

RESOLUTION NO. JPFA __-2021

RESOLUTION OF THE JOINT POWERS FINANCING AUTHORITY AUTHORIZING THE ISSUANCE AND SALE OF 2021 LEASE REVENUE BONDS TO REFINANCE SOME OR ALL OF THE CITY'S UNFUNDED ACCRUED ACTUARIAL LIABILITY OWED TO CALPERS AND RAISE FUNDS FOR OTHER PURPOSES, AND APPROVING RELATED DOCUMENTS AND OFFICIAL ACTIONS

RESOLVED, by the Board of Directors (the "Board") of the City of Fort Bragg Joint Powers Financing Authority (the "Authority"), that:

WHEREAS, the City of Fort Bragg (the "City") desires to refinance some or all of the unfunded accrued actuarial liability (UAL) owed by the City to the California Public Employees' Retirement System and to raise funds for other authorized purposes of the City, anticipated to consist of expenditures with respect to the South Mill Site (collectively, the "Project"); and

WHEREAS, the Authority was formed to, among other things, assist the City with financing public capital improvements and working capital, including the Project; and

WHEREAS, in order to provide financing for the Project, the City has agreed to lease certain real property, consisting of: (a) the City's City Hall located at 416 N. Franklin Street in the City, and (b) the City's Police Department Building located at 250 Cypress Street in the City (together, the "Leased Property"), to the Authority as provided in a Site Lease, as defined herein; and

WHEREAS, in order to fund its payment obligation under the Site Lease, the Authority proposes to issue and sell its 2021 Lease Revenue Bonds (Federally Taxable) (the "Bonds") under Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6584 of said Code (the "Bond Law"); and

WHEREAS, in order to secure the payments of principal of and interest on the Bonds, the Authority proposes to lease the Leased Property back to the City under a Lease Agreement (the "Lease Agreement"), under which the City is obligated to pay semiannual lease payments as rental for the Leased Property, and the Authority will assign substantially all of its rights under the Lease Agreement to U.S. Bank National Association, as trustee for the Bonds; and

WHEREAS, to provide for development of the most favorable debt structure for the City and to ensure the most favorable reception in the marketplace for the Bonds, the City has requested the Authority to sell the Bonds through a negotiated sale pursuant to the terms of a Bond Purchase Agreement (the "Bond Purchase Agreement")

between the Authority, the City and Oppenheimer & Co. Inc., as underwriter (the "Underwriter"); and

WHEREAS, for purposes of the sale of the Bonds, the City has caused to be prepared an Official Statement describing the Bonds, the preliminary form of which is on file with the Secretary and the Board of Directors, with the aid of their staff, have undertaken such review of the Official Statement as hereinafter described as is necessary to assure proper disclosure of all material facts relating to the Bonds that are within the personal knowledge of members of the Board of Directors and the staff; and

WHEREAS, as required by Section 6586.5 of the California Government Code, the City has caused publication of a notice of a public hearing on the financing of the public capital improvements included within the Project once at least five (5) days prior to the hearing in a newspaper of general circulation in the City; and

WHEREAS, the City Council of the City held a public hearing at which all interested persons were provided the opportunity to speak on the subject of financing such public capital improvements and refunding of the UAL; and

WHEREAS, in accordance with Government Code Section 5852.1, the following information has been obtained and disclosed in the staff report for the Board action related to that set forth herein: (i) the estimated true interest cost of the Bonds, (ii) the estimated finance charge of the Bonds, (iii) the estimated proceeds of the Bonds expected to be received, net of proceeds for finance charges in (ii) above to be paid from the principal amount of the Bonds, and (iv) the estimated total payment amount of the Bonds; and

WHEREAS, the Board wishes at this time to approve all proceedings of the Authority relating to the foregoing.

NOW, THEREFORE, IT IS HEREBY ORDERED AND DETERMINED as follows:

Section 1. The Board hereby finds, determines and establishes that regular meetings of the Board shall be held on the same dates and at the same time and location as the City Council meetings of the City, or such other date, time and/or location as notified to the public in accordance with the Ralph M. Brown Act (Government Code Section 54950, et seq.), with the first such regular meeting being held on the date hereof. Notwithstanding the foregoing, regular meetings need not be held and shall be deemed automatically canceled should the President determine that no business is required to be conducted by the Board at such meeting and therefore no items of the Authority appear on an agenda otherwise notified to the public in accordance with the Ralph M. Brown Act.

Section 2. The Board of Directors hereby authorizes the issuance of the Bonds under the Bond Law in a maximum principal amount not to exceed \$11,750,000,

for the purpose of financing the Project. The Bonds shall be issued under the Bond Law and the Indenture of Trust that is approved below.

Section 3. The Board hereby approves each of the following agreements required for the issuance and sale of the Bonds, in substantially the respective forms on file with the Secretary together with any changes therein or additions thereto deemed advisable by the President, Executive Director or his or her designee (each, an “Authorized Officer”), whose execution thereof shall be conclusive evidence of the approval of any such changes or additions. Such changes or additions may include, but are not limited to, providing that payment of the Bonds be insured by a financial guaranty policy from a bond insurance company and/or secured by a reserve surety policy, if in the judgment of an Authorized Officer such insurance and/or reserve surety policy is in the best interest of the Authority. An Authorized Officer is hereby authorized and directed for and on behalf of the Authority to execute, and the Secretary is hereby authorized and directed to attest, the final form of each such agreement, as follows:

- Indenture of Trust, between the Authority and U.S. Bank National Association, as trustee (the “Trustee”), setting forth the terms and provisions relating to the Bonds;
- Site Lease, between the City as lessor and the Authority as lessee, under which the City leases the Leased Property to the Authority in consideration of the payment of an upfront amount which will be applied by the City to the Project;
- Lease Agreement, between the Authority as lessor and the City as lessee, under which the Authority leases the Leased Property back to the City and the City agrees to pay semiannual lease payments to provide revenues with which to pay principal of and interest on the Bonds when due; and
- Assignment Agreement, between the Authority and the Trustee, whereby the Authority assigns certain of its rights under the Lease Agreement to the Trustee for the benefit of the Bond owners.

Section 4. The Board of Directors hereby authorizes and directs the negotiated sale of the Bonds to the Underwriter. The Bonds shall be sold pursuant to the terms and provisions of the Bond Purchase Agreement among the Authority, the City and the Underwriter in substantially the form on file with the Secretary together with any changes therein or additions thereto deemed advisable by an Authorized Officer. The true interest cost of the Bonds shall not exceed 3.90% and the Underwriter’s discount shall not exceed 0.5575%.

Section 5. The Board of Directors hereby approves the preliminary Official Statement describing the Bonds in substantially the form on file with the Secretary. An Authorized Officer is hereby authorized and directed to approve any changes in or

additions to said preliminary Official Statement and, if requested by the Underwriter, to execute an appropriate certificate stating the Authority's determination that the preliminary Official Statement (together with any changes therein or additions thereto) has been deemed nearly final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934. 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 Board of Directors hereby authorizes the distribution of the final Official Statement by the Underwriter. The final Official Statement shall be executed on behalf of the Authority by the President or an Authorized Officer.

Section 6. The Authorized Officers, the General Counsel, the Secretary and all other officers of the Authority are each authorized and directed on behalf of the Authority to make any and all leases, assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance or termination, warrants and other documents, which they or any of them deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under this Resolution. An Authorized Officer may revise the identity of the Leased Property (including by adding thereto) as necessary to accomplish the purposes of this Resolution. Whenever in this resolution any officer of the Authority 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 7. This Resolution shall take effect immediately upon its passage and adoption.

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The above and foregoing Resolution was introduced by Board Member _____, seconded by Board Member _____, and passed and adopted at a regular meeting of the Board of Directors of the City of Fort Bragg Joint Powers Financing Authority held on the 12th day of October, 2021, by the following vote:

**AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSED:**

BERNIE NORVELL
President

ATTEST:

**June Lemos, CMC
Secretary**