

## OTHER SCHEDULED ITEMS

**BELVEDERE CITY COUNCIL  
JUNE 13, 2016**

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**To:** Mayor and City Council, and  
Chairman and Members of the Board of Directors of the Belvedere Public  
Financing Authority

**From:** Mary Neilan, City Manager

**Subject:** **Issuance of Revenue Bonds by the Belvedere Public Financing Authority to  
refund outstanding undergrounding assessment bonds in the City to provide  
savings to property owners**

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### **Item Descriptions**

City Council consider and adopt the three attached resolutions which form a consolidated reassessment district to refinance up to seven series of the City's utility undergrounding assessment bonds, authorize the levy of reassessments, and authorize the issuance of reassessment bonds.

Board of Directors of the Belvedere Public Financing Authority consider and adopt the attached resolution authorizing the issuance and sale of its revenue bonds to investors.

### **Background**

In connection with funding of utility undergrounding in various neighborhoods in the City over the past years, the City established several assessment districts and issued several series of assessment bonds. Staff has been exploring the possibility of refinancing the City's undergrounding assessment districts with lower interest rates in order to reduce payments for participating property owners.

Preliminary analysis indicates that debt service savings are available, if market interest rates do not change significantly in the near term.

### **Fiscal Impact**

If the refunding program is undertaken and the Authority Revenue Bonds are issued, property owners in the participating assessment districts will begin seeing reduced annual assessment levies on their property tax bills commencing with the 2016-17 property tax bill. All costs related to the refunding program will be paid with proceeds of the Authority Revenue Bonds. All costs of administration of the Authority's revenue bonds will be paid for with a portion of the revenue arising from payments to the Authority on the City's reassessment bonds. It is estimated, depending on interest rates not changing significantly between now and pricing, that

total savings to the property owners will be in excess of \$1,500,000 over the remaining life of the bonds. Individual property owners may see their assessments reduced between 5% and 18%, depending on when their bonds were issued and the related interest rate differential from the new bonds, their original assessment lien, and other factors.

**Recommendation**

The financing structure will involve two levels of bonds. First, the City will issue reassessment bonds to the Authority, the proceeds of which will be deposited into a refunding escrow and used to refund up to seven outstanding series of utility undergrounding assessment bonds on September 2, 2016. (If interest rates increase substantially between now and the proposed pricing date, it is possible that one or more series of assessment will no longer have the required savings.) These reassessment bonds will be purchased by the Authority using funds obtained by from the sale by the Authority of its revenue bonds, which will be marketed and sold to investors.

Staff and the City's consultants have prepared the necessary documents for the issuance of the City's reassessment bonds and the issuance, marketing and sale of the Authority's revenue bonds, and now recommend that the City Council and the Board of Directors take the actions needed to authorize these transactions, as described below.

Staff recommends that the City Council adopt the following resolutions:

**1. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELVEDERE OF INTENTION TO LEVY REASSESSMENTS AND TO ISSUE REFUNDING BONDS**

This resolution expresses the intention of the City to form the reassessment district and issue the reassessment bonds.

**2. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELVEDERE ADOPTING REASSESSMENT REPORT, CONFIRMING AND ORDERING THE REASSESSMENT PURSUANT TO SUMMARY PROCEEDINGS AND DIRECTING ACTIONS WITH RESPECT THERETO**

This resolution approves the reassessment report, which was prepared by the City's reassessment consultant, Willdan Financial Services, in order to demonstrate that the savings required by the Streets & Highways Code have been met; approves the boundaries of the reassessment district; and approves the levy of the reassessments.

**3. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELVEDERE AUTHORIZING THE ISSUANCE OF REFUNDING BONDS, APPROVING AND DIRECTING THE EXECUTION OF A FISCAL AGENT AGREEMENT AND AN ESCROW DEPOSIT AND TRUST AGREEMENT, AUTHORIZING SALE OF BONDS, AND OTHER RELATED DOCUMENTS AND ACTIONS WITH RESPECT THERETO**

This resolution authorizes the issuance and sale of the reassessment bonds to the Authority; authorizes the call and redemption of the prior assessment bonds; and approves as to form the documents needed for the issuance of the reassessment bonds:

- the Fiscal Agent Agreement, which governs the terms and conditions relating to the reassessment bonds;
- the Escrow Agreement, which establishes the escrow fund that will be used to retire the outstanding assessment bonds on September 2, 2016;
- the Bond Purchase Agreement, under which the reassessment bonds will be sold to the Authority; and
- the Preliminary Official Statement, which is the disclosure document by which the Authority's revenue bonds will be marketed and sold to the public.

Staff then recommends that the Board of Directors of the Authority adopt the following resolution.

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BELVEDERE PUBLIC FINANCING AUTHORITY AUTHORIZING THE ISSUANCE OF REVENUE BONDS, APPROVING AND DIRECTING THE EXECUTION OF AN INDENTURE OF TRUST, AUTHORIZING SALE OF BONDS, AND OTHER RELATED DOCUMENTS AND ACTIONS WITH RESPECT THERETO.**

This resolution authorizes the issuance of the Authority's revenue bonds in a principal amount not to exceed \$9.5 million; and approves as to form the documents needed for the issuance and sale of the revenue bonds:

- the Indenture of Trust, which governs the terms and conditions relating to the revenue bonds;
- the Bond Purchase Agreement, under which the revenue bonds will be purchased by Wulff, Hansen & Co., as underwriter, who will in turn sell the revenue bonds to investors; and
- the Preliminary Official Statement, which is the disclosure document by which the Authority's revenue bonds will be marketed and sold to the public.

The Preliminary Official Statement is the disclosure document required to be approved by the City and the Authority under federal securities laws, which require that the Preliminary Official Statement not contain any statements of material facts or omit to state any material facts if necessary to make the disclosure not misleading.

These resolutions appoint U.S. Bank National Association as fiscal agent for the reassessment bonds and trustee for the revenue bonds.

It is expected that, if these resolutions are adopted, the Authority's revenue bonds would be priced in mid-July, and the transactions would close on or about July 27<sup>th</sup>. The Assessment Bonds would be redeemed on September 2, 2016.

There are currently \$9,380,000 total utility undergrounding assessment bonds outstanding. The escrow requirement to retire the current assessment bonds on September 2, 2016, is \$9,801,090. The escrow will be funded primarily from the proceeds of the sale of the City's reassessment bonds to the Authority, together with the existing debt service and reserve funds on hand.

**Attachments**

- 1A. Preliminary financial summary
- 1. City Resolution of Intention to Levy Reassessments
- 2. City Resolution Adopting Reassessment Report
- 3. City Authorizing the Issuance of Refunding Bonds
- 4. Authority Resolution Authorizing the Issuance of Revenue Bonds
- 5. Fiscal Agent Agreement
- 6. Indenture of Trust
- 7. Bond Purchase Agreement
- 8. Escrow Agreement
- 9. Preliminary Official Statement

**CITY OF BELVEDERE**  
**2016 Undergrounding Reassessment District**

**Revenue Bonds**  
**Sources & Uses**

**Dated Date: 07/27/2016**

**Sources**

Revenue Bonds Proceeds	9,425,000.00
<b>Total Sources</b>	<b>9,425,000.00</b>

**Uses**

Purchase LOBs	9,011,506.00
UW Discount	188,500.00
Cost of Issuance	178,700.00
DSRF	45,057.53
Misc.	1,236.47
<b>Total Uses</b>	<b>9,425,000.00</b>

**Cost of Issuance Breakdown**

Bond Counsel	75,000.00
Disclosure Counsel	25,000.00
Trustee / Fiscal Agent	15,000.00
Assessment Engineering	39,200.00
Verification Agent	4,500.00
Administration	10,000.00
Misc.(including CalMuni)	10,000.00
	<b>178,700.00</b>

*Prepared by Wulff, Hansen & Co.*

*Prepared on June 8, 2016*

**CITY OF BELVEDERE**  
**2016 Undergrounding Reassessment District**

**Refunding Bonds (Local Obligation Bonds)**  
**Sources & Uses**

**Dated Date: 07/27/2016**

**Sources**

Refunding Bonds (LOBs)	9,011,506.00	<	9,135,000.00
Redemption Fund on Hand	548,111.00		
Reserve Fund on Hand	238,894.00		
<b>Total Sources</b>	<u><b>9,798,511.00</b></u>		

**Uses**

Cash Deposit	3.48
SLGS Purchases	9,798,504.00
Additional Proceeds	3.52
<b>Total Uses</b>	<u><b>9,798,511.00</b></u>

*Prepared by Wulff, Hansen & Co.*  
*Prepared on June 8, 2016*

**ESCROW REQUIREMENT CALCULATION**

	<u>2009 Bay View Ave</u>	<u>2008 Lower Belv Ave</u>	<u>2005 Madrona, Bella Vista &amp; Coak</u>	<u>2011 Mid-San Rafael</u>	<u>2012 Pine Ave</u>	<u>2007 San Rafael</u>	<u>2002 Upper Beach Road</u>	<u>Total</u>
<b>Principal Redeemed</b>	1,420,000.00	2,135,000.00	1,500,000.00	1,215,000.00	1,090,000.00	870,000.00	905,000.00	<b>9,135,000.00</b>
<b>Principal on 09/02/2016</b>	30,000.00	50,000.00	50,000.00	30,000.00	25,000.00	25,000.00	35,000.00	<b>245,000.00</b>
<b>Interest to 09/02/2016</b>	38,761.25	58,746.25	37,403.75	34,743.75	23,831.25	21,093.75	23,810.00	<b>238,390.00</b>
<b>Redemption Premium</b>	28,400.00	42,700.00	30,000.00	24,300.00	21,800.00	17,400.00	18,100.00	<b>182,700.00</b>
<b>Total Escrow Requirement</b>	<b>1,517,161.25</b>	<b>2,286,446.25</b>	<b>1,617,403.75</b>	<b>1,304,043.75</b>	<b>1,160,631.25</b>	<b>933,493.75</b>	<b>981,910.00</b>	<b>9,801,090.00</b>
	15.48%	23.33%	16.50%	13.31%	11.84%	9.52%	10.02%	
<b>REVENUE BONDS USES (Pro-rated per LOBs par value)</b>								
	15.62%	23.52%	16.37%	13.43%	12.06%	9.60%	9.39%	
Underwriter's Discount	29,451.85	44,340.26	30,852.75	25,321.28	22,726.35	18,098.23	17,709.28	<b>188,500.00</b>
DSRF	7,039.94	10,598.74	7,374.80	6,052.60	5,432.33	4,326.06	4,233.09	<b>45,057.53</b>
Misc.	193.19	290.85	202.38	166.10	149.07	118.72	116.16	<b>1,236.47</b>
<b>COST OF ISSUANCE BREAKDOWN</b>								
Bond Counsel	11,609.64	17,496.37	12,376.71	9,978.82	8,881.39	7,143.29	7,513.78	75,000.00
Disclosure Counsel	3,869.88	5,832.12	4,125.57	3,326.27	2,960.46	2,381.10	2,504.59	25,000.00
Trustee / Fiscal Agent	2,321.93	3,499.27	2,475.34	1,995.76	1,776.28	1,428.66	1,502.76	15,000.00
Assessment Engineering	6,067.97	9,144.77	6,468.90	5,215.59	4,642.01	3,733.56	3,927.20	39,200.00
Verification Agent	696.58	1,049.78	742.60	598.73	532.88	428.60	450.83	4,500.00
Administration	1,547.95	2,332.85	1,650.23	1,330.51	1,184.19	952.44	1,001.84	10,000.00
Misc.(including CalMuni)	1,547.95	2,332.85	1,650.23	1,330.51	1,184.19	952.44	1,001.84	10,000.00
	<b>27,661.89</b>	<b>41,688.01</b>	<b>29,489.58</b>	<b>23,776.19</b>	<b>21,161.40</b>	<b>17,020.08</b>	<b>17,902.84</b>	<b>178,700.00</b>
<b>* Interest Rate Limit</b>	<b>5.300%</b>	<b>5.228%</b>	<b>4.770%</b>	<b>5.512%</b>	<b>4.370%</b>	<b>4.530%</b>	<b>5.564%</b>	
<b>Prepayment Premium</b>	<b>2.000%</b>	<b>2.000%</b>	<b>2.000%</b>	<b>2.000%</b>	<b>2.000%</b>	<b>2.000%</b>	<b>2.000%</b>	

Prepared by Wulff, Hansen &amp; Co.

Prepared on June 8, 2016

	<u>2009 Bay View Ave</u>	<u>2008 Lower Belv Ave</u>	<u>2005 Madrona, Bella Vista &amp; Coak</u>	<u>2011 Mid-San Rafael</u>	<u>2012 Pine Ave</u>	<u>2007 San Rafael</u>	<u>2002 Upper Beach Road</u>	<u>Total</u>
<b>SOURCES &amp; USES</b>								
<b>Sources</b>								
Pool Proceeds (Purchase of LOBs)	1,407,987.00	2,119,748.00	1,474,959.00	1,210,519.00	1,086,465.00	865,211.00	846,617.00	9,011,506.00
Redemption Fund (incl. June Receivable)	76,178.00	113,353.00	94,138.00	64,805.00	50,408.00	47,161.00	102,068.00	548,111.00
Reserve Fund on Hand	32,597.00	52,743.00	47,881.00	28,377.00	23,453.00	20,876.00	32,967.00	238,894.00
<b>Total Sources</b>	<b>1,516,762.00</b>	<b>2,285,844.00</b>	<b>1,616,978.00</b>	<b>1,303,701.00</b>	<b>1,160,326.00</b>	<b>933,248.00</b>	<b>981,652.00</b>	<b>9,798,511.00</b>
<b>Uses</b>								
Cash Deposit	0.49	0.79	0.58	0.14	0.43	0.78	0.27	3.48
SLGS Purchases	1,516,761.00	2,285,843.00	1,616,977.00	1,303,700.00	1,160,325.00	933,247.00	981,651.00	9,798,504.00
Additional Proceeds	0.51	0.21	0.42	0.86	0.57	0.22	0.73	3.52
<b>Total Uses</b>	<b>1,516,762.00</b>	<b>2,285,844.00</b>	<b>1,616,978.00</b>	<b>1,303,701.00</b>	<b>1,160,326.00</b>	<b>933,248.00</b>	<b>981,652.00</b>	<b>9,798,511.00</b>
<b>Average Annual Savings</b>	15,753.45	22,281.83	10,576.86	15,804.10	4,732.50	4,852.42	11,390.82	<b>85,391.99</b>
<b>Total Savings</b>	378,082.81	490,200.16	200,960.43	379,298.49	127,777.44	101,900.89	182,253.16	<b>1,860,473.38</b>
<b>NPV Savings</b>	207,758.18	276,060.90	91,913.99	219,177.21	57,768.81	50,603.13	104,026.32	<b>1,007,308.54</b>
<b>Percentage savings of refunding bonds</b>	14.755689%	13.023289%	6.231630%	18.106053%	5.317135%	5.848646%	12.287293%	
<b>No. of Parcels</b>	63	66	54	58	27	38	49	<b>355</b>

Prepared by Wulff, Hansen & Co.  
Prepared on June 8, 2016



CITY OF BELVEDERE

RESOLUTION NO. 2016-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELVEDERE  
OF INTENTION TO LEVY REASSESSMENTS AND TO ISSUE REFUNDING BONDS**

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**WHEREAS**, the City Council (the “Council”) of the City of Belvedere (the “City”), County of Marin, State of California, has previously conducted special assessment proceedings for the assessment districts listed on Exhibit A, and issued the limited obligation improvement bonds listed on Exhibit A (collectively, the “Prior Bonds”) for the purpose of financing the acquisition and construction of public improvements under the Municipal Improvement Act of 1913, Division 12 of the California Streets and Highways Code, such bonds being issued under the Improvement Bond Act of 1915, Division 10 of the California Streets and Highways Code; and

**WHEREAS**, the public interest requires the refunding of all or a portion of the Prior Bonds, and the City Council intends to accomplish the refunding through the levy of reassessments (the “Reassessments”) in and for the proposed City of Belvedere Consolidated Reassessment and Refunding District of 2016 (Utility Undergrounding Assessment Districts) (the “Reassessment District”) and the issuance of limited obligation refunding improvements bonds (the “Refunding Bonds”) upon the security thereof, a portion of the proceeds of which shall be applied to refund the Prior Bonds; and

**WHEREAS**, the City Council intends that only the unpaid assessments securing the payment of the Prior Bonds be superseded and supplanted by the reassessment.

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

**1. Proceedings Authorized.** The City Council hereby declares its intention to refund all or a portion of the Prior Bonds, and to levy the Reassessments as security for the Refunding Bonds, as hereinafter provided. The proceedings for the levy and collection of the Reassessments shall be conducted under the Refunding Act of 1984 for 1915 Improvement Act Bonds, Division 11.5 (commencing with Section 9500) of the California Streets and Highways Code (the “Act”).

**2. Boundary Map.** The contemplated reassessments and refunding, in the opinion of the City Council, are of local or special benefit, and the costs and expenses thereof are made chargeable upon the Reassessment District, the exterior boundaries of which are shown on a map thereof heretofore filed in the office of the City Clerk, and in the office of the County Recorder of the County of Marin, to which reference is hereby made for further particulars. The map indicates by a boundary line the extent of the territory included in the Reassessment District and shall govern for all details as to the extent thereof.

**3. Public Property Omitted.** The City Council declares that all public streets, highways, lanes and alleys within the Reassessment District in use in the performance of a public function, and all lands owned by any public entity, including the United States and the State of California, or any departments thereof, shall be omitted from the Reassessment, except to the extent that such properties are found to benefit from the Reassessment.

**4. Reassessment Consultant; Report.** The reassessment and refunding are hereby referred to Willdan Financial Services, Inc., Temecula, California, a qualified firm employed by the City for the purpose hereof (the "Reassessment Consultant"), and the Reassessment Consultant is hereby directed to make and file with the City Clerk a report in writing (the "Report"), presenting the following:

- a. A schedule setting forth the unpaid principal and interest on the Prior Bonds to be refunded and the total amounts thereof, and the unpaid assessment being continued.
- b. The total estimated principal amount of the Reassessment and of the Refunding Bonds and the maximum interest thereon, together with an estimate of cost of the Reassessment and of issuing the Refunding Bonds, as defined by subdivision (a) of Section 9600 of the Act.
- c. The auditor's record kept pursuant to Section 8682 of the California Streets and Highways Code showing the schedule of principal installments and interest on all unpaid original assessments and the total amounts thereof.
- d. The estimated amount of each Reassessment, identified by Reassessment number corresponding to the Reassessment number of the Reassessment diagram, together with a proposed auditor's record for the Reassessment prepared in the manner described in Section 8682 of the California Streets and Highways Code.
- e. A reassessment diagram showing the Reassessment District and the boundaries and dimensions of the subdivisions of land within the Reassessment District. Each subdivision, including each separate condominium interest as defined in Section 783 of the California Civil Code, shall be given a separate number upon the diagram.

When any portion or percentage of the costs and expenses of the refunding and reassessment is to be paid from sources other than the Reassessments, the amount of such portion or percentage shall first be deducted from the total estimated cost and expenses of the refunding and reassessment, and the Reassessments shall include only the remainder of the estimated cost and expenses. If any excess is realized from the Reassessment it shall be used, in such amounts as the City Council may determine, in accordance with the provisions of law, in a manner or manners to be provided in these proceedings.

**5. Refunding Bonds.** Notice is hereby given that the Refunding Bonds to represent the reassessments, in the form of serial or term bonds or both, in one or more series, and bearing interest at the rate or rates of interest to be determined at the time of sale thereof, but not to exceed the maximum rate authorized by applicable law at time of such sale, will be issued in these proceedings in the manner provided by the Act and the Improvement Bond Act of 1915, being Division 10 of the California Streets and Highways Code (the "Bond Law"). The last installment of the Refunding Bonds (or series thereof) shall mature on a date that is not later the scheduled final maturity of the last series of the Prior Bonds to mature. Under the Bond Law, it is the intention of the City that the City will not obligate itself to advance available funds from the City treasury to cure any deficiency in the redemption fund to be created with respect to the Refunding Bonds.

**6. Bond Call Procedures.** The provisions of Part 11.1 of Division 10 of the California Streets and Highways Code, providing for an alternative procedure for the advance payment of reassessments and the calling of bonds, shall apply to the Refunding Bonds issued pursuant to proceedings under this resolution.

**7. Reserve Fund.** It is the intention of the City Council to create a special reserve fund pursuant to and as authorized by Part 16 of Division 10 of the Bond Law with respect to the refunding bonds, and that the amount of such fund shall be included in the Reassessment.

**8. Bond Counsel and Disclosure Counsel.** For the purpose of the reassessment and refunding proceedings, the firm of Jones Hall, A Professional Law Corporation, San Francisco, California, is hereby appointed as Bond Counsel and Disclosure Counsel. The City Manager, or other appropriate officer of the City, is authorized to enter into an agreement with such firm. The fees of Bond Counsel and Disclosure Counsel shall be fixed in the proceedings and shall be paid only upon the successful completion of the proposed reassessment and refunding, and from the proceeds of the Refunding Bonds.

**9. Effective.** This resolution shall be effective upon its adoption by the Council.

**PASSED AND ADOPTED** at a regular meeting of the City Council of the City of Belvedere on \_\_\_\_\_, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

**APPROVED:** \_\_\_\_\_  
Claire McAuliffe, Mayor

**ATTEST:** \_\_\_\_\_  
Alison Foulis, City Clerk

CITY OF BELVEDERE

RESOLUTION NO. 2016-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELVEDERE  
ADOPTING REASSESSMENT REPORT, CONFIRMING AND ORDERING THE  
REASSESSMENT PURSUANT TO SUMMARY PROCEEDINGS AND DIRECTING  
ACTIONS WITH RESPECT THERETO**

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**WHEREAS**, on June 13, 2016, the City Council (the “Council”) of the City of Belvedere (the “City”), County of Marin, State of California, adopted a resolution entitled “A Resolution of the City Council of the City of Belvedere of Intention to Levy Reassessments and to Issue Refunding Bonds” (the “Resolution of Intention”), in and for the City of Belvedere Consolidated Reassessment and Refunding District of 2016 (Utility Undergrounding Assessment Districts) (the “Reassessment District”), and therein directed the making and filing of a reassessment report (the “Report”) in writing in accordance with and pursuant to the Refunding Act of 1984 for 1915 Improvement Act Bonds, Division 11.5 of the California Streets and Highways Code (the “Act”); and

**WHEREAS**, the Report was duly made and filed, and duly considered by this City Council and found to be sufficient in every particular, and the Report shall stand for all subsequent proceedings under and pursuant to the Resolution of Intention for the levy and collection of reassessments within the Reassessment District (the “Reassessments”) and the issuance of bonds upon the security thereof (the “Refunding Bonds”); and

**WHEREAS**, the proceeds of the Refunding Bonds will be used to refund all or a portion of the bonds previously issued by the City listed on Exhibit A (the “Prior Bonds”) with respect to the assessment districts listed on Exhibit A (the “Prior Districts”), and the Report divides the parcels within the Reassessment District into zones (each a “Zone”) corresponding to the Prior Districts.

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

- 1. Conditions Satisfied.** Pursuant to Section 9525 of the Act, and based upon the Report, this City Council finds that all of the following conditions are satisfied:
  - a. Each of the estimated annual installments of principal and interest on the Reassessment as set forth in the Report is less than the corresponding annual installment of principal and interest on the original assessment as also set forth in the Report, by the same percentage for each subdivision of land in each Zone within the Reassessment District.

- b. The number of years to maturity of all Refunding Bonds proposed to be issued under the Resolution of Intention is not more than the number of years to the last maturity of the Prior Bonds.
- c. The principal amount of the Reassessment on each subdivision of land within the Reassessment District is less than the unpaid principal amount of the original assessment, by the same percentage for each subdivision of land in each Zone within the Reassessment District.

**2. Public Interest.** The public interest, convenience and necessity require that the Reassessment be made.

**3. Boundaries Approved.** The Reassessment District benefited by the Reassessment and to be reassessed to pay the costs and expenses thereof, and the exterior boundaries thereof, are as shown by the reassessment diagram thereof on file in the office of the City Clerk (the "Reassessment Diagram"), which is made a part hereof by reference thereto.

**4. Report Approved.** Pursuant to the findings made above, all of the conditions set forth in Section 9525 of the Act are deemed satisfied, and the following elements of the Report are hereby finally approved and confirmed under the Act without the need for a public hearing or any further proceedings:

- a. a schedule setting forth the unpaid principal and interest on the Prior Bonds and the total amounts thereof;
- b. an estimate of the total principal amount of the Reassessment and of the Refunding Bonds and the maximum interest thereon, together with an estimate of cost of the Reassessment and of issuing the Refunding Bonds, including expenses incidental thereto;
- c. the auditor's record kept pursuant to Section 8682 of the California Streets and Highways Code showing the schedule of principal installments and interest on all unpaid original assessments and the total amounts thereof;
- d. the estimated amount of each Reassessment, identified by Reassessment number corresponding to the Reassessment number of the Reassessment Diagram, together with a proposed auditor's record for the Reassessment prepared in the manner described in said Section 8682; and
- e. a Reassessment Diagram showing the Reassessment District and the boundaries and dimensions of the subdivisions of land and the zones therein.

Final adoption and approval of the Report as a whole, estimate of the costs and expenses, the Reassessment Diagram and the Reassessment, as contained in the Report, as hereinabove

determined and ordered, is intended to and shall refer and apply to the Report, or any portion thereof, as amended, modified, revised or corrected by, or pursuant to and in accordance with, any resolution or order, if any, heretofore duly adopted or made by this City Council.

**5. Findings and Determinations.** Based on the oral and documentary evidence, including the Report, offered and received by the City Council, this City Council expressly finds and determines:

- a. that each of said several subdivisions of land within the Reassessment District will be specially benefited by the Reassessment at least in the amount, if not more than the amount, of the Reassessment apportioned against said subdivisions of land, respectively, and
- b. that there is substantial evidence to support, and the weight of said evidence preponderates in favor of, the aforesaid finding and determination as to special benefits.

**6. Reassessment Levy.** The Reassessment, including all costs and expenses thereof, is hereby levied. Pursuant to the Act, reference is hereby made to the Resolution of Intention for further particulars.

**7. Recordings Directed.** The City Clerk shall promptly cause the following to occur:

- a. The Reassessment shall be delivered to the City Engineer, as Superintendent of Streets of the City, together with the Reassessment Diagram, as approved and confirmed by this City Council, with a certificate of such confirmation and of the date thereof, executed by the Clerk, attached thereto. The Superintendent of Streets shall record the Reassessment and Reassessment Diagram in a suitable book to be kept for that purpose, and append thereto a certificate of the date of such recording, and such recordation shall be and constitute the reassessment roll herein.
- b. A copy of the Reassessment Diagram and a notice of reassessment, substantially in the form specified in Section 3114 of the California Streets and Highways Code and executed by the City Clerk, shall be filed and recorded, respectively, in the office of the County Recorder of the County of Marin.
- c. A copy of this resolution shall be provided to the Auditor of the County of Marin.

From the date of recording of the notice of reassessment, all persons shall be deemed to have notice of the contents of the Reassessment, and each Reassessment shall thereupon be a lien upon the property against which it is made, and unless sooner discharged such liens shall so continue for the period of 10 years from the date of said recordation, or if bonds are issued to represent the Reassessments, then such liens shall continue until the expiration of 4 years after

the due date of the last installment upon said bonds or of the last installment of principal of said bonds.

The appropriate officer or officers of the City are hereby authorized to pay any and all fees required by law in connection with the above.

**8. Effective.** This resolution shall be effective upon its adoption by the Council.

**PASSED AND ADOPTED** at a regular meeting of the City Council of the City of Belvedere on \_\_\_\_\_, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

**APPROVED:** \_\_\_\_\_  
Claire McAuliffe, Mayor

**ATTEST:** \_\_\_\_\_  
Alison Foulis, City Clerk

**EXHIBIT A**

**City of Belvedere  
Consolidated Reassessment and Refunding District of 2016  
(Utility Undergrounding Assessment Districts)**

District	Prior Bonds	Issuance Date
City of Belvedere Upper Beach Road Underground Assessment District	\$1,304,041 Limited Obligation Improvement Bonds City of Belvedere Upper Beach Road Underground Assessment District	May 15, 2002
City of Belvedere Madrona, Bella Vista and Oak Underground Assessment District	\$2,007,800 Limited Obligation Improvement Bonds City of Belvedere Madrona, Bella Vista and Oak Underground Assessment District	June 30, 2005
City of Belvedere Ran Rafael Avenue Underground Assessment District	\$1,043,797 Limited Obligation Improvement Bonds City of Belvedere San Rafael Avenue Underground Assessment District (Bank Qualified)	May 24, 2007
City of Belvedere Lower Belvedere Avenue Utility Underground Assessment District	\$2,519,270 Limited Obligation Improvement Bonds City of Belvedere Lower Belvedere Avenue Utility Underground Assessment District (Bank Qualified)	October 14, 2008
City of Belvedere Bay View Avenue/Bella Vista Avenue Utility Underground Assessment District	\$1,592,404 Limited Obligation Improvement Bond City of Belvedere Bay View Avenue/Bella Vista Avenue Utility Underground Assessment District, Series 2009 (Bank Qualified)	September 29, 2009
City of Belvedere Mid-San Rafael Avenue Utility Underground Assessment District	\$1,388,067 Limited Obligation Improvement Bonds City of Belvedere Mid-San Rafael Avenue Utility Underground Assessment District, Series 2011 (Bank Qualified)	March 3, 2011
City of Belvedere Pine Avenue Utility Underground Assessment District	\$1,160,866 Limited Obligation Improvement Bonds City of Belvedere Pine Avenue Utility Underground Assessment District, Series 2012 (Bank Qualified)	October 16, 2012



**CITY OF BELVEDERE**

**RESOLUTION NO. 2016-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELVEDERE  
AUTHORIZING THE ISSUANCE OF REFUNDING BONDS, APPROVING AND  
DIRECTING THE EXECUTION OF A FISCAL AGENT AGREEMENT AND AN  
ESCROW DEPOSIT AND TRUST AGREEMENT, AUTHORIZING SALE OF BONDS,  
AND OTHER RELATED DOCUMENTS AND ACTIONS WITH RESPECT THERETO**

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**WHEREAS**, the City Council (the “Council”) of the City of Belvedere (the “City”), County of Marin, State of California, has conducted proceedings under a resolution entitled “A Resolution of the City Council of the City of Belvedere of Intention to Levy Reassessments and to Issue Refunding Bonds” adopted on June 13, 2016 (the “Resolution of Intention”), to authorize the levy of reassessments (the “Reassessments”) upon the land within the City of Belvedere Consolidated Reassessment and Refunding District of 2016 (Utility Undergrounding Assessment Districts) (the “Reassessment District”), and to issue bonds secured by the Reassessments, the proceeds of which are to be used to refund certain existing obligations (the “Prior Bonds”), all as described therein; and

**WHEREAS**, pursuant to the Resolution of Intention, this City Council has provided for the issuance of limited obligation refunding improvement bonds (the “Refunding Bonds”) pursuant to the Refunding Act of 1984 for 1915 Improvement Act Bonds, Division 11.5 of the California Streets and Highways Code (the “Bond Law”); and

**WHEREAS**, this City Council wishes to sell the Refunding Bonds to the Belvedere Public Financing Authority (the “Authority”), and the Authority wishes to issue revenue bonds (the “Authority Bonds”) pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, for the purpose of financing the acquisition of the Refunding Bonds; and

**WHEREAS**, this City Council has completed its proceedings under the Resolution of Intention for the levy of the Reassessments, has caused all recordings and filings to be completed, and by the adoption of this Resolution intends to provide for the issuance of the Refunding Bonds; and

**WHEREAS**, as provided in the proceedings under the Resolution of Intention, the proceeds of the Refunding Bonds shall be used to retire, in advance of their scheduled maturities, all or a portion of the outstanding Prior Bonds, to fund a debt service reserve fund for the Refunding Bonds, and to pay the costs of issuance of the Refunding Bonds; and

**WHEREAS**, there is on file with the City’s Finance Director a list of all of the Reassessments within the Reassessment District that remain unpaid (the “List of Unpaid Reassessments”); and

**WHEREAS**, there have been submitted to this City Council certain documents providing for the issuance of the Refunding Bonds, and the use of the proceeds of the Refunding Bonds to refund the Prior Bonds, including the forms of Fiscal Agent Agreement, Escrow Deposit and Trust Agreement, Preliminary Official Statement and Bond Purchase Agreement, and this City Council, with the aid of its staff, has reviewed said documents and found them to be in proper order; and

**WHEREAS**, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Refunding Bonds and the levy of the Reassessments as contemplated by this Resolution and the documents referred to herein exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Bond Law.

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

**1. Unpaid Reassessments.** The Reassessments that remain unpaid are as shown on the List of Unpaid Reassessments, which is hereby approved and incorporated herein by this reference. For a particular description of the lots, pieces and parcels of land bearing the respective Reassessment numbers set forth in the List of Unpaid Reassessments, reference is hereby made to the reassessment and to the reassessment diagram, and any amendments thereto approved by this City Council, all as recorded in the office of the City Engineer, as Superintendent of Streets of the City.

**2. Bonds Authorized.** Pursuant to the Bond Law, this Resolution and the Fiscal Agent Agreement (hereafter defined), the Refunding Bonds, designated as the “City of Belvedere Consolidated Reassessment and Refunding District of 2016 (Utility Undergrounding Assessment Districts) Limited Obligation Refunding Improvement Bonds,” in an aggregate principal amount not to exceed \$9,300,000, are hereby authorized to be issued. The date, manner of payment, interest rate or rates, interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms, covenants and conditions of the Refunding Bonds shall be as provided in the Fiscal Agent Agreement (as defined below) as finally executed.

**3. Authorization and Conditions.** The Mayor, the City Manager, the Finance Director, their respective designees, or any other City officer or employee as may be designated by this City Council (each an “Authorized Official”) are hereby separately authorized and directed to execute and deliver the various documents and instruments described in this Resolution, provided that the aggregate principal amount of the Refunding Bonds may not exceed \$9,300,000, the final maturity of the Refunding Bonds may not extend beyond September 2, 2043, and the true interest cost of the Refunding Bonds may not exceed 4.50%.

**4. Fiscal Agent Agreement.** The proposed form of Fiscal Agent Agreement (the “Fiscal Agent Agreement”) with respect to the Refunding Bonds in the form presented to this City Council at this meeting, is hereby approved. Each Authorized Official is hereby authorized and directed to cause the Fiscal Agent Agreement to be completed and executed on behalf of the City in substantially said form, with such additions thereto or changes therein as are necessary or advisable and approved by the Authorized Official upon consultation with Jones Hall, A Professional Law Corporation, the City’s bond counsel (“Bond Counsel”), subject to the conditions contained in Section 3 above. The approval of any such additions or changes shall be conclusively evidenced by the execution and delivery of the Fiscal Agent Agreement by an Authorized Official.

**5. Escrow Agreement.** The form of Escrow Deposit and Trust Agreement with respect to the refunding of the Prior Bonds (the “Escrow Agreement”), in the form presented to this City Council at this meeting, is hereby approved. The City is hereby authorized to execute a separate Escrow Agreement for each series of the Prior Bonds if determined to be appropriate by Bond Counsel. Each Authorized Official is hereby authorized and directed to cause the Escrow Agreement to be completed and executed on behalf of the City in substantially said form, with such additions thereto or changes therein as are necessary or advisable and approved by the Authorized Official upon consultation with Bond Counsel. The approval of any such additions or changes shall be conclusively evidenced by the execution and delivery of the Escrow Agreement by an Authorized Official.

**6. Sale of Bonds.** The sale of the Refunding Bonds to the Authority is hereby approved. The form of the Bond Purchase Agreement among the City, the Authority and the Underwriter (the “Bond Purchase Agreement”), in the form presented to this City Council at this meeting is hereby approved. Each Authorized Official is hereby authorized and directed to cause the Bond Purchase Agreement to be completed and executed on behalf of the City in substantially said form, with such additions thereto or changes therein as are necessary or advisable to conform the Bond Purchase Agreement to the dates, amounts and interest rates applicable to the Refunding Bonds as of their sale date and approved by the Authorized Official upon consultation with Bond Counsel, subject to the conditions contained in Section 3 above. The approval of any such additions or changes shall be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement by an Authorized Official.

**7. Official Statement.** This City Council hereby approves the Preliminary Official Statement prepared in connection with the offering of the Refunding Bonds, in substantially the form submitted to this City Council, together with any changes therein or additions thereto deemed advisable by an Authorized Official upon consultation with Bond Counsel. Pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the “Rule”), the Preliminary Official Statement is hereby deemed substantially final, and each Authorized Official is hereby authorized and directed to provide written certification thereof. This City Council hereby approves and authorizes the distribution by the Underwriter of the Preliminary Official Statement describing the Refunding Bonds and the Authority Bonds to prospective purchasers of the Authority Bonds. The execution of the final Official Statement, which shall include such changes and additions thereto deemed advisable by an Authorized Official, in consultation with counsel, and the addition of such information permitted to be excluded from the Preliminary Official Statement pursuant to the Rule, shall be conclusive evidence of the approval of the final Official Statement by the City.

**8. Continuing Disclosure Certificate.** The form of the Continuing Disclosure Certificate in the form attached as an appendix to the Preliminary Official Statement on file with the City Clerk is hereby approved, and any Authorized Official 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 Certificate in substantially the form presented at this meeting, with such changes therein as an Authorized Official may approve, upon consultation with Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof by an Authorized Official.

**9. Bonds Prepared and Delivered.** Upon the execution of the Bond Purchase Agreement, the Refunding Bonds shall be prepared, authenticated and delivered, all in accordance with the applicable terms of the Fiscal Agent Agreement, and each Authorized Official and other responsible City officials are hereby authorized and directed to take such actions as are required under the Bond Purchase Agreement and the Fiscal Agent Agreement to complete all actions required to evidence the delivery of the Refunding Bonds upon the receipt of the purchase price thereof from the Authority.

**10. Actions.** All actions heretofore taken by the officers and agents of the City with respect to the establishment of the Reassessment District and the sale and issuance of the Refunding Bonds are hereby approved, confirmed and ratified, and the appropriate officers of the City are hereby authorized and directed to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Refunding Bonds in accordance with this resolution, and any certificate, agreement, and other document described in the documents herein approved. All actions to be taken by an Authorized Official may be taken by such Authorized Official or any designee, with the same force and effect as if taken by the Authorized Official.

**11. Effective.** This resolution shall be effective upon its adoption by the Council.

**PASSED AND ADOPTED** at a regular meeting of the City Council of the City of Belvedere on \_\_\_\_\_, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

**APPROVED:** \_\_\_\_\_

Claire McAuliffe, Mayor

**ATTEST:** \_\_\_\_\_

Alison Foulis, City Clerk

BELVEDERE PUBLIC FINANCING AUTHORITY

RESOLUTION NO. 2016-

**A RESOLUTION OF THE BOARD OF DIRECTORES  
OF THE BELVEDERE PUBLIC FINANCING AUTHORITY  
AUTHORIZING THE ISSUANCE OF REVENUE BONDS, APPROVING  
AND DIRECTING THE EXECUTION OF AN INDENTURE OF TRUST,  
AUTHORIZING SALE OF BONDS, AND OTHER RELATED  
DOCUMENTS AND ACTIONS WITH RESPECT THERETO**

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**WHEREAS**, the City Council of the City of Belvedere (the “City”), County of Marin, State of California, has conducted proceedings to establish the City of Belvedere Consolidated Reassessment and Refunding District of 2016 (Utility Undergrounding Assessment Districts) (the “Reassessment District”), to authorize the levy of reassessments (the “Reassessments”) upon the land within the Reassessment District, and to issue bonds secured by the Reassessments entitled “City of Belvedere Consolidated Reassessment and Refunding District of 2016 (Utility Undergrounding Assessment Districts) Limited Obligation Refunding Improvement Bonds” (the “City Bonds”), all as described in such proceedings; and

**WHEREAS**, the City Bonds are to be purchased by the Authority in accordance with the terms of the Bond Purchase Agreement on file with the Secretary of the Authority; and

**WHEREAS**, in order to obtain funds to acquire the City Bonds, the Board of Directors of the Authority now desires to authorize the issuance of its revenue bonds to be captioned “Belvedere Public Financing Authority 2016 Revenue Bonds (Consolidated Utility Undergrounding Reassessment and Refunding)” under the Marks-Roos Local Bond Pooling Act of 1985, being Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code (the “Bond Law”), in an aggregate initial principal amount not to exceed \$9,500,000 (the “Authority Bonds”) under an Indenture of Trust, the form of which is on file with the Secretary; and

**WHEREAS**, the Authority has determined and hereby finds that the issuance of the Authority Bonds and the acquisition of the City Bonds will result in significant public benefits of the type described in Section 6586 of the Bond Law.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Belvedere Public Financing Authority as follows:

- 1. Recitals.** Each of the above recitals is true and correct and is adopted by the Board of Directors of the Authority.
- 2. Bonds Authorized; Indenture of Trust.** The issuance of the Authority Bonds shall be in a principal amount not to exceed \$9,500,000, with the exact principal amount to be determined by the official signing the Bond Purchase Agreement in accordance with Section 5 below. The Authority Bonds shall mature on the dates and pay interest at the rates set forth in the Bond Purchase Agreement to be executed on behalf of the Authority in accordance with Section 5 below. All other provisions of the Authority Bonds shall be governed by the terms and conditions of form of the Indenture of Trust (the “Indenture”) between the Authority and U.S.

Bank, National Association, as trustee, on file with the Secretary of the Authority and presented at this meeting, which is hereby approved. Each of the Chair, the Vice-Chair, Executive Director, Treasurer and the Secretary of the Authority (each an “Authorized Official”) are authorized to execute the Indenture in the form hereby approved, with such additions thereto and changes therein as the officers executing the same deem necessary to enhance the security for or obtain a rating on the Authority Bonds, obtain a municipal bond insurance policy or debt service reserve surety for any of the Authority Bonds, to cure any ambiguity or defect therein if such addition or change does not materially alter the substance or content thereof, to conform any provisions therein to the Bond Purchase Agreement or the Official Statement delivered to the purchasers of Authority Bonds. Approval of such changes shall be conclusively evidenced by the execution and delivery of the Indenture by such Authorized Officials.

**3. Execution of Authority Bonds.** The Authority Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair or Vice-Chair, or a designee appointed by the Chair, and attested with the manual or facsimile signature of the Secretary.

**4. Covenants.** The covenants set forth in the Indenture to be executed in accordance with Section 2 above are hereby approved, shall be deemed to be covenants of the Authority, and shall be complied with by the Authority and its officers. The Indenture shall constitute a contract between the Authority and the owners of the Authority Bonds.

**5. Sale of Bonds.** The sale of the Authority Bonds to Wulff, Hansen & Co., as underwriter (the “Underwriter”), is hereby approved. The form of the Bond Purchase Agreement by and among the Authority, the City and the Underwriter, in the form on file with the Secretary, is hereby approved and any Authorized Official is hereby authorized to execute the Bond Purchase Agreement in the form so approved, with such additions thereto and changes therein relating to dates and numbers as are necessary to conform the Bond Purchase Agreement to the dates, amounts and interest rates applicable to the Authority Bonds as of the sale date; provided, however, that the Bond Purchase Agreement shall be signed only if the principal amount of the Authority Bonds does not exceed \$9,500,000, the true interest cost of the Authority Bonds does not exceed 4.25%, and the Underwriter’s discount on the Authority Bonds (not including original issue discount) does not exceed 2.00% of the principal amount of the Authority Bonds. Approval of such additions and changes shall be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement by an Authorized Official. Each Authorized Official is hereby authorized to determine the day on which the Authority Bonds are to be priced in order to attempt to produce the lowest borrowing cost for the Authority and may reject any terms presented by the Underwriter if determined not to be in the best interest of the Authority.

**6. Official Statement.** The Board of Directors hereby approves the Preliminary Official Statement describing the Authority Bonds and the City Bonds in substantially the form on file with the Secretary, with such additions and such changes therein as an Authorized Official may approve. Distribution of the Preliminary Official Statement by the Underwriter is hereby approved, and, prior to the distribution of the Preliminary Official Statement, any Authorized Official is authorized and directed, on behalf of the Authority to deem the Preliminary Official Statement “final” pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the “Rule”). The execution of the final Official Statement, which shall include such changes and

additions thereto deemed advisable by an Authorized Official, upon consultation with Bond Counsel, including without limitation such additions and changes as are necessary to reflect the terms of any municipal bond insurance or conditions imposed by any rating agency, and such information permitted to be excluded from the Preliminary Official Statement pursuant to the Rule, is hereby approved for delivery to the purchasers of the Authority Bonds. Any Authorized Official is authorized and directed to execute the final Official Statement for and on behalf of the Authority and to deliver to the Underwriter for the Authority Bonds a certificate with respect to the information set forth therein.

**7. Continuing Disclosure Certificate.** The form of the Continuing Disclosure Certificate in the form attached as an appendix to the Preliminary Official Statement on file with the Secretary is hereby approved, and any Authorized Official is hereby authorized and directed, for and in the name of and on behalf of the Authority, to execute, acknowledge and deliver the Continuing Disclosure Certificate in substantially the form presented at this meeting, with such changes therein as an Authorized Official may approve, upon consultation with Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof by an Authorized Official.

**8. Appointment of Professionals.** For the purpose of the financing contemplated by this resolution, the firm of Jones Hall, A Professional Law Corporation, San Francisco, California, is hereby appointed as Bond Counsel and Disclosure Counsel, and U.S. Bank, National Association is hereby appointed as trustee under the Indenture.

**9. Actions.** The Authorized Officials and the other officers and staff of the Authority responsible for the fiscal affairs of the Authority are hereby authorized and directed to take any actions and execute and deliver any and all documents, as are necessary to accomplish the issuance, sale and delivery of the Authority Bonds in accordance with the provisions of this Resolution and the fulfillment of the purposes of the Authority Bonds as described in the Indenture. If the Chair is unavailable to sign any document authorized for execution herein, any other member of the Board of Directors or the Secretary, or his or her designee, may sign such document. Any document authorized herein to be signed by the Secretary of the Authority may be signed by a duly appointed deputy secretary.

**10. Effective.** This resolution shall be effective upon its adoption by the Board of Directors.

**PASSED AND ADOPTED** at a regular meeting of the Board of Directors of the Belvedere Public Financing Authority on \_\_\_\_\_, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

**APPROVED:** \_\_\_\_\_  
Claire McAuliffe, Chair

**ATTEST:** \_\_\_\_\_  
Alison Foulis, Secretary