



**MEMORANDUM**  
**OFFICE OF THE**  
**COUNTY EXECUTIVE**  
**COUNTY OF PLACER**

**TO:** Honorable Board of Supervisors

**FROM:** Holly Heinzen, Interim County Executive Officer  
By: Graham Knaus, Finance and Budget Operations Manager

**DATE:** June 5, 2012

**SUBJECT:** California County Tobacco Securitization Agency JPA Amendment

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**Action Requested**

The Board is requested to adopt the attached resolution to approve the Fifth Amendment to Joint Exercise of Powers Agreement of the California County Tobacco Securitization Agency

**Background**

On November 23, 1998, the attorney generals of 46 states and four U.S. Territories entered into a Master Settlement Agreement with the four largest tobacco manufacturers in the country as a settlement to tobacco litigation. The settlement resulted in California counties receiving a share of revenues based on tobacco receipts and having the option to receive an annual allocation or to securitize the revenues.

California counties that opted to securitize tobacco settlement revenues, including Placer County, were required to use a specific securitization structure. This structure uses a joint powers authority (JPA), the California Counties Tobacco Securitization Agency and a non-profit public benefit corporation, the Gold Country Settlement Funding Corporation. The securitization of tobacco settlement revenues has provided a critical resource to finance a number of County facilities since 2002 including the Community Development Resource Center, Auburn Justice Center, and Bill Santucci Justice Center.

The County joined the California Counties Tobacco Securitization Agency's (the Agency) in 2002 and membership consists of nine California counties (Alameda, Fresno, Kern, Los Angeles, Marin, Merced, Placer, Sonoma, Stanislaus) for the sole purpose of facilitating the securitization of Tobacco Settlement Revenues for these counties. The Agency JPA has been amended four times to add additional counties and to clarify Agency officer and meeting structure. The Agency is now requesting a Fifth Amendment to the JPA to increase operational flexibility and efficiency in conducting meetings such as allowing for a teleconference option to the extent permitted by the Brown Act, and allowing the Operating Committee to meet in lieu of an annual Commission meeting as appropriate and as reflected on the attachment.

**Fiscal Impact**

There is no fiscal impact as a result of this action.

Attachment 1: Resolution to approve the Fifth Amendment to Joint Exercise of Powers Agreement of the California County Tobacco Securitization Agency

Attachment 2: Fifth Amendment to Joint Exercise of Powers Agreement of the California County Tobacco Securitization Agency

# Before the Board of Supervisors County of Placer, State of California

**In the matter of:**

A RESOLUTION ADOPTING CERTAIN AMENDMENTS  
TO THE CALIFORNIA COUNTY TOBACCO  
SECURITIZATION AGENCY JPA AGREEMENT  
RELATING TO THE OPERATION OF THE COMMISSION

Resol. No: \_\_\_\_\_

The following RESOLUTION was duly passed by the Board of Supervisors of the  
County of Placer at a regular meeting held on June 5, 2012, by the following vote on roll  
call:

**Ayes:**

**Noes:**

**Absent:**

Signed and approved by me after its passage.

\_\_\_\_\_  
Chair, Board of Supervisors

**Attest:**  
Clerk of said Board

\_\_\_\_\_  
\_\_\_\_\_  
*WHEREAS*, the Counties of Sonoma, Kern, Merced, Placer, Marin, Alameda, Fresno, Stanislaus, and Los Angeles (each a "Member") have formed The California County Tobacco Securitization Agency (the "Agency"), pursuant to the Joint Exercise of Powers Agreement, dated as of November 15, 2000 and as amended by a First Amendment on May 1, 2002, Second Amendment on August 15, 2002, Third Amendment on December 20, 2005, and Fourth Amendment on September 6, 2006 (as so amended, the "JPA Agreement") for the purposes of insuring, hedging or otherwise managing the risk associated with the receipt of MSA Payments (as defined in the JPA Agreement) and to fund social programs deemed necessary to meet the social needs of the population of the Members of the Agency, by creating the Agency and empowering it to issue bonds secured by the MSA Payments of one or more Members of the Agency, the proceeds of which bonds will be used directly or indirectly to purchase all or a portion of the MSA Payments from a Member or Members of the Agency; and

*WHEREAS*, pursuant to Section 10 of the JPA Agreement, additional members may be admitted to the Agency upon: a) the filing by such county of an executed counterpart of the JPA Agreement, together with a certified copy of the resolution of the Board of Supervisors of such county approving the JPA Agreement and the execution and delivery thereof; and b) the adoption of a resolution of the Board of Supervisors of each Member approving such membership; and

**WHEREAS**, pursuant to Section 13 of the JPA Agreement, provisions of the JPA Agreement may be amended by a supplemental agreement executed by all of the Members; and

**WHEREAS**, each of the Members, including the County of Los Angeles, desire to amend certain provisions of the JPA Agreement relating to the operations of the Commission; and

**NOW, THEREFORE, BE IT RESOLVED** as follows:

**Section 1. Authorization to Amend JPA Agreement.** Each of the Chairman of the Board of Supervisors, the County Administrator, the Auditor-Controller, the Treasurer-Tax Collector, or the Director of Finance or the designee of the County Administrator or the Director of Finance (collectively, the "Authorized Officers"), is hereby authorized to execute an amendment to the JPA Agreement, in substantially the form presented at this meeting and on file with the Clerk of the Board of Supervisors, with such changes as such Authorized Officer shall deem advisable or appropriate, and take all other necessary action to implement the amendment to the JPA Agreement.

**Section 2. Further Actions.** The Authorized Officers are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate, carry out, give effect to and comply with the terms and intent of this resolution and the consummation of the transactions contemplated hereby. Any actions heretofore taken by such officers in furtherance of any of the transactions authorized herein are hereby ratified, confirmed and approved.

**Section 3. Effective Date.** This resolution shall take effect immediately upon its passage.

FIFTH AMENDMENT TO JOINT EXERCISE OF POWERS AGREEMENT  
OF  
THE CALIFORNIA COUNTY TOBACCO SECURITIZATION AGENCY  
BY AND AMONG  
THE COUNTY OF STANISLAUS, THE COUNTY OF MERCED,  
THE COUNTY OF SONOMA, THE COUNTY OF KERN, THE COUNTY OF MARIN, THE  
COUNTY OF PLACER, THE COUNTY OF FRESNO, THE COUNTY OF ALAMEDA AND  
THE COUNTY OF LOS ANGELES

DATED AS OF APRIL 1, 2012

THIS FIFTH AMENDMENT TO JOINT EXERCISE OF POWERS AGREEMENT, dated as of April 1, 2012 (the "Fifth Amendment"), is made and entered into by and among the COUNTY OF STANISLAUS, a body corporate and politic and a political subdivision in the State of California (the "State"), the COUNTY OF MERCED, a body corporate and politic and a political subdivision of the State, the COUNTY OF SONOMA, a body corporate and politic and a political subdivision of the State, the COUNTY OF KERN, a body corporate and politic and a political subdivision of the State, the COUNTY OF MARIN, a body corporate and politic and a political subdivision of the State, the COUNTY OF PLACER, a body corporate and politic and a political subdivision of the State, the COUNTY OF FRESNO, a body corporate and politic and a political subdivision of the State, the COUNTY OF ALAMEDA, a body corporate and politic and a political subdivision of the State and the COUNTY OF LOS ANGELES, a body corporate and politic and a political subdivision of the State (each of the County of Stanislaus, the County of Merced, the County of Sonoma, the County of Kern, the County of Marin, the County of Placer, the County of Fresno, the County of Alameda, and the County of Los Angeles together with any other county executing this Agreement, except those counties that have withdrawn in accordance with Section 11 hereof, being herein referred to as a "Member")

W I T N E S S E T H:

WHEREAS, the County of Stanislaus, the County of Merced, the County of Sonoma, and the County of Kern have heretofore entered into an agreement entitled "Joint Exercise of Powers Agreement," dated November 15, 2000, (the "Original Agreement"), creating The California County Tobacco Securitization Agency (the "Agency");

WHEREAS, the County of Marin, the County of Placer, and the County of Fresno have heretofore entered into an agreement entitled "First Amendment to Joint Exercise of Powers Agreement," dated May 1, 2002, as amended (the "First Amendment");

WHEREAS, the County of Alameda has heretofore entered into an agreement entitled, Second Amendment to Joint Exercise of Powers Agreement, dated August 15, 2002, as amended (the "Second Amendment");

WHEREAS, the County of Los Angeles has heretofore entered into an agreement entitled, Third Amendment to Joint Exercise of Powers Agreement, dated January 24, 2006, as amended (the "Third Amendment").

WHEREAS, the Members amended certain provisions of the agreement entitled, Fourth Amendment to Joint Exercise of Powers Agreement, dated September 6, 2006, as amended (the "Fourth Amendment"). The Original Agreement, collectively with the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment and the Fifth Amendment are hereinafter referred to as the "Agreement");

WHEREAS, pursuant to Section 13 of the Agreement, each Member desires to amend the provisions thereof relating to the operations of the Commission and to clarify existing Commission practice;

NOW, THEREFORE, the Agreement is amended as follows:

SECTION 1. Amendment of Section 7 of the Agreement.

(a) Section 7.1 of the Agreement is hereby amended to read as follows (bolded language shows change):

7.1. Annual Meetings; Special Meetings. **Unless an Operating Committee meeting is held in lieu of a Commission meeting as provided below**, an annual meeting of the Commission shall be held on or about September 1 of each year, on a date and at a place selected by the President. In addition, special meetings of the Commission shall be held upon receipt by the President of the written request of the two Commissioners of any Member, or at the discretion of the President. Subject to Section 7.2 hereof, the date upon which, and the hour and place at which, each such meeting shall be held shall be fixed in the written request of the Commissioners requesting such meeting, or as determined by the President, as the case may be. **To the extent permitted by the Brown Act, all or any meetings of the Commission may be held by teleconference.**

The President, upon not less than 10 days' prior notice to the full Commission, may convene, **in lieu of an annual meeting of the Commission**, a meeting of the Operating Committee at the time, date and place designated by the President **to consider such matters specified in such notice which the Operating Committee is authorized to approve pursuant to this paragraph.** The Operating Committee shall be authorized to approve, on behalf of the Commission, ministerial and non-legislative matters, including but not limited to the selection of counsel, the selection of auditors, and the approval of minutes, the approval of the audit reports, and the approval of any annual report. The notice to the full Commission shall specify the agenda for the Operating Committee meeting. If prior to the scheduled meeting date of the Operating Committee the Commissioners representing any Member request that a full Commission meeting be held instead of a meeting of the Operating Committee, the President shall proceed to convene a meeting of the full Commission. Any action taken by the Operating Committee must be unanimous. To the extent permitted by the Brown Act, all or any meetings of the Commission or the Operating Committee may be held by teleconference.

SECTION 2. Filing of Notice of Amendment to Agreement.

Within 30 days after the effective date hereof, the Secretary shall cause a notice of this Fifth Amendment to be prepared and filed with the office of the Secretary of State in the manner set forth in Section 6503.5 of the California Government Code.

SECTION 3. Effectiveness; Counterparts.

This Fifth Amendment shall become effective upon execution hereof. This Fifth Amendment may be executed in counterpart as provided in Section 17 of the Agreement.

SECTION 4. Ratification.

All approvals given and actions taken by the Operating Committee through the date of this Fifth Amendment are ratified and approved.

IN WITNESS WHEREOF, the parties hereto have caused this Fifth Amendment to the Agreement to be executed and attested by their duly authorized proper officers, and their official seals to be hereto affixed, as of the day and year first above written.

COUNTY OF STANISLAUS, CALIFORNIA

By \_\_\_\_\_  
Chief Executive Officer

[SEAL] Attest:

\_\_\_\_\_  
Clerk of the Board of Supervisors

Approved as to form:

\_\_\_\_\_  
County Counsel

COUNTY OF MERCED, CALIFORNIA

By \_\_\_\_\_  
County Executive Officer

[SEAL] Attest:

\_\_\_\_\_  
Clerk of the Board of Supervisors

Approved as to form:

\_\_\_\_\_  
County Counsel



COUNTY OF SONOMA, CALIFORNIA

By \_\_\_\_\_  
County Administrator

[SEAL] Attest:

\_\_\_\_\_  
Clerk of the Board of Supervisors

Approved as to form:

\_\_\_\_\_  
County Counsel

COUNTY OF KERN, CALIFORNIA

By \_\_\_\_\_  
Chairman, Board of Supervisors

[SEAL] Attest:

\_\_\_\_\_  
Clerk of the Board of Supervisors

Approved as to form:

\_\_\_\_\_  
County Counsel

COUNTY OF MARIN, CALIFORNIA

By \_\_\_\_\_  
President, Board of Supervisors

[SEAL] Attest:

\_\_\_\_\_  
Clerk of the Board of Supervisors

Approved as to form:

\_\_\_\_\_  
County Counsel

COUNTY OF PLACER, CALIFORNIA

By \_\_\_\_\_  
Chairman, Board of Supervisors

[SEAL] Attest:

\_\_\_\_\_  
Clerk of the Board of Supervisors

Approved as to form:

\_\_\_\_\_  
County Counsel

COUNTY OF FRESNO, CALIFORNIA

By \_\_\_\_\_  
County Administrative Officer

[SEAL] Attest:

\_\_\_\_\_  
Clerk to the Board of Supervisors

Approved as to legal form:

\_\_\_\_\_  
County Counsel

COUNTY OF ALAMEDA, CALIFORNIA

By \_\_\_\_\_  
County Administrator

[SEAL] Attest:

\_\_\_\_\_  
Clerk of the Board of Supervisors

Approved as to form:

\_\_\_\_\_  
County Counsel

COUNTY OF LOS ANGELES, CALIFORNIA

By \_\_\_\_\_  
Authorized Officer

Approved as to form:  
JOHN F. KRATTLI  
Acting County Counsel

By: \_\_\_\_\_  
Principal Deputy County Counsel