

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

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD APPROVING THE ISSUANCE BY THE CITY OF OXNARD FINANCING AUTHORITY OF (I) NOT TO EXCEED \$9,050,000 OF CITY OF OXNARD FINANCING AUTHORITY LEASE REVENUE BONDS, SERIES 2019A (FEDERALLY TAXABLE), AND (II) NOT TO EXCEED \$22,940,000 OF CITY OF OXNARD FINANCING AUTHORITY LEASE REVENUE REFUNDING BONDS, SERIES 2021A (TAX EXEMPT); APPROVING THE EXECUTION AND DELIVERY OF VARIOUS RELATED DOCUMENTS IN CONNECTION WITH THE OFFERING AND SALE OF SUCH BONDS; AND AUTHORIZING OTHER MATTERS RELATED THERETO

WHEREAS, the City of Oxnard Financing Authority (the “Authority”) was established for the purpose, among others, of providing for the financing of public capital improvements for the City of Oxnard (the “City”); and

WHEREAS, the City currently provides various services in low-tech ways that are not the most efficient for its residents or businesses using outdated computer systems that are decades old; and

WHEREAS, the City desires to finance the implementation costs of an enterprise resource planning software replacement project (the “Project”), including certain payments under a Software as a Service Agreement between the City and Tyler Technologies, Inc. and other related costs such as costs of City staff assigned to the Project; and

WHEREAS, the implementation of the Project will, among other things, allow for online sign-up or discontinuation of water, sewer, and solid waste utility services, online permit applications, inspection scheduling and fee payment with a single customer account, allow businesses and residents alike to utilize electronic plan review and to track the permitting and plan check process online, allow City vendors to submit invoices online and track payments, and allow various internal support processes such as timesheets, payroll, procurement, budgeting and various accounting workflows to become automated, which will increase accuracy, efficiency and transparency; and

WHEREAS, the Authority has previously issued its City of Oxnard Financing Authority Lease Revenue Refunding Bonds, Series 2011, in the aggregate principal amount of \$21,580,000 (the “Series 2011 Bonds”); and

WHEREAS, the Authority and the City have determined, that it is necessary and desirable in order to finance the Project to authorize the issuance, sale and delivery of the City of Oxnard Financing Authority Lease Revenue Bonds, Series 2019A (Federally Taxable) (the “Series 2019A Bonds”), in the aggregate principal amount of not to exceed \$9,050,000, under the provisions of Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Law”); and

WHEREAS, the Authority and the City have determined, that it is necessary and desirable in order to refund the Series 2011 Bonds to authorize the issuance, sale and delivery of the City of Oxnard Financing Authority Lease Revenue Refunding Bonds, Series 2021A (Tax Exempt) (the “Series 2021A Bonds”) in the aggregate principal amount of not to exceed \$22,940,000, under the provisions of the Law; and

WHEREAS, as required by Section 6586.5 of the Law, the City has caused publication of a notice of a public hearing on the financing of the Project once at least five days prior to the hearing in a newspaper of general circulation in the City; and

WHEREAS, this City Council held a public hearing at which all interested persons were provided the opportunity to speak on the subject of financing the Project; and

WHEREAS, in connection with the issuance of the Series 2019A Bonds and the Series 2021A Bonds, the City desires to approve the form and distribution of a preliminary official statement (the “Preliminary Official Statement”); and

WHEREAS, the City also desires to approve (i) in connection with the sale of the Series 2019A Bonds, the form of a Contract of Purchase (the “Contract of Purchase”) and (ii) in connection with the sale of the Series 2021A Bonds, the form of a Forward Delivery Bond Purchase Agreement (the “Forward Agreement”), each among the Authority, the City and Raymond James & Associates, Inc. (the “Underwriter”); and

WHEREAS, Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) (“SB 450”) requires that the City obtain from an underwriter, financial advisor or private lender and disclose, prior to authorization of the issuance of 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, in compliance with SB 450, the City has obtained from NHA Advisors, as the City’s municipal advisor, and the Underwriter, the required good faith estimates and such estimates are disclosed and set forth on Exhibit A attached hereto; and

WHEREAS, Senate Bill 1029 (“SB 1029”) was signed by the California Governor on September 12, 2016, and places additional responsibilities on any issuer of public debt including the adoption of debt management policies that meet certain criteria; and

WHEREAS, the City has represented that it is in compliance with the applicable SB 1029 pre-issuance requirements and that it expects to comply with all post-issuance requirements of SB 1029 applicable to the Series 2019A Bonds and the Series 2021A Bonds; and

WHEREAS, to fulfill the requirements of Rule 15c2-12 under the Securities Exchange Act of 1934 (as amended, the “Rule”), the City will enter into a Continuing Disclosure

Agreement (the “Continuing Disclosure Agreement”), whereby the City will agree to provide certain continuing disclosure reports; and

WHEREAS, there have been presented at this meeting the proposed forms of the following documents:

(a) the Indenture, dated as of Decembert 1, 2019 (the “Indenture”), among the Authority, the City and Wells Fargo Bank, National Association, as trustee (the “Trustee”);

(b) the First Supplement to Indenture, dated as of March 1, 2021 (the “First Supplement”), among the Authority, the City and the Trustee;

(c) the Site Lease, dated as of December 1, 2019 (the “Site Lease”) between the City and the Authority;

(d) the Facility Lease, dated as of December 1, 2019 (the “Facility Lease”) between the City and the Authority;

(e) the First Amendment to Facility Lease, dated as of March 1, 2021 (the “First Amendment to Facility Lease”) between the City and the Authority;

(f) the Escrow Agreement;

(g) the Preliminary Official Statement;

(h) the Contract of Purchase;

(i) the Forward Agreement; and

(j) the Continuing Disclosure Agreement;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Oxnard, as follows:

SECTION 1. Findings and Determinations. Pursuant to the Law, and based on the information provided to the City Council by City staff and consultants, all as set forth in the proceedings and documents providing for the issuance and delivery of the Series 2019A Bonds, the City Council hereby finds and determines that the issuance of the Seires 2019A Bonds to finance the Project and the transactions related thereto will result in significant public benefits within the contemplation of Section 6586 of the Law, namely, demonstrable savings in bond preparation, bond underwriting and bond issuance costs, and employment benefits from undertaking the project in a timely fashion.

SECTION 2. Approval of Issuance of Series 2019A Bonds by the Authority. The issuance of the Series 2019A Bonds by the Authority on the terms and conditions set forth in, and subject to the limitations specified in, the Indenture and this Resolution, is hereby approved; provided, however, that (i) the aggregate principal amount of Series 2019A Bonds shall not

exceed \$9,050,000, and (ii) the maturity of the Series 2019A Bonds shall not exceed June 1, 2042.

SECTION 3. Approval of Issuance of Series 2021A Bonds by the Authority. The issuance of the Series 2021A Bonds by the Authority on the terms and conditions set forth in, and subject to the limitations specified in, the Indenture, as supplemented by the First Supplement to Indenture, and this Resolution, is hereby approved; provided, however, that (i) the aggregate principal amount of Series 2021A Bonds shall not exceed \$22,940,000, (ii) the maturity of the Series 2021A Bonds shall not exceed June 1, 2042, and (iii) there shall be present value savings with respect to the refunding of the Series 2011 Bonds of at least 3% of the principal amount of the Series 2011 Bonds using the yield on the Series 2021A Bonds as the discount rate. If upon determination by bond counsel that the Series 2021A Bonds may not be issued on a tax-exempt basis, the Series 2021A Bonds may be combined with the Series 2019A Bonds.

SECTION 4. Approval of Indenture. The form of Indenture presented at this meeting is hereby approved, and the Mayor, the City Manager, the Chief Financial Officer and the City Clerk, or his or her designee (each, an “Authorized Officer”) are each hereby authorized and directed, for and in the name of and on behalf of the City, to execute, acknowledge and deliver the Indenture in substantially the form presented at this meeting with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof, including with respect to whether and what type(s) of credit enhancement supports the Bonds, or by other factors, as determined by the Authorized Officers in consultation with the City’s financial and legal consultants as being in the best interests of the City.

SECTION 5. Approval of First Supplement. The form of First Supplement presented at this meeting is hereby approved and each Authorized Officer is hereby authorized and directed, for and in the name of and on behalf of the City, to execute, acknowledge and deliver the First Supplement in substantially the form presented at this meeting with such changes therein as the Authorized Officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 6. Approval of Site Lease. The form of Site Lease presented at this meeting is hereby approved and each Authorized Officer is hereby authorized and directed, for and in the name of and on behalf of the City, to execute, acknowledge and deliver the Site Lease in substantially the form presented at this meeting with such changes therein as the Authorized Officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 7. Approval of Facility Lease. The form of Facility Lease presented at this meeting is hereby approved and each Authorized Officer is hereby authorized and directed, for and in the name of and on behalf of the City, to execute, acknowledge and deliver the Facility Lease in substantially the form presented at this meeting with such changes therein as the Authorized Officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 8. Approval of First Amendment to Facility Lease. The form of First Amendment to Facility Lease presented at this meeting is hereby approved and each Authorized Officer is hereby authorized and directed, for and in the name of and on behalf of the City, to execute, acknowledge and deliver the First Amendment to Facility Lease in substantially the form presented at this meeting with such changes therein as the Authorized Officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 9. Approval of Contract of Purchase. The City is hereby authorized to enter into the Contract of Purchase and each Authorized Officer is hereby authorized and directed to execute and deliver the Contract of Purchase on behalf of the City, in substantially the form presented at this meeting, with such changes therein, deletions therefrom and additions thereto as the Authorized Officer shall approve in consultation with the City's financial and legal consultants, which approval shall be conclusively evidenced by the execution and delivery thereof; provided, that the underwriting discount payable by the City pursuant to the Contract of Purchase shall not exceed 0.70% of the aggregate principal amount of the Series 2019A Bonds and the true interest cost of the Series 2019A Bonds shall not exceed 5.00%.

SECTION 10. Approval of Forward Agreement. The City is hereby authorized to enter into the Forward Agreement and each Authorized Officer is hereby authorized and directed to execute and deliver the Forward Agreement on behalf of the City, in substantially the form presented at this meeting, with such changes therein, deletions therefrom and additions thereto as the Authorized Officer shall approve in consultation with the City's financial and legal consultants, which approval shall be conclusively evidenced by the execution and delivery thereof; provided, that the underwriting discount payable by the City pursuant to the Forward Agreement shall not exceed 0.70% of the principal amount of the Series 2021A Bonds.

SECTION 11. Approval of Escrow Agreement. The form of the Escrow Agreement presented at this meeting is hereby approved and each Authorized Officer is hereby authorized and directed, for and in the name of and on behalf of the City, to execute, acknowledge and deliver the Escrow Agreement in substantially the form presented at this meeting with such changes therein as the Authorized Officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 12. Approval of Official Statement. The Preliminary Official Statement is hereby approved and the same may be used and is hereby authorized to be used and distributed in the market by the Underwriter incident to the marketing of the Series 2019A Bonds. Each Authorized Officer is hereby authorized to (a) make such changes in such form of the Preliminary Official Statement as such officer, in consultation with the City's financial and legal consultants and the Underwriter, shall determine to be appropriate, and (b) on behalf of the City, to deem such Preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"). Each Authorized Officer is authorized and directed to prepare a final Official Statement, with such additional information as may be permitted to be excluded from the Preliminary Official Statement pursuant to the Rule, which final Official Statement shall be executed and delivered in the name and on behalf of the City by an Authorized Officer, and such Authorized Officer is authorized and directed to prepare, execute and deliver in the name and on behalf of the City any supplemental filings related to

such final Official Statement, including any supplemental filings required in connection with the delivery of the Series 2020A Bonds.

SECTION 13. Approval of Continuing Disclosure Agreement. The form of Continuing Disclosure Agreement presented at this meeting is hereby approved and each Authorized Officer is hereby authorized and directed, for and in the name of and on behalf of the City, to execute, acknowledge and deliver the Continuing Disclosure Agreement in substantially the form presented at this meeting with such changes therein as the Authorized Officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 14. Other Acts. The officers and staff of the City are hereby authorized and directed, jointly and severally, to do any and all things, to execute and deliver any and all documents, which in consultation with the City Attorney or with Nixon Peabody LLP, as bond counsel, they may deem necessary or advisable in order to effectuate the purposes of this Resolution, and any and all such actions previously taken by such officers or staff members are hereby ratified and confirmed. Any one of the Authorized Officers is hereby authorized and directed, for and in the name and on behalf of the City, to evaluate and select one or more municipal bond insurers for all or any portion of the Series 2019A Bonds and the Series 2021A Bonds and to execute and deliver such contracts and agreements with such bond insurers as may be approved by the Authorized Officer executing the same, subject to the provisions of this Resolution, such approval to be conclusively evidenced by such execution and delivery.

SECTION 15. Effective Date. This Resolution shall take effect upon adoption.

PASSED AND ADOPTED THIS 1st day of October, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Tim Flynn, Mayor

ATTESTED:

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Michelle Ascencion, City Clerk

APPROVED AS TO FORM:

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Stephen M. Fischer, City Attorney

## EXHIBIT A

### GOOD FAITH ESTIMATES

The following information was obtained from the City's Municipal Advisor and the Underwriter, and is provided in compliance with Section 5852.1 of the California Government Code with respect to the base rental payments evidenced by the Series 2019A Bonds and the Series 2021A Bonds expected to be issued in the aggregate principal amount of \$6,835,000 and \$17,280,000, respectively:

#### 2019A Bonds

1. *True Interest Cost of the Base Rental Payments Evidenced by the Bonds.* Based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the base rental payments evidenced by 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 3.80%.

2. *Finance Charge of the Bonds.* Based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the City's finance charge of the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Bonds), is \$297,007.

3. *Amount of Proceeds to be Received.* Based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of proceeds expected to be received by the City following the Authority's sale of the Bonds, less the finance charge of the Bonds described in paragraph 2 above and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is \$6,537,993.

4. *Total Payment Amount.* Based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the City will make to pay base rental payments evidenced by the Bonds plus the finance charge of the Bonds described in paragraph 2 above not paid with the proceeds of the Bonds, calculated to the final base rental payment evidenced by the Bonds, is \$10,153,848.

#### 2021A Bonds

1. *True Interest Cost of the Base Rental Payments Evidenced by the Bonds.* Based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the base rental payments evidenced by 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 3.81%.

2. *Finance Charge of the Bonds.* Based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the City's finance charge of the



Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Bonds), is \$483,787.

3. *Amount of Proceeds to be Received.* Based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of proceeds expected to be received by the City following the Authority's sale of the Bonds, less the finance charge of the Bonds described in paragraph 2 above and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is \$18,971,241.

4. *Total Payment Amount.* Based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the City will make to pay base rental payments evidenced by the Bonds plus the finance charge of the Bonds described in paragraph 2 above not paid with the proceeds of the Bonds, calculated to the final base rental payment evidenced by the Bonds, is \$28,725,350.

Attention is directed to the fact that the foregoing information constitutes good faith estimates only. The actual interest cost, finance charges, amount of proceeds and total payment amount may vary from those presently estimated due to variations from these estimates in the timing of the sale of the Bonds, the actual principal amount of Bonds sold, the amortization of the Bonds sold and market interest rates at the time of sale. The date of sale and the amount of Bonds sold will be determined by the City based on need for improvement funds and other factors. The actual interest rates at which the Bonds will be sold will depend on the bond market at the time of sale. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of sale. Market interest rates are affected by economic and other factors beyond the City's control. The City Council has approved the execution and delivery of the Facility Lease and the First Amendment to Facility Lease including the base rental payments evidenced by the Bonds with a present value savings with respect to the refunding of the related refunded obligations in the aggregate of at least 3% of the principal amount of the related refunded obligations in the aggregate using the yield on the Bonds as the discount rate.