

RESOLUTION NO. 37-2019

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PACIFICA AUTHORIZING THE ISSUANCE AND SALE OF REFUNDING BONDS TO REFINANCE OUTSTANDING 2010 TAXABLE PENSION OBLIGATION BONDS, APPROVING THE FINAL FORM OF RELATED FINANCING DOCUMENTS AND APPROVING OFFICIAL ACTIONS

WHEREAS, the City of Pacifica (the “City”) is a contracting member of the California Public Employees’ Retirement System (“PERS”), and as such is obligated by Sections 20000 *et seq.* of the California Government Code to make payments to PERS relating to pension benefits accruing to retired City employees who are PERS members, including retired public safety employees and retired miscellaneous employees (the “PERS Obligations”); and

WHEREAS, in order to refund the PERS Obligations and thereby realize cash flow savings, and to accomplish a more prudent amortization of its unfunded actuarial accrued liability in respect of the PERS Obligations, the City has previously issued its \$20,510,000 aggregate principal amount of City of Pacifica 2010 Taxable Pension Obligation Bonds (the “2010 Bonds”); and

WHEREAS, the 2010 Bonds are subject to redemption, in whole or in part, on any date on or after June 1, 2020, from any available source of funds, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium; and

WHEREAS, the City is authorized under the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53570 of said Code (the “Refunding Bond Law”), to issue its bonds for the purpose of refunding the 2010 Bonds; and

WHEREAS, in order to refund the 2010 Bonds and thereby realize interest rate savings, the City has determined to issue its City of Pacifica 2019 Taxable Pension Obligation Refunding Bonds (the “Refunding Bonds”) under the Refunding Bond Law as provided in this Resolution; and

WHEREAS, as required by Government Code Section 5852.1 enacted January 1, 2018 by Senate Bill 450, attached hereto as Exhibit A is the information relating to the Refunding Bonds that has been obtained by the City Council and is hereby disclosed and made public; and

WHEREAS, the City Council has previously approved a Debt Issuance and Management Policy which complies with Government Code Section 8855, and the delivery of the Refunding Bonds will be in compliance with said policy; and

WHEREAS, the City Council of the City has duly considered such transactions and wishes at this time to approve said transactions in the public interests of the City;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Pacifica as follows:

Section 1. Authorization of Refunding Bonds. The City Council hereby authorizes the issuance of the Refunding Bonds under the Refunding Bond Law for the purpose of providing funds to refund the 2010 Bonds. The Refunding Bonds shall be issued in a principal amount which is sufficient to provide the funds required to pay and pay and redeem the 2010 Bonds.

Section 2. Approval of Indenture of Trust. The Refunding Bonds shall be issued upon the terms and conditions set forth in the Indenture of Trust between the City and U.S. Bank National Association, as trustee, which is hereby approved in substantially the form on file with the City Clerk together with any changes therein or additions thereto deemed advisable by the City Manager or the Assistant City Manager (each, an "Authorized Officer"), provided that the execution thereof by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions. An Authorized Officer is hereby authorized and directed to execute, and the City Clerk is hereby authorized and directed to attest to, the final form of the Indenture of Trust on behalf of the City.

Section 3. Approval of Escrow Agreement. The 2010 Bonds shall be refunded under and in accordance with the provisions of the Escrow Agreement between the City and U.S. Bank National Association, as escrow bank, which is hereby approved in substantially the form on file with the City Clerk together with any changes therein or additions thereto deemed advisable by an Authorized Officer, whose execution thereof shall be conclusive evidence of the approval of any such changes or additions. An Authorized Officer is hereby authorized and directed to execute the final form of the Escrow Agreement on behalf of the City.

Section 4. Sale of the Refunding Bonds. In accordance with Section 53583 of the Refunding Bond Law, the City Council hereby authorizes and directs that the Refunding Bonds shall be sold on a negotiated basis to U.S. Bancorp Investments, Inc., as underwriter (the "Underwriter"). The Refunding Bonds shall be sold pursuant to the terms and provisions of the Bond Purchase Agreement between the City and the Underwriter, in substantially the form on file with the City Clerk together with any changes therein or additions thereto deemed advisable by an Authorized Officer, whose execution thereof shall be conclusive evidence of the approval of any such changes or additions. An Authorized Officer is hereby authorized and directed to execute the final form of the Bond Purchase Agreement on behalf of the City. The Underwriter's discount on the Refunding Bonds shall not exceed 1.00% of the par amount thereof, and the true interest rate on the Refunding Bonds shall not exceed 5.00%.

As set forth in Section 53583 of the Refunding Bond Law, an Authorized Officer of the City shall cause a written statement to be sent, within two weeks after the Refunding Bonds are sold, to the California Debt Advisory Commission explaining the reasons why the City has determined to sell the Refunding Bonds on a negotiated sale basis instead of at public sale.

Section 5. Official Statement. The City Council hereby approves and deems final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, the Preliminary Official Statement describing the Refunding Bonds in the form on file with the City Clerk. An Authorized Officer is individually authorized, at the request of the Underwriter, to execute an appropriate certificate affirming the City Council's determination that the Preliminary Official Statement has been deemed final within the meaning of such Rule. Distribution of the Preliminary Official Statement by the Underwriter is hereby approved. An Authorized Officer is hereby authorized and directed to approve any changes in or additions to a final form of said Official Statement, and the execution thereof by an Authorized Officer shall be conclusive evidence of approval of any such changes and additions. The City Council hereby authorizes the distribution of the Final Official Statement by the Underwriter. The Final Official Statement shall be executed in the name and on behalf of the City by an Authorized Officer.

Section 6. Continuing Disclosure Certificate. The City Council hereby approves the

Continuing Disclosure Certificate in substantially the form attached as an exhibit to the Preliminary Official Statement, together with any changes therein or additions thereto deemed advisable by an Authorized Officer, whose execution thereof shall be conclusive evidence of the approval of any such changes or additions. An Authorized Officer is hereby authorized and directed to execute, and the City Clerk is hereby authorized and directed to attest to, the final form of the Continuing Disclosure Certificate on behalf of the City.

Section 7. Engagement of Professional Services. The City Council hereby approves the engagement of Backstrom McCarley Berry & Co., LLC to act as the City's municipal advisor in connection with the issuance and sale of the Refunding Bonds, and the engagement of Jones Hall, A Professional Law Corporation, to act as the City's bond counsel and disclosure counsel in connection with the issuance and sale of the Refunding Bonds. An Authorized Officer is hereby authorized and directed to execute an agreement with each of said firms in the respective forms on file with the City Clerk. The estimated costs of issuance associated with the issuance of the Refunding Bonds are set forth in Appendix B.

Section 8. Official Actions. The Mayor, the City Manager, the Assistant City Manager, the City Clerk and any and all other officers of the City are hereby authorized and directed, for and in the name and on behalf of the City, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the transactions described herein. Any such actions previously taken by such officers are hereby ratified and confirmed. Whenever in this Resolution any officer of the City is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf if such officer is absent or unavailable.

Section 9. Effective Date. This Resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Pacifica, California, held on the 23rd day of September 2019, by the following vote:

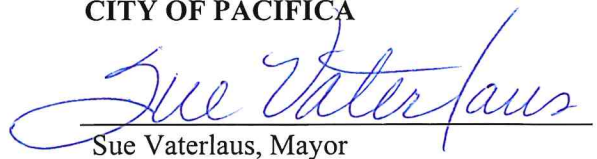
AYES, Councilmembers: Vaterlaus, Martin, O'Neill, Beckmeyer, Bier.

NOES, Councilmembers: None.

ABSENT, Councilmembers: None.

ABSTAIN, Councilmembers: None.

CITY OF PACIFICA


Sue Vaterlaus, Mayor

ATTEST:


Sarah Coffey, City Clerk

APPROVED AS TO FORM:


Michelle Marchetta Kenyon, City Attorney

Exhibit A

REQUIRED DISCLOSURES PURSUANT TO GOVERNMENT CODE SECTION 5852.1

1. True Interest Cost of the Bonds (Estimated): 3.19%.
2. Finance charge of the Bonds, being the sum of all fees and charges paid to third parties, in the amount of approximately \$210,900.
3. Proceeds of the Bonds expected to be received by the City, net of proceeds for Costs of Issuance in (2) above and reserves (if any) paid from the principal amount of the Bonds (Estimated): \$9,435,174.
4. Total Payment Amount for the Bonds, being the sum of all debt service to be paid on the Bonds to final maturity, together with annual bond administration expenses not included in (2) above (Estimated): \$11,720,228.

**All amounts and percentages are estimates, and are made in good faith by the City based on information available as of the date of adoption of this Resolution. Estimates include certain assumptions regarding tax-exempt rates available in the bond market at the time of pricing the Bonds.*