member of the public to provide live comment. On their own initiative or in response to questions posed by the public, board members may ask a question for clarification; provide reference to staff or other resources for factual information or request staff to report back to the Board at a subsequent meeting. A member of the Board may take action to direct staff to place a matter of business on a future agenda. The District limits each speaker to 3 minutes per subject or topic.

- 1. **Attending Remotely:** Typing their name in the “Chat” box in Zoom and indicate the agenda item, or if they wish to make a general comment on a matter within the subject matter jurisdiction of the District.*
- 2. **Attending in Person:** Submitting a speaker slip to the Clerk of the Board.*

4) AGENDA ITEMS

- 4.1 - Consideration to Approve Resolution #21/22-10 to Implement Teleconferencing Requirements during a Proclaimed State of Emergency Under Government Code Section 54953.**
Staff Report: Chief Boggeln (pg. 4)
- 4.2 - Discussion Only: Review 2021 Taxable CalPERS UAL Refunding Loan Proposals**
Staff Report: Chief Boggeln (pg. 6)
- 4.3 - Discussion and Possible Action: Selection of the Term Sheet for CalPERS UAL Refunding**
Staff Report: Chief Boggeln (pg. 8)



5) ADJOURNEMENT

NOTIFICATION OF NEXT REGULAR BOARD MEETING

Next regular meeting will be held:

January 18, 2022 at 5:00 p.m.

Alpine Fire Station 17 (meeting room)

1364 Tavern Road, Alpine CA 91901

CERTIFICATION OF POSTING

I certify that on December 22, 2021, I posted a copy of the foregoing Agenda near the regular meeting place of the Board of Directors of Alpine Fire Protection District, said time being at least 24-hours in advance of the Special Meeting of the Board of Directors. (Govt. Code Section 54954.2)

Executed at Alpine, California, on December 22, 2021.

Erin Dooley

Erin Dooley, Clerk of the Board



RESOLUTION # 21/22-10

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ALPINE FIRE PROTECTION DISTRICT TO IMPLEMENT TELECONFERENCING REQUIREMENTS DURING A PROCLAIMED STATE OF EMERGENCY

WHEREAS, the Ralph M. Brown Act requires that all meetings of a legislative body of a local agency be open and public and that any person may attend and participate in such meetings;

WHEREAS, the Brown Act allows for legislative bodies to hold meetings by teleconference, but imposes specific requirements for doing so;

WHEREAS, on March 17, 2020, in order to address the need for public meetings during the present public health emergency, Governor Newsom issued Executive Order No. N-29-20, suspending the Act's teleconferencing requirements; and

WHEREAS, on June 11, 2021, Governor Newsom issued Executive Order No. N-8-21, continuing the suspension of the Brown Act's teleconferencing requirements through September 30, 2021; and

WHEREAS, these Executive Orders allowed legislative bodies to meet virtually as long as certain notice and accessibility requirements were met; and

WHEREAS, the State Legislature amended the Brown Act through Assembly Bill No. 361 (AB 361) on September 16, 2021; and

WHEREAS, AB 361 amended the Brown Act so that a local agency may use teleconferencing without complying with the regular teleconferencing requirements of the Act, where the legislative body holds a meeting during a proclaimed state of emergency and makes certain findings; and

WHEREAS, Government Code section 54953 requires that the legislative body make additional findings every 30 days in order to continue such teleconferencing.

NOW THEREFORE, the legislative body of the Alpine Fire Protection District hereby finds, determines, declares, orders, and resolves as follows:

1. That the foregoing recitals are true and correct and incorporates them by this reference.
2. The Board of the Alpine Fire Protection District finds, by a majority vote, the following:
 - a. That there exists a proclaimed state of emergency;

AND:

- b. The Board is meeting for the purpose of determining one of the following, or more than 30 days have passed since the Board met and determined one of the following and the Board now re-determines one of the following:
 - i. State or local officials have imposed or recommended measures to promote social distancing.

**Alpine Fire Protection District
Resolution #21/22-10
Page 2 of 2
December 27, 2021**

3. The District's Fire Chief or their designee is authorized to take all steps and perform all actions necessary to execute and implement this Resolution in compliance with Government Code section 54953.
4. That this Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the BOARD OF DIRECTORS of the ALPINE FIRE PROTECTION DISTRICT, County of San Diego, State of California, on this 27th day of December 2021, by the following vote:

AYES: (0)
NOES: (0)
ABSENT: (0)
ABSTAIN: (0)
RECUSED: (0)

Jim Easterling
Board President

Patrick Price
Board Secretary

I, Erin Dooley, Clerk of the Board of the Alpine Fire Protection District, do hereby certify that the foregoing Resolution 21/22-10 was duly passed, approved, and adopted by the Board at a regularly scheduled meeting of the Alpine Fire Protection District Board held on the 27th day of December 2021.

Executed this _____
(Date of Execution)

Erin Dooley
Clerk of the Board

ALPINE FIRE PROTECTION DISTRICT - STAFF REPORT

Agenda Item: 4.2
Meeting Date: December 27, 2021
Submitted by: Chief Boggeln
Subject: 2021 Taxable CalPERS UAL Refunding Loan Proposals



BACKGROUND:

At the November 16, 2021 Regular Board Meeting, the Board gave direction to staff to take actions necessary to initiate the process to issue bonds for the purpose of refunding all or part of the District's Unfunded Accrued Liability (UAL) with CalPERS.

Staff executed the agreements with Ridgeline Municipal Strategies, Stradling Yocca Carlson & Rauth, and Oppenheimer & Co. Inc. The companies sent out RFPs to a number of financial institutions based off of discussions with the Finance Committee. Five proposals were returned by the due date of December 21, 2021.

DISCUSSION:

On December 22, 2021, staff met with the finance team and discussed the five proposals that were received. The Finance Committee reviewed the proposals and along with the financial team determined that the two most advantageous proposals for the refunding of the UAL were from Capital One and First Foundation Bank. The other three proposals result in higher costs and lower cash flow savings.

It is important to note that there is a significant difference between the two recommended proposals. Capital One does not require a lease-leaseback arrangement where First National Bank does. The cost savings difference between the two proposals is approximately \$6,000 per year.

NEXT STEPS:

Review the attached 2021 Taxable CalPERS UAL Refunding Loan Summary of Proposals Received. Staff is recommending in Agenda Item 4.3 that the Board give authorization to the Fire Chief to execute the Term Sheet with Capital One. Once the Term Sheet is executed, the finance team will prepare the necessary agreements for final Board approval at the January 18, 2021 Board meeting.

CURRENT FISCAL IMPACT:

None in this fiscal year.

FUTURE/ONGOING FISCAL IMPACT:

If the Board approves moving forward with one of the proposals, the District could potentially see significant savings over the next 20 years.

Submitted by:

Chief Boggeln

Attachments:

2021 Taxable CalPERS UAL Refunding Loan: Summary of Proposals

Alpine Fire Protection District 2021 Taxable CalPERS UAL Refunding Loan Summary of Proposals Received December 21, 2021



	<u>Capital One</u>		<u>First Foundation Bank</u>		<u>Sterling National Bank</u>		<u>Umpqua Bank</u>		<u>Pacific Western Bank</u>	
Interest Rate:	Drop-off DS 3.29%	Level DS 3.33%	Drop-off DS 3.10%	Level DS 3.10%	Drop-off DS 3.16%	Level DS 3.19%	Drop-off DS 3.39%	Level DS 3.39%	Drop-off DS 3.75%	Level DS 3.75%
Rate Lock Terms:	Locked through Feb. 9th		Locked for 60 days		Locked through Feb. 9th		Locked through Feb. 9th		Locked through Feb. 9th	
Prepayment Terms:	No call for 8 years, then callable on any payment date at 102% in years 9 and 10, and thereafter at par (in whole only)		Callable on any payment date as: Years 1-2 at 103% Years 3-4 at 102% Years 5-6 at 101% Year 7 and thereafter at par		No call for 2 years, then callable on any payment date as follows: Years 3-5 at 102% Years 6-9 at 101% Year 7 and thereafter at par (in whole only)		Callable as follows: Years 1-4 at 103% Years 5-7 at 102% Years 8-10 at 101% Year 11 and thereafter at par		Callable as follows: Year 1 at 103% Year 2 at 102% Year 3 at 101%, and Year 4 and thereafter at par	
Costs:										
Bank Counsel	\$0		\$10,000		\$0		\$10,000		\$10,000	
Term Sheet Expiration:	December 30, 2021									
Unsecured or Asset Required?:	Unsecured		Asset Required		Asset Required		Unsecured		Unsecured	
Numerical Analysis:	Drop-off DS	Level DS	Drop-off DS	Level DS	Drop-off DS	Level DS	Drop-off DS	Level DS	Drop-off DS	Level DS
Par Amount	\$5,340,000	\$5,340,000	\$5,350,000	\$5,350,000	\$5,340,000	\$5,340,000	\$5,340,000	\$5,340,000	\$5,340,000	\$5,340,000
All-In TIC	3.57%	3.60%	3.40%	3.40%	3.44%	3.46%	3.44%	3.46%	3.44%	3.46%
Avg FY Debt Service	\$378,851	\$365,425	\$372,503	\$358,673	\$373,907	\$360,903	\$373,907	\$360,903	\$373,907	\$360,903
Total Debt Service	\$7,183,332	\$7,308,507	\$7,086,065	\$7,173,454	\$7,109,073	\$7,218,059	\$7,109,073	\$7,218,059	\$7,109,073	\$7,218,059

	<u>Public Offering Comparison</u>	
Numerical Analysis:	Drop-off DS	Level DS
Par Amount	\$5,460,000	\$5,460,000
All-In TIC	3.70%	3.72%
Avg FY Debt Service	\$384,821	\$369,248
Total Debt Service	\$7,245,415	\$7,384,962

Public Offering Model Scale is derived from the City of Paramount's 2021 Pension Obligation Bonds sold on November 4, 2021. The bonds were sold in the amount of \$17 million with an underlying rating of AA-.

Paramount's spreads were used for the District's public offering model, with an additional 15bps of spread added to account for the smaller size of the District's issuance and to create slight market buffer.

ALPINE FIRE PROTECTION DISTRICT - STAFF REPORT

Agenda Item: 4.3
Meeting Date: December 27, 2021
Submitted by: Chief Boggeln
Subject: Approval of Term Sheet for Capital One or First Foundation Bank



RECOMMENDATION:

While the First Foundation Bank offers slightly higher annual (\approx \$6,400 to \$6,700) and overall (\approx \$97,000 to \$135,000) cash flow savings than Capital One, it requires the District to pledge its fire station as collateral for the financing. We consider these additional savings to be relatively insignificant and recommend that the District move forward with the Capital One proposal.

As far as selecting between the level and the declining debt service proposals from Capital One, during the first 15 years the declining debt service proposal results in a higher annual cost of approximately \$13,500, but the total cash flow savings under the declining debt service proposal are \$126,000 greater. The greater savings are a function of lower payments in the last 5 years of the loan term. Additionally, the declining level debt service proposal comes with a slightly lower interest rate, results in more rapid repayment of the debt over the initial 15 years, and keeps the debt service payments in line with the currently scheduled UAL payments to CalPERS in the final 5 years of the term.

The final bond documents and the financing structure will be brought to the Board for approval at the January 18, 2021 meeting.

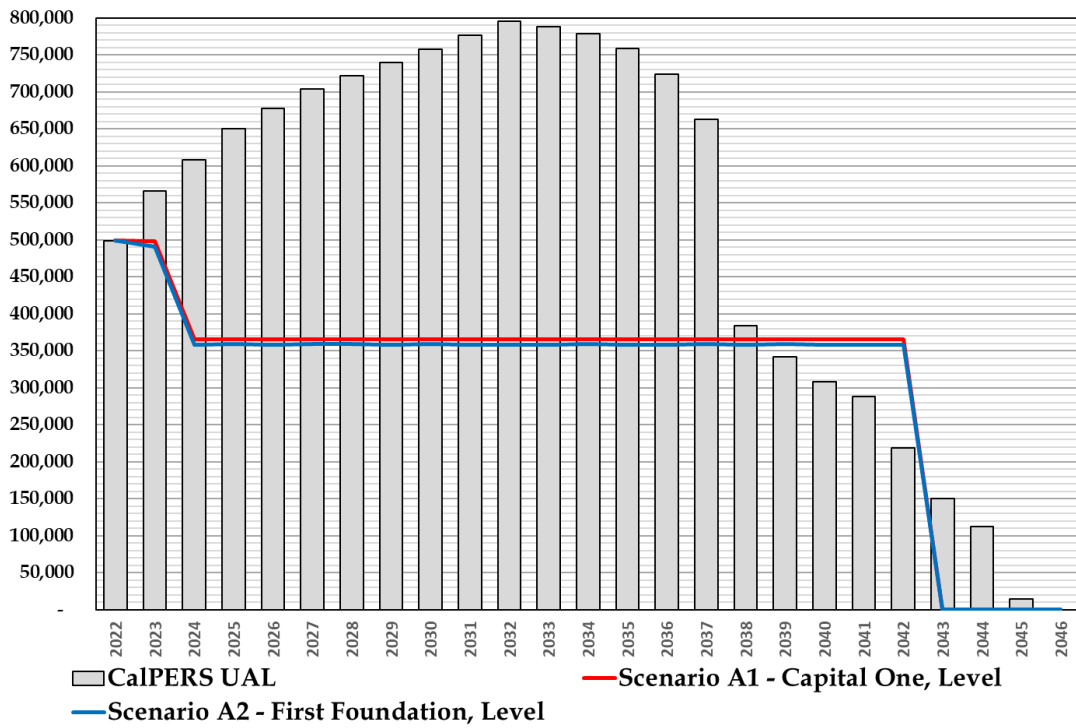
Submitted by:

Chief Boggeln

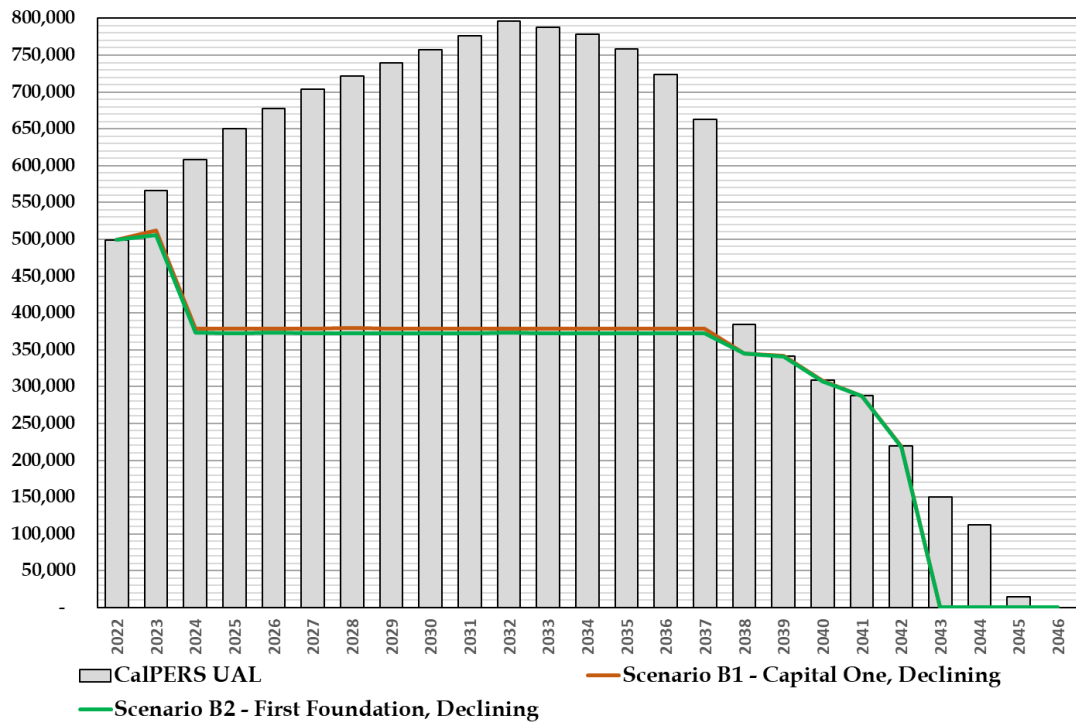
Attachments:

Capital One Proposal
First National Bank Proposal

Graph 1
Level Debt Service Bank Proposals



Graph 2
Declining Debt Service Refunding Proposals





December 21, 2021

Jeff Land at
jeffrey.land@opco.com

Dan Shaw
daniel.shaw@opco.com

Subject: Alpine Fire Protection District, California
 2022 Taxable CalPERS Unfunded Accrued Liability Refunding Loan (the “Loan”)

Dear Jeff and Dan:

This term sheet is presented in response to that certain RFP dated December 8, 2021 (“RFP”) that you have presented to Capital One Public Funding, LLC (“COPF”). All terms, provisions and covenants set forth in the RFP are incorporated herein except as described below. We are very interested in working with Alpine Fire Protection District, California, (“Borrower”) in connection with the above-described potential Loan transaction and are pleased to present the following summary terms:

Structure	Directly purchased 2022 CalPERS Unfunded Accrued Liability Refunding Loan.	
Estimated Amount	\$5,340,000	
Use of Proceeds	Refinance 80% of the outstanding CalPERS Unfunded Accrued Liability.	
Security Provisions / Repayment Sources	General Obligation pledge of the legally available funds.	
Fixed Interest Rate	3.29%	3.33%
Payment Assumptions	Payments of principal due annually and interest due semi-annually; approximate average life of 10.8 years; final maturity 08/01/41. The Loan will be payable in installments on the dates and in the amounts set forth on the payment schedule identifying payment dates, principal, interest and total payment due, which shall be attached to the Loan.	Payments of principal due annually and interest due semi-annually; approximate average life of 10.4 years; final maturity 08/01/41. The Loan will be payable in installments on the dates and in the amounts set forth on the payment schedule identifying payment dates, principal, interest and total payment due, which shall be attached to the Loan.
Call Provisions	No call for 8 years, then at 102% for 2 years, then in whole at par on any interest payment date.	No call for 8 years, then at 102% for 2 years, then in whole at par on any interest payment date.
Tax Treatment	Taxable	

Interest Rate Assumptions

The above-quoted interest rates are based upon the assumptions set forth above regarding average life and final maturity. Any changes from the assumptions may require an adjustment to the quoted rates. The rates may also be subject to change if the contemplated Loan is not closed by February 9, 2022.



Documentation

Loan documentation shall be prepared by qualified bond counsel subject to review by COPF and its counsel. Borrower shall provide, at its expense, an opinion of legal counsel (acceptable to COPF) attesting to the legal, valid, and binding nature of the transaction. Upon selection of COPF, the Borrower shall provide COPF the draft authorizing document for its review and comment.

Costs of Issuance

The Borrower shall be responsible for normal borrower costs of issuance including a financial advisor, placement agent, CDIAC fees and bond counsel. No fees will be due to COPF, which shall be responsible for the costs of its own legal review.

Direct Purchase

The Loan shall be directly funded/purchased by (and registered in the name of) COPF and delivered in physical, non-book-entry, certificated form. The Loan shall not be (i) assigned a separate rating by any rating agency; (ii) registered with the Depository Trust Company or any other securities depository; (iii) issued pursuant to any type of official statement, private placement memorandum or other offering document; or (iv) assigned a CUSIP number.

Audited Financial Statements

Upon request, as soon as available, the Borrower shall send COPF a copy of its audited financial statements as of the end of the fiscal year.

Municipal Advisor Rules

As noted, this term sheet is submitted in response to your Request for Proposals dated December 8, 2021. The contents of this Term Sheet and any subsequent discussions between us, including any and all information, recommendations, opinions, indicative pricing, quotations and analysis with respect to the Loan, are provided to you in reliance upon the exemption provided for responses to requests for proposals or qualifications under the municipal advisor rules of the Securities and Exchange Commission (Rule 15Ba1-1 et seq.).

Role of Capital One Public Funding, LLC

The Borrower acknowledges and agrees that: (i) the information contained in this term sheet is for discussion purposes only and sets forth certain proposed terms and conditions of an arm's-length commercial transaction between the Borrower and COPF and does not constitute advice, an opinion or a recommendation by COPF; (ii) the Borrower will make its own determination regarding whether to enter into the proposed transaction and the terms thereof, and will consult with and rely on the advice of its own financial, accounting, tax, legal and other advisors; (iii) COPF is acting solely for its own account in connection with the proposed transaction, and is not acting as a municipal advisor, financial advisor, agent or fiduciary to the Borrower or any other person or entity (including to any financial advisor or placement agent engaged by the Borrower) and the Borrower, its financial advisor and placement agent are free to retain the services of such advisors (including as it relates to structure, timing, terms and similar matters and compliance with legal requirements applicable to such parties) as it deems necessary or appropriate; (iv) COPF has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the Borrower with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto; (v) neither COPF nor any of its affiliates is acting as a broker, dealer, underwriter or placement agent with respect the transactions contemplated hereby; (vi) the only obligations COPF has to the Borrower with respect to the transaction contemplated hereby expressly are set forth in this term sheet; and (vii) COPF is not recommending that the Borrower take an action with respect to the transaction contemplated by this term sheet. Before taking any action with respect to the Loan, the Borrower should discuss the information contained herein with the Borrower's own legal, accounting, tax, financial and other advisors, as it deems appropriate. If the Borrower would like a municipal advisor in this transaction that has legal fiduciary duties to it, Borrower is free to engage a municipal advisor to serve in that capacity.



Other Information

To the extent that updated financial and other credit materials have not already been provided to COPF or are not available through public resources, COPF may require and request the following: audited and unaudited financial statements; budgets; information on outstanding bond issues, lease transactions, and contingent/material liabilities; tax base details; and other reasonable and customary information relevant to the Borrower’s credit quality and the source of repayment.

Confidentiality

The information contained herein is strictly confidential and is intended for review by the parties, their advisors and legal counsel only and may not be disclosed to any other person or entity, except as required by law or otherwise consented to by COPF.

Closing

Closing is anticipated to take place on February 9, 2022. This is not a commitment, rather, the funding of the Loan will occur only after, among other things, COPF, the Borrower, and their respective counsels are fully satisfied with the terms of the Loan documents and all of the terms and conditions contained herein and in the Loan documents have been met.

Term Sheet Expiration

This term sheet shall expire if not accepted by the Borrower by December 30, 2021. Once accepted, this Term Sheet shall expire if the transaction has not closed by February 9, 2022, unless extended by COPF at its sole discretion.

Subject to Final Credit Approval

Specifically, but without limitation, this Term Sheet has not yet received all necessary internal and committee approvals of COPF. Any obligation of COPF to provide financing or otherwise shall arise only upon the execution of final Loan documents signed by authorized signatories of COPF and not from statements (oral or written) made during the course of discussions among the parties (whether or not prior to or after the date hereof).

Should the above-stated terms be acceptable to you, formal approval through COPF’s internal credit process will be pursued as quickly as possible.

Thank you for the opportunity to offer this term sheet. Should you have any questions, please do not hesitate to contact me at (505) 400-0860 or jeffrey.sharp@capitalone.com.

Sincerely,

Jeffrey D. Sharp
Senior Vice President, Director of Business Development
Capital One Public Funding, LLC

cc: Jonathan Lewis, Capital One Public Funding, LLC
Brenda Barnes, Capital One Public Funding, LLC



ACCEPTED BY: Alpine Fire Protection District, California

By

Name

Title



December 21, 2021

RE: **Alpine Fire Protection District
2022 Lease Financing**

Based upon your request and preliminary review of the information provided to-date, First Foundation Public Finance (“FFPF”) would like express its interest in underwriting and obtaining credit approval for the following Credit Facility to the Alpine Fire Protection District, CA (“Borrower”) based on the terms outlined below. This Letter is provided by First Foundation Public Finance for discussion purposes only. *It is not intended to be binding, does not create any obligation on the part of First Foundation Public Finance to Sponsor or any third party, and is not a commitment to lend or agreement of any kind. No obligation whatsoever on the part of First Foundation Public Finance shall arise until execution and delivery of a formal commitment or loan documentation by a duly authorized officer of First Foundation Public Finance, which obligation shall be subject to all of the conditions contained therein.*

The proposed loan conditions are:

STRUCTURE: Term

PURPOSE: Refinance existing UAL obligation

MAX. LOAN AMT: \$5,500,000

INTEREST RATE: Taxable: 3.10%

RATE LOCK: The Rate will be locked for 60-days. If the Credit Facility fails to close within this period, FFPF reserves the right to adjust the rate.

TERM: 20-years

REPAYMENT: Semi-annual interest, annual principal payments

AVERAGE LIFE: 10.43-years

PRE-PAYMENT: Repayable on any payment date at 103% of par in years 1-2, decreasing to 102% in years 3-4, and 101% in years 5-6. Redeemable at par beginning in year 7 and thereafter.

COLLATERAL: Lease payments to be paid by the Borrower from any legally available funds. The Credit Facility will be secured with a leasehold interest in an essential asset of the Borrower (with insured value to meet or exceed the Loan Amount).

ADDITIONAL TERMS: Documents to be prepared by the Borrower’s Bond Counsel for review by FFPF’s counsel Nixon Peabody, LLP. Legal fees and expenses of Nixon Peabody, LLP should not exceed \$10,000. All other filing fees and related fees shall be paid by the Borrower in connection with the issuance (including applicable CDIAC fees).

Periodic financial and collateral reporting by the Borrower, as well as representations and warranties of the Borrower regarding its status and ability to repay, and covenants and conditions that are appropriate for a Credit Facility of the scope and nature proposed above will be determined as part of FFPF’s underwriting and credit approval process.

PDF’s of all executed and other documents listed on the Closing Index shall be provided to FFPF no later than 24 hours before the time of the requested wire; provided, that if any documents can only be signed after receipt of the wire, those documents shall be provided immediately after receipt of the wire.

In an event of default, a default rate equal to the Interest Rate + 3.00% will be required.

Notice: The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant’s income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this creditor is the Federal Deposit Insurance Corporation, Consumer Response Center, 1100 Walnut Street, Box #11, Kansas City, MO 64106.

