

RESOLUTION NO. 2021-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA ANA, CALIFORNIA APPROVING THE FORM OF A PRELIMINARY OFFICIAL STATEMENT AND A CONTINUING DISCLOSURE CERTIFICATE IN CONNECTION WITH THE ISSUANCE OF BONDS TO REFUND CERTAIN PENSION OBLIGATIONS OF THE CITY AND APPROVING ADDITIONAL ACTIONS RELATED THERETO

WHEREAS, the City of Santa Ana (the “City”) has previously adopted a retirement plan pursuant to the Public Employees’ Retirement Law, commencing with section 20000 of the Government Code of the State of California, as amended (the “Retirement Law”), and elected to become a contracting member of the California Public Employees’ Retirement System (“PERS”);

WHEREAS, the Retirement Law and the contract (the “PERS Contract”) effective July 1, 1948, between the Board of Administration of PERS and the City Council of the City (the “City Council”) obligate the City: (i) to make contributions to PERS to fund pension benefits for certain City employees; (ii) to amortize the unfunded accrued actuarial liability with respect to such pension benefits; and (iii) to appropriate funds for the foregoing purposes;

WHEREAS, pursuant to a resolution adopted by the City Council on March 16, 2021 (the “Prior Resolution”), the City previously authorized the issuance of its City of Santa Ana 2021 Taxable Pension Obligation Bonds, Series A (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”), in a maximum principal amount not to exceed that required for the purposes of refunding all or a portion of the City’s current obligation to PERS for fiscal year 2021-22, pursuant to the PERS Contract, to pay all or a portion of the unfunded accrued actuarial liability of the City (the “Unfunded Liability”) with respect to pension benefits under the Retirement Law and the PERS Contract and to pay the costs of issuance of such Bonds, including the underwriter’s discount and any original issue discount on such Bonds;

WHEREAS, pursuant to the Prior Resolution, the City Council also approved the forms of certain legal documents in connection with the issuance of the Bonds, including a Trust Agreement (the “Trust Agreement”) and a Bond Purchase Agreement;

WHEREAS, pursuant to the Prior Resolution, the City Council also authorized the institution of a proceeding for judicial validation of the Bonds and the Trust Agreement in the Superior Court of Orange County, under and pursuant to the provisions of sections 860 *et seq.* of the California Code of Civil Procedure (the “Validation Proceeding”);

WHEREAS, a judgment was entered in the Validation Proceeding determining that the Bonds and the Trust Agreement will be valid and legal obligations of the City;

WHEREAS, the City Council has determined that it is in the best interests of the City and its residents to proceed with the issuance of the Bonds and the sale thereof to the underwriters named in the Bond Purchase Agreement;

WHEREAS, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), requires that, in order to be able to purchase or sell the Bonds, the underwriters thereof must have reasonably determined that the City has undertaken in a written agreement or contract for the benefit of the holders of the Bonds to provide disclosure of certain financial information and operating data and certain events on an ongoing basis;

WHEREAS, in order to cause such requirement to be satisfied, the City desires to execute and deliver a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate") in connection with the issuance of the Bonds;

WHEREAS, Rule 15c2-12 also requires that, in order to offer the Bonds for sale to the public, the underwriters must receive a disclosure document with respect to the Bonds and the City;

WHEREAS, in order to cause such requirement to be satisfied, the City has prepared a Preliminary Official Statement (the "Preliminary Official Statement") in connection with the issuance of the Bonds; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the City is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santa Ana as follows:

Section 1. The City Council does hereby find and declare that the above recitals are true and correct.

Section 2. The City Council hereby reaffirms its approval of the issuance of the Bonds upon the terms and conditions set forth in the Prior Resolution and authorizes staff to proceed with a public sale of the Bonds.

Section 3. The form of Preliminary Official Statement presented at this meeting, with such changes, insertions and omissions therein as may be approved by the Mayor of the City, or such member of the City Council as the Mayor may designate, the City Manager of the City, the Executive Director of Finance and Management Services of the City and their authorized designees (the "Authorized Officers"), is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the Bonds is hereby authorized and approved. Each Authorized Officer is hereby authorized to certify on behalf of the City that the Preliminary Official Statement is deemed final as of its date within the

meaning of Rule 15c2-12 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12). The Authorized Officers are each hereby authorized and directed to furnish, or cause to be furnished, to prospective bidders for the Bonds the Preliminary Official Statement.

Section 4. The preparation and delivery of an Official Statement (the “Official Statement”), and its use in connection with the offering and sale of the Bonds, is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement, with such changes, insertions and omissions as may be approved by an Authorized Officer (including changes to reflect the entry into of a municipal bond insurance policy and/or debt service reserve surety policy, as approved pursuant to the Prior Resolution), such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are each hereby authorized and directed, for and in the name of and on behalf of the City, to execute the final Official Statement and any amendment or supplement thereto for and in the name and on behalf of the City.

Section 5. The form of Continuing Disclosure Certificate presented at this meeting is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Continuing Disclosure Certificate in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced to the execution and delivery thereof.

Section 6. U.S. Bank National Association is hereby appointed to act as trustee under the Trust Agreement.

Section 7. The Authorized Officers are, and each of them hereby is, authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereby, including, but not limited to, the execution and delivery of any documents required by PERS in order to complete the issuance of the Bonds and the refunding of the Unfunded Liability.

Section 8. All actions heretofore taken by the Authorized Officers and by any other officers, employees or agents of the City with respect to the issuance of the Bonds, or in connection with or related to any of the agreements or documents referenced herein, are hereby approved, confirmed and ratified.

Section 9. The City Clerk shall attest and certify to the passage and adoption of this Resolution, and it shall become effective immediately upon its approval.

ADOPTED this _____ day of _____, 2021.

Vicente Sarmiento
Mayor

APPROVED AS TO FORM:
Sonia R. Carvalho, City Attorney

By: John M. Funk
John M. Funk
Sr. Assistant City Attorney

AYES: Councilmembers _____

NOES: Councilmembers _____

ABSTAIN: Councilmembers _____

NOT PRESENT: Councilmembers _____

CERTIFICATION OF ATTESTATION AND ORIGINALITY

I, DAISY GOMEZ, Clerk of the Council, do hereby attest to and certify the attached Resolution No. 2021-XXX to be the original resolution adopted by the City Council of the City of Santa Ana on _____.

Date: _____

Clerk of the Council
City of Santa Ana