

## RESOLUTION NO. 2020-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FULLERTON, CALIFORNIA AUTHORIZING THE ISSUANCE AND SALE OF 2020 REFUNDING BONDS TO REFINANCE OUTSTANDING 2013 TAXABLE JUDGMENT OBLIGATION BONDS, APPROVING THE FINAL FORM OF RELATED FINANCING DOCUMENTS AND APPROVING OFFICIAL ACTIONS

WHEREAS, the City of Fullerton (the "City") has previously issued its \$7,250,000 aggregate principal amount of City of Fullerton 2013 Taxable Judgment Obligation Bonds (the "2013 Bonds") for the purpose of satisfying the obligations of the City in respect of a judgment rendered on December 4, 2012, in the case of *Hanson vs. City of Fullerton*, in respect of litigation which was settled pursuant to that certain Settlement Agreement and Mutual General Release of All Claims which was executed by the City on June 20, 2012.

WHEREAS, the 2013 Bonds are payable from any source of legally available funds of the City, including amounts on deposit in the General Fund of the City.

WHEREAS, the 2013 Bonds are subject to redemption on April 1, 2023 and the City is authorized to issue its bonds (the "2020 Bonds") 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 Sections 53570 and 53580 of said Code (the "Refunding Bond Law") for the purpose of refinancing the 2013 Bonds and thereby realizing debt service savings to the City.

WHEREAS, the City Council has previously adopted its resolution on August 18, 2020, authorizing and directing City Staff to implement proceedings for the refunding of the 2013 Bonds and engaging the necessary professional services.

WHEREAS, as required by Government Code Section 5852.1, enacted January 1, 2018 by Senate Bill 450, attached hereto as Exhibit A is the information relating to the 2020 Bonds that has been obtained by the City Council and is hereby disclosed and made public.

WHEREAS, the City Council has previously approved a Debt Management Policy which complies with Government Code Section 8855 and the delivery of the 2020 Bonds will be in compliance with said policy.

WHEREAS, the City Council has duly considered such transactions and wishes at this time to authorize the issuance and sale of the 2020 Bonds and approve related documents and actions in the public interests of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FULLERTON AS FOLLOWS:

**Section 1. Authorization of 2020 Bonds.** The City Council hereby authorizes the issuance of the 2020 Bonds under the Refunding Bond Law for the purpose of providing funds to refund the 2013 Bonds. The 2020 Bonds shall be issued in a principal amount which is sufficient to provide the funds needed to refinance the 2013 Bonds and to pay the costs of issuing the 2020 Bonds.

**Section 2. Approval of Indenture of Trust.** The 2020 Bonds shall be issued upon the terms and conditions set forth in the Indenture of Trust between the City and U.S. Bank National Association, as trustee, which is hereby approved in substantially the form on file with the City Clerk together with any changes therein or additions thereto deemed advisable by the City Manager or the Director of Administrative Services (each, an "Authorized Officer") and the execution thereof by the City Manager shall be conclusive evidence of the approval of any such changes or additions. The City Manager is hereby authorized and directed to execute, and the City Clerk is hereby authorized and directed to attest to, the final form of the Indenture of Trust on behalf of the City.

**Section 3. Approval of Escrow Agreement.** The 2013 Bonds shall be refunded under and in accordance with the provisions of the Escrow Agreement between the City and U.S. Bank National Association, as escrow bank, which is hereby approved in substantially the form on file with the City Clerk together with any changes therein or additions thereto deemed advisable by an Authorized Officer and the execution thereof by the City Manager shall be conclusive evidence of the approval of any such changes or additions. The City Manager is hereby authorized and directed to execute the final form of the Escrow Agreement on behalf of the City.

**Section 4. Sale of the 2020 Bonds.** In accordance with Section 53583 of the Refunding Bond Law, the City Council hereby authorizes and directs the 2020 Bonds to be sold on a negotiated basis to Hilltop Securities Inc., as underwriter (the "Underwriter"). The 2020 Bonds shall be sold pursuant to the terms and provisions of the Bond Purchase Agreement between the City and the Underwriter, in substantially the form on file with the City Clerk together with any changes therein or additions thereto deemed advisable by an Authorized Officer whose execution thereof shall be conclusive evidence of the approval of any such changes or additions. An Authorized Officer is hereby authorized and directed to execute the final form of the Bond Purchase Agreement on behalf of the City. The Underwriter's discount on the 2020 Bonds shall not exceed 0.70% of the par amount thereof and the true interest rate on the 2020 Bonds shall not exceed 2.60%.

Notwithstanding the foregoing provisions of this Section 4, in the event that the Authorized Officers determine that it is in the best interests of the City to sell the 2020 Bonds through a private placement rather than a public offering, the City Council hereby authorizes the sale of the 2020 Bonds on such basis. In that event, the 2020 Bonds shall be sold to a bank, investment bank or other financial institution which designated by the Authorized Officers upon the advice of Urban Futures, Inc. as financial advisor to the City and the 2020 Bonds shall be issued pursuant to the Indenture of Trust which is approved pursuant to Section 2 or pursuant to a loan agreement between the City and the designated lender the material provisions of which are substantially similar to the

Indenture of Trust, in form and substance acceptable to Jones Hall, A Professional Law Corporation, as bond counsel to the City.

**Section 5. Official Statement.** The City Council hereby approves and deems final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, the Preliminary Official Statement describing the 2020 Bonds in the form on file with the City Clerk. An Authorized Officer is individually authorized, at the request of the Underwriter, to execute an appropriate certificate affirming the City Council's determination that the Preliminary Official Statement has been deemed final within the meaning of such Rule. Distribution of the Preliminary Official Statement by the Underwriter is hereby approved. An Authorized Officer is hereby authorized and directed to approve any changes in or additions to a final form of said Official Statement and the execution thereof by an Authorized Officer 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 an Authorized Officer.

**Section 6. Continuing Disclosure Certificate.** The City Council hereby approves the Continuing Disclosure Certificate in substantially the form attached as an appendix to the Preliminary Official Statement, together with any changes therein or additions thereto deemed advisable by an Authorized Officer, whose execution thereof shall be conclusive evidence of the approval of any such changes or additions. An Authorized Officer is hereby authorized and directed to execute the final form of the Continuing Disclosure Certificate on behalf of the City.

**Section 7. Official Actions.** The Mayor, the City Manager, the Director of Administrative Services, the City Clerk and any and all other officers of the City are hereby authorized and directed, for and in the name and on behalf of the City, to do any and all things and take any and all actions, including execution and delivery of any and all certificates, requisitions, agreements, notices, consents and other documents, which they, or any of them, may deem necessary or advisable in connection with the closing of the 2020 Bond issue. Any such actions previously taken by such officers are hereby ratified and confirmed. 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 if such officer is absent or unavailable.

**Section 8. Effective Date.** This resolution shall take effect immediately upon its passage and adoption.

ADOPTED BY THE FULLERTON CITY COUNCIL ON OCTOBER 20, 2020.

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Jennifer Fitzgerald  
Mayor

ATTEST:

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Lucinda Williams, MMC  
City Clerk

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Date

## **Exhibit A**

### **REQUIRED DISCLOSURES PURSUANT TO GOVERNMENT CODE SECTION 5852.1**

1. True Interest Cost of the 2020 Bonds (Estimated): 2.60%.
2. Finance charge of the 2020 Bonds, being the sum of all fees and charges paid to third parties, in the amount of approximately \$164,309. Of this amount, approximately \$35,807 represents underwriter's compensation.
3. Proceeds of the 2020 Bonds expected to be received by the City, net of proceeds for Costs of Issuance in (2) above and reserves (if any) paid from the principal amount of the 2020 Bonds (Estimated): \$4,968,922.
4. Total Payment Amount for the 2020 Bonds, being the sum of all debt service to be paid on the 2020 Bonds to final maturity, together with annual bond administration expenses not included in (2) above (Estimated): \$6,136,301.

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*\*All amounts and percentages are estimates, and are made in good faith by the City based on information available as of the date of adoption of this Resolution. Estimates include certain assumptions regarding tax-exempt rates available in the bond market at the time of pricing the 2020 Bonds.*