

CITY OF ALAMEDA RESOLUTION NO. ____

AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF PENSION OBLIGATION BONDS TO REFINANCE OUTSTANDING OBLIGATIONS OF THE CITY TO THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM, AUTHORIZING A JUDICIAL VALIDATION ACTION BY THE CITY ATTORNEY, AND APPROVING AND DIRECTING RELATED MATTERS

RESOLVED, by the City Council (the "Council") of the City of Alameda (the "City"), as follows:

WHEREAS, the City is a contracting member of the California Public Employees' Retirement System ("PERS"), and as such the City is obligated by Sections 20000 *et seq.* of the California Government Code, to make payments to PERS relating to pension benefits accruing to current and former City employees who are PERS members, including retired employees (the "PERS Obligations"); 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 "Bond Law"), to issue its bonds for the purpose of refunding certain outstanding obligations of the City, including the PERS Obligations; and

WHEREAS, in order to refund the PERS Obligations and thereby realize interest savings, the City proposes at this time to authorize the issuance of one or more series of its bonds from time to time under the Bond Law for the purpose of refinancing the PERS Obligations in whole or in part; and

WHEREAS, the Council further wishes at this time to authorize the institution of judicial proceedings to determine the validity of its bonds and the bond contracts related thereto to be issued under the Bond Law to refund the PERS Obligations; and

WHEREAS, an initial series of bonds is proposed to be issued in 2022 to refund a portion of the City's existing PERS Obligations (the "2022 Bonds"), and the information required to be obtained and disclosed with respect to the 2022 Bonds in accordance with Section 5852.1 of the California Government Code is set forth in the staff report accompanying this resolution.

NOW, THEREFORE, it is hereby ORDERED and DETERMINED, as follows:

Section 1. Authorization of Bonds. The Council hereby authorizes the issuance of one or more series of bonds from time to time under the Bond Law for the purpose of refinancing the PERS Obligations of the City which are due and owing to PERS at the time of such issuance (collectively, including the 2022 Bonds, the "Bonds"); provided, however, that the principal amount of any series of Bonds issued hereunder shall not at the time of issuance of such series exceed the aggregate amount of the unfunded accrued liability and the normal cost for the then-current fiscal year represented by the PERS Obligations as of such time of issuance, as reported to the City by PERS, plus an amount required to pay all costs of issuing such Bonds (including, but not limited to, underwriter's discount and original issue discount, if any).

Any bonds issued under the Bond Law to refund Bonds shall constitute Bonds as defined in this Resolution.

Section 2. Material Provisions of Bonds. Each series of Bonds shall be issued under an Indenture of Trust (the "Indenture") between the City and a corporate trustee, in substantially the form on file with the City Clerk, together with any changes therein or additions thereto deemed advisable by the City Manager, Assistant City Manager, or Finance Director (each, an "Authorized Officer"). The execution of an Indenture by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions. The Bonds shall be subject to the following limitations:

- (a) Each series of Bonds shall mature over a term not exceeding 35 years from the date of their original issuance.
- (b) Interest on each series of Bonds will be calculated at a fixed rate, which shall not exceed the maximum rate of interest permitted by law.
- (c) Principal, interest, and redemption premiums (if any) on the Bonds shall be payable from the General Fund of the City and from any other source of legally available funds of the City. The Bonds shall not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation.
- (d) Principal, interest, and redemption premiums (if any) on the Bonds shall be secured by a lien on, and security interest in, the funds and accounts provided for in the Indenture.
- (e) Proceeds of each series of the Bonds, except to the extent required to pay the costs of issuing such Bonds (including, but not limited to, underwriter's discount and original issue discount, if any), shall be deposited with the Trustee and applied to refinance the then-existing PERS Obligations of the City in compliance with the Bond Law.

Section 3. Institution of Judicial Validation Proceedings by City Attorney. The Council hereby authorizes the filing of an action to determine the validity of the Bonds, the form of the Indenture and related matters in the Superior Court of California for the County of Alameda under the provisions of Sections 860 et seq. of the Code of Civil Procedure of the State of California. The City Attorney, working with special counsel at his discretion, is hereby authorized and directed to prepare and cause to be filed and prosecuted to completion all proceedings required for the judicial validation of the Bonds, the form of the Indenture, and related matters.

Section 4. Engagement of Financing Team. In connection with the issuance and sale of the 2022 Bonds, Urban Futures, Inc. is designated to serve as municipal advisor to the City, and Jones Hall, A Professional Law Corporation or any other special counsel at the City Attorney's discretion, is designated to serve as bond counsel and disclosure counsel to the City. The Council hereby authorizes an Authorized Officer to execute a professional services agreement with Urban Futures, Inc., as and to the extent deemed necessary or desirable by an Authorized Officer. The Council further authorizes the City Attorney to execute a professional services agreement with special counsel(s), as and to the extent deemed necessary or desirable by the City Attorney. In addition, an Authorized Officer is authorized and directed to select a corporate trustee and bond underwriting firm for the 2022 Bonds.

Section 5. Approval of Additional Documents and Actions. Upon the successful completion of the validation action authorized under Section 3, City staff shall cause to be

submitted to the Council for each series of Bonds a further resolution of the Council approving the following, as applicable: (i) an agreement for the purchase of the applicable series of Bonds by the underwriter or other initial purchaser, (ii) a Preliminary Official Statement relating to such series of Bonds, to be prepared by disclosure counsel, (iii) the substantially final form of the Indenture for such series of Bonds, and (iv) authorization for City staff to execute such other agreements and documents, and take such other actions, as are necessary or convenient to implement the issuance, sale and delivery of such series of Bonds, including the addition of final pricing-related information to any of the foregoing agreements.

Section 6. Effective Date. This Resolution shall take effect from and after the date of approval and adoption thereof.

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I, the undersigned City Clerk of the City of Alameda, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted by the City Council of the City, at a meeting thereof on the 19th day of October 2021, by the following vote of the members thereof:

AYES:

NOES:

ABSTAIN:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said City this 20th day of October 2021.

Lara Weisiger, City Clerk
City of Alameda

APPROVED AS TO FORM:

Yibin Shen, City Attorney
City of Alameda