

RESOLUTION NO. 3979

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF SAN ANSELMO AUTHORIZING THE ISSUANCE OF PENSION OBLIGATION BONDS TO REFINANCE OUTSTANDING SIDE FUND OBLIGATIONS OF THE TOWN OF SAN ANSELMO TO THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM, APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST, DIRECTING THE FILING OF A JUDICIAL VALIDATION ACTION WITH RESPECT THERETO AND PROVIDING OTHER MATTERS RELATING THERETO

WHEREAS, the Town of San Anselmo (the "Town") is a contracting member of the California Public Employees' Retirement System ("PERS"), and the Town is obligated to make certain payments to PERS in respect of retired public safety employees and retired miscellaneous employees under the Side Fund program of PERS which amortizes such obligations over a fixed period of time (the "PERS Side Fund Obligations"); and

WHEREAS, the Town is authorized under 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"), to issue its bonds for the purpose of refunding certain outstanding obligations of the Town, including the PERS Side Fund Obligations; and

WHEREAS, in order to refund the PERS Side Fund Obligations and thereby realize interest savings in respect of the PERS Side Fund Obligations, the Town proposes at this time to authorize the issuance of its bonds under the Bond Law for the purpose of refinancing the PERS Side Fund Obligations; and

WHEREAS, the Town Council of the Town (the "Council") wishes at this time to approve the issuance of the Bonds and approve the forms of and authorize the execution and delivery of the documents relating to the issuance and sale of such bonds, and to approve official actions relating to the delivery of such bonds; and

WHEREAS, the sale and delivery of such bonds by the Town is subject to a prior judicial determination of the validity of such bonds and the Council also wishes at this time to authorize the institution of judicial proceedings to determine the validity of such bonds;

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of San Anselmo, as follows:

Section 1. Approval of Issuance of Bonds. The Council hereby authorizes and approves the issuance of the Town of San Anselmo 2012 Taxable Pension Obligation Bonds (the "Bonds") under the Bond Law in the aggregate principal amount of not to exceed \$3,700,000. The Council hereby authorizes the Mayor and the Town Manager of the Town (each, an "Authorized Officer"), each acting alone, to execute the Bonds, and the Town Clerk of the Town to attest to the Bonds and to cause the Bonds

to be authenticated and delivered in accordance with the Indenture (defined below). The Bonds shall be in substantially the form set forth in the Indenture, with such changes therein, deletions therefrom and additions thereto as the Authorized Officers executing the Bonds shall approve, such approval to be conclusively evidenced by the execution and delivery of the Bonds. The proceeds of the Bonds shall be applied to refund the unfunded accrued actuarial liability represented by the PERS Side Fund Obligations, as reported to the Town by PERS, plus an amount required to pay all costs of issuing the Bonds (including underwriter's discount and original issue discount, if any).

Section 2. Indenture of Trust. The Council hereby approves the Indenture of Trust between the Town and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Indenture"), prescribing the terms and provisions of the Bonds. Each of the Authorized Officers, acting alone, is hereby authorized and directed to execute and deliver, and the Executive Officer of the Town is hereby authorized and directed to attest to, the Indenture for and in the name and on behalf of the Town, in substantially the form presented to this meeting, with such changes therein (including, but not limited to, the designation of interest and principal payment dates), deletions therefrom and additions thereto as the Authorized Officers shall approve, such approval to be conclusively evidenced by the execution and delivery of the Indenture. The Council hereby authorizes the delivery and performance of the Indenture.

Section 3. Sale of Bonds. The Council hereby approves the Bond Purchase Agreement between the Town and Alliance Bank of Arizona, a division of Western Alliance Bank, or another bank or financial institution selected by the Authorized Officers, as purchaser (the "Purchaser") and authorizes the sale of the Bonds to the Purchaser under the Bond Purchase Agreement, provided that the true interest cost of the Bonds shall not exceed 5.25%. Any Authorized Officer is hereby authorized and directed to execute and deliver the Bond Purchase Agreement for and in the name and on behalf of the Town, in substantially the form presented to this meeting, with such changes therein, deletions therefrom and additions thereto as the Authorized Officer shall approve, such approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement.

Section 4. Taxable Status of the Bonds. The Council hereby determines that interest payable on the Bonds will be subject to federal income taxation, and that the provisions of Section 5900 et seq. of the California Government Code (the "Taxable Bond Act") apply to the Bonds. The Town may take any action and exercise any power permitted to be taken by it under the Taxable Bond Act in connection with the issuance and sale of the Bonds.

Section 5. Institution of Judicial Validation Proceedings. The sale and delivery of the Bonds to the Purchaser is subject to a prior judicial determination of the validity of the Bonds, the Indenture and related matters and the Council hereby authorizes the filing of an action to determine the validity of the Bonds, the Indenture and related matters in the Superior Court of Marin County, under the provisions of Sections 860 et seq. of the Code of Civil Procedure of the State of California. The firm of Jones Hall, A Professional Law Corporation, as bond counsel to the Town, is hereby directed to prepare and cause to be filed and prosecuted to completion all proceedings required for the judicial validation of the Bonds, the Indenture and related matters.

Section 6. Engagement of Professional Services. In connection with the issuance and sale of the Bonds and the implementation of the judicial validation proceedings, the Council hereby appoints Jones Hall, A Professional Law Corporation, as Bond Counsel and Stone & Youngberg, a division of Stifel Nicolaus, as Placement Agent for the Bonds. Fees and expenses to be paid to the foregoing for services shall be as provided in agreements presented to this meeting or as approved by the Authorized Officers upon delivery of the Bonds to the Purchaser.

Section 7. Official Actions. The Mayor of the Town and the Town Manager of the Town, and any and all other officers of the Town are hereby authorized and directed, for and in the name and on behalf of the Town, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance, sale and delivery of the Bonds, the implementation of the authorized judicial validation proceedings and the consummation of the transactions approved herein. Whenever in this Resolution any officer of the Town 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.

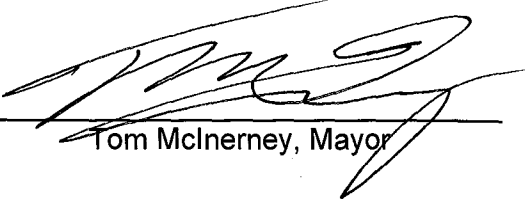
Section 8. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED by the Town Council of the Town of San Anselmo this 14th day of February, 2012, by the following vote:

AYES: Coleman, Kroot, Lopin, McInerney


NOES: None

ABSENT: Greene



Tom McInerney, Mayor

Attest:



Barbara Chambers, Town Clerk