

# Agenda Report

February 27, 2012

**TO:** Honorable Mayor and City Council

**THROUGH:** Finance Committee

**FROM:** Department of Finance

**SUBJECT: ADOPTION OF A RESOLUTION OF THE CITY COUNCIL APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF A REVISED PRELIMINARY OFFICIAL STATEMENT IN CONNECTION WITH THE ISSUANCE OF ONE OR MORE SERIES OR SUBSERIES OF CITY OF PASADENA PENSION OBLIGATION BONDS.**

## **RECOMMENDATION:**

It is recommended that the City Council adopt a resolution approving the form of and the distribution of a revised preliminary official statement in connection with the issuance of the 2012 Pension Obligation Bonds.

## **BACKGROUND:**

On October 24, 2011, the City Council adopted a resolution approving the Amended and Restated Contribution Agreement between the City and the Pasadena Fire and Police Retirement System and authorizing the issuance of pension obligation bonds and all related bond documents, including a form of preliminary official statement to be used to market the bonds. Since the adoption of the October resolution, the preliminary official statement has been revised by staff and disclosure counsel to reflect updated information concerning the City's financial condition and forecasts as well as the condition of the City's pension funds, the dissolution of redevelopment agencies and the status of SB 481 revenues, the possible impact of Proposition 26 (the Supermajority Vote to Pass New Taxes) upon General Fund revenues, and recent State budgetary developments. Given the scope of these changes to the preliminary official statement, the City's disclosure counsel, Sidley Austin LLP, and the City Attorney recommended that the revised preliminary official statement be resubmitted to the City Council for its review and approval. The attached preliminary official statement highlights revisions made to Appendix A since the Rose Bowl financing in October 2010. In addition

disclosure counsel has provided a brief summary of changes to the preliminary official statement to facilitate the Council's review.

**COUNCIL POLICY CONSIDERATION:**

This report and the recommendation contained herein are intended to fulfill the City's ongoing obligation to comply with federal securities laws .

**FISCAL IMPACT:**

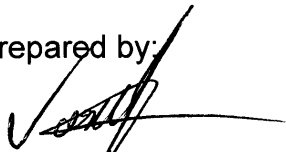
There is no fiscal impact as a result of this action and will not have any indirect or support cost requirements. The anticipated impact to other operational programs or capital projects as a result of this action will be none. The fiscal impact related to the issuance of the bonds is described in the attached agenda report (Attachment A) dated October 24, 2011.

Respectfully submitted,



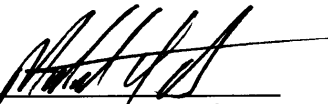
ANDREW GREEN  
Director of Finance  
Department of Finance

Prepared by:



Vic Erganian  
Deputy Director of Finance/City Treasurer

Approved by:



MICHAEL J. BECK  
City Manager

RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE CITY COUNCIL APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF A REVISED PRELIMINARY OFFICIAL STATEMENT IN CONNECTION WITH THE ISSUANCE OF ONE OR MORE SERIES OR SUBSERIES OF CITY OF PASADENA PENSION OBLIGATION BONDS

WHEREAS, on October 24, 2011, the City Council approved a Resolution No. 9152 entitled: "RESOLUTION OF THE CITY COUNCIL AUTHORIZING THE ISSUANCE OF ONE OR MORE CITY OF PASADENA PENSION OBLIGATION DEBENTURES IN AN AMOUNT NOT TO EXCEED THE LESSER OF (i) \$50 MILLION OR (ii) THE AMOUNT REQUIRED TO ACHIEVE A FUNDING LEVEL FOR THE CITY OF PASADENA FIRE AND POLICE RETIREMENT SYSTEM OF 85% AND THE ISSUANCE OF ONE OR MORE SERIES OR SUBSERIES OF CITY OF PASADENA PENSION OBLIGATION BONDS, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A CONTRIBUTION AGREEMENT, TRUST AGREEMENT, BOND PURCHASE AGREEMENT AND CONTINUING DISCLOSURE AGREEMENT AND APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING CERTAIN OTHER MATTERS RELATING THERETO;" and

WHEREAS, staff, with the assistance of the City Attorney and the City's disclosure counsel, have revised the Preliminary Official Statement previously presented to this Council to reflect, among other matters, recent financial developments and forecasts related to the City and the potential impacts of certain changes in State law, and have submitted this revised form of Preliminary Official Statement to this Council for its review and approval;

NOW, THEREFORE, BE IT RESOLVED that the revised form of Preliminary Official Statement is approved substantially in the form on file with the City Clerk. The City Manager and Director of Finance of the City are each authorized and directed to execute and deliver for and in the name and on behalf of the City a final Official Statement in substantially the form of the Preliminary Official Statement with such changes therein, deletions therefrom and additions thereto as the City Manager or the Director of Finance of the City, upon the advice of the City Attorney and disclosure counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery of the Official Statement with such changes, deletions or additions. The underwriters of the pension bonds are authorized to distribute copies of the Preliminary Official Statement and the final Official Statement to prospective purchasers of the pension bonds and all actual purchasers of the related pension bonds from the underwriter acting in such capacity. The City Manager and the Director of Finance of the City, and each of them, are authorized and directed to certify on behalf of the City that the form of the Preliminary Official Statement delivered by the City in advance of the sale of the related pension bonds is deemed final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (except for the omission of certain final pricing, rating and related information as permitted by the Rule).

This Resolution shall take effect immediately upon its adoption.

Adopted at the regular meeting of the City Council on the 27th day of February, 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:


By: \_\_\_\_\_  
CITY CLERK

APPROVED AS TO FORM:

  
\_\_\_\_\_  
City Attorney

2/21/12

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Eric D. Tashman, Esq.  
Sidley Austin LLP  
Disclosure Counsel