

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO. 2020-_____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD AUTHORIZING THE ISSUANCE AND SALE OF GAS TAX REVENUE REFUNDING BONDS, SERIES 2020 TO REFINANCE OUTSTANDING OBLIGATIONS, AUTHORIZING EXECUTION OF AN INDENTURE OF TRUST, AND AUTHORIZING EXECUTION OF AND APPROVING RELATED AGREEMENTS AND OFFICIAL ACTIONS

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF OXNARD, AS FOLLOWS:

Section 1. The City Council of the City of Oxnard conclusively finds, determines and declares as follows:

WHEREAS, the City of Oxnard Financing Authority (the “Authority”) caused to be executed and delivered its \$27,675,000 Gas Tax Revenue Certificates of Participation (2007 Street Improvement Project) (the “2007 Certificates”), pursuant to a Trust Agreement, dated December 1, 2007, by and between the Authority and the trustee named therein (the “2007 Trust Agreement”), for the purpose of financing street pavement improvements for the City; and

WHEREAS, the 2007 Certificates were secured in part by payments to be made under an Installment Sale Agreement (the “2007 Installment Sale Agreement”), dated as of December 1, 2007, between the City and the Authority; and

WHEREAS, on October 29, 2007, the City was granted a favorable judgment in Case No. 56-2007-00287560-CU-MC-VTA with respect to the issuance of the 2007 Certificates, the 2007 Trust Agreement, the 2007 Installment Sale Agreement and the pledge of the Gas Tax Revenues to make Installment Sale Payments thereunder;

WHEREAS, the City, after due investigation and deliberation, has determined that it is in the interests of the City at this time to provide for the issuance of gas tax revenue refunding bonds for the purpose of prepaying the 2007 Certificates and to prepay the 2007 Installment Sale Agreement, and to that end the City Council desires to approve and authorize the issuance of its City of Oxnard Gas Tax Revenue Refunding Bonds, Series 2020 (the “Bonds”) for such purposes; and

WHEREAS, the City is authorized pursuant to 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 *et seq.* and Section 53580 *et seq.* of said Code (the “Bond Law”), to issue the Bonds for the purpose of refunding any outstanding indebtedness of the City which is payable from the revenues of the gas tax fund, and the City Council has determined that it is in the interests of the City at this time to provide for the issuance of the Bonds under the Bond Law to prepay the 2007 Certificates and to prepay the 2007 Installment Sale Agreement; and

WHEREAS, the City has determined that the Bonds will be sold to Samuel A. Ramirez & Co., Inc., as Underwriter, and there has been presented to the City a form of bond purchase contract (the “Bond Purchase Contract”); and

WHEREAS, Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) (“SB 450”) requires that the City Council obtain from an underwriter, municipal advisor or private lender and disclose, prior to authorization of the issuance of bonds, including debt instruments such as the Bonds, with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the Bonds, (b) the sum of all fees and charges paid to third parties with respect to the Bonds, (c) the amount of proceeds of the Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Bonds, and (d) the sum total of all debt service payments on the Bonds calculated to the final maturity of the Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Bonds; and

WHEREAS, it is anticipated that the Bonds will be issued with fixed interest rates, as tax-exempt bonds, and that the proceeds of the Bonds will be applied pursuant to the provisions of the Indenture as finally executed and delivered (i) to prepay all of the 2007 Certificates; (ii) to fund a debt service reserve fund, and (iii) to pay costs incurred in connection with the issuance of the Bonds; and

WHEREAS, the City Council wishes at this time to authorize all proceedings relating to the issuance and sale of the Bonds and all other agreements and documents relating thereto;

NOW, THEREFORE, the City Council of the City of Oxnard resolves as follows:

Section 2. Issuance of Bonds. The City Council hereby authorizes the issuance of the Bonds under and pursuant to the Bond Law and an Indenture of Trust (the “Indenture”) by and between the City and Wells Fargo Bank, National Association, as trustee, so long as the combined net present value savings to be achieved by the City resulting from the issuance of the Bonds shall be at least 3.00% of the principal amount of the 2007 Certificates remaining outstanding. The City Council hereby approves the Indenture in substantially the form on file with the City Clerk, together with any changes therein or additions thereto deemed advisable by the Mayor, the City Manager, or the Chief Financial Officer (together the “Authorized Officers”), whose execution thereof shall be conclusive evidence of such approval. The Authorized Officers are hereby authorized and directed for and in the name and on behalf of the City to execute, and the City Clerk is hereby authorized and directed to attest, the final form of the Indenture. The good faith estimates required by SB 450 relating to the Bonds are set forth in Exhibit A hereto.

The proceeds of the Bonds shall be applied to (i) cause the redemption of the outstanding 2007 Certificates which are payable from the 2007 Installment Sale Agreement, (ii) fund a debt service reserve fund, either in cash or provide a debt service reserve insurance policy, and (iii) pay costs incurred in connection with the issuance of the Bonds, all in accordance with the provisions of this Resolution and the Indenture.

Section 3. Approval of Bond Purchase Contract and Conditions of Approval. The form of Bond Purchase Contract presented at this meeting is hereby approved and the Authorized Officers are each individually hereby authorized to accept, for and in the name of the City, such Bond Purchase Contract in substantially the form hereby approved with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof, provided that the aggregate principal amount of Bonds to be sold pursuant to the Bond Purchase Contract shall not exceed \$22,000,000, which may include a series of bonds of which the interest paid on such Bonds is includable as income for federal tax purposes, and the Underwriter's discount or fee (not including any original issue discount or premium on the bonds) shall not exceed 0.55% of the principal amount of Bonds sold, and provided that, with respect to the 2007 Certificates, the net present value savings is at least 3.00%.

Section 4. Official Statement. The City Council hereby authorizes the Authorized Officers to approve and to deem nearly final, within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, a form of Preliminary Official Statement describing the Bonds. Distribution of such Preliminary Official Statement by the Underwriter is hereby approved. The Authorized Officers are hereby authorized and directed to approve any changes in or additions to such Preliminary Official Statement for the purpose of finalizing such document, and the execution thereof by the Authorized Officers 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 the Authorized Officers.

Section 5. Approval of Continuing Disclosure Agreement. Each of the Authorized Officers acting individually, is authorized to, for and in the name and on behalf of the City, negotiate, execute and deliver the Continuing Disclosure Agreement in substantially the same form as contained in the appendix of the Official Statement, with such changes therein as the Authorized Officer executing the same may require or approve (such approval to be conclusively evidenced by the execution and delivery thereof).

Section 6. Approval of Escrow Deposit and Trust Agreement. The City Council hereby authorizes the prepayment of the 2007 Certificates and the 2007 Installment Sale Agreement with the proceeds of the Bonds. The form of the Escrow Deposit and Trust Agreement which provides for (i) the defeasance and prepayment of the 2007 Certificates, (ii) the creation and administration by Wells Fargo Bank, National Association, as Escrow Agent, of the Escrow Fund for the benefit of the owners of 2007 Certificates, and (iii) the performance of other duties by the Escrow Agent, is approved in the form on file with the City Clerk, and the Authorized Officer are each individually authorized to execute and deliver, on behalf of the City, such Escrow Deposit and Trust Agreement with respect to the 2007 Certificates. If the Authorized Officers so determine, the Escrow Agreement may be replaced with refunding instructions to be given to the Trustee for the 2007 Certificates.

Section 7. Modifications. The approval of the Indenture, the Escrow Deposit and Trust Agreement, the Preliminary Official Statement and Bond Purchase Contract given by this Resolution shall apply to any modification or amendment of any of said agreements which is

agreed upon and approved by Bond Counsel and the Authorized Officers as being necessary to carry out the provisions thereof and the authorization and direction provided in this Resolution.

Section 8. Official Actions. The Authorized Officers are each authorized and directed in the name and on behalf of the City to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate the issuance and sale of the Bonds, obtain a rating from a reputable rating agency, and any of the other transactions contemplated by the agreements and documents approved pursuant to this Resolution. Any Authorized Officer is authorized to obtain municipal bond insurance or a debt service reserve fund policy for the Bonds. 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 in the case such officer shall be absent or unavailable.

Section 9. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED this 21st day of January, 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Tim Flynn, Mayor

ATTEST:

Michelle Ascencion, City Clerk

APPROVED AS TO FORM:

Stephen Fischer, City Attorney

STATE OF CALIFORNIA)
COUNTY OF VENTURA)
CITY OF OXNARD)

I, Michelle Ascencion, City Clerk of the City of Oxnard, do hereby certify the attached to be a true and correct copy of City of Oxnard City Council Resolution No. _____ adopted at the Oxnard City Council Meeting held on January 21, 2020. The original is on file in the City Clerk's Office.

DATED this ___ day of _____, 2020.

Michelle Ascencion
City Clerk, CMC

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the City by NHA Advisors as municipal advisor to the City (the “Municipal Advisor”), each with respect to the Bonds.

Principal Amount. The Municipal Advisor has informed the City that, based on the City’s financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Bonds to be sold is \$22,000,000 (the “Estimated Principal Amount”).

True Interest Cost of the Bonds. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is 2.59%.

Finance Charge of the Bonds. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Bonds), is \$414,557.

Amount of Proceeds to be Received. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the City for sale of the Bonds, less the finance charge of the Bonds, as estimated above, and any reserve fund funded with proceeds of the Bonds, is \$21,197,021.

Total Payment Amount. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the City will make to pay debt service on the Bonds, plus the finance charge for the Bonds, as described above, not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is \$24,707,250.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Bonds sold being different from the Estimated Principal Amount, (c) the actual amortization of the Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Bonds being different than those estimated

for purposes of such estimates, (e) other market conditions, or (f) alterations in the City's financing plan, or a combination of such factors. The actual date of sale of the Bonds and the actual principal amount of Bonds sold will be determined by the City based on the timing of the need for proceeds of the Bonds and other factors. The actual interest rates borne by the Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the City.