

Agenda Report

JULY 19, 1999

THROUGH: City Council Finance Committee
TO: CITY COUNCIL
FROM: CITY MANAGER
SUBJECT: RESOLUTION OF THE CITY COUNCIL AUTHORIZING THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT, A BOND PURCHASE AGREEMENT AND A CONTINUING DISCLOSURE AGREEMENT AND AUTHORIZING OTHER MATTERS RELATING THERETO

RECOMMENDATION

It is recommended that the City Council approve a resolution authorizing the execution and delivery of an Official Statement, a Bond Purchase Agreement and a Continuing Disclosure Agreement and authorizing other matters related thereto.

BACKGROUND

On April 26, 1999, the City Council approved various documents, authorizing the City to issue Pension Obligation Bonds and authorized staff to file a Validation Action relating to this transaction. The time to challenge this Validation Action has passed as well as the time to appeal the court's favorable decision. As such, the City is now positioned to proceed with the issuance of the Bonds.

DISCUSSION

The resolution will approve the proposed forms of Bond Purchase Agreement, Preliminary Official Statement and Continuing Disclosure Agreement and authorize:

1. The Director of Finance to execute and deliver the Bond Purchase Agreement;
2. The City Manager or the Director of Finance to execute and deliver a final Official Statement;

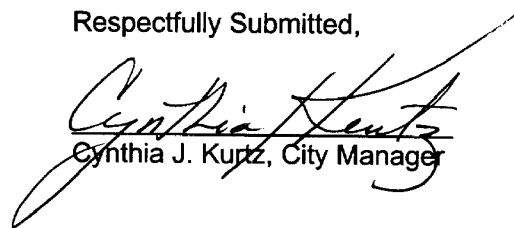
3. The Underwriters to distribute copies of a Preliminary Official Statement;
4. The City Manager or the Director of Finance to certify that the Preliminary Official Statement is deemed final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934 (except for certain permitted omissions);
5. The City Manager or the Director of Finance to execute and deliver the Continuing Disclosure Agreement; and
6. The Director of Finance and his designees to take any and all actions they deem necessary or advisable in connection with the foregoing.

The current schedule calls for the City to mail to Official Statement immediately following City Council's approval. If the market holds, Bonds will be priced during the week of July 26th and the transaction will close no later than the week of August 9th.

FISCAL IMPACT

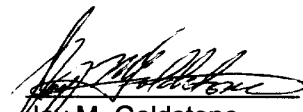
It is projected that the annual debt service on the bonds will be approximately \$8 to \$9 million annually. The projected cashflow being conditionally reassigned to the City by the FPRS will be adequate to cover this expense.

Respectfully Submitted,



Cynthia J. Kurtz, City Manager

Approved:



Jay M. Goldstone
Director of Finance