

County of San Diego Credit Overview

October 20, 2020

County Team

PRESENTERS

- Ebony Shelton, *Deputy Chief Administrative Officer/ Chief Financial Officer*
- Dan McAllister, *Treasurer-Tax Collector*
- Ernie Dronenburg, *Assessor/Recorder/County Clerk*
- Brian Hagerty, *Financial Policy and Planning Director*
- Amy Thompson *Health and Human Services Agency Executive Finance Director*
- Michele Crichlow, *Debt Finance Manager*

ADDITIONAL RESOURCES

- Tracy Drager, *Auditor and Controller*
- Brian Ruehle, *Deputy Controller*
- Myrna Zambrano, *Asst. Treasurer-Tax Collector*
- Lauren Warrem, *Chief Deputy Treasurer*
- Hank Kim, *Chief Investment Officer*
- Tim Boncoskey, *Asst. Assessor/Recorder/County Clerk*
- Jeff Olson, *Assessor/Recorder/County Clerk, Chief Deputy*
- Fatima Barredo, *Financial Policy and Planning Manager*
- Joshua Ramirez, *Financial Policy and Planning Officer*
- Tanya Eames, *Debt and Capital Finance Officer*
- Damien Quinn, *Finance and General Government Group Finance Director*
- Andy Pease, *Health and Human Services Agency Finance Director*
- Michelle Issa, *Public Resources Advisory Group, County Municipal Advisor*

Outline

1	Navigating Through A New Reality
2	Diverse Regional Economy
3	Large and Growing Tax Base
4	Financial Highlights
5	Retirement Update
6	Debt and Capital Overview
7	Conclusion

Navigating Through a New Reality with Strong Fiscal Management of San Diego County

- Consistently balanced budgets that actively manage County's cost structure
- Strong reserves and cash balances
- Strong County fiscal policies
- Strong fiscal oversight
- Comprehensive long-term financial planning

Addressing Challenges and Risks

- COVID-19
- Emergency preparedness
- Tourism
- Retirement costs
- Other State and federal realignment impacts

COVID-19 – State Monitoring Metrics

Currently in Tier # 2 (Red)

Date Updated	Dates of interest for analyses	Unadjusted case rate per 100,000 (7-day daily average with a 7-day lag)	Adjusted case rate per 100,000 (7-day daily average with a 7-day lag)	Testing Positivity Percentage (7 days with a 7-day lag)*	Health Equity Testing Positivity Percentage	Testing Rate per 100,000 (7-day daily average with a 7-day lag)*
9/22/2020	9/6 – 9/12	6.8	6.9	3.8%*	N/A	210.5* (State median = 216.3)
9/29/2020	9/13 – 9/19	7.2	6.7	3.6%	N/A	258.0 (State median = 216.3)
10/06/2020	9/20 – 9/26	7.0	6.5	3.5%	6.2%	260.9 (State median = 216.3)
10/13/2020	9/27 – 10/3	7.2	6.8	3.0%	5.7%	273.5 (State median= 239.2)

Case Rate and Testing Positivity Percentage Thresholds

Tier	Case Rate (per 100,000)	Testing Positivity Percentage
1 (Purple)	>7.0	>8.0%
2 (Red)	4.0-7.0	5.0-8.0%
3 (Orange)	1.0-3.9	2.0-4.9%
4 (Yellow)	<1.0	<2.0%



*Data are preliminary and subject to change; unadjusted case rate from California Department of Public Health and calculated using California Department of Finance 2020 Projection Population Estimate for San Diego County to be 3,370,418;*testing metrics calculated using San Diego County data; data used from two days prior to date updated
Prepared by County of San Diego, Emergency Operations Center, 10/15/2020*

COVID-19 - Indoor Operations by Tier

TIER #1 - PURPLE TIER

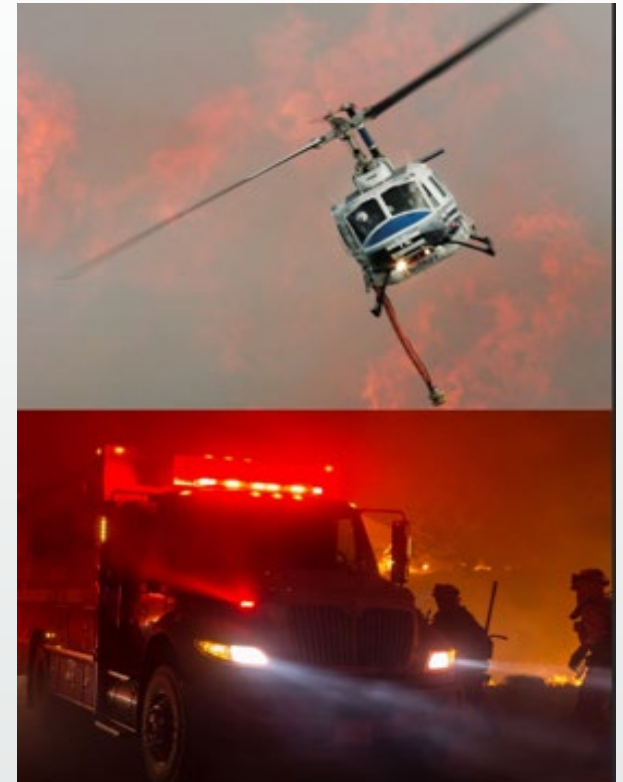
- Hair Salons & Barber Shops
- Indoor Retail – 25%
- Indoor Shopping Centers – 25% capacity with no food courts
- **NEW: Indoor Nail Salons**

TIER #2 - RED TIER

- Indoor Personal Care Services (*such as tattoo shops, massage parlors*)
- Indoor Retail – 50%
- Indoor Restaurants – 25%
- Indoor Worship Services – 25%
- Indoor Movie Theaters – 25%
- Indoor Museums – 25%
- Indoor Gyms – 10%

Addressing Emergency Preparedness

- **Wildfire Resiliency Program**
 - Identifies gaps to reduce risk
 - Provide recommendations to remedy gaps
- **Valley Fire in East County**
 - Fire began September 5, 2020
 - 16,390 acres burned
 - Mitigation measures added since 2014 made a significant difference in control
 - State of Emergency declared
 - CalOES conducted damage assessment on Oct. 2, 2020





Diverse Regional Economy



COVID-19 Impact on the San Diego Regional Economy

EMPLOYMENT

COVID Unemployed

~180,000

Lost wages (thru Aug)

\$4.5-\$5.5 billion

TRAVEL

Airport Passengers

-75%

US Travel

-45%

TOURISM

Business Travel

-95%

Overall Tourism

-40%

FOOT TRAFFIC

-30%

visits to restaurants, malls, theme parks, museums, libraries, movie theaters

CONSUMER SPENDING

Mid-April

-42%

Early August

-15%

San Diego GRP

Calendar year 2020



\$10-15 billion

-3.8% to -5.7%

During the Great Recession, San Diego GRP was down 5% in 2009

Taxable Sales

Calendar year 2020

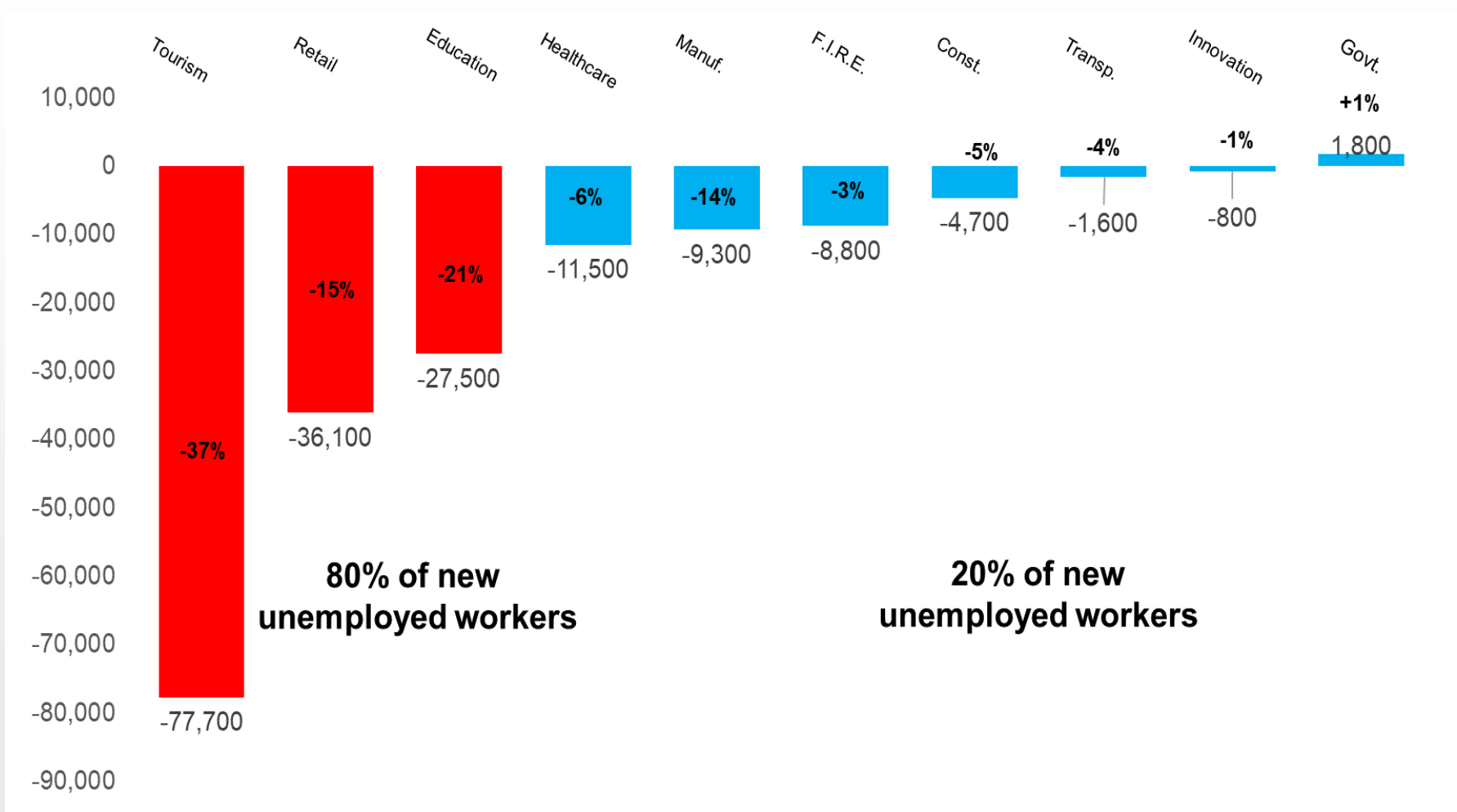


\$5-7 billion

-8% to -11%

During the Great Recession, taxable sales were down 12% in 2009

August 2020 Annual Job Loss by Economic Sector

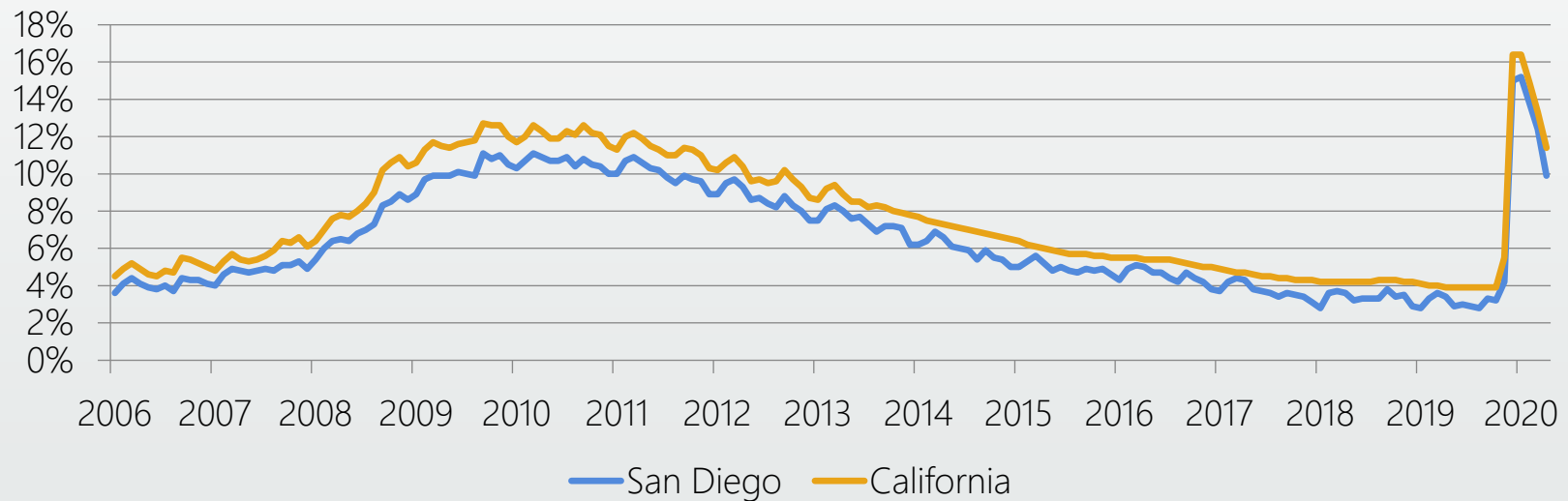


Note: F.I.R.E. stands for Finance, Insurance, Real Estate
 Source: SANDAG

Employment Outlook

- In August 2020, San Diego's unemployment rate of 9.9% was below the State's rate of 11.4%, but above the national rate of 8.4%⁽¹⁾
- Job losses have been more severe in San Diego than in California and the nation overall, and the recovery in jobs has so far been weaker
- The local labor force has shrunk by 36,200 workers since February 2020, including 16,400 who exited in August, the largest one-month decline in more than six years

Unemployment Rates



Sources: (1) U.S. Bureau of Labor Statistics
(2) San Diego Regional EDC

Top San Diego Employers

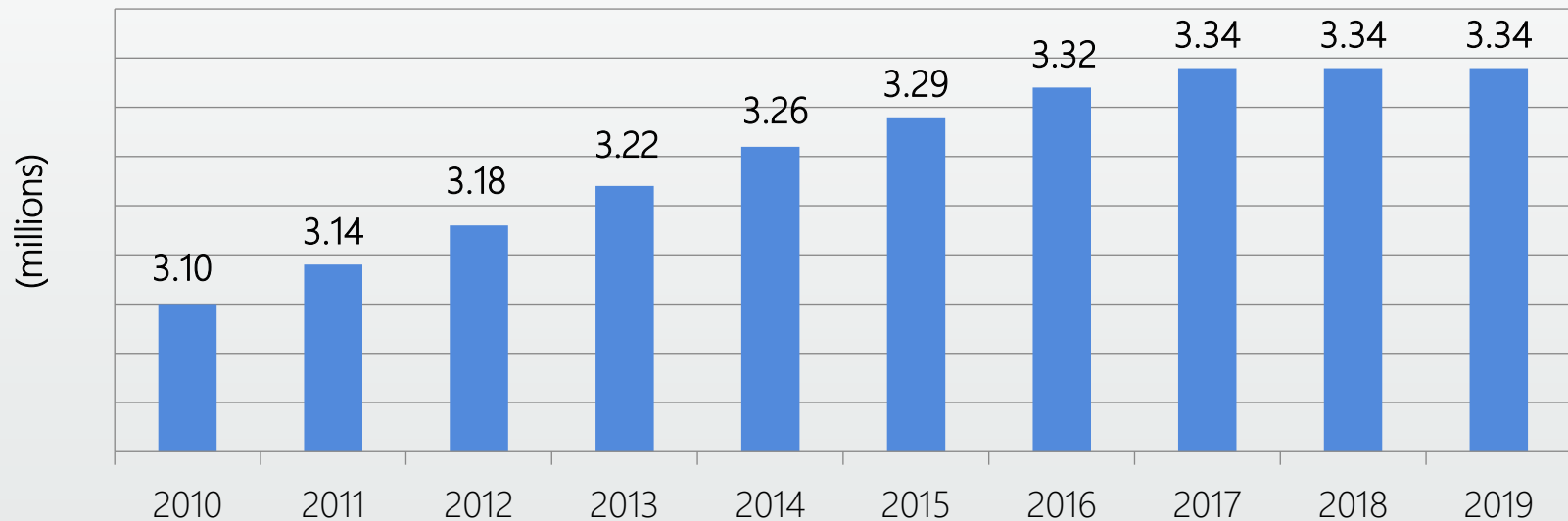
San Diego is home to a diverse group of world class institutions, corporations, and recreational facilities



Growing Population

- San Diego County's population grew 8.0% between 2010 and 2019, continuing an upward trend from 3.1 million to over 3.3 million⁽¹⁾

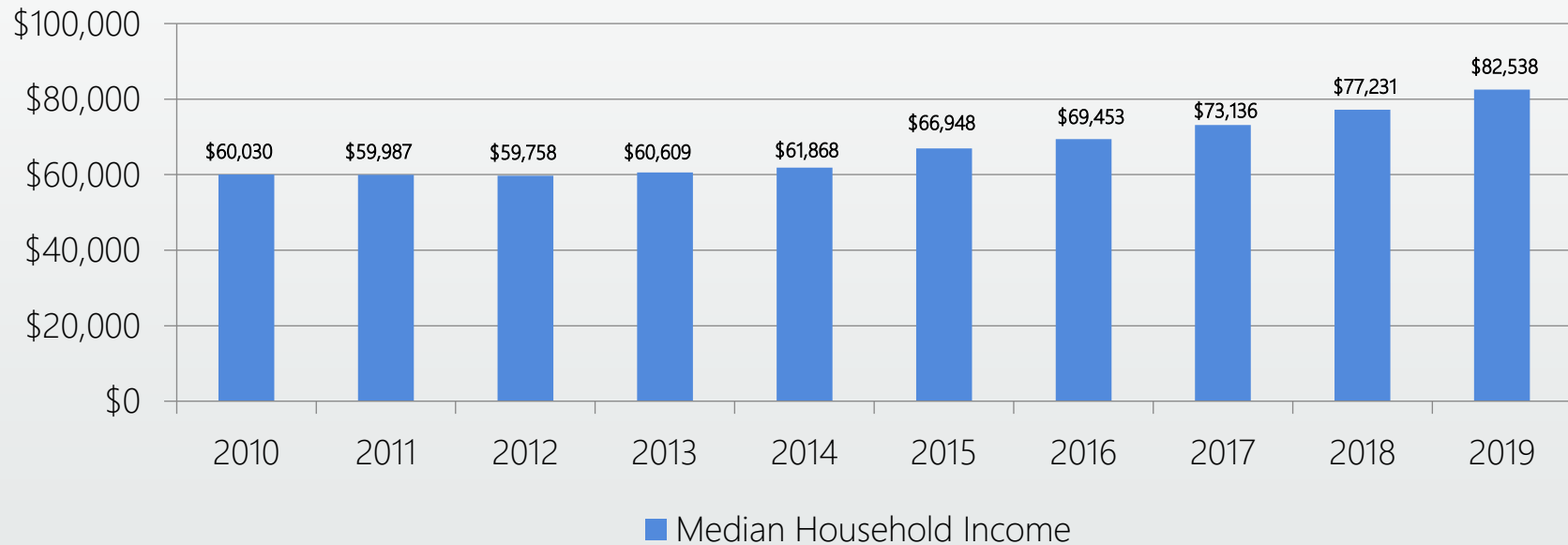
San Diego County Population Growth



Source: (1) U.S. Census Bureau

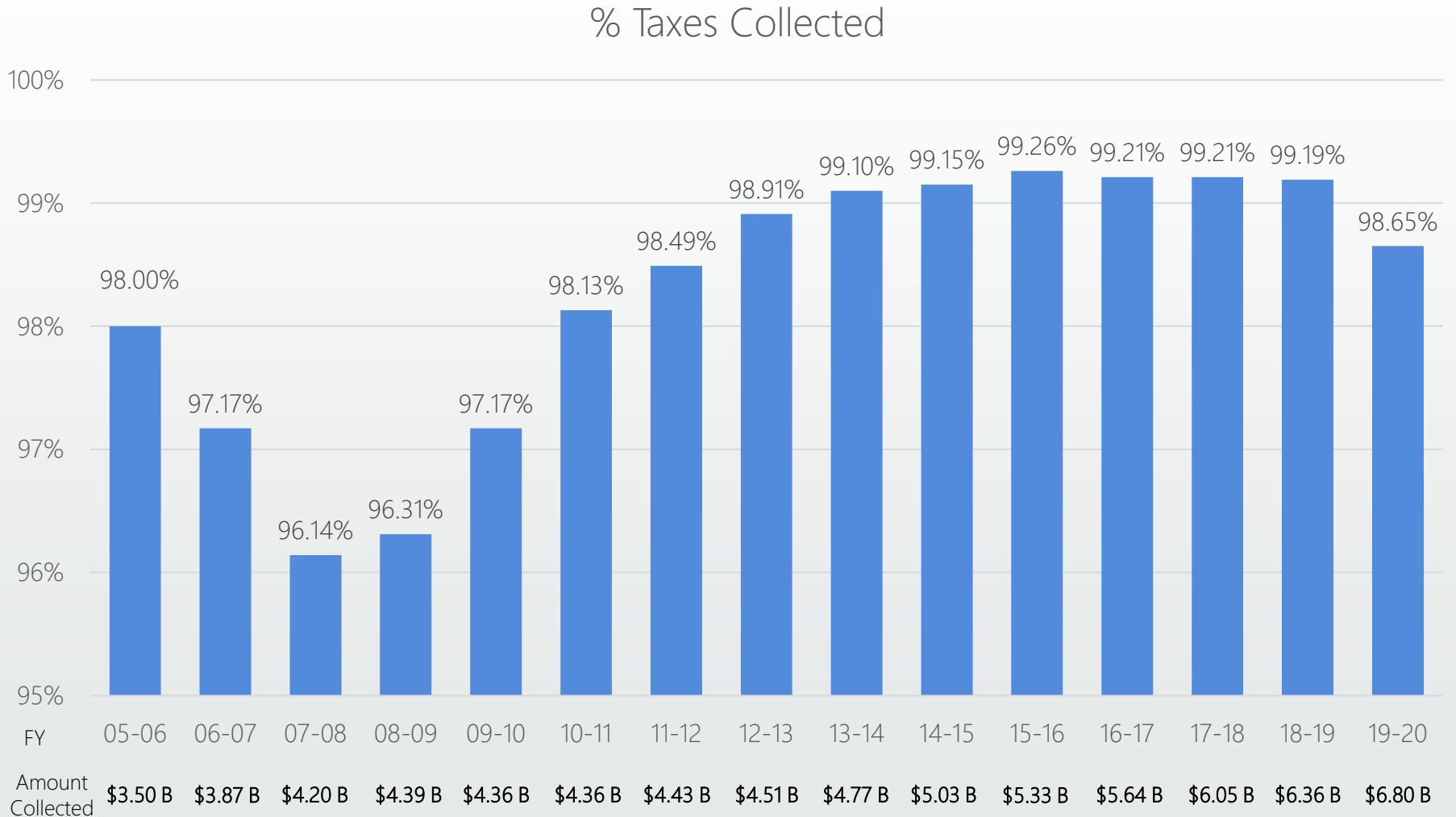
Household Income Continues to Grow

- In 2019, the median household income was \$82,538, a 37.5% increase from \$60,030 in 2010



Notes: Data not adjusted for inflation
Source: SANDAG

Secured Tax Collection

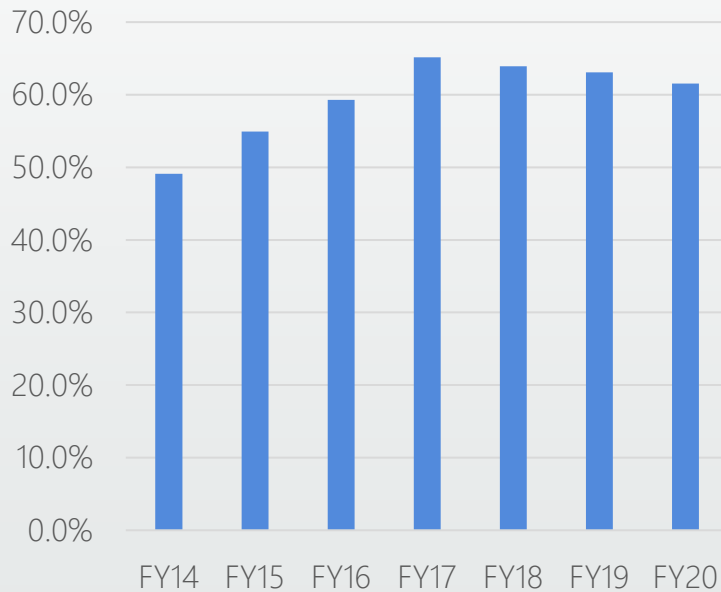


Source: San Diego County Treasurer-Tax Collector

Strong Cash Position and Management

- County remains highly liquid and able to fund operational needs as required; investments are well-positioned in anticipation of potential future interest rate movements
- Fiscal Year 2020-21 is the 7th consecutive year that the County did not issue TRANs
- AAAs-rated Investment Pool reached a record high of \$12.3 billion in April 2020

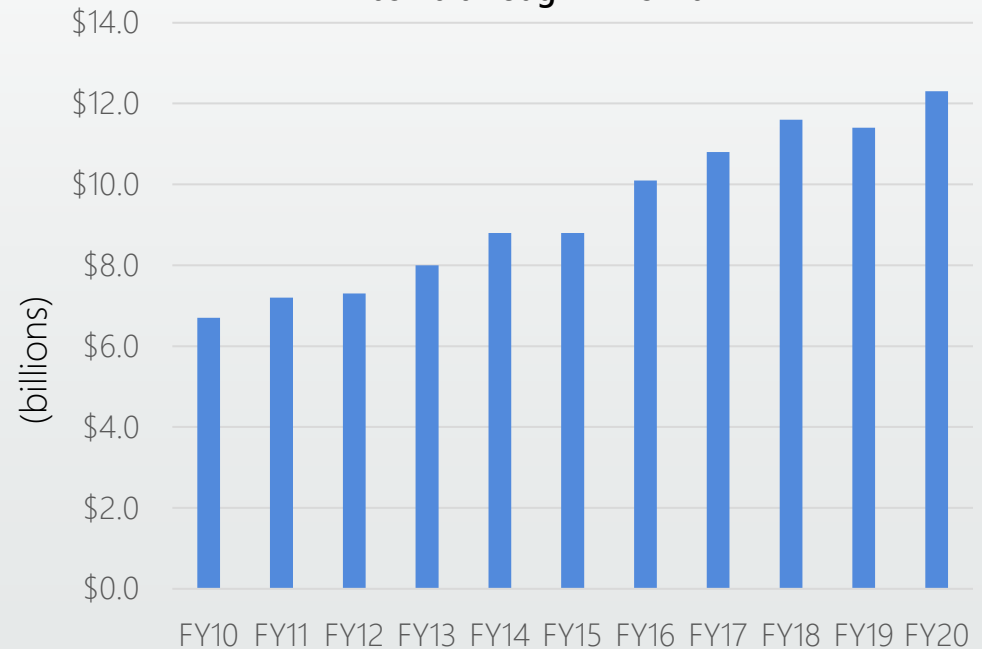
General Fund Cash ⁽¹⁾ as a % of Revenue



⁽¹⁾ Includes unrestricted cash and investments. Figures for FY20 are unaudited.

Source: County Auditor and Controller

**Investment Pool High Balance
FY 09-10 through FY 19-20**



Source: County Treasurer-Tax Collector



Large and Growing Tax Base

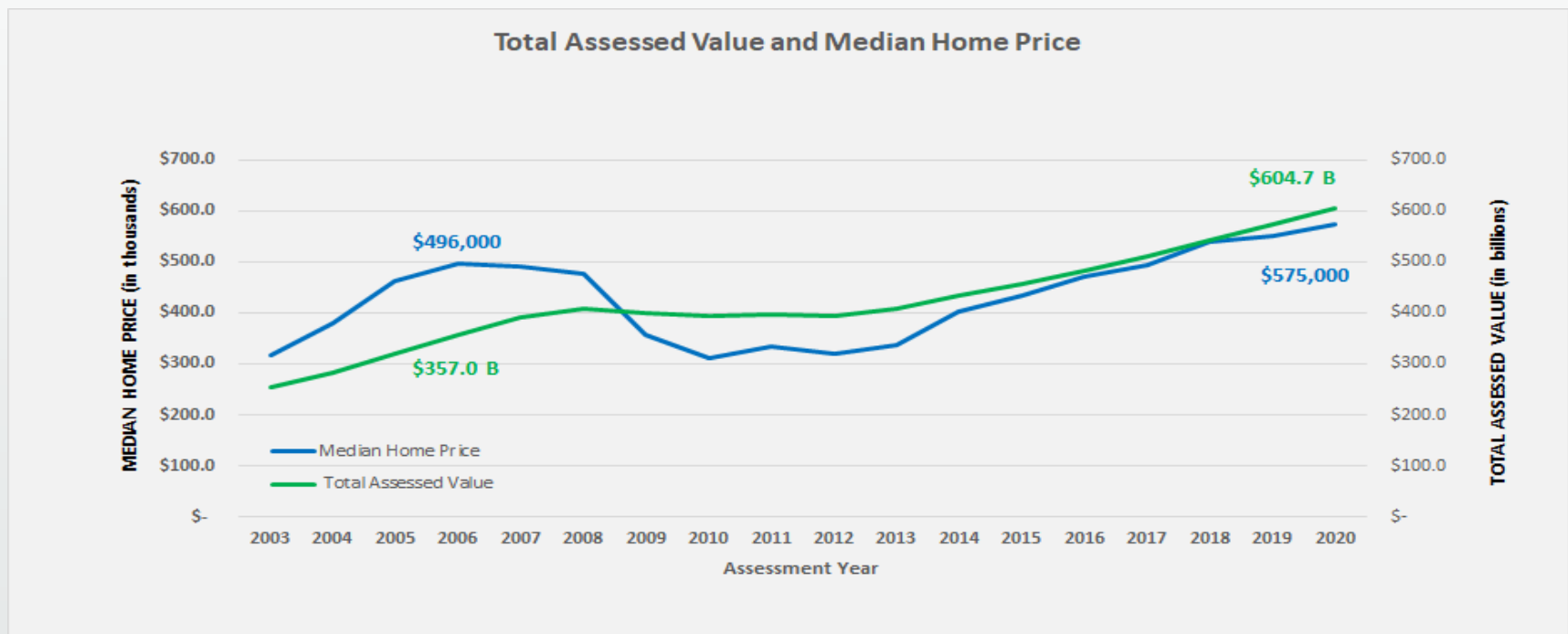


Proposition 13, COVID-19 and their effects on Assessed Values

- Proposition 13 protects the assessment roll from temporary market reductions.
- COVID-19 restrictions are negatively affecting some sectors of the commercial/industrial real estate market
- Commercial and industrial properties account for only 5% of taxable parcels and 16% of assessed value.
- The annual property tax valuation date is January 1st.
- COVID-19 restrictions went into effect in California on March 19, 2020.
- Expect no COVID-19 related value reductions in the current year.
- Should restrictions continue, the Assessor's office will be proactive in reevaluating properties for 2021-22 temporary reductions.

Proposition 13 – Past Experiences

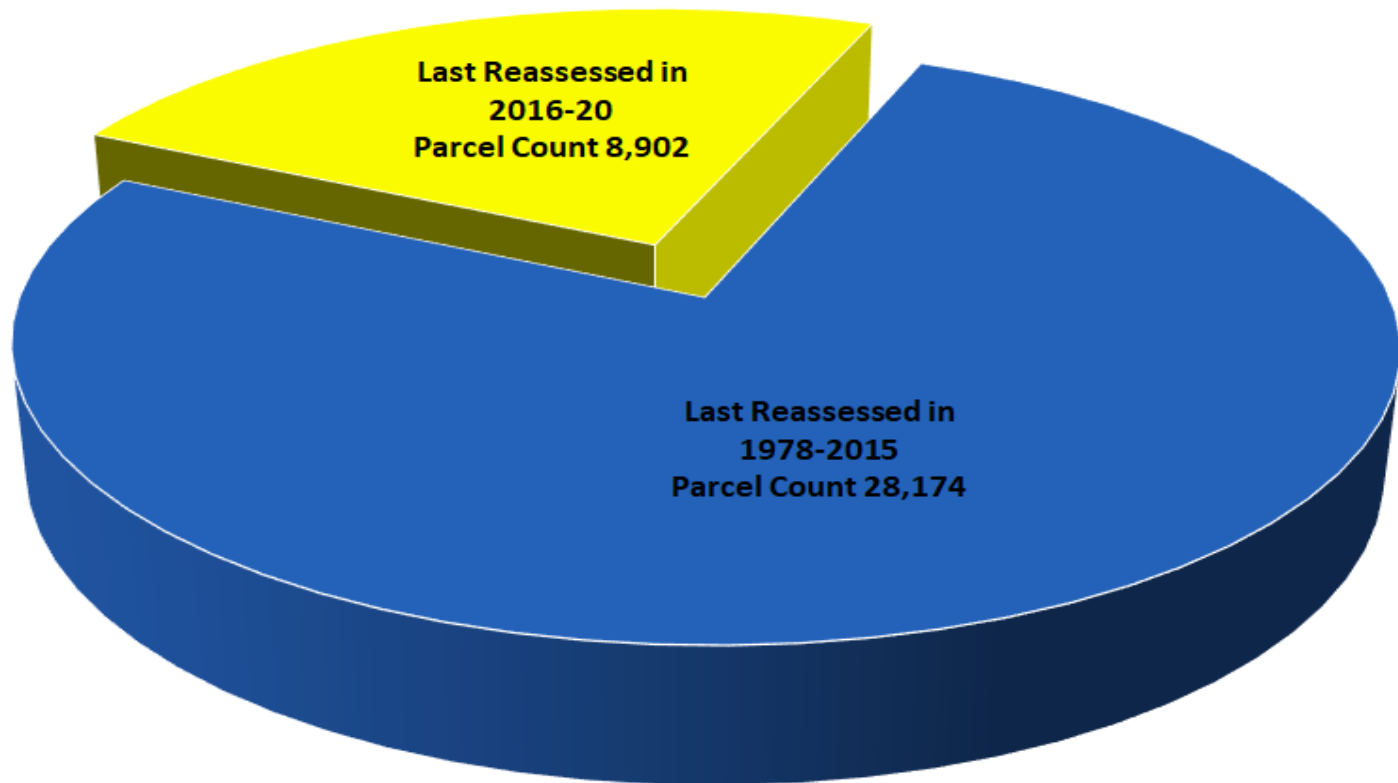
- The provisions of Proposition 13 insulate the property tax base from short term downturns in the real estate market as seen post-2008.
- In December 2019 the San Diego County median home price was \$575,000; 16% higher than its last peak in 2006. In that same period, total assessed value and property tax revenue has increased by 69%.



Note: Median Home Price includes sales of new and existing single-family residences through 12/2019
Source: County of San Diego Assessor/Recorder/County Clerk & Core Logic Home Price Index, respectively

COVID-19 and Assessed Value Aging

- Assessed Value Aging measures the stored-up assessed value and the tax roll's susceptibility to market value reductions.
- The 2016-2020 slice includes those properties most recently reassessed to market value. This slice would absorb market value reductions up to 25%, based on past appreciation in the commercial/industrial real estate market.



2020-2021 Gross Assessed Valuation by County

- Third largest in State for total assessed value
- Second largest in real property parcel count

County	Secured AV	Unsecured AV	Total AV (Gross)	Parcels
Los Angeles	\$ 1,698,740,063,373	\$ 67,006,919,742	\$ 1,765,746,983,115	2,379,772
Orange	\$ 666,232,528,479	\$ 23,628,381,421	\$ 689,860,909,900	958,471
San Diego	\$ 584,308,303,331	\$ 20,441,739,718	\$ 604,750,043,049	1,004,808
Santa Clara	\$ 546,671,395,415	\$ 35,694,613,881	\$ 584,366,009,296	482,798
Alameda	\$ 324,935,017,990	\$ 18,082,142,258	\$ 343,017,160,248	465,475
Riverside	\$ 310,720,593,059	\$ 9,691,480,898	\$ 320,412,073,957	935,096

Source: County of San Diego Assessor/Recorder/County Clerk

2019 Real Estate Activity at a Glance Reflected on the 2020-2021 Assessment Roll

Real Estate Market Components

Median home prices continued to increase; +4.54% YOY



Real estate sales volume increased; +2.2% YOY



New construction activity increased; +1.8% YOY



Mapping activity increased; Subdivision lots +47%, Condos +26%



Defaults/Foreclosures decreased; currently at traditional levels

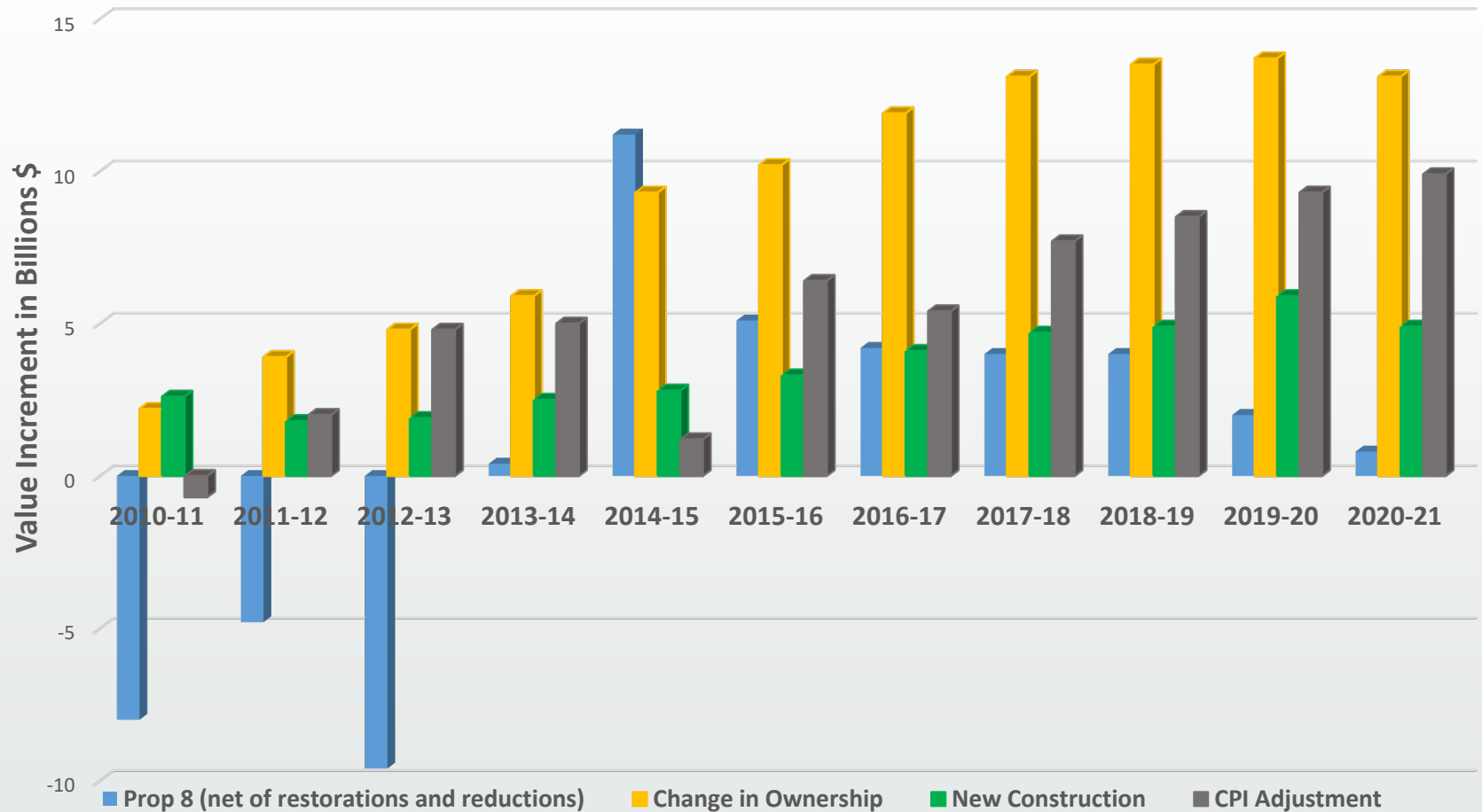


2020-2021 Assessed Value Changes by Category

- Change in ownership reassessments and the annual CPI adjustment continue to contribute the largest value increment.
- 50,016 parcels are still assessed under Prop. 8 temporary reductions and not subject to the 2% increase limitation.

Key Contributors to Assessed Value Change	FY 2020-21 AV Changes (Billions)
Prop 8 Increases and Reductions (including assessment appeals)	\$0.897
Change in Ownership (\$188,000 average increase per residential sale)	\$13.155
Completed and Unfinished New Construction	\$4.965
Prop 13 Base CPI Adjustment (+2.00% to 86% of all properties)	\$9.987
Business Personal Property (+4.4% YOY)	\$0.861
Other Property Adjustments	\$(0.077)
TOTAL	\$29.788 (+5.18%)

Historical View of Key Contributors to Value Increment

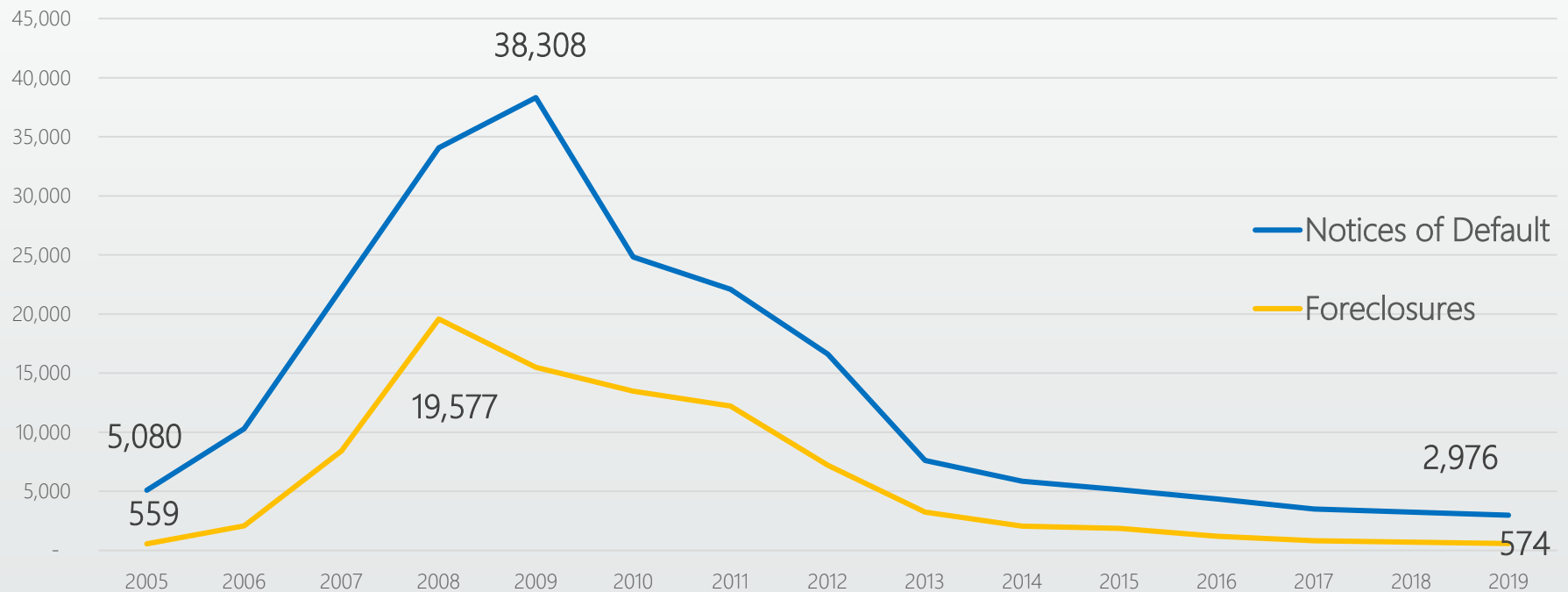


Source: County of San Diego Assessor/Recorder/County Clerk

Defaults and Foreclosures at Historic Lows

- Both defaults and foreclosures in 2019 were at or below their 2005 levels.
- As foreclosures account for less than 1% of the total change in ownerships, they are currently having no effect on the overall real estate market.

Default and Foreclosure Activity



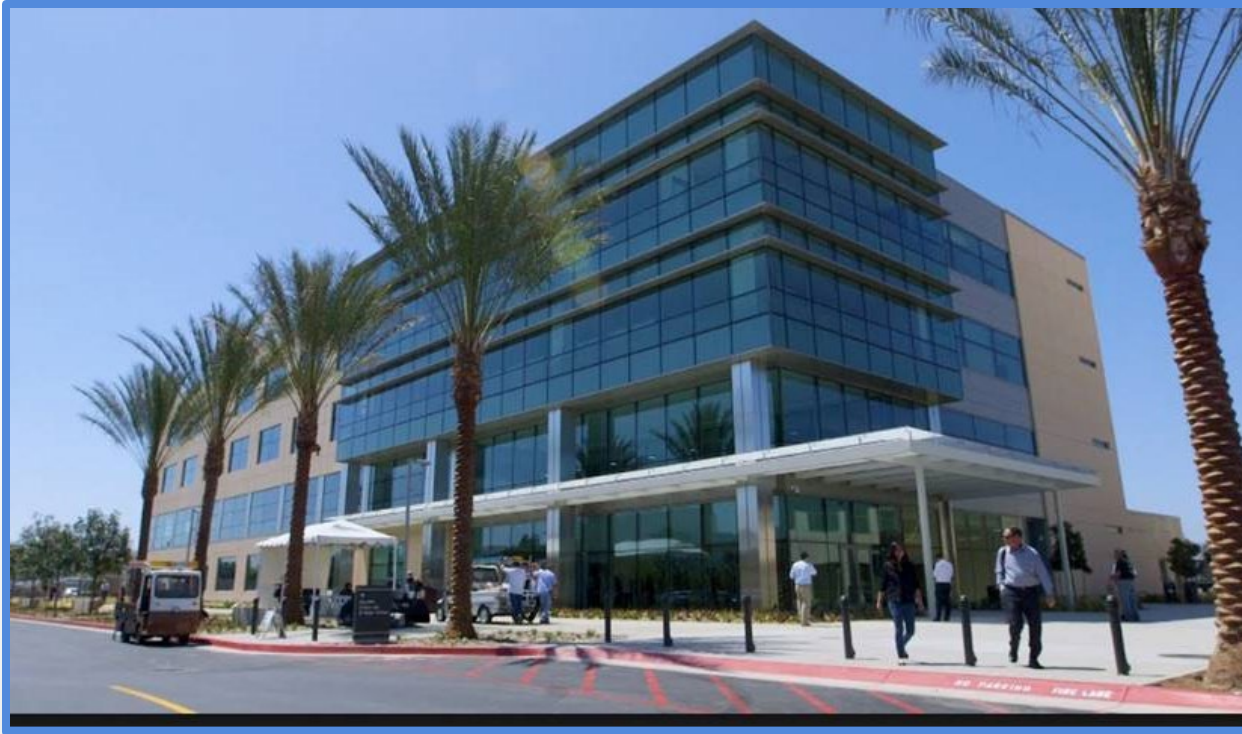
Source: County of San Diego Assessor/Recorder/County Clerk

Proposition 15 – The Split Tax Roll

- “The California Schools and Local Communities Funding Act of 2020”, also known as the Split Tax Roll is on the November 3rd ballot.
- If passed, Prop. 15 would be effective for the 2022-23 property tax year.
- Proposition 15 would require all commercial/industrial properties to be valued annually and assessed at market value at least every 3 years.
- Low value properties and properties used for residential or agricultural purposes may be exempted from additional reassessments.
- Certain business personal property will be exempt from assessment.
- Property tax revenue is expected to increase (not quantified locally).

Looking Forward to Fiscal Year 2021-22

- Projecting Assessed Value growth of 1.0% for FY 2021-2022
- Continued increases to median home prices, currently +10.7% YOY.
- Double digit decreases in real estate sales and new construction activity.
- Defaults and foreclosures very low, 1,079 and 196 YTD, respectively.
- Estimating a 2021-22 CPI adjustment of less than 1.0% vs. the typical 2.0%.
- Prop. 8 temporary reductions on commercial/industrial properties that continue to be negatively affected by COVID-19 restrictions.
- Prop. 8 restorations (increases) on residential properties will continue.

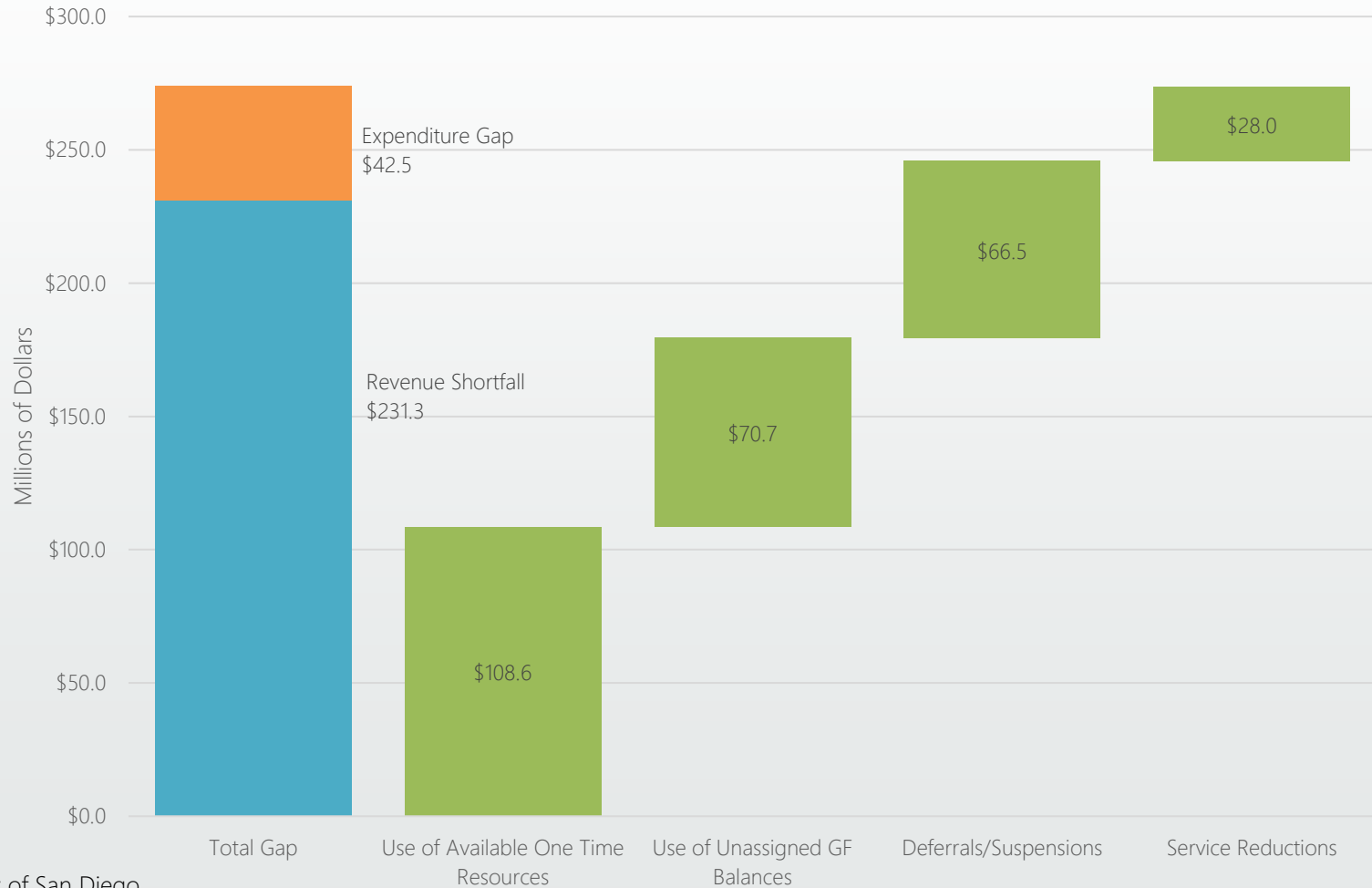


Financial Highlights



Economic Impacts of COVID-19

COVID-19 Gap Mitigation Strategy for Fiscal Year 2020-21



Source: County of San Diego

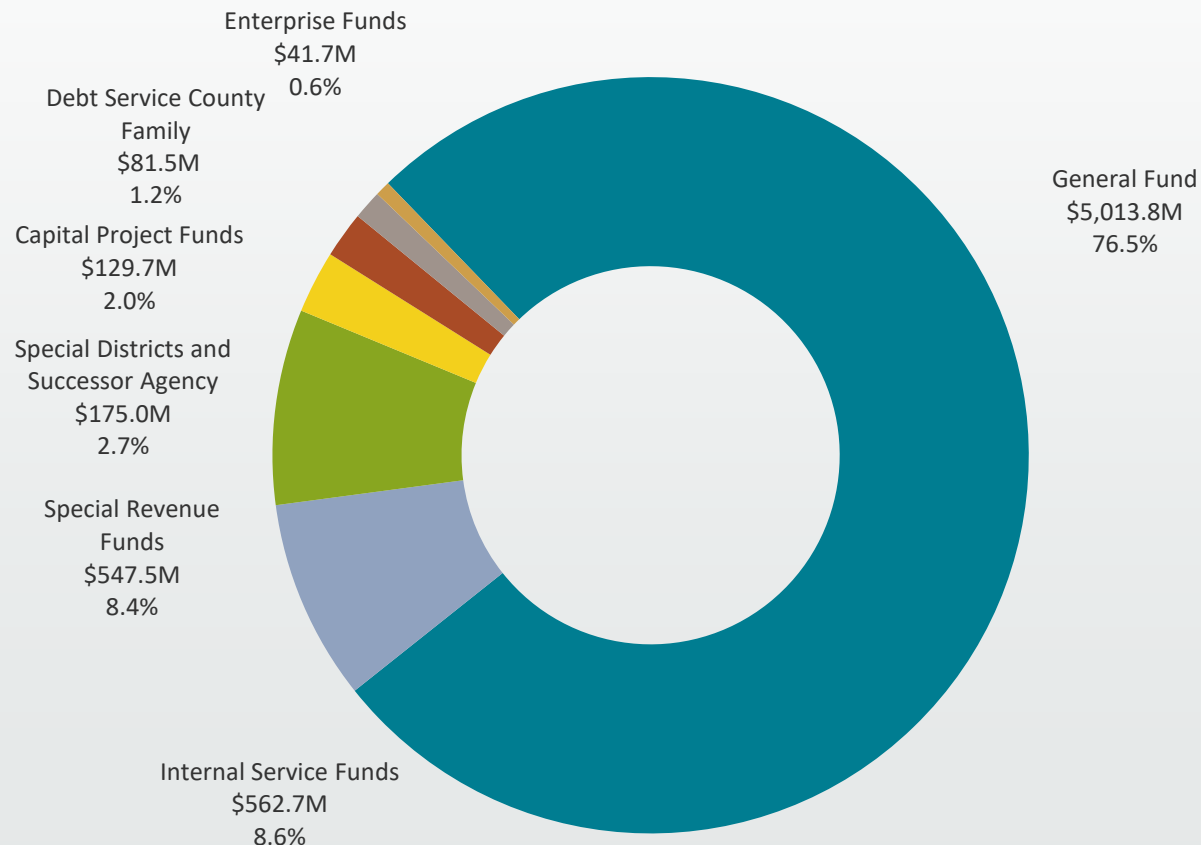
Fiscal Year 2020-21 Budget Overview

- Total budget of \$6.55 billion; increase of 4.8% or \$299.2 million from Fiscal Year 2019-20
- Total staffing of 17,953.5 staff years; net decrease of 0.4% or 71.0 staff years
- Labor Agreements with all bargaining units through FY22 (FY23 for Safety) including Tier D implementation for Safety members effective July 1, 2020
- \$1.4 billion General Purpose Revenue; increase of 0.8% or \$11.1 million
- \$193.6 million of unassigned fund balance to support one-time projects and one-time gap closing strategies as a response to the COVID-19 public health emergency
- Capital Program includes \$121.3 million

Fiscal Year 2020-21 Adopted Operational Plan: All Funds

- Adopted Budget for all funds of \$6.55 billion; increase of \$299.2 million from Fiscal Year 2019-20 Adopted Budget

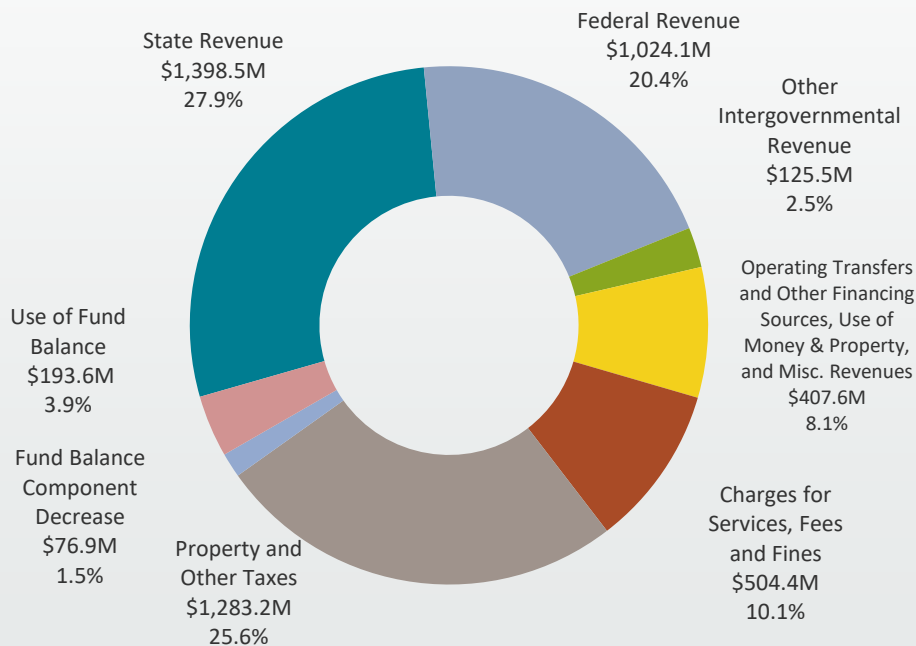
Total Appropriations by Fund Fiscal Year 2020-21: \$6.55 billion



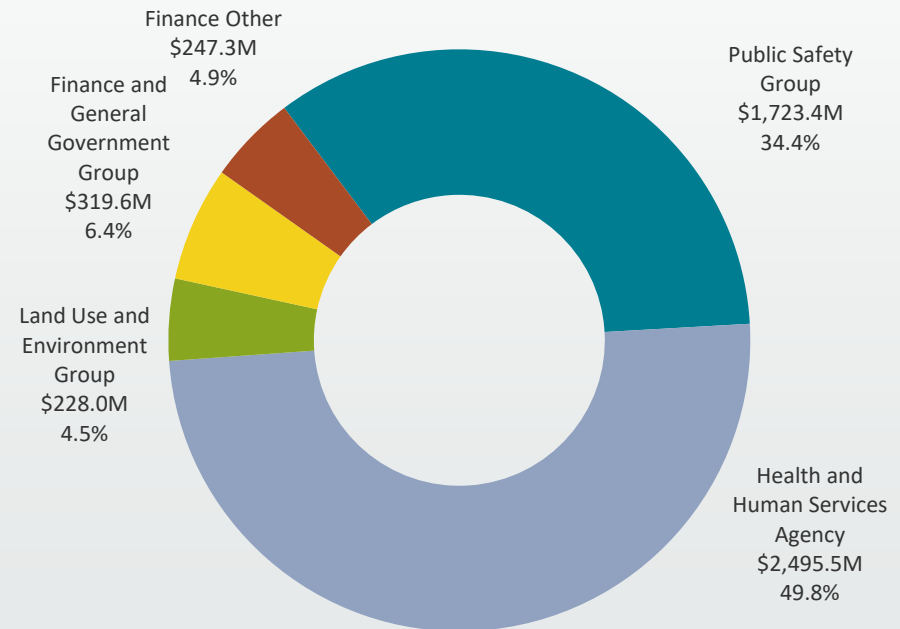
Fiscal Year 2020-21 Adopted Operational Plan: General Fund

- Adopted Budget for the General Fund of \$5.01 billion; increase of \$285.2 million from Fiscal Year 2019-20 Adopted Budget

General Fund Financing Sources
Fiscal Year 2020-21: \$5.01 billion



General Fund Appropriations by Group/Agency
Fiscal Year 2020-21: \$5.01 billion



General Fund Balance Components

Fund Balance	FY 2015-16		FY 2016-17		FY 2017-18		FY 2018-19	
	\$ million	% of FB	\$ million	% of FB	\$ million	% of FB	\$ million	% of FB
Nonspendable	\$13.5	0.7%	\$19.9	0.9%	\$22.7	1.0%	\$47.0	1.9%
Restricted	272.5	13.6%	266.9	12.5%	319.8	13.9%	608.7	25.1%
Committed	591.9	29.5%	677.0	31.6%	796.1	34.5%	637.5	26.3%
Assigned	381.2	19.0%	483.5	22.5%	480.1	20.8%	418.7	17.3%
Unassigned	747.3	37.2%	697.3	32.5%	688.4	29.8%	712.1	29.4%
TOTAL	\$2,006.4		\$2,144.6		\$2,307.1		\$2,424.0	

Source: Comprehensive Annual Financial Report for the identified years

General Fund FY 2019-20 Status Update

<i>(in millions)</i>	
Unassigned Fund Balance as of June 30, 2019	\$712.1
Less: FY 2019-20 Uses Approved by the Board of Supervisors	(89.7)
Fiscal Year End Projection of FY 2019-20 Budgetary Fund Balance ⁽¹⁾	139.5
Less: Planned Uses of Fund Balance ⁽²⁾	(193.6)
Projected Unassigned Fund Balance for June 30, 2020	\$568.3

- Administrative Ordinance requires \$707.1 million in General Fund unassigned fund balance as a reserve (2 months of estimated operating expenses).
- In April due to COVID-19, the Board of Supervisors temporarily suspended the County's minimum General Fund reserve requirement.
- The County will implement a 3-year plan to begin restoring \$138.8 million in unassigned fund balance to the General Fund reserve in Fiscal Year 2020-21.

Note: Amounts represent unaudited results and totals may not sum due to rounding

(1) Includes \$27.6 million adjustment in 3rd Quarter based on use of CARES Act revenue.

(2) Includes \$131.6 million in use of FY 2020-21 Countywide Stabilization.

Operational Impacts of the State/Fed

- CARES Act Coronavirus Relief Fund
- State backfill of Realignment
- State increases in Safety Net programs
- Other federal/State emergency funding
- Child Welfare Services – Title IV-E Waiver transition funding authorized through Families First Transition Act
- Cal-AIM and renewal of Medi-Cal 1115 and 1915b waivers

CARES Act:

Coronavirus Relief Fund (CRF) Framework (in millions)

Categories	\$ Allocation
County Response	163.8
Rental Assistance	10.4
T3 - Test, Trace, and Treat (w/schools)	105.0
Childcare for Essential Workers	5.0
Cities Expenses (Excludes San Diego)	25.0
Economic Stimulus (include restaurants)	27.5
BHS Telehealth Capabilities & Rental Assistance	15.0
Child Welfare Services	2.0
Great Plates Delivered Programs	4.8
Food Banks	5.5
Childcare Provider Grant Program	25.0
Total	\$389.0



Retirement Update



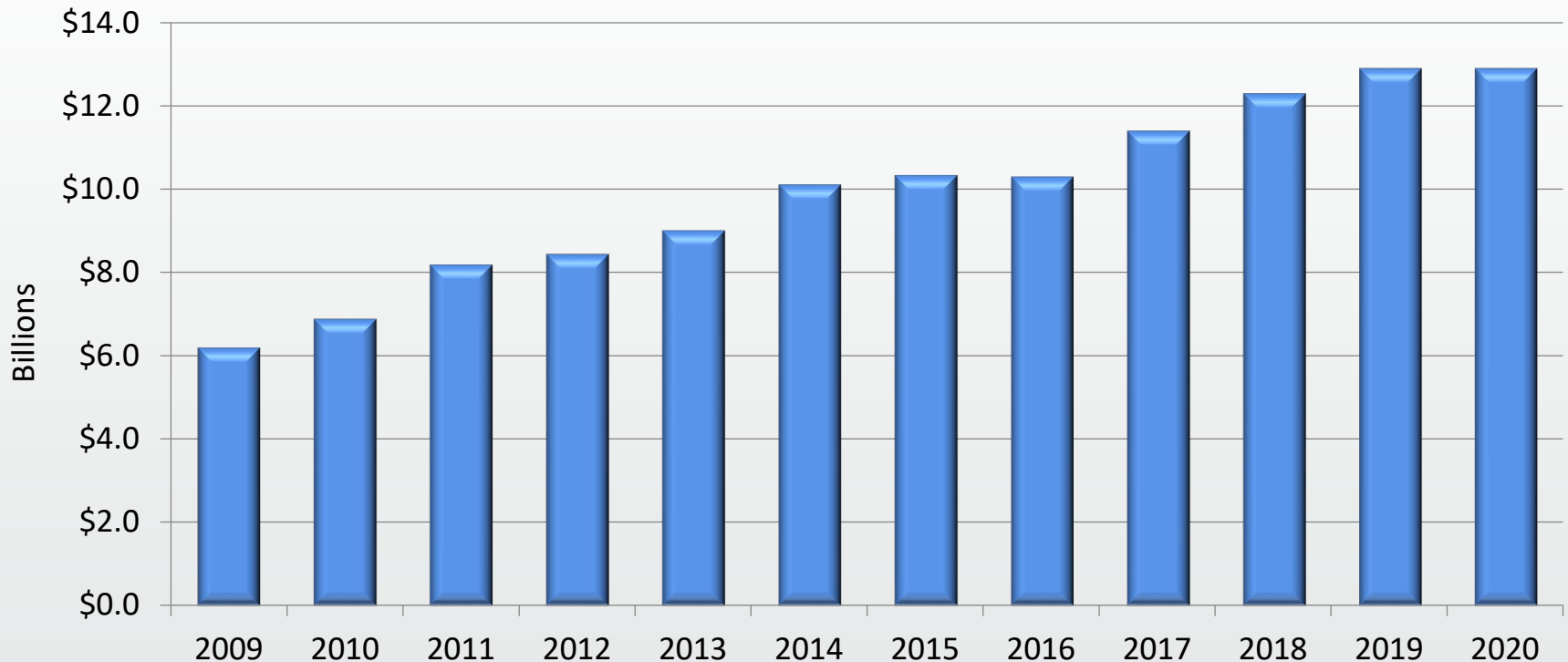
SDCERA Update

- SDCERA Trust Fund assets totaled \$12.9 billion at June 30, 2020
 - County of San Diego made its annual required contribution of \$543.1 million and an additional contribution of \$10 million in July 2019
 - SDCERA reliably paid out \$788.4 million in benefits to over 17,000 retirees and beneficiaries during Fiscal Year 2020
- As of June 30, 2020, SDCERA's one-year investment return was 1.1 percent, the three-year investment return was 4.8 percent, the five-year investment return was 5.3 percent, and the 10-year investment return was 7.6 percent*
- In April 2019, the SDCERA Board of Retirement reduced the investment return assumption from 7.25% to 7.00%

*All investment returns are net of fees. All investment returns over one year are annualized.

San Diego County Employees Retirement Association (SDCERA) Net Pension Assets

SDCERA Market Value of Net Pension Assets



Source: SDCERA

Active Management of Pension Requirements

- Additional contributions to SDCERA
 - \$228.2 million since FY 2004-05
 - Prepayment of \$264 million of POBs; eliminated variable rate debt
 - Ordinance requires investment of one-time over-realized GPR from greater-than-anticipated AV growth for accelerated payment of pension UAAL⁽¹⁾
- \$383.0 million total fund balance set aside for POBs as of FY 2019-20
 - Initial draw began with \$19.8 million in FY 2017-18, increased to \$25.4 million in FY 2018-19, \$31.6 million in FY 2019-20, and is currently \$38.8 million in FY 2020-21
 - Due to voter-approved measure, funds appropriated for pension stabilization are legally restricted to be used for pension-related costs
- New retirement tiers established since 2009 (Tier D Safety took effect in July 2020)
 - Most recently, Tier D negotiated with General Members (1.62% at 65) and the Deputy Sheriffs' Association (Safety Members 2.5% at 57)
- Ongoing monitoring of the impact of market rates and the assumed rate of return

Note:

(1) This ordinance was temporarily suspended for the duration of the COVID-19 local emergency.

SDCERA Historical and Projected Retirement Costs

San Diego County Employees Retirement Association (SDCERA) Historical and Projected Employer Contribution with 0% Market Returns and Changes to Assumed Rate of Return (ARR)



Notes: Projections based on an ARR of 7.00% for Valuation Years 2019-2021, 6.75% for 2022-2024, and 6.50% for 2025 and all future years. Includes Pension Obligation Bonds. Includes all participating employers.

Source: San Diego County Employees Retirement Association and Segal Consulting memo dated July 10, 2020

Unfunded Actuarial Accrued Liability (UAAL)			
6/30/19	Funded Ratio	6/30/25	Funded Ratio
\$4.0 B	76.3%	\$6.5 B	76.6%

Limited Other Post-Employment Benefits (OPEB) Obligations

- Effective July 1, 2007 health insurance allowance limited by SDCERA to Tier I and Tier II retirees
- Post-employment healthcare benefits are not a vested benefit
- June 30, 2019 OPEB UAAL is \$113.5 million, a decrease of \$14.6 million from the previous valuation
 - Closed group of 4,249 participants
 - OPEB UAAL equals 2.8% of the \$4.0 billion pension UAAL
- OPEB contributions have been and will continue to be funded at the full ADC of \$19.0 million⁽¹⁾

Source: SDCERA 2019 OPEB Valuation

⁽¹⁾OPEB ADC as of June 30, 2019



Debt and Capital Overview



Conservative Management of Capital Program and Long-Term Obligations

Capital Program

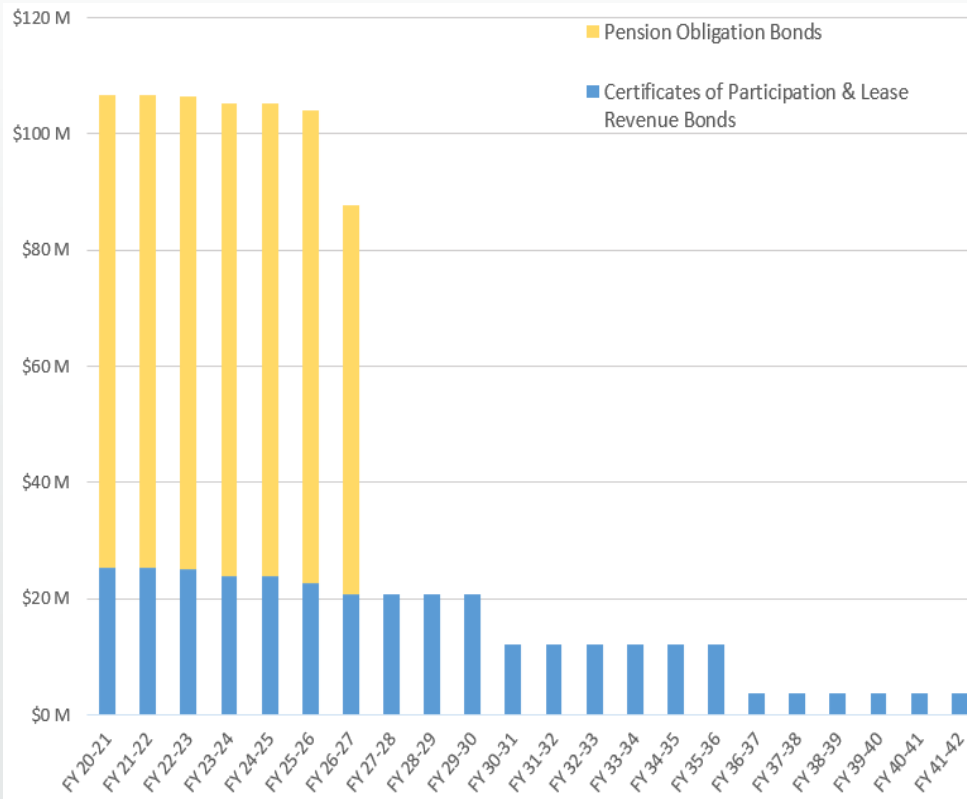
- Capital Improvement Needs Assessment (CINA) planning process was revised in 2019-20 to improve the estimation process and ensure that only projects ready to advance are funded
- 2020 CINA includes \$2.0B of active and priority projects
- Capital projects are funded through a prudent combination of pay-go funding and lease obligations
- Over the last five years, the County has included \$636.1 million in its Operational Plan for 119 capital projects
- Capital projects funded with lease obligations are also partially funded with County contribution

Long-Term Obligations

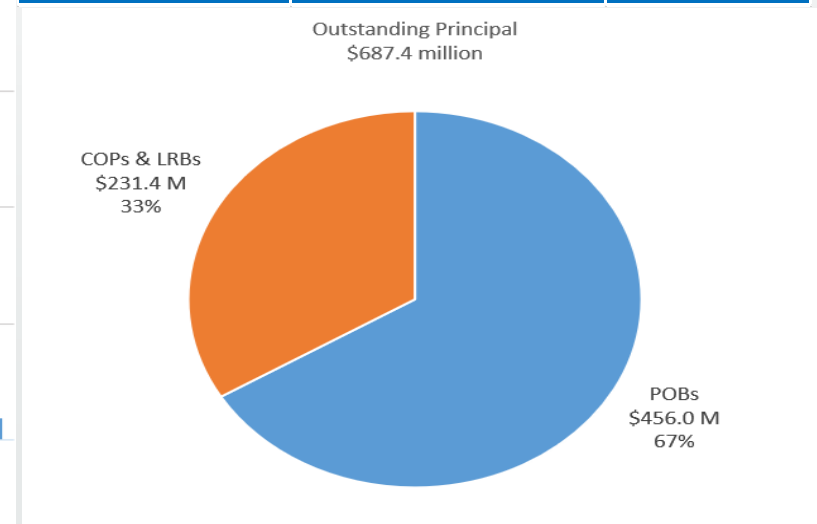
- \$231.4 million of lease obligations outstanding
- \$456.0 million of pension obligation bonds outstanding
- No variable rate or derivatives
- 100% of annual lease payments and debt service deposited with the trustee in July
- Oversight of obligations by the County Debt Advisory Committee
- Policies regarding continuing disclosure, post-issuance tax compliance, refundings, swaps
- Rapid retirement of debt, when feasible

Fiscal Year 2020-21 Debt Service is 2.3% of General Fund Revenues⁽¹⁾

- County Code of Administrative Ordinances mandates that debt service requirements cannot exceed 5% of General Fund Revenue
- Principal and interest payments on General Fund-secured obligations are offset by various revenue sources



	% of GF Revenue	% of GF Revenue net of offsets
Lease Obligations	0.5%	0.3%
Pension Obligation Bonds	1.8%	0.8%
TOTAL	2.3%	1.1%



(1) General Fund Revenues do not reflect operating transfers or component decreases

Refunding Plan

Overview:	2020 COPs proceeds will be used to current refund the 2011 COPs on a tax-exempt basis and advance refund the 2012 COPs on a taxable basis	
Par Amount:	<u>Series A Waterfront Park (Tax-exempt)</u> Original Par Amount : \$32,665,000 Currently Outstanding: \$27,545,000	<u>Series B Cedar Kettner (Taxable)</u> \$29,335,000 \$24,860,000
Coupon Structure:	100% fixed rate	
Final Maturity:	October 1, 2041; matched maturity refunding	
Annual Lease Payment:	<ul style="list-style-type: none"> Pre-funded annual lease payments <ul style="list-style-type: none"> Made by July 5th of each fiscal year (for October 1 and April 1 payment dates) 	
Reserve Fund:	No Debt Service Reserve Fund	
Leased Assets:	<u>Original: George Bailey Detention Facility</u> Refunding: Series A: North Coastal HHSA Refunding: Series B: Fallbrook and Imperial Beach Libraries and Pine Valley Fire Station	

Sources and Uses*

■ Sources

	<i>Series 2020A (Tax-Exempt)</i>	<i>Series 2020B (Taxable)</i>	<i>Total</i>
Bond Proceeds			
Par	\$21,725,000.00	\$23,745,000.00	\$45,470,000.00
Premium	3,524,650.80	0.00	3,524,650.80
Other Sources			
Reserve Fund Release	2,094,300.00	1,662,925.00	3,757,225.00
Debt Service Fund	1,421,700.01	1,203,662.50	2,625,362.51
	\$28,765,650.81	\$26,611,587.50	\$55,377,238.31

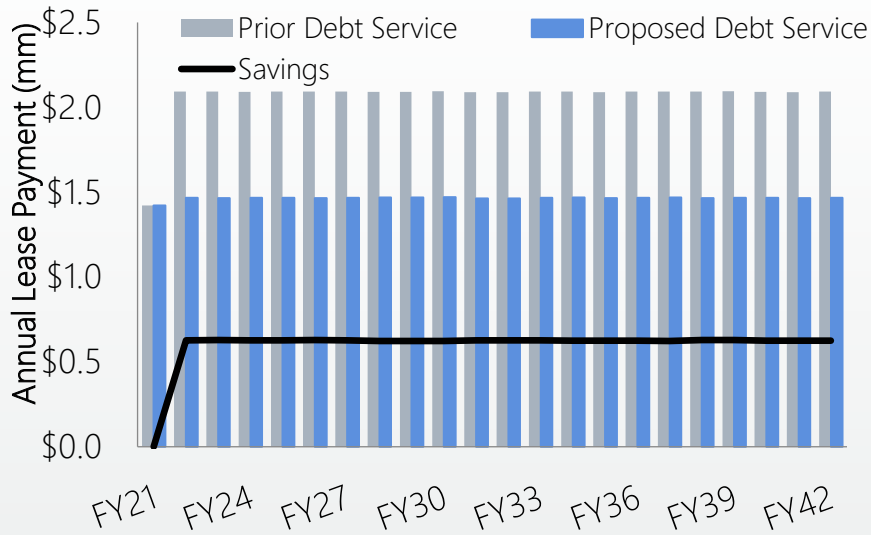
■ Uses

Refunding Escrow	\$28,211,482.82	\$26,173,131.82	\$54,384,614.64
Debt Service Fund	295,906.55	182,395.48	478,302.03
Costs of Issuance	193,258.22	181,741.78	375,000.00
Underwriter's Discount	65,175.00	71,235.00	136,410.00
Additional Proceeds	(171.78)	3,083.42	2,911.64
	\$28,765,650.81	\$26,611,587.50	\$55,377,238.31

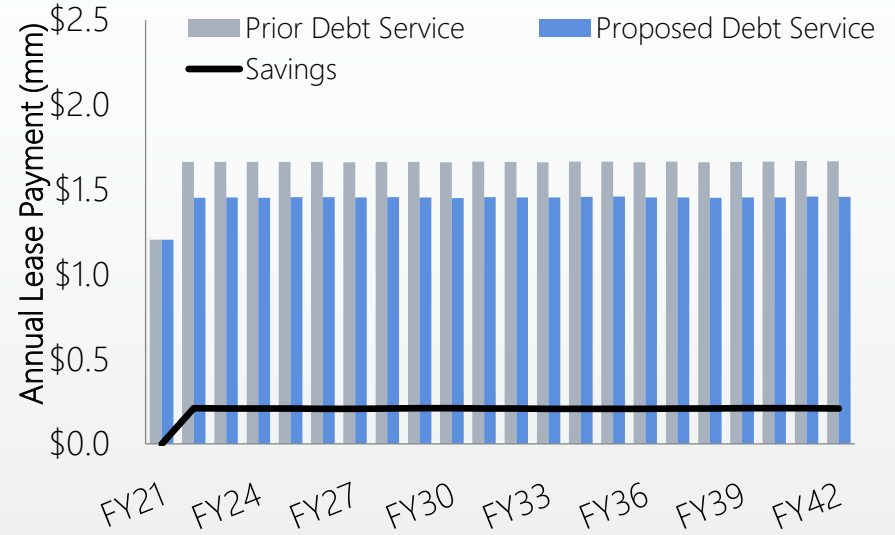
* Preliminary – subject to change

Anticipated Savings*

SERIES 2020A DEBT SERVICE COMPARISON



SERIES 2020B DEBT SERVICE COMPARISON



	Anticipated Savings		Refunding Policy Targets
	Series 2020A	Series 2020B	
Average annual cash flow savings	\$626,000	\$209,000	\$100,000
Net present value (NPV) savings	\$8,407,000	\$1,580,000	\$1,000,000
NPV Savings % of Refunded Bonds	30.52%	6.36%	3.00%/5.00%
Final Maturity	10/1/2041	10/1/2041	10/1/2041

* Preliminary – subject to change

Leased Assets – Series 2020A (Tax-Exempt)



- North Coastal Live Well Health Center
 - Built 2018 – NBV: \$23.5 million
 - 54,560 square foot facility
 - Zero net energy building
 - Provide space for Health and Human Services functions



Leased Assets – Series 2020B (Taxable)



- **Fallbrook Branch Library**

- Built in 2011 – NBV: \$10 million
- 19,151 square feet
- Community meeting room for 130
- ADA accessible



- **Imperial Beach Branch Library**

- Built in 2017 – NBV: \$8.4 million
- 14,830 square feet
- Replaced a 5,000 square foot library built in the 1960s
- ADA accessible
- VetConnect station - allows veterans to visit with a veteran's services representative via video conferencing
- Community meeting room for 135



- **Pine Valley Fire Station**

- Built in 2018 – NBV: \$8.6 million
- 13,080 square feet
- 2-story building with three fire apparatus bays, living spaces, kitchen, conference area, and gym

Financing Schedule

Tuesday, October 20 th	- Rating presentations
Thursday, October 29 th	- Receive ratings - Post Preliminary Official Statement
Week of November 9 th	- Sell 2020 Bonds
Week of November 16 th	- Close



Conclusion



County Continues its Commitment to Fiscal Stability

- Strong fiscal management is a fundamental credit strength of San Diego County
- Demonstrated commitment to fiscal discipline while maintaining operational excellence
- Active and conservative planning produces consistently high reserves and cash balances throughout economic cycles
- Careful evaluation of the capital program
- Early retirement of debt whenever possible
- Active approach to addressing unfunded pension liabilities and limited OPEB liability
- Fifth most populous county in the nation, characterized by a large and diverse tax base and economy
- Even with change in Board of Supervisors, strong institutionalized financial management practices ensure a commitment to fiscal stability and efficient delivery of government services