

BUDGET AND FINANCE COMMITTEE REPORT, RESOLUTION and ORDINANCE FIRST CONSIDERATION relative to the issuance and sale of General Obligation Bonds, Series 2021-A (Taxable) for Proposition HHH Projects; and General Obligation Refunding Bonds, Series 2021-B (Tax-Exempt).

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. ADOPT the accompanying Authorizing RESOLUTION providing for the issuance and sale of the General Obligation Bonds, Series 2021-A (Taxable) (Social Bonds) in an aggregate amount not to exceed \$240 million for Proposition HHH Projects, and the General Obligation Refunding Bonds, Series 2021-B (Tax-Exempt) for refunding in an aggregate amount not to exceed \$70 million (collectively, the "Bonds").
2. PRESENT and ADOPT the accompanying Fund ORDINANCE to create new special funds for the administration of the bond proceeds and for purposes of payment of principal and interest on the Bonds, as submitted by the City Attorney under separate cover.
3. AUTHORIZE the City Administrative Officer (CAO) to receive and open bids on the published sale date and to award the Bonds to the bidder(s) with the lowest true interest cost on behalf of the City as described in the Notice Inviting Bids for the Bonds.
4. REQUEST the Controller to apply sufficient funds from various General Obligation Bond Debt Service Funds, as determined by the CAO, relating to the refunding of General Obligation Bonds Series 2011-B, General Obligation Bonds Series 2012-A, and any other series that may be refunded, to the payment of principal and interest of the refunded bonds.

Fiscal Impact Statement: The CAO reports that there is no fiscal impact on the General Fund from the issuances of the General Obligation Bonds, Series 2021-A (Taxable) (Social Bonds) and General Obligation Refunding Bonds, Series 2021-B (Tax-Exempt), as they will be repaid from ad valorem taxes levied upon all of the taxable properties within the City.

Financial Policies Statement: The CAO reports that the issuance of the bonds will not cause the City's debt service payments to exceed 15 percent of General Revenues for voter and non-voter approved debt, as established in the City's Financial Policies, Debt Management Section. After the issuance, the projected voter approved debt ratio is 4.86 percent.

Debt Impact Statement: The CAO reports that the issuance of the General Obligation Bonds, Series 2021-A (Taxable) (Social Bonds) will result in annual estimated debt service payments of \$13.7 million over 20 years. The issuance of the General Obligation Refunding Bonds, Series 2021-B (Tax-Exempt) is projected to result in net present value interest savings of approximately \$3.8 million over the life of the bonds. The actual amount of savings will be determined at the time of issuance subject to market conditions and the City's Debt Management Policies. The Bonds will be repaid from ad valorem taxes levied upon all of the taxable properties within the City.

Community Impact Statement: None submitted

SUMMARY:

At its regular meeting held on September 27, 2021, the Budget and Finance Committee considered a CAO report, dated September 20, 2021, attached to the Council file, relative to the issuance and sale of General Obligation Bonds, Series 2021-A (Taxable) for Proposition HHH Projects; and General Obligation Refunding Bonds, Series 2021-B (Tax-Exempt).

After providing an opportunity for public comment, the Budget and Finance Committee recommended that the Council approve the recommendations contained in the CAO report, as detailed above. This matter is forwarded to Council for its consideration.

Respectfully Submitted,



BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN:	YES
BLUMENFIELD:	YES
DE LEÓN:	YES
RODRIGUEZ:	YES
PRICE:	YES

MM 9/27/21 Council file No. 21-0883

-NOT OFFICIAL UNTIL COUNCIL ACTS-