

RESOLUTION NO. 41/2020

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF CORTE MADERA AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF PENSION OBLIGATION BONDS TO REFINANCE THE OUTSTANDING OBLIGATIONS OF THE TOWN TO THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM, AUTHORIZING A JUDICIAL VALIDATION ACTION AND APPROVING AND DIRECTING RELATED MATTERS

WHEREAS, the Town of Corte Madera (the "Town") is a contracting member of the California Public Employees' Retirement System ("PERS"), and as such the Town is obligated to make certain payments to PERS (the "PERS Obligations"); and

WHEREAS, the Town 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 Town, including the PERS Obligations; and

WHEREAS, in order to refund the PERS Obligations and thereby realize interest savings, the Town 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 Town Council further wishes at this time to authorize the institution of judicial proceedings to determine the validity thereof;

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Corte Madera as follows:

Section 1. Authorization of Bonds. The Town 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 Town which are due and owing to PERS at the time of such issuance (collectively, the "Bonds"); provided, however, that the principal amount of any series of Bonds issued hereunder shall not at the time of issuance of any such series of Bonds exceed the aggregate amount of the unfunded accrued actuarial 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 Town 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 "Bond Indenture") between the Town and a corporate trustee identified by the City Manager, as trustee (the "Trustee"), in substantially the form on file with the Town Clerk, together with any changes therein or additions thereto deemed advisable by the Town Manager, the Assistant Town Manager

or the Finance Director (each, an "Authorized Officer"). The execution of a Bond Indenture by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions. The final form of each Bond Indenture shall be subject to approval by resolution of the Town Council adopted following the conclusion of proceedings described in Section 4. 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 of and interest and redemption premiums (if any) on the Bonds shall be payable from the General Fund of the Town and from any other source of legally available funds of the Town. The Bonds shall not constitute an obligation of the Town for which the Town is obligated to levy or pledge any form of taxation.
- (d) Principal of and interest and redemption premiums (if any) on the Bonds shall be secured by a lien and security interest in all right, title and interest of 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 and underwriting such Bonds, shall be deposited with the Trustee and applied to refinance the PERS Obligations of the Town in whole or in part.

Section 3. Engagement of Underwriter. In connection with the issuance and sale of the Bonds, the Town Council hereby authorizes the Finance Director to select an underwriter to purchase the Bonds (the "Underwriter").

Section 4. Institution of Judicial Validation Proceedings. The Town Council hereby authorizes the filing of an action to determine the validity of the Bonds, the form of the Bond Indentures and related matters in the Superior Court of Marin County, under the provisions of Sections 860 et seq. of the Code of Civil Procedure of the State of California.

Bond Counsel is hereby directed, in concert with the Town Attorney, 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 Bond Indentures and related matters.

Section 5. Approval of Additional Documents. Upon completion of the validation action authorized under Section 4, and from time to time, the Town staff shall cause the following to be submitted to the Town Council for final approval of each series of Bonds: (i) an agreement for the purchase of one or more series of Bonds by the Underwriter, (ii) a Preliminary Official Statement relating to one or more series of the Bonds, to be prepared by the Town's disclosure counsel, (iii) the final form of the Bond Indenture for such Bonds and (iv) such other agreements and documents as are

necessary or convenient to implement the issuance, sale and delivery of one or more series of Bonds from time to time.

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

I hereby certify that the foregoing Resolution was passed and adopted by the Town Council of the Town of Corte Madera at a regular meeting thereof duly held on November 17, 2020, by a majority vote of all of its members.


Adopted by the following votes:

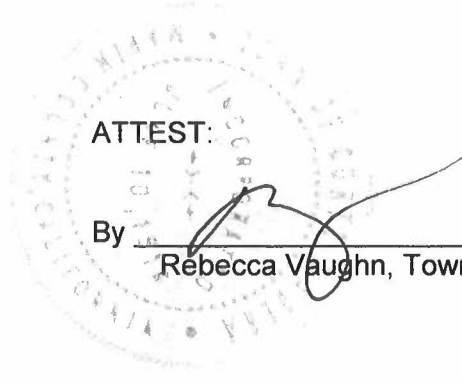
AYES: Councilmembers: Beckman, Casissa, Kunhardt, Lee, Ravasio

NOES: Councilmembers: - None -

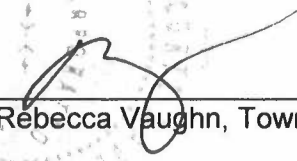
ABSENT: Councilmembers: - None -

TOWN OF CORTE MADERA

By 
Eli Beckman, Mayor



ATTEST:

By 
Rebecca Vaughn, Town Clerk