



City Council Chambers
3300 Capitol Avenue
Fremont, CA

Agenda
Fremont Public Financing Authority (PFA) Meeting
July 11, 2017
7:00 PM

1. CALL TO ORDER

2. CONSENT CALENDAR

Items on the Consent Calendar are considered to be routine by the Public Financing Authority and will be enacted by one motion and one vote. There will be no separate discussion of these items unless an Authority Member or citizen so requests, in which event the item will be removed from the Consent Calendar and considered in its normal sequence on the agenda. Additionally, other items without a "Request to Address the Public Financing Authority" card in opposition may be added to the consent calendar. (In the report section of the agenda, consent items are indicated by an asterisk.)

A. APPROVAL OF MINUTES – for the Regular Meeting of May 3, 2016, the Regular Meeting of April 4, 2017, and the Regular Meeting of April 11, 2017

Contact Persons:

Name: Susan Gauthier
Title: City Clerk
Dept: City Clerk's Office
Phone: 510-284-4076
E-Mail: sgauthier@fremont.gov

RECOMMENDATION: Approve minutes.

3. PUBLIC COMMUNICATIONS

A. Oral and Written Communications

4. PUBLIC HEARINGS – None.

5. OTHER BUSINESS

A. PROPOSED REFUNDING OF SERIES 2008 CERTIFICATES OF PARTICIPATION - Consider Proposed Refunding of City of Fremont Series 2008 Certificates of Participation (COPs)

Contact Persons:

Name:	David Persselin	
Title:	Finance Director	
Dept:	Finance Department	Finance Department
Phone:	510-494-4631	
E-Mail:	dpersselin@fremont.gov	

RECOMMENDATIONS:

1. Approve the issuance of the 2017B Lease Revenue Bonds and approve the refunding of the existing 2008 Certificates of Participation, provided the present value savings to be realized by the City as a result of the issuance of the Refunding Bonds is not less than 3% of the 2008 Certificates of Participation.
2. Adopt a resolution authorizing the preparation and execution by the PFA officers and staff identified in the resolution of all documents required to complete the 2017B Lease Revenue Bonds transaction, including the following documents (which are on file with the Office of the City Clerk):
 - a. Indenture of Trust with BNY Mellon Corporate Trust
 - b. Site Lease
 - c. Lease Agreement
 - d. Assignment Agreement
 - e. Preliminary Official Statement
 - f. Other administrative documents incidental to the transaction

6. ADJOURNMENT

**Fremont Public Financing Authority**

Meeting: 07/11/17 07:00 PM
Div/Dept: City Clerk's Office
Category: Approval of Minutes

SCHEDULED**STAFF REPORT (ID # 3174)**

Sponsors:
DOC ID: 3174

APPROVAL OF MINUTES – for the Regular Meeting of May 3, 2016, the Regular Meeting of April 4, 2017, and the Regular Meeting of April 11, 2017**Contact Persons:**

Name: Susan Gauthier
Title: City Clerk
Div/Dept: City Clerk's Office
Phone: 510-284-4076
E-Mail: sgauthier@fremont.gov

APPROVAL OF MINUTES – for the Regular Meeting of May 3, 2016, the Regular Meeting of April 4, 2017, and the Regular Meeting of April 11, 2017**ATTACHMENTS:**

- Draft Public Financing Authority Minutes

RECOMMENDATION: Approve minutes.

MINUTES
FREMONT PUBLIC FINANCING AUTHORITY REGULAR MEETING
MAY 3, 2016
FREMONT CITY HALL
7:00 P.M.

1. CALL TO ORDER

2. CONSENT CALENDAR

* **A. Approval of Minutes – None.**

3. PUBLIC COMMUNICATIONS

A. Oral and Written Communications – None.

4. STAFF REPORTS

A. Chairperson Harrison opened consideration of the Approval of a Lease Financing with Pinnacle Public Finance, Inc., and Authorizing Preparation and Execution of Related Documents (Energy and Water Efficiency Financing)

On a motion by Authority Member Bacon, seconded by Authority Member Jones, the Public Financing Authority:

1. Approved a lease financing with Pinnacle Public Finance, Inc., in the amount of \$9,100,000, to pay for the proposed package of energy and water efficiency measures and any related financing costs. Fremont Public Financing Authority Meeting Agenda Page 2
2. Adopted PFA Resolution No. 16-1 authorizing the preparation and execution by the officers identified in the resolution of all documents required to complete the lease financing transaction, including the following:
 - a. Lease Agreement for Streetlights;
 - b. Lease and Sublease Agreement for Streetlights;
 - c. Absolute Assignment Agreement; and
 - d. Escrow Agreement.

Ayes: Authority Chairperson Harrison, Vice Chairperson Mei,
 Authority Members: Chan, Bacon, and Jones

Noes: None

Absent: None

Abstain: None

Attachment: Draft Public Financing Authority Minutes (3174 : APPROVAL OF MINUTES - 050316-041117)

*Consent Items

5. **ADJOURNMENT:** There being no further business, Authority Chairperson Harrison adjourned the meeting.

Attest:

Approved:

Susan Gauthier, Secretary

LILY MEI, Chairperson

DRAFT

Attachment: Draft Public Financing Authority Minutes (3174 : APPROVAL OF MINUTES - 050316-041117)

**MINUTES
FREMONT PUBLIC FINANCING AUTHORITY REGULAR MEETING
APRIL 4, 2017
FREMONT CITY HALL
7:00 P.M.**

1. CALL TO ORDER

2. CONSENT CALENDAR

* **A. Approval of Minutes** – None.

* **B. Chairperson Morrison opened consideration of Approval to Adopt a Resolution Fixing Time and Place for Regular Meetings, Providing the Manner in Which Special Meetings of the Authority May Be Called and Approving Amended and Restated Bylaws (Amended and Restated Public Financing Authority Bylaws)**

On a motion by Authority Member Bonaccorsi, seconded by Authority Member Salwan, the Public Financing Authority adopted PFA Resolution No. 17-1 Fixing Time and Place for Regular Meetings, Providing the Manner in Which Special Meetings of the Authority May Be Called and Approving Amended and Restated Bylaws.

Ayes: Authority Chairperson Mei, Vice Chairperson Jones,
Authority Members: Bacon, Salwan and Bonaccorsi
Noes: None
Absent: None
Abstain: None

3. PUBLIC COMMUNICATIONS

A. Oral and Written Communications – None.

4. ADJOURNMENT: There being no further business, Authority Chairperson Mei adjourned the meeting.

Attest:

Approved:

Susan Gauthier, Secretary

LILY MEI, Chairperson

Attachment: Draft Public Financing Authority Minutes (3174 : APPROVAL OF MINUTES - 050316-041117)

*Consent Items

MINUTES
FREMONT PUBLIC FINANCING AUTHORITY REGULAR MEETING
APRIL 11, 2017
FREMONT CITY HALL
7:00 P.M.

1. CALL TO ORDER

2. CONSENT CALENDAR

* **A. Approval of Minutes – None.**

* **B. Chairperson Morrison opened consideration of the Proposed Refunding of City of Fremont Series 1998, 2008, 2010, and 2012B Variable Rate Certificates of Participation (COPs)**

* Item removed from Consent Calendar.

On a motion by Authority Member Bonaccorsi, seconded by Vice Chairperson Jones, the Public Financing Authority:

1. Approve the issuance of the 2017A Lease Revenue Bonds with a principal amount not to exceed \$86,000,000, and approve the refunding of the existing 1998, 2008, 2010, and 2012 Variable Rate Demand Certificates of Participation.
2. Adopted PFA Resolution No. 17-2:
 - (a) Authorizing the preparation and execution by the PFA officers and staff identified in the resolution of all documents required to complete the 2017A Lease Revenue Bonds transaction, including the following documents (which are and have been on file with the Office of the City Clerk):
 - a. Continuing Covenant Agreement with U.S. Bank
 - b. Site and Facilities Lease
 - c. Project Lease
 - d. Indenture of Trust with MUFJ Union Bank
 - e. Other administrative documents incidental to the transaction
 - (b) Authorizing the PFA officers and staff identified in the resolution to enter into one or more future extensions, for a period of up to 180 days, of the Continuing Covenant Agreement on substantially the same terms and conditions provided that the Applicable Spread for each extension does not exceed 1%.

Ayes: Authority Chairperson Mei, Vice Chairperson Jones,
 Authority Members: Bacon, Salwan and Bonaccorsi
 Noes: None
 Absent: None
 Abstain: None

*Consent Items

3. PUBLIC COMMUNICATIONS

A. Oral and Written Communications – None.

4. STAFF REPORTS – None.

5. ADJOURNMENT: There being no further business, Authority Chairperson Mei adjourned the meeting.

Attest:

Approved:

Susan Gauthier, Secretary

LILY MEI, Chairperson

DRAFT

Attachment: Draft Public Financing Authority Minutes (3174 : APPROVAL OF MINUTES - 050316-041117)

*Consent Items



Fremont Public Financing Authority

Meeting: 07/11/17 07:00 PM
Div/Dept: Finance Department
Category: Debt Financing

SCHEDULED

STAFF REPORT (ID # 3148)

Sponsors:
DOC ID: 3148

PROPOSED REFUNDING OF SERIES 2008 CERTIFICATES OF PARTICIPATION - Consider Proposed Refunding of City of Fremont Series 2008 Certificates of Participation (COPs)

Contact Persons:

Name: David Persselin
Title: Finance Director
Div/Dept: Finance Department
Phone: 510-494-4631
E-Mail: dpersselin@fremont.gov

Note: A companion item appears on tonight's City Council agenda.

Executive Summary: The City of Fremont, through the Fremont Public Financing Authority, caused execution and delivery of fixed rate certificates of participation (COPs) in 2008 (the "2008 COPs"). The 2008 COPs become eligible for optional redemption on August 1, 2017, and current capital market conditions indicate that a refunding would likely provide the City with annual debt service savings.

Staff recommends that the Financing Authority Board approve the refunding of the 2008 COPs through the issuance of fixed rate lease revenue bonds. In accordance with the City's Debt Management Policy, the refunding bonds would only be issued if the net present value debt service savings are at least equal to 3% of the refunded principal amount.

The recommended refunding structure is projected to result in annual debt service savings to the General Fund of approximately \$368,000, with net present value debt service savings totaling just over \$4 million, or 18.4% of the refunded principal amount.

BACKGROUND: The City of Fremont, through the Fremont Public Financing Authority (PFA), caused execution and delivery of fixed rate COPs in 2008 to refinance previously-issued series of COPs. The 2008 COPs represent the right of investors to receive shares of lease payments made by the City. After the next scheduled principal payment on August 1, 2017, the principal amount of the outstanding 2008 COPs will be \$22,820,000. The outstanding 2008 COPs bear interest at fixed rates ranging from 4.00% to 5.30% and have a final maturity on August 1, 2038.

DISCUSSION/ANALYSIS: The 2008 COPs become eligible for optional redemption on August 1, 2017, and current capital market conditions indicate that a refunding could provide the City with annual debt service savings. The 2008 COPs are proposed to be refunded with one series of lease revenue bonds with an estimated par amount of \$18,240,000 (the "2017B Lease Revenue Bonds" or the "2017B Bonds"). Lease revenue bonds have the same underlying lease/leaseback legal structure as COPs, but may have some marketability advantages over COPs primarily due to wider acceptance on the part of non-institutional investors. The principal repayment schedule for the 2017B Bonds will be similar to that of the outstanding 2008 COPs, but the principal and interest payment dates will be shifted from August 1 and February 1 each year to October 1 and April 1 to eliminate

the need for the City to provide a debt service reserve fund. The 2017B Bonds will have a final maturity of October 1, 2038.

The key documents which staff is requesting PFA Board authorization to execute include an Indenture of Trust, a Site Lease, a Lease Agreement, an Assignment Agreement, and the preliminary Official Statement. These documents and the basic financing terms of the 2017B Bonds are discussed in more detail below.

Competitive Bond Sale: The City generally conducts financings on a competitive basis unless market volatility or some aspect of the financing warrants a negotiated sale. In a competitive sale, the City works with its financial advisor and bond counsel to structure the bond issuance and then solicits bids from underwriting firms to purchase its bonds on a specified date. The underwriting firm or bond syndicate offering the lowest interest rate bid is awarded the bond sale. A competitive sale provides some assurance that the City's bonds have been sold at the lowest interest rate, given market conditions, and assures an open and fair process.

In a negotiated sale, an underwriting firm is selected through a request for proposals process to assist the City in structuring the financing, with the sale price (interest rate) and sale date determined through negotiation with the selected underwriter. Because the underwriter participates in structuring the bond issuance and has time for pre-sale marketing outreach to its investor clients, it may be able to offer lower interest rate pricing for a financing with unusual or complex structural features. Additionally, because the pricing date is negotiated, the timing of the sale can be adjusted as necessary to respond to changing market conditions.

As the high credit quality of the City's General Fund and the lease revenue bond financing structure are well-known to investors, and since the municipal bond market does not appear to be experiencing an unusual degree of interest rate volatility, City staff have chosen to pursue a competitive bond sale. Upon City Council and PFA Board approval of the proposed refunding, the City will publish an Official Notice of Sale describing the structure of the 2017B Bonds and the terms and conditions of the sale.

Interest Rates and Debt Service Savings: The 2017B Bonds will be issued as a sequential series of annual principal amounts (referred to as maturities), with each maturity assigned a fixed interest rate. Longer maturities generally bear higher interest rates than shorter maturities consistent with a higher level of repayment risk to the bondholder. The 2017B Bonds will be awarded to the lowest bidder based on the overall true interest cost to the City.

The interest rates for the 2017B Bonds will be determined at the time of sale. The most recent scenario provided by the City's financial advisor estimates an all-in true interest cost (taking into account costs of issuance, underwriter's discount, and other costs) of 3.3%. In that scenario, annual debt service savings would average about \$368,000 and the net present value debt service savings would total just over \$4 million, or 18.4% of the refunded principal amount.

As proposed, and in accordance with the City's Debt Management Policy, the City would not proceed with the bond sale unless the net present value debt service savings equal at least 3% of the refunded principal.

Lease Financing: The lease/leaseback structure of the proposed financing is similar to the structure of the 2008 COPs. The City will lease the pool of capital assets described below to the PFA under a Site Lease; the PFA's site lease payment obligation will be satisfied when the Trustee, BNY Mellon Corporate Trust, receives the financing proceeds from the bond purchaser.

The assets leased under the 2008 COPs consist of the facilities and land located at the City Maintenance Center. Because the value of those assets is significantly higher than the principal amount of the 2017B Bonds, the assets to be leased under the proposed financing will instead consist of four of the City's fire stations (Fire Stations 1, 4, 10, and 11). Inclusion as leased assets imposes no operational restrictions on the fire stations.

The PFA will lease the leased assets back to the City pursuant to a Lease Agreement. Because the City's obligation to make the lease payments is subject to interruption in the event that the leased assets are not available for the City's use, the City will be required to maintain property insurance and rental interruption insurance on those assets during the term of the Lease Agreement.

Under an Assignment Agreement, the PFA assigns its rights to the City lease payments to the Trustee, to be used to pay debt service on the 2017B Bonds. The Indenture of Trust sets forth the obligations of the Authority with respect to payment of the debt service on the 2017B Bonds, the rights of the bondholders, and the duties of the Trustee.

Under the terms of the Indenture and the Escrow Deposit and Trust Agreement, BNY Mellon will disburse the financing proceeds to pay the costs of issuing the 2017B Bonds and redeem the outstanding 2008 COPs.

Securities Law Responsibilities: The preliminary Official Statement, available at the link below, has been reviewed and approved for transmittal to the PFA Board by the City's financing team. The distribution of the preliminary Official Statement and the final Official Statement by the PFA is subject to the federal securities laws, including the Securities Act of 1933 and the Securities Exchange Act of 1934. These laws require the preliminary Official Statement to include all facts that would be material to an investor in the 2017B Bonds. Material information exists where there is a substantial likelihood that the information would have actual significance in the deliberations of the reasonable investor when deciding whether to buy or sell securities. If the PFA Board concludes that the preliminary Official Statement includes all facts that would be material to an investor in the 2017B Bonds, it must adopt a resolution that authorizes Staff to execute a certificate to the effect that the preliminary Official Statement has been "deemed final."

The Official Statement contains information concerning the City and the 2017B Bonds, including estimated sources and uses of funds, the purposes for which the 2017B Bonds are being issued, the terms of the 2017B Bonds (sources of security, interest rates, redemption terms, etc.), and City financial information. The Official Statement will be used by underwriting firms to prepare their bids and to provide information about the 2017B Bonds to prospective and actual investors.

The Securities and Exchange Commission (SEC), the agency with regulatory authority over compliance with the federal securities laws, has indicated that if a member of a legislative

body, like the PFA Board, has knowledge of any facts or circumstances that an investor would want to know prior to investing in securities, like the 2017B Bonds, whether relating to their repayment, tax-exempt status, undisclosed conflicts of interest with interested parties, or otherwise, he or she should endeavor to discover whether such facts are adequately disclosed in the preliminary Official Statement. The steps that a member of the PFA Board could take to fulfill this obligation include becoming familiar with the preliminary Official Statement and questioning Staff and other members of the financing team about the disclosure of such facts.

SEC Rule 15c2-12 requires the underwriter of an issue of municipal securities to obtain a commitment by the issuer of the securities to provide ongoing disclosure. The Continuing Disclosure Certificate -- which is attached to the preliminary Official Statement -- requires the City, as the obligated party with respect to the 2017B Bonds, to provide two types of ongoing disclosure -- an annual report each year, and timely notices of certain types of events that are likely to be material to investors, if and when any occur. The annual report is required to contain annual financial information and operating data for the City, similar to the type of information contained in the Official Statement. The annual report is also required to contain the City's most recent financial statements.

Sources and Uses of Funds: The following table, using the latest scenario provided by the City's financial advisor, shows the estimated sources and uses of funds for the 2017B Bonds:

Sources of Funds	
Par Amount	\$18,240,000
Premium	3,358,411
2008 COPs Reserve Fund	<u>1,801,945</u>
Total Sources	\$23,400,356
Uses of Funds	
Refunding Escrow Deposit	\$23,048,200
Costs of Issuance	205,000
Underwriter's Discount	145,920
Additional Proceeds	<u>1,236</u>
Total Uses	\$23,400,356

Compliance with the City's Debt Management Policy: The proposed issuance is consistent with the City Council's adopted Debt Management Policy. Using modest budget growth assumptions, annual General Fund debt service after issuance of the 2017B Bonds is expected to remain well below the maximum 7% of General Fund expenditures and transfers out specified in the Debt Management Policy.

FISCAL IMPACT: Using the most recent scenario provided by the City's financial advisor, the recommended refunding structure is projected to result in annual debt service savings to the General Fund of approximately \$368,000 through the final maturity of the 2017B Bonds in FY 2038/39. Debt service for the 2017B Bonds will be budgeted in the General Fund and will be paid from a combination of general revenues and facilities impact fee revenue.

The estimated costs of issuing the 2017B Lease Revenue Bonds are as follows:

Jones Hall, Bond Counsel and Disclosure Counsel	\$ 92,500
Public Resources Advisory Group, City's Municipal Advisor	61,000
Standard & Poor's, Rating Agency	20,000
Stewart Title, Title Insurance	14,200
BNY Mellon, Trustee	4,300
Printing and Electronic Distribution of POS	4,000
Contingency and Other Fees	<u>9,000</u>
Estimated Total Costs of Issuance	\$205,000

The costs of issuing the 2017B Bonds will be paid from bond proceeds.

ENVIRONMENTAL REVIEW: None Required.

LINK: City of Fremont 2017B LRB - Preliminary Official Statement:
<https://fremont.gov/DocumentCenter/View/35311>

ATTACHMENTS:

- Draft Resolution- Proposed Refunding of Series 2008 COP

RECOMMENDATIONS:

1. Approve the issuance of the 2017B Lease Revenue Bonds and approve the refunding of the existing 2008 Certificates of Participation, provided the present value savings to be realized by the City as a result of the issuance of the Refunding Bonds is not less than 3% of the 2008 Certificates of Participation.
2. Adopt a resolution authorizing the preparation and execution by the PFA officers and staff identified in the resolution of all documents required to complete the 2017B Lease Revenue Bonds transaction, including the following documents (which are on file with the Office of the City Clerk):
 - a. Indenture of Trust with BNY Mellon Corporate Trust
 - b. Site Lease
 - c. Lease Agreement
 - d. Assignment Agreement
 - e. Preliminary Official Statement
 - f. Other administrative documents incidental to the transaction

DRAFT

FREMONT PUBLIC FINANCING AUTHORITY

RESOLUTION NO. 17-X

A RESOLUTION OF THE FREMONT PUBLIC FINANCING AUTHORITY AUTHORIZING THE ISSUANCE AND SALE OF LEASE REVENUE BONDS TO REFINANCE OUTSTANDING 2008 CERTIFICATES OF PARTICIPATION, AND APPROVING RELATED DOCUMENTS AND OFFICIAL ACTIONS

WHEREAS, the City of Fremont (the “City”) previously entered into a Trust Agreement dated September 1, 2008, with the Fremont Public Financing Authority (the “Authority”) and The Bank of New York Mellon Trust Company, N.A., as trustee, under which \$27,675,000 aggregate principal amount of Certificates of Participation (2008 Refinancing Project) (the “2008 Certificates”) were executed and delivered for the purpose of prepaying and redeeming outstanding certificates of participation of the City; and

WHEREAS, in order to take advantage of prevailing bond market conditions, the City Council wishes to authorize the refinancing of the 2008 Certificates; and

WHEREAS, to that end, the City has proposed to lease to the Authority certain real property and improvements (the “Leased Property”) under a Site Lease (the “Site Lease”), in consideration of the payment by the Authority of an upfront rental payment (the “Site Lease Payment”) that is sufficient to provide funds for the redemption of the 2008 Certificates; and

WHEREAS, in order to raise funds for such purpose, the Authority proposes to issue and sell its Fremont Public Financing Authority Lease Revenue Bonds, Series 2017B (2017 Fixed Rate Refinancing Project) (the “Refunding Bonds”) under Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6584 of said Code (the “Bond Law”); and

WHEREAS, in order to secure the payments of principal of and interest on the Refunding Bonds, the Authority proposes to lease the Leased Property back to the City under a Lease Agreement (the “Lease Agreement”), under which the City is obligated to pay semiannual lease payments as rental for the Leased Property, and the Authority will assign substantially all of its rights under the Lease Agreement to The Bank of New York Mellon Trust Company, N.A., as trustee for the Refunding Bonds; and

WHEREAS, the Authority wishes at this time to approve all proceedings to which it is a party relating to the issuance and sale of the Refunding Bonds and assist the City in the refinancing of the 2008 Certificates;

NOW, THEREFORE, IT IS HEREBY ORDERED AND DETERMINED AS FOLLOWS:

SECTION 1. Issuance of Refunding Bonds. The Authority hereby authorizes the issuance of the Refunding Bonds under the Bond Law in the maximum principal amount of \$25,000,000, for the purpose of providing funds to refinance the 2008 Certificates. The Refunding Bonds shall be issued under the Bond Law and the Indenture of Trust that is approved below.

SECTION 2. Approval of Related Financing Agreements. The Authority hereby approves each of the following agreements required for the issuance and sale of the Refunding Bonds and the refinancing of the 2008 Certificates, in substantially the respective forms on file with the Secretary together with any changes therein or additions thereto deemed advisable by the Executive Director or the Treasurer (each, an “Authorized Officer”), subject to approval as to form by the Authority Counsel; execution of the agreements by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions. An Authorized Officer is hereby authorized and directed for and on behalf of the Authority to execute, and the Secretary is hereby authorized and directed to attest, the final form of each such agreement, as follows:

- Indenture of Trust, between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), setting forth the terms and provisions relating to the Refunding Bonds.
- Site Lease, between the City as lessor and the Authority as lessee, under which the City leases the Leased Property to the Authority in consideration of the payment of an amount which will be applied by the City to refinance the 2008 Certificates.
- Lease Agreement, between the Authority as lessor and the City as lessee, under which the Authority leases the Leased Property back to the City and the City agrees to pay semiannual lease payments which are sufficient to provide revenues with which to pay principal of and interest on the Refunding Bonds when due; and
- Assignment Agreement, between the Authority and the Trustee, whereby the Authority assigns certain of its rights under the Lease Agreement to the Trustee for the benefit of the Refunding Bond owners.

SECTION 3. Competitive Sale of Refunding Bonds. The Authority hereby authorizes and directs the competitive sale of the Refunding Bonds in accordance with the Notice of Sale in substantially the form on file with the Secretary together with any changes therein or additions thereto deemed advisable by an Authorized Officer. An

Authorized Officer is hereby authorized and directed to accept the best bid for the sale of the Refunding Bonds, as determined in accordance with the Notice of Sale.

Pursuant to Section 53692 of the Government Code, Jones Hall, as bond counsel, is hereby authorized and directed to cause a notice of the intention to sell the Refunding Bonds, in a form and substance acceptable to said firm, in the manner required by applicable law.

The Refunding Bonds shall be sold at such price and shall bear interest at such rates as shall produce a minimum net present value savings to the City of at least 3% of the principal amount of the outstanding 2008 Certificates, as such savings shall be verified and conclusively determined by the City's Municipal Advisor (the "Minimum Savings Requirement").

SECTION 4. Official Statement. The Authority hereby approves the preliminary Official Statement describing the Refunding Bonds in substantially the form on file with the Secretary. An Authorized Officer is hereby authorized and directed to approve any changes in or additions to said preliminary Official Statement and to execute an appropriate certificate stating the Authorized Officer's determination that the preliminary Official Statement (together with any changes therein or additions thereto) has been deemed nearly final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934. Distribution of the preliminary Official Statement by the Underwriter is hereby approved. An Authorized Officer is hereby authorized and directed to approve any changes in or additions to a final form of said Official Statement, and the execution thereof by the Authorized Officer shall be conclusive evidence of approval of any such changes and additions. The Authority hereby authorizes the distribution of the final Official Statement by the Underwriter. The final Official Statement shall be executed on behalf of the Authority by an Authorized Officer.

SECTION 5. Approval of Debt Management Policy. The Authority hereby approves and incorporates the City's Debt Management Policy and confirms that the issuance of the Bonds is consistent with the Debt Management Policy.

SECTION 6. Official Actions. The Chair, the Executive Director, the Treasurer, the General Counsel, the Secretary and all other officers of the Authority are each authorized and directed on behalf of the Authority to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance and other documents, which they or any of them deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under this Resolution, including any agreements required to purchase a debt service insurance policy or a municipal bond insurance policy, and any amendments of the documents related to the 2008 Certificates that are necessary to accomplish the proposed refinancing. An Authorized Officer may revise the identity of the Leased Property as necessary in order to accomplish the purposes of this Resolution. Whenever in this resolution any officer of the Authority is authorized 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 if such officer is absent or unavailable.

SECTION 7. Effective Date. This Resolution shall take effect immediately upon its passage and adoption.

ADOPTED _____, 2017, by the Board of Directors of the Fremont Public Financing Authority by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chair

ATTEST:

APPROVED AS TO FORM:

Secretary

City Attorney