CITY OF PORTERVILLE

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF BONDS TO REFUND CERTAIN PENSION OBLIGATIONS OF THE CITY, APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF A TRUST AGREEMENT, AUTHORIZING JUDICIAL VALIDATION PROCEEDINGS RELATING TO THE ISSUANCE OF SUCH BONDS AND AUTHORIZING ACTIONS RELATED THERETO

RESOLVED, by the City Council (the "Council") of the City of Porterville (the "City"), Tulare County, State of California, as follows:

WHEREAS, the City has previously elected to become a contracting member of the California Public Employees' Retirement System ("CalPERS");

WHEREAS, the Public Employees' Retirement Law (commencing with section 20000 of the California Government Code) and the contract (the "CalPERS Contract") between the Board of Administration of CalPERS and the City Council of the City (the "City Council") obligate the City to (i) make contributions to CalPERS to fund pension benefits for certain City employees, (ii) amortize the unfunded accrued actuarial liability with respect to such pension benefits, and (iii) appropriate funds for the foregoing purposes;

WHEREAS, as of June 30, 2021, the City's projected total unfunded accrued actuarial liability to CalPERS for its Miscellaneous and Safety Plans was $58,150,801;

WHEREAS, the City desires to authorize the issuance of its City of Porterville Pension Obligation Bonds, Series 2022 (Federally Taxable) (the "Bonds") pursuant to the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with section 53570 of said Code (the "Bond Law"), for the purpose of refunding all or a portion of the City's obligations to CalPERS, as evidenced by the CalPERS Contract, to pay all or a portion of its accrued actuarial liability with respect to pension benefits for its Miscellaneous and Safety Plans under the Public Employees' Retirement Law, to pay capitalized interest on the Bonds and to pay the costs of issuance of the Bonds, and for no other purpose;

WHEREAS, the obligations of the City with respect to the Bonds, including the obligation to make all payments of interest and principal on the Bonds when due, will be obligations of the City imposed by law and will be absolute and unconditional, without any right of set-off or counterclaim, the Bonds will not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation, neither the Bonds nor the obligations of the City to make payments on the Bonds will constitute an indebtedness of the City, the State of California or any of its political subdivisions in contravention of any constitutional or statutory debt limitation or restriction and the Council will be obligated to make appropriations to pay the Bonds from any source of legally available funds of the City;

WHEREAS, the City expects that the need may arise in the future to enter into additional agreements (e.g., trust agreement, loan agreement, bond, note, indenture, or resolution) pursuant to the Refunding Law to amortize additional accrued actuarial liability with respect to pension benefits for its Miscellaneous and Safety Plans under the Public Employees' Retirement Law and

the PERS Contract and to fund normal contributions required by the PERS Contract ("Additional Obligations"); and

WHEREAS, the City has determined the advisability of filing an action to determine the validity of the Trust Agreement (hereinafter defined), the Bonds and Additional Obligations and the actions proposed to be taken in connection therewith;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORTERVILLE AS FOLLOWS:

SECTION 1. Authorization. Bonds, in the aggregate principal amount of not to exceed sixty million dollars ($60,000,000) are hereby authorized to be issued by the City under and subject to the terms of the Bond Law for the purpose of refunding the City's obligation to CalPERS evidenced by the CalPERS Contract and paying the costs of issuance of the Bonds. This authorization does not obligate the Council to issue the Bonds. Final approval shall be given by the Council at a future meeting.

SECTION 2. Approval of Trust Agreement. The Council hereby approves trust agreement, by and between the City and U.S. Bank Trust Company, National Association, as trustee, prescribing the terms and provisions of the Bonds, the application of the proceeds of the Bonds and providing for the issuance of Additional Obligations, in the form on file with the City Clerk (the "Trust Agreement"). The Mayor, the City Manager and the Finance Director (each, an "Authorized Officer"), each acting alone, are hereby authorized and directed to execute and deliver the Trust Agreement for and in the name and on behalf of the City in such form, together with such changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, subject to the advice of Bond Counsel and the City Attorney, such approval to be conclusively evidenced by the execution and delivery of the Trust Agreement. The Council hereby authorizes the delivery and performance of the Trust Agreement.

SECTION 3. Offering and Sale of the Bonds. The Bonds shall be offered and sold to investors pursuant to a preliminary official statement the form of which shall be approved by the Council at a future meeting.

SECTION 4. Validation Action. In order to determine the validity of the Trust Agreement, the Bonds and Additional Obligations and the actions authorized by this Resolution and the Trust Agreement to be taken in connection therewith, the Council hereby authorizes the City Attorney, in concert with Bond Counsel, to prepare and cause to be filed and prosecuted to completion all proceedings required for the judicial validation of the Bonds and Additional Obligations in the Superior Court of Tulare County, under and pursuant to the provisions of sections 860 *et seq*. of the California Code of Civil Procedure. The Council further authorizes the Authorized Officers, the City Clerk, and any and all other officers, employees and agents of the City to take any and all actions, including the execution and delivery or appropriate documentation, as may be required to conclude such judicial validation proceedings.

SECTION 5. Consultants. The Authorized Officers are each authorized to accept proposals from Quint & Thimmig, LLP, to act as Bond Counsel and as Disclosure Counsel, Wulff Hansen & Co., to serve as Municipal Advisor to the City, and Oppenheimer & Co. Inc., to serve as underwriter, substantially in the forms on file with the City.

SECTION 6. Official Actions. The Authorized Officers and any and all other officers of the City are hereby authorized and directed, for and in the name and on behalf of the City, to do any and all things and take any and all actions, which they, or any of them, may deem necessary or advisable in the issuance, sale and delivery of the Bonds, including applying for municipal bond

insurance if such insurance is determined to be appropriate. Whenever in this Resolution any officer of the City is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable. All actions heretofore taken by any Authorized Officer or any office, employee or agent of the City with respect to the Bonds, the validation proceedings or in connection with or related to any of the agreements referred to herein are hereby approved, ratified and confirmed.

SECTION 7. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

SECTION 8. Certification. The City Clerk shall certify to the passage and adoption hereof.

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I, the undersigned hereby certify that the foregoing Resolution was duly and regularly adopted and passed by the City Council of the City of Porterville in a regular meeting assembled on the 5th day of April, 2022, by the following vote to wit:

YAES:

NOES:

ABSENT:

ABSTENTIONS:

_____

City Clerk