

RESOLUTION NO. 2017-098

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROHNERT PARK AUTHORIZING AND DIRECTING THE CITY MANAGER AND FINANCE DIRECTOR TO ARRANGE CERTAIN INTER-FUND LOANS TO THE WATER FUND, TO USE THE PROCEEDS THEREOF AND RETAINED EARNINGS IN THE WATER FUND TO PREPAY THE CITY'S OBLIGATIONS UNDER ITS 2005 INSTALLMENT PURCHASE AGREEMENT WITH THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY, AND TO TAKE ALL OTHER ACTION NECESSARY IN CONNECTION THEREWITH

WHEREAS, in order to finance improvements to its water system in 2005, the City entered into an installment purchase agreement (the "2005 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 "2005 Installment Payments"); and

WHEREAS, CSCDA issued bonds (the "2005 Bonds") secured and payable in part from the 2005 Installment Payments and made a portion of the proceeds from the sale of the 2005 Bonds available for the construction of the aforesaid water system improvements; and

WHEREAS, the remaining 2005 Installment Payments (and the corresponding outstanding 2005 Bonds) are in an aggregate principal amount of \$3,285,000, are payable on each March 15 and September 15 through September 15, 2030 and bear interest at annual rates of 4.00% through 4.50%; and

WHEREAS, since such interest rates exceed the rates of return currently available for the investment of balances in various funds held by the City, it will be to the advantage of the City for the City to arrange for certain inter-fund loans to the City's Water Fund and to use the proceeds of such loans and use retained earnings in the Water Fund to pay off the remaining 2005 Installment Payments (resulting in the redemption of the 2005 Bonds);

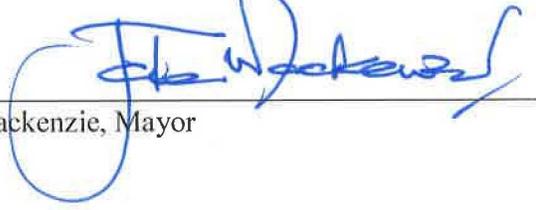
NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Rohnert Park that the City Manager and the Finance Director are authorized and directed to:

1. Cause inter-fund loans to be made to the Water Fund from the various funds, in the respective maximum amounts and on the terms set forth in Attachments 1 through 4 hereto;
2. Apply the proceeds of such loans together with retained earnings in the Water Fund in an amount sufficient to prepay the City's obligations under the 2005 Installment Purchase Agreement to such prepayment; and
3. Take any and all steps necessary to effect such prepayment at the earliest date reasonably practical.

BE IT FURTHER RESOLVED that any actions heretofore taken by either the City Manager or the Finance Director to effect such prepayment are ratified and confirmed.

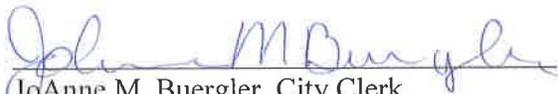
DULY AND REGULARLY ADOPTED this 8th day of August, 2017.

CITY OF ROHNERT PARK



Jake Mackenzie, Mayor

ATTEST:



JoAnne M. Buegler, City Clerk

Attachments 1-4

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

ATTACHMENT 1

INTER-FUND LOAN TERM SHEET

**\$1,000,000 Inter-Fund Loan from the University District Specific Plan
Maintenance Annuity Fund to the Water Fund**

Purpose	The Inter-Fund Loan proceeds shall be used exclusively for the purpose of prepaying the Rohnert Park CSCDA Water Revenue Bonds (Series 2005).
Borrower	City Water Fund #511
Lender	City UDSP Maintenance Annuity Fund #151
Amount	Up to \$1,000,000
Interest	The equivalent to a fixed annual rate of 3.0% or the Sonoma County Investment Pool, calculated semi-annually, whichever is greater.
Payments	Semi-annual payments to begin on the next semi-annual interval (April 1, October 1), following prepayment of the CSCDA Bonds. Payments are due within 30 days of the due date. Payments not received on time will continue to accrue interest on the remaining principal balance.
Payment Calculation	The annual sum of the payments shall be based on a 12-Year Term Loan compounded semi-annually at an annual interest rate of 3.0%.
Maturity	The Inter-Fund Loan will be repaid in full no later than July 31, 2022 or may be renewed, as needed, for up to two additional five year periods.
Prepayment	Borrower has the right to prepay part or the entire outstanding Inter-Fund Loan amount at any time without penalty.
Security	Net Revenues of the Water Fund (being total revenues less maintenance and operation expenses)

ATTACHMENT 2

INTER-FUND LOAN TERM SHEET

**\$1,200,000 Inter-Fund Loan from the
Vehicle Replacement Fund to the Water Fund**

Purpose	The Inter-Fund Loan proceeds shall be used exclusively for the purpose of prepaying the Rohnert Park CSCDA Water Revenue Bonds (Series 2005).
Borrower	City Water Fund #511
Lender	City Vehicle Replacement #620
Amount	Up to \$1,200,000
Interest	The equivalent to a fixed annual rate of 3.0% or the Sonoma County Investment Pool, calculated semi-annually, whichever is greater.
Payments	Semi-annual payments to begin on the next semi-annual interval (April 1, October 1), following prepayment of the CSCDA Bonds. Payments are due within 30 days of the due date. Payments not received on time will continue to accrue interest on the remaining principal balance.
Payment Calculation	The annual sum of the payments shall be based on a 12-Year Term Loan compounded semi-annually at an annual interest rate of 3.0%.
Maturity	The Inter-Fund Loan will be repaid in full no later than July 31, 2022 or may be renewed, as needed, for up to two additional five year periods.
Prepayment	Borrower has the right to prepay part or the entire outstanding Inter-Fund Loan amount at any time without penalty.
Security	Net Revenues of the Water Fund (being total revenues less maintenance and operation expenses)

ATTACHMENT 3

INTER-FUND LOAN TERM SHEET

**\$500,000 Inter-Fund Loan from the Spreckels Endowment Permanent Fund
to the Water Fund**

Purpose	The Inter-Fund Loan proceeds shall be used exclusively for the purpose of prepaying the Rohnert Park CSCDA Water Revenue Bonds (Series 2005).
Borrower	City Water Fund #511 (Water Fund)
Lender	Spreckels Endowment Permanent Fund #431
Amount	Up to \$500,000
Interest	The equivalent to a fixed annual rate of 3.0% or the Sonoma County Investment Pool, calculated semi-annually, whichever is greater.
Payments	Semi-annual payments to begin on the next semi-annual interval (April 1, October 1), following prepayment of the CSCDA Bonds. Payments are due within 30 days of the due date. Payments not received on time will continue to accrue interest on the remaining principal balance.
Payment Calculation	The annual sum of the payments shall be based on a 12-Year Term Loan compounded semi-annually at an annual interest rate of 3.0%.
Maturity	The Inter-Fund Loan will be repaid in full no later than July 31, 2022 or may be renewed, as needed, for up to two additional five year periods.
Prepayment	Borrower has the right to prepay part or the entire outstanding Inter-Fund Loan amount at any time without penalty.
Security	Net Revenues of the Water Fund (being total revenues less maintenance and operation expenses)

ATTACHMENT 4

INTER-FUND LOAN TERM SHEET

**\$300,000 Inter-Fund Loan from the Spreckels Donation Permanent Fund to
the Water Fund**

Purpose	The Inter-Fund Loan proceeds shall be used exclusively for the purpose of prepaying the Rohnert Park CSCDA Water Revenue Bonds (Series 2005).
Borrower	City Water Fund #511 (Water Fund)
Lender	Spreckels Donation Permanent Fund #430
Amount	Up to \$300,000
Interest	The equivalent to a fixed annual rate of 3.0% or the Sonoma County Investment Pool, calculated semi-annually, whichever is greater.
Payments	Semi-annual payments to begin on the next semi-annual interval (April 1, October 1), following prepayment of the CSCDA Bonds. Payments are due within 30 days of the due date. Payments not received on time will continue to accrue interest on the remaining principal balance.
Payment Calculation	The annual sum of the payments shall be based on a 12-Year Term Loan compounded semi-annually at an annual interest rate of 3.0%.
Maturity	The Inter-Fund Loan will be repaid in full no later than July 31, 2022 or may be renewed, as needed, for up to two additional five year periods.
Prepayment	Borrower has the right to prepay part or the entire outstanding Inter-Fund Loan amount at any time without penalty.
Security	Net Revenues of the Water Fund (being total revenues less maintenance and operation expenses)