

RESOLUTION NO. 2016-38

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROHNERT PARK AUTHORIZING AND DIRECTING THE CITY MANAGER AND FINANCE DIRECTOR TO USE RETAINED EARNINGS IN THE WATER FUND AND TAKE ALL OTHER ACTION NECESSARY TO PREPAY THE CITY'S OBLIGATIONS UNDER ITS 2002 INSTALLMENT PURCHASE AGREEMENT WITH THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

WHEREAS, in order to finance improvements to its water system in 2002, the City entered into an installment purchase agreement (the "2002 Installment Purchase Agreement") with the California Statewide Communities Development Authority ("CSCDA") pursuant to which the City agreed to make certain payments from the net revenues of the water system (the "2002 Installment Payments"); and

WHEREAS, CSCDA issued bonds (the "2002 Bonds") secured and payable in part from the 2002 Installment Payments and made a portion of the proceeds from the sale of the 2002 Bonds available for the construction of the aforesaid water system improvements; and

WHEREAS, the remaining 2002 Installment Payments (and the corresponding outstanding 2002 Bonds) are in an aggregate principal amount of \$895,000, are payable on each April 1 and October 1 through October 1, 2022 and bear interest at annual rates of 4.00% and 4.50%; and

WHEREAS, given the relatively short remaining life of the 2002 Installment Payments, it makes economic sense for the City to use retained earnings in the Water Fund to pay off the remaining 2002 Installment Payments (resulting in the redemption of the corresponding 2002 Bonds), as this would enable the City to save future interest payments of approximately \$146,800 and total annual debt service payments of approximately \$150,000 through October 1, 2022;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Rohnert Park that the City Manager and the Finance Director are authorized and directed to use retained earnings in the City's Water Fund to prepay the City's obligations under the 2002 Installment Purchase Agreement and to take any and all steps necessary to effect such prepayment at the earliest date reasonably practical.

DULY AND REGULARLY ADOPTED this 26th day of April, 2016.

CITY OF ROHNERT PARK



Gina Belforte, Mayor

ATTEST:



Caitlin Saldanha, Deputy City Clerk

AHANOTU: Aye CALLINAN: Aye STAFFORD: Aye MACKENZIE: Aye BELFORTE: Aye
AYES: (5) NOES: (0) ABSENT: (0) ABSTAIN: (0)