



Pedro "Pete" M. Sanchez, Mayor
Mike Hudson, Mayor Pro-Tem
Jane Day
Sam Derting
Michael A. Segala

First and Third Tuesday
Every Month

A G E N D A

**SPECIAL MEETING OF THE
SUISUN CITY COUNCIL
AND**

**SUISUN CITY COUNCIL ACTING AS SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF SUISUN CITY,
TUESDAY, MAY 22, 2012
5:30 P.M.**

SUISUN CITY COUNCIL CHAMBERS -- 701 CIVIC CENTER BOULEVARD -- SUISUN CITY, CALIFORNIA

(Next Ord. No. – 722)
(Next City Council Res. No. 2012 – 30)
Next Suisun City Council Acting as Successor Agency Res. No. SA2012 – 06
(Next Housing Authority Res. No. HA2012 – 02)

ROLL CALL

Council / Board Members

PUBLIC COMMENT

(Requests by citizens to discuss any matter under our jurisdiction other than an item posted on this agenda per California Government Code §54954.3 allowing 3 minutes to each speaker).

CONFLICT OF INTEREST NOTIFICATION

(Any items on this agenda that might be a conflict of interest to any Councilmembers / Boardmembers should be identified at this time.)

CLOSED SESSION

Pursuant to California Government Code Section 54950 the Suisun City Council will hold a Closed Session for the purpose of:

City Council

1. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION
Name of case: Welling v. City of Suisun City Case #: FCS035455

Joint City Council / Suisun City Council Acting as Successor Agency

2. CONFERENCE WITH LEGAL COUNSEL--ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Government Code Section 54956.9(b): One potential case.

DEPARTMENTS: AREA CODE (707)

ADMINISTRATION 421-7300 ■ PLANNING 421-7335 ■ BUILDING 421-7310 ■ FINANCE 421-7320
FIRE 425-9133 ■ RECREATION & COMMUNITY SERVICES 421-7200 ■ POLICE 421-7373 ■ PUBLIC WORKS 421-7340
SUCCESSOR AGENCY 421-7309 FAX 421-7366

CONVENE OPEN SESSION

Announcement of Actions Taken, if any, in Closed Session.

ADJOURNMENT

A complete packet of information containing staff reports and exhibits related to each item for the open session of this meeting, and provided to the City Council, are available for public review at least 72 hours prior to a Council /Agency/Authority Meeting at Suisun City Hall 701 Civic Center Blvd., Suisun City. Agenda related writings or documents provided to a majority of the Council/Board/Commissioners less than 72 hours prior to a Council/Agency/Authority meeting regarding any item on this agenda will be made available for public inspection during normal business hours. An agenda packet is also located at the entrance to the Council Chambers during the meeting for public review. The City may charge photocopying charges for requested copies of such documents.

PLEASE NOTE:

1. The City Council/Agency/Authority hopes to conclude its public business by 11:00 P.M. Ordinarily, no new items will be taken up after the 11:00 P.M. cutoff and any items remaining will be agendized for the next meeting. The agendas have been prepared with the hope that all items scheduled will be discussed within the time allowed.
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701 Civic Center Boulevard	621 Pintail Drive	318 Merganser Drive



Pedro "Pete" M. Sanchez, Mayor
Mike Hudson, Mayor Pro-Tem
Jane Day
Sam Derting
Michael A. Segala

First and Third Tuesday
Every Month

A G E N D A

**REGULAR MEETING OF THE
SUISUN CITY COUNCIL,
SUISUN CITY COUNCIL ACTING AS SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF SUISUN CITY,
AND HOUSING AUTHORITY
TUESDAY, MAY 22, 2012
7:00 P.M.**

SUISUN CITY COUNCIL CHAMBERS -- 701 CIVIC CENTER BOULEVARD -- SUISUN CITY, CALIFORNIA

(Next Ord. No. – 722)
(Next City Council Res. No. 2012 – 30)
Next Suisun City Council Acting as Successor Agency Res. No. SA2012 – 06
(Next Housing Authority Res. No. HA2012 – 02)

ROLL CALL

Council / Board Members
Pledge of Allegiance
Invocation

PUBLIC COMMENT

(Requests by citizens to discuss any matter under our jurisdiction other than an item posted on this agenda per California Government Code §54954.3 allowing 3 minutes to each speaker).

CONFLICT OF INTEREST NOTIFICATION

(Any items on this agenda that might be a conflict of interest to any Councilmembers / Boardmembers should be identified at this time.)

PRESENTATIONS/APPOINTMENTS

(Presentations, Awards, Proclamations, Appointments).

1. Presentation of Proclamation to Public Works Department Proclaiming the Week of May 20 - 26, 2012 as "Public Works Week" – (Kasperson).
2. Presentation by Rod Malloy, Chief Operations Officer, Mission Solano on the "Mission Solano Earth Day" Event on April 21, 2012.
3. Introduction and Swearing in of new Suisun City Police Sergeant Dan Healy and Police Officer Leslie Montgomery – (Dadisho).
4. Presentation of Donation for July 4, 2012 from Suisun City Community Services Foundation.

DEPARTMENTS: AREA CODE (707)

ADMINISTRATION 421-7300 ■ PLANNING 421-7335 ■ BUILDING 421-7310 ■ FINANCE 421-7320
FIRE 425-9133 ■ RECREATION & COMMUNITY SERVICES 421-7200 ■ POLICE 421-7373 ■ PUBLIC WORKS 421-7340
SUCCESSOR AGENCY 421-7309 FAX 421-7366

CONSENT CALENDAR

Consent calendar items requiring little or no discussion may be acted upon with one motion.

City Council

5. Council Adoption of Resolution No. 2012-___: Authorizing the Mayor to Execute a Letter of Support for the Suisun Marsh Natural History Association's Proposed Grant Application and Construction of an Environmental Education Room to the Suisun Wildlife Center – (Anderson).
6. Council Adoption of Resolution No. 2012-___: Adopting the Seventh Amendment to the Annual Appropriation Resolution No. 2011-62 to Appropriate Donations from the Suisun City Community Services Foundation to Fund Special Events - (Anderson).
7. Council Adoption of Resolution No. 2012-___: Authorizing the Police Chief to Execute a Contract to Receive and Administer funding through the Boating Safety and Enforcement Financial Aid Program from the California Department of Boating and Waterways – (Dadisho).
8. Calling for and Requesting Consolidation of November 6, 2012 General Municipal Election – (Hobson).
 - a. Adoption of Council Resolution No. 2012-___: Giving Notice and Calling for the Holding of a General Municipal Election to be Held on Tuesday, November 6, 2012, for the Election of Certain Municipal Officers as Required by the Provisions of the Laws of the State of California Relating to General Law Cities; and
 - b. Adoption of Council Resolution No. 2012-___: Requesting the Board of Supervisors of the County of Solano to Consolidate a General Municipal Election to be Held on Tuesday, November 6, 2012, with the Statewide General Election to be Held on the Date Pursuant to Section 10403 of the Elections Code; and
 - c. Adoption of Council Resolution No. 2012-___: Providing for and Requesting the Board of Supervisors of the County of Solano to Permit the County Registrar of Voters to Provide Specified Services in Connection with the General Municipal Election, November 6, 2012, and Adopting Regulations for Candidates for Elective Office Pertaining to Candidates Statements Submitted to the Voters at an Election to be Held on Tuesday, November 6, 2012.
9. Council Adoption of Resolution No. 2012-___: Opposing Senate Bill 1149 Which Would Create the Bay Area Regional Commission (BRAC) and Authorizing Staff to Undertake Actions to Oppose Adoption – (Wooden).
10. Council Adoption of Resolution No. 2012-___: Initiating Proceedings, Preliminarily Approving the Annual Engineer's Reports, and Declaring its Intention to Levy and Collect Assessments for the Suisun City Maintenance Assessment Districts, for Fiscal Year 2012-13 – (Kasperson).
11. Initiate and Provide Intent to the Levy and Collection of Assessments for the Parking Benefit Assessment District – (Kasperson).
 - a. Adoption of Council Resolution No. 2012-___: Initiating Proceedings for the Levy and Collection of Assessments for the McCoy Creek Parking Benefit Assessment District for Fiscal Year 2012-13; and

- b. Adoption of Council Resolution No. 2012-___: Declaring its Intention to Order Assessments for a Previously Approved Benefit Assessment District Pursuant to the Benefit Assessment Act of 1982, Preliminarily Approving an Engineer's Report in Connection with Such District and Appointing a Time and Place for Comment (Public Hearing) on the Engineer's Report for Fiscal Year 2012-13.

Suisun City Council Acting as Successor Agency

12. Receiving and Accepting an Updated Draft Recognized Obligation Payment Schedule – (Garben).

Joint City Council / Suisun City Council Acting as Successor Agency / Housing Authority

13. Council/Agency/Authority Accept the Investment Report for the Quarter Ending March 31, 2012 – (Anderson).

Joint City Council / Suisun City Council Acting as Successor Agency

14. Council/Agency Approval of the April 2012 Payroll Warrants in the amount of \$614,509.16. Council/Agency Approval of the April 2012 Payable Warrants in the amount of \$780,202.65 – (Finance).
15. Council/Agency Approval of the Minutes of the Regular and/or Special Meetings of the Suisun City Council and Suisun City Council Acting as Successor Agency held on May 1, 2012 – (Hobson).

GENERAL BUSINESS

City Council

16. Council Adoption of Resolution No. 2012-___: Authorizing the Issuance and Sale of Pension Obligation Bonds to Refinance Outstanding Side Fund Obligations of the City to the California Public Employees' Retirement System, Approving the Forms of and Authorizing the Execution and Delivery of an Indenture and a Bond Purchase Agreement, Directing the Filing of a Judicial Validation Action with Respect Thereto, and Providing Other Matters Relating Thereto - (Anderson).

Joint City Council / Successor Agency / Housing Authority

17. Fiscal Year 2012-13 Annual Budget Workshop – (Anderson).

PUBLIC HEARINGS:

REPORTS: (Informational items only.)

18. City Manager/Executive Director/Staff
- Maintenance of Bank Owned Properties – (Dadisho/Wooden)
19. Mayor/Council -Chair/Boardmembers

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Office of the Mayor

Suisun City, California

Proclamation



WHEREAS, Public Works services provided in our community, such as water supply, sewers, streets and highways, solid waste collection, weed abatement & landscape maintenance beautification efforts on City-owned rights of way, public buildings, and trees throughout the City, are an integral part of our citizens' everyday lives that affect the health, safety, welfare and comfort of this community; and

WHEREAS, the quality and effectiveness of our facilities, as well as their planning, design, and construction is vitally dependent upon the efforts, skill, and efficiency of our qualified and dedicated Public Works staff; and

WHEREAS, the morale, and thereby efficiency during the performance of daily tasks and assignments, of the personnel who staff Public Works departments is materially influenced by the people's attitude and understanding of the importance of the work they perform; and

WHEREAS, there is a need to increase public awareness and understanding of the services provided by the Public Works Department; and thereby enhance opportunities to improve the relationships and communications, and promote teambuilding, between the Public and the Public Works staff; and

WHEREAS, it is our desire to demonstrate the City's appreciation for the efforts and activities performed by employees in the Public Works Department and our belief that our employees are truly among our most valuable resources; and

WHEREAS, this year's theme "Public Works: Creating a Lasting Impression", speaks to the never ending effort of public works professionals to bring their communities the highest possible quality of life.

NOW, THEREFORE, I Pete Sanchez, Mayor of the City of Suisun City, in conjunction with the National Public Works Week and the "Serving You and Your Community" theme, do hereby proclaim the week of May 20-26, 2012 as

"NATIONAL PUBLIC WORKS WEEK"

in the City of Suisun City, and I call upon all citizens and civic organizations to acquaint themselves with the issues involved in providing our community the public services and works it needs, and to recognize the contributions which public works personnel make every day to our health, safety, comfort, and quality of life for all citizens in Suisun City.



In witness whereof I have hereunto set my hand and caused this seal to be affixed.

Pete Sanchez, Mayor

ATTEST:

DATE:

May 15, 2012

AGENDA TRANSMITTAL

MEETING DATE: May 22, 2012

CITY AGENDA ITEM: Council Adoption of Resolution No. 2012-__: Authorizing the Mayor to Execute a Letter of Support for the Suisun Marsh Natural History Association's Proposed Grant Application and Construction of an Environmental Education Room to the Suisun Wildlife Center.

FISCAL IMPACT: The City would receive application and permit fees if and when the project was submitted for site plan/architectural review and construction.

BACKGROUND: In July 1986 the City's Design Review Committee gave project review approval for the proposed Wildlife Center to be constructed by the Suisun Marsh Protection District. A concrete pad was constructed at the front of the building with the intent that at some point in the future an addition could be constructed to provide additional space for the facility. The proposed addition would be constructed on this pad.

STAFF REPORT: The Suisun Marsh Natural History Association is applying for funds from the Fish and Wildlife Propagation Fund Grant Program in Solano County. The current estimate for funds requested is in the range of \$45,000 – \$50,000, but is dependent on the Association's success in soliciting funds from other sources. The application process starts in July. Available funds from the FWPF Grant Program are anticipated to be approximately \$200,000. Typically, about 15 to 20 applicants apply for funding. The number of partners and financial value of their support weigh significantly in the grant selection process. A letter of support from the Council is requested to bolster the application. If the construction phase moves forward, the project would require site plan/architectural review and typical building department review and inspection.

RECOMMENDATION: It is recommended that the City Council adopt Resolution No. 2012-__: Authorizing the Mayor to Execute a Letter of Support for the Suisun Marsh Natural History Association's Proposed Grant Application and Construction of an Environmental Education Room to the Suisun Wildlife Center.

ATTACHMENTS:

1. Resolution No. 2012-__: Authorizing the Mayor to Execute a Letter of Support for the Suisun Marsh Natural History Association's Proposed Grant Application and Construction of an Environmental Education Room to the Suisun Wildlife Center.

PREPARED BY:
APPROVED BY:

Ronald C. Anderson, Jr., Assistant City Manager
Suzanne Bragdon, City Manager

RESOLUTION NO. 2012-___

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY
AUTHORIZING THE MAYOR TO EXECUTE A LETTER OF SUPPORT FOR
THE SUISUN MARSH NATURAL HISTORY ASSOCIATION'S PROPOSED
GRANT APPLICATION AND CONSTRUCTION OF AN ENVIRONMENTAL
EDUCATION ROOM TO THE SUISUN WILDLIFE CENTER.**

WHEREAS, the Suisun Marsh Natural History Association intends to apply for funds from the Fish and Wildlife Propagation Fund (FWPF) Grant Program in Solano County; and

WHEREAS, the current estimate for funds requested is in the range of \$45,000 – \$50,000, but is dependent on the Association's success in soliciting funds from other sources; and

WHEREAS, the application process starts in July and available funds from the FWPF Grant Program are anticipated to be approximately \$200,000; and

WHEREAS, typically about 15 to 20 applicants apply for funding and the number of partners and financial value of their support weigh significantly in the selection process, and

WHEREAS, a letter of support from the Council will bolster the application; and

WHEREAS, if successful in securing funding to proceed with construction, the applicant will submit an application, required plans, and fees for site plan/architectural review and building permits and will meet all other requirements for approvals and permits.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Suisun City does hereby authorize the Mayor to execute a letter of support for the the Suisun Marsh Natural History Association's application for funds from the Fish and Wildlife Propagation Fund (FWPF) Grant Program in Solano County for the construction of an environmental education room to the Suisun Wildlife Center.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Suisun City held on this 22nd day of May, 2012 by the following vote:

AYES:	Councilmembers:	_____
NOES:	Councilmembers:	_____
ABSENT:	Councilmembers:	_____
ABSTAIN:	Councilmembers:	_____

WITNESS my hand and the seal of said Agency this 22nd day of May, 2012.

Donna Pock, CMC
Deputy City Clerk

AGENDA TRANSMITTAL

MEETING DATE: May 22, 2012

CITY AGENDA ITEM: Council Adoption of Resolution No. 2012-__: Adopting the Seventh Amendment to the Annual Appropriation Resolution No. 2011-62 to Appropriate Donations from the Suisun City Community Services Foundation to Fund Special Events.

FISCAL IMPACT: These donations would underwrite special events formerly paid for by the Redevelopment Agency, thereby continuing these events at no cost to the taxpayers.

BACKGROUND: For several decades the City of Suisun City has benefited from the existence of a very effective Redevelopment Agency that transformed the waterfront area into a destination to work, shop, eat, play, and stay. A critical element in that successful formula was the marketing of the Downtown Waterfront Area through special events that brought residents and tourists to the area in large numbers to the area. The State of California has eliminated the economic engine that generated that success, so special events will no longer be underwritten by RDA.

STAFF REPORT: In the wake of the destruction of RDA, a group of individuals gathered together to find a way to preserve the sense of community that has been institutionalized in the presentation of special events. A non-profit public benefit corporation was formed, and its members began to actively seek donations to preserve the Independence Day Celebration (Fourth of July) event. The Foundation has raised over \$45,000 pledges and donations. On May 1, 2012, the City Council directed staff to proceed with a scaled-back celebration for July 4, 2012. Some of the expenditures for the event actually occur in May and June, so it is necessary for the City Council to appropriate about \$25,000 of the Foundation's donation in FY 2011-12 to accomplish this.

RECOMMENDATION: It is recommended that the City Council adopt Resolution No. 2012-__: Adopting the Seventh Amendment to the Annual Appropriation Resolution No. 2011-62 to Appropriate Donations from the Suisun City Community Services Foundation to Fund Special Events.

ATTACHMENTS:

1. Resolution No. 2012-__: Adopting the Seventh Amendment to the Annual Appropriation Resolution No. 2011-62 to Appropriate Donations from the Suisun City Community Services Foundation to Fund Special Events.

PREPARED BY:

Ronald C. Anderson, Jr., Assistant City Manager

REVIEWED/APPROVED BY:

Suzanne Bragdon, City Manager

RESOLUTION NO. 2011-__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY
ADOPTING THE SEVENTH AMENDMENT TO THE ANNUAL APPROPRIATION
RESOLUTION NO. 2011-62 TO APPROPRIATE DONATIONS FROM THE SUISUN CITY
COMMUNITY SERVICES FOUNDATION TO FUND SPECIAL EVENTS**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUISUN CITY:

THAT Section 050 of Part III of the Annual Appropriation Resolution No. 2011-62 be and is hereby amended as follows:

	<u>Increase/ (Decrease)</u>
TO: RECREATION & COMMUNITY SERVICES DEPARTMENT	\$ 25,000
 TOTAL Section 050	 <u>\$ 25,000</u>

THAT account titles and numbers requiring adjustment by this Resolution are as follows:

	<u>Sources</u>	<u>Uses</u>
<u>Special Events Fund</u>		
Revenues:		
A/C No. 050-79100-8815 Donations	\$ 25,000	\$ -
Appropriations:		
A/C No. 050-91431-8815 Contract Services-Other	<u>\$ -</u>	<u>\$ 25,000</u>
 Total Special Events Fund	 <u>\$ 25,000</u>	 <u>\$ 25,000</u>

THAT the purpose is to appropriate donations from the Suisun City Community Services Foundation for the Fourth of July event.

ADOPTED AND PASSED at a regular meeting of the City Council of the City of Suisun City duly held on the 22nd day of May, 2011 by the following vote:

AYES:	COUNCILMEMBERS
NOES:	COUNCILMEMBERS
ABSENT:	COUNCILMEMBERS
ABSTAIN:	COUNCILMEMBERS

WITNESS my hand and seal of the said City this 22nd day of May 2011.

Linda Hobson, CMC
City Clerk

AGENDA TRANSMITTAL

MEETING DATE: May 22, 2012

CITY AGENDA ITEM: Resolution No. 2012-___: Authorizing the Police Chief to Execute a Contract to Receive and Administer funding through the Boating Safety and Enforcement Financial Aid Program from the California Department of Boating and Waterways.

FISCAL IMPACT: Contingent upon final approval of the state budget, Suisun City would be awarded grant funds in the amount of \$43,753. Suisun City's match would be accomplished through the contribution of boat tax revenue.

BACKGROUND: Each year the Police Department applies for and receives grant funding from the California Department of Boating and Waterways to cover the majority of the operation of our boating enforcement program.

STAFF REPORT: Two police sergeants and up to six regular officers are assigned to the patrol boat operation. Throughout the year, the boat patrol is utilized in several events, such as boat races, Fourth of July, launch ramp inspections, harbor patrol, sinking vessels, vessel accidents, search and rescues, stranded boaters and special assistance callouts by the United States Coast Guard and the Solano County Sheriff's Department.

RECOMMENDATION: Council Adoption of Resolution No. 2012-___: Authorizing the Police Chief to Execute a Contract to Receive and Administer funding through the Boating Safety and Enforcement Financial Aid Program from the California Department of Boating and Waterways.

ATTACHMENTS:

1. Resolution No. 2012-___: Authorizing the Police Chief to Execute a Contract to Receive and Administer funding through the Boating Safety and Enforcement Financial Aid Program from the California Department of Boating and Waterways.

PREPARED BY:
REVIEWED/APPROVED BY:

Ed Dadisho, Chief of Police
Suzanne Bragdon, City Manager

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY
AUTHORIZING THE POLICE CHIEF TO EXECUTE A CONTRACT TO
RECEIVE AND ADMINISTER FUNDING THROUGH THE BOATING SAFETY
AND ENFORCEMENT FINANCIAL AID PROGRAM FROM THE
CALIFORNIA DEPARTMENT OF BOATING AND WATERWAYS**

WHEREAS, the City of Suisun City Police Department is eligible to participate in the Boating Safety and Enforcement Financial Aid Program through the California Department of Boating and Waterways; and

WHEREAS, the Boating Safety and Enforcement Financial Aid Program will provide funding in the amount of \$43,753 for the purpose of performing boating safety and enforcement activities as described in Title 14, California Code of Regulations Section 6593.3; and

WHEREAS, pursuant to Title 14, California Code of Regulations Section 6593.6, the City of Suisun City Police Department is required to enter into an annual contract with the California Department of Boating and Waterways in order to participate in the financial aid program.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby authorizes the Police Chief, or his designee, to execute those documents necessary to receive funding through the California Department of Boating and Waterways Boating Safety and Enforcement Financial Aid Program and further authorizes the Police Chief, or his designee, to administer said program.

PASSED AND ADOPTED by the City Council of the City of Suisun City at a regular meeting thereof held on the 22nd day of May 2012 by the following vote:

AYES: Councilmembers: _____
NOES: Councilmembers: _____
ABSENT: Councilmembers: _____
ABSTAIN: Councilmembers: _____

WITNESS my hand and the seal of said City this 22nd day of May, 2012.

Linda Hobson, CMC
City Clerk

AGENDA TRANSMITTAL

MEETING DATE: May 22, 2012

CITY AGENDA ITEM: Resolutions Calling for and Requesting Consolidation of November 6, 2012 General Municipal Election:

- a. Adoption of Council Resolution No. 2012-___: Giving Notice and Calling for the Holding of a General Municipal Election to be Held on Tuesday, November 6, 2012, for the Election of Certain Municipal Officers as Required by the Provisions of the Laws of the State of California Relating to General Law Cities; and
- b. Adoption of Council Resolution No. 2012-___: Requesting the Board of Supervisors of the County of Solano to Consolidate a General Municipal Election to be Held on Tuesday, November 6, 2012, with the Statewide General Election to be Held on the Date Pursuant to Section 10403 of the Elections Code; and
- c. Adoption of Council Resolution No. 2012-___: Providing for and Requesting the Board of Supervisors of the County of Solano to Permit the County Registrar of Voters to Provide Specified Services in Connection with the General Municipal Election, November 6, 2012, and Adopting Regulations for Candidates for Elective Office Pertaining to Candidates Statements Submitted to the Voters at an Election to be Held on Tuesday, November 6, 2012.

FISCAL IMPACT: With approximately 12,849 registered voters, the estimated cost of the November 6, 2012 election is \$65,000. This estimate depends upon the size of the ballot and the degree of consolidation with other regularly scheduled statewide general elections. Funding for this expenditure is included in the proposed FY 2012-13 Annual Budget.

BACKGROUND: Pursuant to the Elections Code, it is necessary to adopt certain Resolutions for conducting an election. The required Resolutions call and give notice of the November 6, 2012 General Municipal Election, request the Solano County Board of Supervisors to consolidate the General Municipal Election with the Statewide General Election, and adopt regulations for candidates for elective office pertaining to candidates statements in conjunction with the General Municipal Election. The Solano County Elections Department will perform certain election duties for the City, with expenses for these services billed after the election.

STAFF REPORT: Once the election process has been initiated with the adoption of the attached Resolutions, the next steps are the public noticing of the election and the opening of the nomination period. The nomination period is July 16 through August 10, 2012. If an incumbent does not file nomination papers by 5:00 p.m. on August 10, 2012, the filing period is extended until August 15, 2012 at 5:00 p.m. No incumbent may file during the extension period. Any person wishing to submit nomination papers must be a registered voter at the time nomination papers are issued.

PREPARED BY:
REVIEWED/APPROVED BY:

Linda Hobson, City Clerk
Suzanne Bragdon, City Manager

The Resolution calling and giving notice of the election sets the election for November 6, 2012, to fill two seats on the City Council, one City Clerk and one City Treasurer for four-year terms each. The Resolution requesting consolidation with Solano County authorizes the County Elections Department to consolidate the General Municipal Election with the Statewide General Election, to conduct the election and canvass the returns of the election. The City agrees to reimburse the County for the costs of the election services provided to the City for its portion of the consolidated election.

At every local election, a candidate is given the opportunity to place his/her "Statement of Qualifications" in the Sample Ballot. The Solano County Elections Department has estimated the cost for filing a candidate's Statement of Qualifications is \$519.82 printed in English, and an additional \$522.82 if the candidate requests to have the statement translated and printed in Spanish. This year Solano County is requesting that all Candidates' Statements be submitted on a disk (CD) or by email. If a candidate submits a Candidate's Statement typed there will be an additional fee for the County to retype and prepare the statement for the printer.

The cost for the candidate statement is an approximation of the actual cost that varies from one election to another election and may be significantly more or less than the estimate, depending on the number of candidates filing statements and printing costs. Accordingly, the election official may, on a pro rata basis, bill candidates for additional actual expenses or refund any excess paid depending on the final actual cost.

RECOMMENDATION: It is recommended that the City Council:

1. Adoption of Council Resolution No. 2012-___: Giving Notice and Calling for the Holding of a General Municipal Election to be Held on Tuesday, November 6, 2012, for the Election of Certain Municipal Officers as Required by the Provisions of the Laws of the State of California Relating to General Law Cities; and
2. Adoption of Council Resolution No. 2012-___: Requesting the Board of Supervisors of the County of Solano to Consolidate a General Municipal Election to be Held on Tuesday, November 6, 2012, with the Statewide General Election to be Held on the Date Pursuant to Section 10403 of the Elections Code; and
3. Adoption of Council Resolution No. 2012-___: Providing for and Requesting the Board of Supervisors of the County of Solano to Permit the County Registrar of Voters to Provide Specified Services in Connection with the General Municipal Election, November 6, 2012, and Adopting Regulations for Candidates for Elective Office Pertaining to Candidates Statements Submitted to the Voters at an Election to be Held on Tuesday, November 6, 2012.

ATTACHMENTS:

1. Adoption of Council Resolution No. 2012-___: Giving Notice and Calling for the Holding of a General Municipal Election to be Held on Tuesday, November 6, 2012, for the Election of Certain Municipal Officers as Required by the Provisions of the Laws of the State of California Relating to General Law Cities; and

2. Adoption of Council Resolution No. 2012-___: Requesting the Board of Supervisors of the County of Solano to Consolidate a General Municipal Election to be Held on Tuesday, November 6, 2012, with the Statewide General Election to be Held on the Date Pursuant to Section 10403 of the Elections Code; and
3. Adoption of Council Resolution No. 2012-___: Providing for and Requesting the Board of Supervisors of the County of Solano to Permit the County Registrar of Voters to Provide Specified Services in Connection with the General Municipal Election, November 6, 2012, and Adopting Regulations for Candidates for Elective Office Pertaining to Candidates Statements Submitted to the Voters at an Election to be Held on Tuesday, November 6, 2012.

RESOLUTION NO. 2012-___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY GIVING NOTICE AND CALLING FOR THE HOLDING OF A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 6, 2012, FOR THE ELECTION OF CERTAIN OFFICERS AS REQUIRED BY THE PROVISIONS OF THE LAWS OF THE STATE OF CALIFORNIA RELATING TO GENERAL LAW CITIES

WHEREAS, under the provisions of the laws relating to general law cities in the State of California a General Municipal Election shall be held on Tuesday, November 6, 2012, for the election of Municipal Officers.

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF SUISUN CITY, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. That pursuant to the requirements of the laws of the State of California relating to General Law Cities there is called and ordered to be held in the City of Suisun City, California, on Tuesday, November 6, 2012 a General Municipal Election for the purpose of electing two Members of the City Council for the full term of four years; a City Clerk for the full term of four years; and a City Treasurer for the full term of four years.

SECTION 2. That the ballots to be used at the election shall be in form and content as required by law.

SECTION 3. That the City Clerk is authorized, instructed and directed to coordinate with the County of Solano Registrar of Voters to procure and furnish any and all official ballots, notices, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election.

SECTION 4. That the polls for the election shall be open at seven o'clock a.m. of the day of the election and shall remain open continuously from that time until eight o'clock p.m. of the same day when the polls shall be closed, pursuant to Election Code Section 10242, except as provided in Section 14401 of the Elections Code of the State of California.

SECTION 5. That in all particulars not recited in this resolution, the election shall be held and conducted as provided by law for holding municipal elections.

SECTION 6. That notice of the time and place of holding the election is given and the City Clerk is authorized, instructed, and directed to give further or additional notice of the election, in time, form, and manner as required by law.

SECTION 7. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Suisun City, duly held on the 22nd day of May 2012 by the following vote:

AYES:	Councilmembers:	_____
NOES:	Councilmembers:	_____
ABSENT:	Councilmembers:	_____
ABSTAIN:	Councilmembers:	_____

WITNESS my hand and the seal of said City this 22nd day of May 2012.

Linda Hobson, CMC
City Clerk

RESOLUTION NO. 2012-___

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY
REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF SOLANO TO
CONSOLIDATE A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY,
NOVEMBER 6, 2012 WITH THE STATEWIDE GENERAL ELECTION TO BE HELD
ON THE DATE PURSUANT TO § 10403 OF THE ELECTIONS CODE**

WHEREAS, the City Council of the City of Suisun City called a General Municipal Election to be held on November 6, 2012, for the purpose of the election of two Members of the City Council, a City Clerk, and a City Treasurer for the full term of four years; and

WHEREAS, it is desirable that the General Municipal Election be consolidated with the Statewide General Election to be held on the same date and that within the city the precincts, polling places and election officers of the two elections be the same, and that the county election department of the County of Solano canvass the returns of the General Municipal Election and that the election be held in all respects as if there were only one election.

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF SUISUN CITY DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. That pursuant to the requirements of §10403 of the Elections Code, the Board of Supervisors of the County of Solano is hereby requested to consent and agree to the consolidation of a General Municipal Election with the Statewide General Election on Tuesday, November 6, 2012, for the purpose of the election of two Members of the City Council, a City Clerk and a City Treasurer for the full term of four years.

SECTION 2. That the County Election Department is authorized to canvass the returns of the General Municipal Election. The election shall be held in all respects as if there were only one election, and only one form of ballot shall be used.

SECTION 3. That the Board of Supervisors is requested to issue instructions to the County Election Department to take any and all steps necessary for the holding of the consolidated election.

SECTION 4. That the City of Suisun City recognizes that additional costs will be incurred by the County by reason of this consolidation and agrees to reimburse the County for any costs.

SECTION 5. That the City Clerk is hereby directed to file a certified copy of this resolution with the Board of Supervisors and the County Election Department of the County of Solano.

SECTION 6. That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Suisun City, duly held on the 22nd day of May 2012 by the following vote:

AYES:	Councilmembers:	_____
NOES:	Councilmembers:	_____
ABSENT:	Councilmembers:	_____
ABSTAIN:	Councilmembers:	_____

WITNESS my hand and the seal of said City this 22nd day of May 2012.

Linda Hobson, CMC
City Clerk

RESOLUTION NO. 2012-___

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY
PROVIDING FOR AND REQUESTING THE BOARD OF SUPERVISORS OF THE
COUNTY OF SOLANO TO PERMIT THE COUNTY REGISTRAR OF VOTERS TO
PROVIDE SPECIFIED SERVICES IN CONNECTION WITH THE GENERAL
MUNICIPAL ELECTION, NOVEMBER 6, 2012 AND ADOPTING REGULATIONS
FOR CANDIDATES FOR ELECTIVE OFFICE PERTAINING TO CANDIDATES
STATEMENTS SUBMITTED TO THE VOTERS AT AN ELECTION TO BE HELD ON
TUESDAY, NOVEMBER 6, 2012**

WHEREAS, §13307 of the Elections Code of the State of California provides that the governing body of any local agency adopt regulations pertaining to materials prepared by any candidate for a municipal election, including costs of the candidates statements; and

WHEREAS, Pursuant to Election Code §10002, the Board of Supervisors of the County of Solano is hereby requested to permit the County Registrar of Voters to render the following services to the City of Suisun City in connection with the conduct of the General Municipal Election to be held in the City of Suisun City on November 6, 2012:

- a. Precinct consolidation, establishment of polling places, securing election officers, and preparing and mailing notices of appointment.
- b. Printing sample ballots, sample ballot envelopes, ballot measures, polling place cards, ballot arguments, and mailing to registered voters.
- c. Printing of official ballots.
- d. Purchase precinct supplies and absent voter supplies.
- e. Provide for vote by mail voting, Office of County Registrar of Voters, Elections Division.
- f. Cartage of voting booths, ballots, ballot boxes and precinct supplies to precincts.
- g. Supervision and conduct of election.
- h. Tabulation of votes.
- i. Canvass the returns.
- j. Consolidate with any other election to be held on that date.
- k. All things necessary or incidental to the above function as may be requested from time to time by the City Clerk.

The City shall reimburse the County in full for services performed pursuant to this resolution upon presentation of a bill to the City.

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Suisun City, California, does hereby resolve, declare, determine and order as follows:

SECTION 1. GENERAL PROVISIONS.

That pursuant to §13307 of the Elections Code of the State of California, each candidate for elective office to be voted for at an Election to be held in the City of Suisun City on November 6, 2012, may prepare a candidate's statement on an appropriate form provided by the City Clerk. The statement may include the name, age, and occupation of the candidate and a brief description of no more than two hundred (200) words of the candidate's education and qualifications expressed by the candidate himself or herself. The statement shall not include party affiliation of the candidate, nor membership or activity in partisan political organizations. The statement shall be filed in the office

of the City Clerk at the time the candidate's nomination papers are filed. The statement may be withdrawn, but not changed, during the period for filing nomination papers and until 5:00 p.m. of the next working day after the close of the nomination period.

SECTION 2. SPANISH LANGUAGE TRANSLATION

Pursuant to the Federal Voting Rights Act, the county shall have translated, at the candidate's expense, the candidates' statements of those candidates who request translation into Spanish and shall print the translation in the voter pamphlet at the candidate's expense.

SECTION 3. PAYMENT

- a. The candidate at the time of filing their candidate statement is required to pay the estimated cost of printing, handling, and mailing his or her candidate's statement of qualifications in English in the amount of \$519.82.
- b. The candidate at the time of filing their candidate statement is required to pay the estimated cost of printing, handling, translating and mailing his or her candidate's statement of qualifications in Spanish in the amount of \$522.82.
- c. The above estimated payments are just an approximation of the actual cost that varies from one election to another election and may be significantly more or less than the estimate, depending on the actual number of candidates filing statements. Accordingly, the City Clerk is not bound by the estimate and may, on a pro rata basis, bill the candidate for additional actual expense or refund any excess paid depending on the final actual cost. In the event of underpayment, the clerk may require the candidate to pay the balance of the cost incurred. In the event of overpayment, the clerk shall prorate the excess among the candidates and refund the excess amount paid within thirty days of the election.

SECTION 4. ADDITIONAL MATERIALS

No candidate will be permitted to include additional materials in the sample ballot package.

SECTION 5.

That the City Clerk shall provide each candidate or the candidate's representative a copy of this Resolution at the time nominating petitions are issued.

SECTION 6.

That all previous resolutions establishing Council policy on payment for candidates' statements are repealed.

SECTION 7.

That this resolution shall apply only to the election to be held on November 6, 2012, and shall then be repealed.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Suisun City, duly held on the 22nd day of May 2012 by the following vote:

AYES:	Councilmembers:	_____
NOES:	Councilmembers:	_____
ABSENT:	Councilmembers:	_____
ABSTAIN:	Councilmembers:	_____

WITNESS my hand and the seal of said City this 22nd day of May 2012.

Linda Hobson, CMC
City Clerk

AGENDA TRANSMITTAL

MEETING DATE: May 22, 2012

CITY AGENDA ITEM: Council Adoption of Resolution 2012-__: Opposing Senate Bill 1149 Which Would Create the Bay Area Regional Commission (BARC) and Authorizing Staff to Undertake Actions to Oppose Adoption.

FISCAL IMPACT: None.

BACKGROUND: Existing law provides for a Joint Policy Committee (JPC), established by statute in 2004, to provide policy overview of the activities of four regional entities: The Metropolitan Transportation Commission (MTC) [within which is the Bay Area Toll Authority (BATA)], the Bay Area Air Quality Management District (BAAQMD), the Association of Bay Area Governments (ABAG), and the San Francisco Bay Conservation and Development Commission (BCDC). The intent is to provide a framework for agencies to collaborate on regional coordination. The JPC is charged with coordinating the development and drafting of major planning documents prepared by the four regional agencies, since the planning responsibilities of the four agencies are interrelated. The JPC reviews and comments on major interim work products associated with each regional agency's plans. In addition, existing law requires regional transportation planning agencies, as part of the regional transportation plan in urban areas, to develop a sustainable communities strategy (SCS) coordinating transportation, land use, and air quality planning, with specified objectives.

STAFF REPORT: According to the legislative analysis of the bill, the bill is intended to reform the San Francisco Bay Area regional planning process in a manner that reflects the current conditions in the region. One primary change is that the Legislature has required the integration of land use and transportation planning in order to address greenhouse gas issues. The direction from the state is moving toward policy integration at the regional level. The primary example is SB 375 and its mandate for integrating regional land use and transportation. The bill's intent is that the creation of the BRAC would enhance review and integration regarding regional issues.

The bill's key provisions include:

- Create the Bay Area Regional Commission (BARC) as the successor to the JPC.
- Define the regional entities as MTC, BAAQMD, BCDC, ABAG and BATA.
- Authorize BARC to employ an interim executive director.
- Authorize BARC to review and comment on draft and final plans, including the SCS, of the regional entities.
- Require BARC to prepare a 20-year regional economic development strategy.
- Ensure that regional economic development policies are reflected in the functional plans.
- Require BARC to establish a uniform regional public outreach program to ensure public access to the decision-making of the regional entities.
- Require that funding for BARC come from existing sources that are currently available to the regional entities.

PREPARED BY:
APPROVED BY:

April Wooden, Community Development Director
Suzanne Bragdon, City Manager

While some of the goals of SB 1149 appear to be worthy of consideration, there has been a complete lack of opportunity for meaningful consultation and comment not only by the regional agencies involved, but also by the nine counties affected, as well as the local jurisdictions within those counties. SB 1149 would constitute, in the words of the author, *the most comprehensive change in regional governance since the MTC was created in 1970*. It has the potential to drastically impair local governance, especially as related to land use. Among the host of serious policy and procedural questions raised by the bill is whether the legislation constitutes an unlawful or unconstitutional impairment of BATA's toll-setting responsibilities. This could subject the state to litigation, including damage claims brought by bondholders, lenders, or other creditors.

Local experience in Suisun City (such as the Wal-Mart project) has shown that regional review and regulation significantly impact and delay economic development on the local level. Adding an additional layer of regional review can only be expected to worsen the situation.

In addition, the language of the bill originally provided for the direct election of 15 regional commissioners. That language was stricken in an amendment that occurred on May 15, 2012, but no provision was added explaining how the commission would be formed if not elected. The hasty amendment and hearing schedule of this bill has precluded appropriate discussion and comment.

RECOMMENDATION: It is recommended that the Council adopt Resolution 2012-__: Opposing Senate Bill 1149 Which Would Create the Bay Area Regional Commission (BARC) and Authorizing Staff to Undertake Actions to Oppose Adoption.

ATTACHMENTS:

1. Resolution 2012-__: Opposing Senate Bill 1149 Which Would Create the Bay Area Regional Commission (BARC) and Authorizing Staff to Undertake Actions to Oppose Adoption.
2. Senate Bill 1149.

RESOLUTION NO. 2012-___

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY
OPPOSING SENATE BILL 1149 WHICH WOULD CREATE THE BAY AREA
REGIONAL COMMISSION (BARC) AND AUTHORIZING STAFF
TO UNDERTAKE ACTIONS TO OPPOSE ADOPTION**

WHEREAS, the City of Suisun City (the “City”) was incorporated on October 9, 1868, as the 30th city of the State of California (the “State”); and

WHEREAS, the City has consistently provided municipal services for its residents, including the planning and regulation of land use, for the past *150 years*; and

WHEREAS, local government in California is charged with the planning and regulation of land use; and

WHEREAS, Senate Bill 1149 would create a Bay Area Regional Commission (BARC) to undertake functions that are already provided by the Joint Policy Committee (JPC), created in 2004, to coordinate the development and drafting of major planning documents prepared by ABAG, MTC, BAAQMD, and BCDC; and

WHEREAS, regional regulatory review is already a substantial impediment to economic development in the region, resulting in lost tax base, revenue, and employment; and

WHEREAS, Senate Bill 1149, in the words of its author, constitutes the most comprehensive change in regional governance since 1970; and

WHEREAS, the proposed bill does not identify the means by which the BARC would be created, since the original language providing for direct election of commissioners has been amended on May 15, 2012 without providing an alternate means of creation; and

WHEREAS, the legislation may constitute an unlawful or unconstitutional impairment of the Bay Area Toll Authority’s toll-setting responsibilities that could subject the state to litigation; and

WHEREAS, this legislation was rushed to its first policy committee hearing in the State Senate just days after substantive amendments were in print; and

WHEREAS, the affected regional entities and local government have had no meaningful opportunity to review and comment on the bill.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Suisun City does hereby oppose Senate Bill 1149 and authorizes City staff to undertake activities to oppose its adoption.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Suisun City held on this 22nd day of May, 2012 by the following vote:

AYES: Councilmembers: _____
NOES: Councilmembers: _____
ABSENT: Councilmembers: _____
ABSTAIN: Councilmembers: _____

WITNESS my hand and the seal of said Agency this 22nd day of May, 2012.

Donna Pock, CMC
Deputy City Clerk

AMENDED IN SENATE MAY 15, 2012

AMENDED IN SENATE MAY 1, 2012

SENATE BILL

No. 1149

**Introduced by Senator DeSaulnier
(Principal coauthor: Senator Steinberg)**

February 21, 2012

An act to add Title 7.1.5 (commencing with Section 66538) to the Government Code, relating to the Bay Area Regional Commission.

LEGISLATIVE COUNSEL'S DIGEST

SB 1149, as amended, DeSaulnier. Bay Area Regional Commission.

Existing law creates the Metropolitan Transportation Commission, the Bay Area Toll Authority, the Bay Area Air Quality Management District, and the San Francisco Bay Conservation and Development Commission, with various powers and duties relative to all or a portion of the 9-county San Francisco Bay Area region with respect to transportation, air quality, and environmental planning, as specified. Another regional entity, the Association of Bay Area Governments, is created as a joint powers agency comprised of cities and counties under existing law with regional planning responsibilities. Existing law provides for a joint policy committee of certain regional agencies to collaborate on regional coordination. Existing law requires regional transportation planning agencies, as part of the regional transportation plan in urban areas, to develop a sustainable communities strategy coordinating transportation, land use, and air quality planning, with specified objectives.

This bill would create the Bay Area Regional Commission, ~~to be governed by 15 commissioners elected beginning in 2014 from districts in the Bay Area region,~~ with specified powers and duties, including the

powers and duties previously exercised by the joint policy committee. The bill would require the regional entities that are funding the joint policy committee to continue to provide the same amount of funding as provided in the 2012–13 fiscal year, as adjusted for inflation, but to provide those funds to the commission rather than to the committee. The bill would provide for the Bay Area Toll Authority to make contributions to the commission, as specified, in furtherance of the exercise of the authority’s toll bridge powers. The bill would require federal and state funds made available to the Metropolitan Transportation Commission for purposes of transportation planning to be budgeted to the Bay Area Regional Commission. The bill would specify the powers and duties of the commission relative to the other regional entities referenced above, including the power to approve the budgets of those regional entities and to develop an integrated budget for the commission and the regional entities. The bill would provide for the commission’s executive director to develop a regional reorganization plan, with consolidation of certain administrative functions of the regional entities under the commission, with a final plan to be adopted by the commission by June 30, 2016. The bill would require organization of the regional entities as divisions of the commission, and would require the executive director to recommend candidates for vacant executive director positions at the regional entities as these positions become vacant. The bill would require the commission to adopt public and community outreach policies by October 31, 2015. The bill would require the commission to review and comment on policies and plans relative to the transportation planning sustainable communities strategy of the regional entities under Senate Bill 375 of the 2007–08 Regular Session, and beginning on January 1, 2017, the bill would provide for the commission to adopt or seek modifications to the functional regional plan adopted by each regional entity in that regard and would provide that the commission is responsible for ensuring that the regional sustainable communities strategy for the region is consistent with Senate Bill 375 of the 2007–08 Regular Session. The bill would require the commission to prepare a 20-year regional economic development strategy for the region, to be adopted by December 31, 2015, and updated every 4 years thereafter. The bill would require any changes proposed by the commission with respect to bridge toll revenues managed by the Bay Area Toll Authority to be consistent with bond covenants, and would prohibit investment in real property of toll revenues in any reserve fund.

This bill would enact other related provisions.

Because the bill would impose various requirements on local entities, it would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Title 7.1.5 (commencing with Section 66538) is
2 added to the Government Code, to read:

3

4 TITLE 7.1.5. BAY AREA REGIONAL COMMISSION

5

6 66538. The Legislature finds and declares all of the following:

7 (a) Various institutional reforms were initiated in the nine-county
8 San Francisco Bay region during the mid-20th century to address
9 the needs for regional intergovernmental cooperation, including
10 the formation of the Bay Area Air Quality Management District
11 in 1955; the formation of a voluntary council of governments, the
12 Association of Bay Area Governments in 1961 to enhance the
13 coordination of land use policy decisions across municipal and
14 county boundaries; the formation of the Bay Conservation and
15 Development Commission in 1965 with the mission of preserving
16 and protecting San Francisco Bay and its estuary system from
17 destructive and ill-planned encroachment; and the establishment
18 of the Metropolitan Transportation Commission in 1970,
19 California's first statutorily created regional transportation planning
20 agency, to plan the region's transportation infrastructure, to
21 prioritize transportation investments, and to organize and manage
22 the allocation of financial resources necessary to implement the
23 regional transportation plan.

24 (b) Regional planning requirements have increased significantly
25 during the last 40 years. Among the most important changes in

1 state law governing the terms and conditions of regional planning
2 are those mandated by Senate Bill 375 of the 2007–08 Regular
3 Session (Chapter 728 of the Statutes of 2008). Among the
4 provisions of this statute is a requirement that a regional
5 transportation plan in urban areas include a sustainable
6 communities strategy designed to achieve greenhouse gas emission
7 reduction targets established by the State Air Resources Board.
8 The successful implementation of the sustainable communities
9 strategy requires close cooperation between regional and local
10 agencies in preparing land use, transportation, and regional air
11 quality management plans. Existing law requires collaboration
12 between the Metropolitan Transportation Commission and the
13 Association of Bay Area Governments when preparing the
14 sustainable communities strategy; however, there is no independent
15 policy body governing the collaboration. In addition to regional
16 collaboration, there is a need, when preparing the sustainable
17 communities strategy, for collaboration with the cities and counties
18 responsible for land use planning, but where that responsibility
19 resides is unspecified. This title is intended to address and remedy
20 these deficiencies.

21 (c) There is a need to integrate regional policymaking among
22 the Metropolitan Transportation Commission and its associated
23 agency, the Bay Area Toll Authority; the Bay Area Air Quality
24 Management District; the Bay Conservation and Development
25 Commission; and the Association of Bay Area Governments. These
26 regional entities have important responsibilities associated with
27 establishing and maintaining the region’s sustainable communities
28 strategy. Recognizing the need to integrate regional planning, this
29 title establishes a regional policymaking process, in collaboration
30 with the governing boards of the regional entities, to ensure that
31 regional policies are developed within a common framework and
32 establishes a single point of contact for the general public and
33 public agencies having an interest in regional policies and
34 programs. Further, in an effort to achieve efficiencies, it
35 consolidates common administrative functions and establishes
36 processes for coordinating professional functions among the
37 regional entities. It also provides for direct public accountability
38 on regional issues by establishing a ~~regionally-elected~~ governing
39 board, to be known as the Bay Area Regional Commission.

1 (d) An important objective of Senate Bill 375 of the 2007–08
2 Regular Session was to reduce the migration of workers and jobs
3 outside of the region because of the need for affordable housing.
4 In light of these circumstances, there is a need to create an
5 economic development strategy for the region that will attract and
6 retain businesses. To this end, the creation of an economic strategy
7 is necessary that builds on the education resources of the region,
8 including high schools, community colleges, and public and private
9 universities, and recognizes the need for a diversified regional
10 economy with employment opportunities for a wide spectrum of
11 skills. In developing this strategy, it is important to sustain the
12 environment and the social and cultural amenities that historically
13 have made the bay area an unquestionably desirable place to live
14 and work.

15 66538.1. For purposes of this title, the following definitions
16 shall apply:

17 (a) “Commission” means the Bay Area Regional Commission.

18 (b) “Commissioners” means the governing board of the Bay
19 Area Regional Commission.

20 (c) “Region” means the area encompassed by the Counties of
21 Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo,
22 Santa Clara, Solano, and Sonoma.

23 (d) “Regional entities” means the Metropolitan Transportation
24 Commission, including any joint exercise of powers agencies that
25 include the commission as a member agency; the Bay Area Toll
26 Authority; the Bay Area Air Quality Management District; the San
27 Francisco Bay Conservation and Development Commission; and
28 the Association of Bay Area Governments.

29 66538.2. (a) The Bay Area Regional Commission is hereby
30 established, and the commission shall succeed to and is vested
31 with all the duties, powers, purposes, responsibilities, and
32 jurisdiction of the joint policy committee described in Sections
33 66536, 66536.1, and 66536.2, as well as any additional duties,
34 powers, purposes, responsibilities, and jurisdiction provided in
35 this title.

36 (b) The regional entities that are funding the joint policy
37 committee shall continue to provide that level of funding, with the
38 funding to be provided to the commission rather than to the
39 committee. The amount to be provided by each regional entity
40 shall be, at a minimum, the amount provided in the 2012–13 fiscal

1 year, adjusted annually for inflation, but may be a greater amount.
2 The commission may seek additional funding for purposes of
3 implementing this title from the regional entities.

4 (c) The Bay Area Toll Authority shall make contributions to
5 the Bay Area Regional Commission in furtherance of the exercise
6 of the authority's powers under Division 17 (commencing with
7 Section 30000) of the Streets and Highways Code, including,
8 without limitation, contributions in the form of personnel services,
9 office space, and funding. The authority shall also make
10 contributions to the commission on a reimbursement-for-cost basis;
11 provided, however, that reimbursement shall not be required to
12 the extent that the contributions provided are determined by the
13 commission to be in furtherance of the exercise of the authority's
14 powers under that division.

15 (d) Federal and state funds made available to the Metropolitan
16 Transportation Commission for purposes of transportation planning
17 shall be budgeted to the Bay Area Regional Commission.

18 (e) The joint policy committee shall employ an interim executive
19 director for the commission to serve until June 30, 2015, or until
20 his or her successor has been appointed pursuant to Section
21 66538.3, whichever first occurs. The interim executive director
22 may act on behalf of the commission until commissioners ~~are~~
23 ~~elected and~~ take office.

24 (f) During a transition period, until January 1, 2017, the
25 commission shall review and comment on draft plans and proposed
26 final plans for the regional transportation system, the sustainable
27 communities strategy as described in Section 65088 of this code
28 and Chapter 4.2 (commencing with Section 21155) of Division 13
29 of the Public Resources Code, and other plans and regulations.
30 Thereafter, review of these plans and regulations shall be subject
31 to Section 66538.11.

32 ~~(g) (1) The commission shall draw the boundaries for 15~~
33 ~~districts from which candidates for the commissioners shall be~~
34 ~~elected. The commission shall ensure compliance with all~~
35 ~~applicable state and federal laws regarding the apportionment of~~
36 ~~population among the districts.~~

37 ~~(2) Initial commission elections, including primary and general~~
38 ~~elections, shall take place in 2014.~~

39 ~~(3) The term of office for each commissioner shall be four years,~~
40 ~~except as otherwise provided by Section 66538.3.~~

1 ~~(h) The commission shall undertake a study to determine the~~
2 ~~feasibility of publicly financing the elections of commissioners~~
3 ~~for subsequent elections.~~

4 66538.3. (a) The commissioners ~~elected in 2014~~ shall take
5 office on the first Monday after January 1, 2015.

6 ~~(b) No later than January 15, 2015, the commissioners shall~~
7 ~~draw lots to determine the initial terms of office by district. Seven~~
8 ~~commissioners shall serve an initial term of two years and eight~~
9 ~~commissioners shall serve an initial term of four years.~~

10 (e)

11 (b) The commission shall appoint an executive director, a chief
12 legal counsel, and a chief financial officer by June 30, 2015. These
13 officers shall serve at the pleasure of the commission. The
14 executive director may appoint additional staff of the commission.

15 66538.4. (a) The commission shall authorize its executive
16 director to prepare a regional reorganization plan. The commission
17 shall adopt goals and policies to govern the preparation of the plan.
18 Among the goals shall be a statement as to the expected reduction
19 in the cost of overhead and in the operation and management of
20 the regional entities. All cost saving shall be directed to the
21 commission's general fund. In addition, goals shall be adopted for
22 integrating the regional planning requirements for the regional
23 plans of each regional entity into a comprehensive regional plan.

24 (b) When preparing the regional reorganization plan, the
25 executive director shall include a plan for consolidating the
26 functions that are common to the regional entities, including, but
27 not limited to, personnel and human resources, budget and financial
28 services, electronic data and communications systems, legal
29 services, contracting and procurement of goods and services, public
30 information and outreach services, intergovernmental relations,
31 transportation, land use, economic, and related forecasting models,
32 and other related activities. Consideration shall be given to ensuring
33 that there are common personnel classifications where appropriate
34 among the regional entities, and the consolidation of other functions
35 or activities, as deemed feasible, that will further the mission of
36 the commission and will reduce redundancy. The plan shall be
37 updated as determined by the commission.

38 (c) On or before December 31, 2015, the executive director
39 shall submit to the commission a draft regional reorganization
40 plan. The commission shall hold at least one public hearing in each

1 county of the region to receive public comment. A final plan shall
2 thereafter be adopted for implementation on or before June 30,
3 2016.

4 66538.5. The commission shall be the fiscal agent for the
5 regional entities, responsible for preparing the annual budget and
6 managing the financial resources for each entity.

7 66538.6. (a) In consultation with the regional entities, the
8 executive director shall, on or before April 1, 2015, and on or
9 before April 1 of each year thereafter, prepare and submit to the
10 governing board of each regional entity a recommended integrated
11 budget for the commission and for the regional entities for the
12 subsequent fiscal year. The commission shall adopt the integrated
13 budget for the 2015–16 fiscal year by June 30, 2015, and by June
14 30 of each fiscal year thereafter.

15 (b) Prior to developing the integrated budget, the executive
16 director shall submit to the commission, for adoption, proposed
17 performance criteria to govern budgetary priorities. After the
18 adoption of the initial integrated budget, the executive director
19 shall report in subsequent annual budgets the extent to which the
20 performance criteria for the previous fiscal year were met. A new
21 set of performance criteria may be proposed and adopted for
22 subsequent fiscal years.

23 66538.7. To integrate the management of the commission with
24 that of the regional entities, the commission's executive director
25 shall do both of the following:

26 (a) Organize the regional entities as divisions of the
27 commission, with each regional entity to continue to be governed
28 by any applicable statute pertaining to that entity, except for
29 resource allocation, which shall be governed by Section 66538.5,
30 and except as otherwise provided in this title.

31 (b) Recommend a candidate for the executive director of each
32 regional entity as positions become vacant.

33 66538.8. The commission shall develop and adopt public and
34 community outreach policies to govern the scheduling of
35 commission meetings, the meetings of regional entities, the
36 meetings of standing committees, and meetings of ad hoc or other
37 temporary committees. In developing the policies, the commission
38 shall ensure that outreach programs will utilize all available
39 communication technologies, including webcasting and social
40 media, print, radio, and television. The commission shall also

1 establish policies for the holding *of* workshops of the commission
2 and the regional entities in the cities and counties of the region.
3 The commission shall provide an opportunity for the public to
4 comment on the draft and the final recommended policies. The
5 policies shall be adopted on or before October 31, 2015.

6 66538.9. The commission shall maintain an Internet Web site
7 containing relevant information pertaining to the commission’s
8 activities.

9 66538.10. The commission shall be subject to the Ralph M.
10 Brown Act (Chapter 9 (commencing with Section 54950) of Part
11 1 of Division 2 of Title 5).

12 66538.11. (a) Beginning on January 1, 2017, the commission
13 shall review the policies and plans, and associated regulations, of
14 each regional entity as provided in this section. The review shall
15 include an assessment of the consistency of the policies, plans,
16 and regulations among the regional entities with the requirements
17 of Senate Bill 375 of the 2007–08 Regular Session. The
18 commission shall issue a consistency report describing the findings
19 of this review. The commission shall hold public and community
20 hearings in accordance with its public outreach policies regarding
21 the draft consistency findings. The findings of the consistency
22 review shall be used in fulfilling the commission’s regional
23 planning responsibilities.

24 (b) The commission shall establish a process to develop and
25 implement its own policies, goals, and regulations, including
26 performance measures, governing the preparation and adoption of
27 the plans prepared by the regional entities, provided they are
28 consistent with the relevant state and federal laws governing
29 transportation planning and programming, the management of
30 regional air resources, bay shoreline planning, toll bridges, and
31 regional land use and housing policies. The commission shall
32 develop a schedule for implementing this subdivision.

33 (c) Consistent with the policies adopted pursuant to subdivision
34 (b), the governing board of each regional entity shall submit its
35 functional regional plan to the commission for adoption. The
36 commission shall adopt the functional regional plans, except as
37 provided in this subdivision. Should the commission determine
38 not to adopt a recommended ~~function~~ *functional* regional plan, it
39 shall submit to the applicable regional entity its findings underlying
40 its decision, including referencing policies, goals, and performance

1 measures adopted pursuant to subdivision (b), the goals of the
2 economic development strategy, and any inconsistency with Senate
3 Bill 375 of the 2007–08 Regular Session. The regional entity shall
4 redraft its functional regional plan in response to the findings of
5 the commission and resubmit the plan.

6 (d) The commission shall be responsible for ensuring that the
7 sustainable communities strategy for the region integrates
8 transportation, land use, and air quality management consistent
9 with the requirements of Senate Bill 375 of the 2007–08 Regular
10 Session.

11 66538.12. (a) The commission shall prepare a 20-year regional
12 economic development strategy for the region. The goal of the
13 economic development strategy shall be to ensure that the regional
14 economy is capable of adapting to changes in technology, market
15 demand, and direction of the national and international economy.
16 The strategy shall include, but not be limited to, all of the
17 following:

18 (1) A socioeconomic profile of each county shall be developed.

19 (2) Identification of the types and location of major clusters of
20 firms that are both competitive and complementary enterprises for
21 each county.

22 (3) Identification of the sectors of the economy where there is
23 underinvestment and a workforce with high unemployment or
24 underemployment.

25 (4) Identification of sectors where investment in specific sectors
26 of the economy would enhance the probability of increasing the
27 employment opportunities for the unemployed or underemployed.

28 (5) Identification of the public and private investments that are
29 needed to facilitate the development of new or enhancement of
30 existing sectors of the regional economy.

31 (6) Identification of the social equity issues within the region
32 and the extent these issues may be addressed by the economic
33 development strategy. The strategy may identify institutional issues
34 that are barriers to addressing social equity.

35 (7) A profile of the unique regional environmental amenities as
36 well as the social and cultural amenities that are found to contribute
37 to employers being attracted to and remaining in the region.

38 (b) In consultation with the regional entities, the commission
39 shall adopt goals and policies related to the inclusion of economic
40 development opportunities in the plans of the regional entities and

1 in its own plans. The goals and policies shall also promote
2 amenities that are special to the region and contribute to the
3 region's quality of life.

4 (c) The commission shall appoint an advisory committee with
5 members from the business community, including representatives
6 of small businesses, technology and manufacturing sectors,
7 community colleges, public and private universities, labor, local
8 governments, and other organizations involved with the private
9 economy. The commission shall coordinate the preparation of the
10 strategy with the advisory committee and with the regional entities.

11 (d) Consistent with its public outreach plan, the commission
12 shall hold public and community outreach as it deems appropriate
13 for both draft and final economic development strategies. The
14 commission may hold other public outreach sessions as appropriate
15 during the course of preparing the economic development strategy.

16 (e) The commission shall adopt the first economic development
17 strategy plan by December 31, 2015, and an updated strategy every
18 four years thereafter.

19 66538.13. (a) Changes proposed by the commission in policies
20 related to tolls and the management of the seven state-owned toll
21 bridges within the jurisdiction of the Bay Area Toll Authority shall
22 be consistent with and shall conform with the terms and conditions
23 of any covenants and agreements related to the use of toll revenues
24 and the financing and refinancing of any associated debt.

25 (b) Toll revenues managed by the Bay Area Toll Authority shall
26 be used only to acquire, construct, manage, maintain, lease, operate,
27 or construct facilities required for the management of the
28 state-owned toll bridges within its jurisdiction, for improvements
29 to the toll bridges, to provide access to the toll bridges within its
30 jurisdiction, or for associated transportation projects specifically
31 authorized to be undertaken with bridge toll revenues pursuant to
32 the relevant provisions of the Streets and Highways Code.
33 Revenues in any reserve funds established pursuant to bond
34 covenants or other related agreements shall not be invested in real
35 property.

36 (c) No more than 5 percent of the toll revenues shall be used
37 for administration and planning of the transportation system that
38 serves the travel corridors that are served by the toll bridges.

1 66538.14. To the extent of any conflict between this title and
2 a statute governing any of the regional entities, this title shall
3 prevail.

4 SEC. 2. If the Commission on State Mandates determines that
5 this act contains costs mandated by the state, reimbursement to
6 local agencies and school districts for those costs shall be made
7 pursuant to Part 7 (commencing with Section 17500) of Division
8 4 of Title 2 of the Government Code.

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AGENDA TRANSMITTAL

MEETING DATE: May 22, 2012

CITY AGENDA ITEM: Council Adoption of Resolution No. 2012-___: Initiating Proceedings, Preliminarily Approving the Annual Engineer's Reports, and Declaring Its Intention to Levy and Collect Assessments for the Suisun City Maintenance Assessment Districts for Fiscal Year 2012-13.

FISCAL IMPACT: The Maintenance Assessment Districts (MAD) are important components of the City's landscape and lighting maintenance program. Together they generate over \$1 million annually in assessments (Non-General Fund) to maintain the various District neighborhoods and to dredge the channels.

The proposed assessments would be collected for the City by the Solano County Auditor/Controller, via the secured property tax bills of the assessable parcels within each of the District boundaries, to fund the ongoing landscaping and lighting maintenance in each District. For Fiscal Year 2012-13, maximum assessments will vary from \$75 to \$3,135.65 per equivalent dwelling unit, depending on the District. These Districts provide services that benefit the properties assessed and that would otherwise be provided from the General Fund.

The maximum assessment for all the Districts, except for Heritage, Montebello and Marina Dredging, are subject to an annual inflation factor based on the Annual Construction Cost Index as published in the first issue of each April of the Engineering News Record magazine. This year the annual inflation factor was 2.074% increasing the assessments around \$0 to \$6.71 per equivalent dwelling unit, depending on the district. The total assessments collected, with CCI increases, will be \$1,075,596.96.

STAFF REPORT: The City of Suisun City has eight Maintenance Assessment Districts (Blossom, Heritage Park, Lawler Ranch, Marina Village, Montebello Vista, Peterson Ranch, Railroad Avenue and Victorian Harbor Maintenance Assessment Districts). Six were created in accordance with the Landscaping and Lighting Act of 1972. Two, Marina Village and Victorian Harbor, were created in accordance with the Municipal Improvement Act of 1913. The Acts require the preparation of annual Engineer's Reports for each MAD.

During the months of March and April, staff held meetings with the residents of each District to discuss District funding, the current landscape contract and any concerns or priorities that they had.

Today, the City Council initiates the process, considers for approval the Preliminary Engineer's Reports for all Districts, declares the intent to levy and collect assessments for all Districts and establishes June 19, 2012 for the required Public Hearing. This is not the final approval of the levy amount.

PREPARED BY:

Jeff Penrod, Public Works Superintendent

REVIEWED/APPROVED BY:

Daniel Kasperson, Building & Public Works Director

Suzanne Bragdon, City Manager

At the Public Hearing, Council will allow property owners the opportunity to address the Council concerning the Districts, and the Council will approve or amend the Preliminary Engineers Reports and order the levy and collection of taxes. Then NBS will prepare the taped Assessor Parcel Assessment Report to be sent to the County in time for the assessor's deadline on August 3, 2012.

STAFF RECOMMENDATION: It is recommended that the City Council adopt Resolution No. 2012-___: Initiating Proceedings, Preliminarily Approving the Annual Engineer's Reports, and Declaring Its Intention to Levy and Collect Assessments for the Suisun City Maintenance Assessment Districts for Fiscal Year 2012-13.

ATTACHMENTS:

1. Table Summarizing District Proposed Assessments for FY 2012-13.
 2. Resolution No. 2012-___: Initiating Proceedings, Preliminarily Approving the Annual Engineer's Reports, and Declaring Its Intention to Levy and Collect Assessments for the Suisun City Maintenance Assessment Districts for Fiscal Year 2012-13.
 3. Engineer's Reports 2012-13 (due to size are available with the City Clerk).
-

Summary of Proposed District Assessments - Fiscal Year 2012-13

District	# of Parcels & EDU's	FY 2012-13 Assessment per Unit	FY 2011-12 Assessment per Unit	ENR CCI (2.074%) Increase 2012- 13	Last Non- Indexed Increased	Year First Assessed
Blossom	113	\$ 139.86	\$ 137.02	\$ 2.84	Jan-02	92/93
Heritage Park	759	\$ 192.64	\$ 192.64	\$ -	None	92/93
Lawler Ranch	1,304.30	\$ 217.37	\$ 212.96	\$ 4.41	Jan-02	90/91
Marina Village	42	\$1,127.28 to \$4,688.28	\$1,127.28 to \$4,688.28	\$ -	None	95/96
Montebello Vista	486	\$ 75.00	\$ 75.00	\$ -	1994/1995	89/90
Peterson Ranch	546	\$ 286.06	\$ 280.00	\$ 6.06	N/A	Feb-03
Railroad Avenue	2	\$ 3,005.52	\$ 2,941.81	\$ 63.71	None	91/92
Victorian Harbor A - Dredging	94	\$ 240.89	\$ 227.79	\$ 13.10	None	94/95
Victorian Harbor A - Maint.	94	\$ 644.68	\$ 631.58	\$ 13.10	Jan-02	94/95
Victorian Harbor B - Dredging	20.95	\$ 240.89	\$ 227.79	\$ 13.10	None	94/95
Victorian Harbor B - Maint.	20.95	\$ 644.68	\$ 631.58	\$ 13.10	Jan-02	94/95
Victorian Harbor C-D - Dredging	125.15	\$ 240.89	\$ 227.79	\$ 13.10	None	94/95
Victorian Harbor C-D - Maint.	119.99	\$ 967.31	\$ 947.66	\$ 19.65	Jan-02	94/95
Victorian Harbor E - Dredging	55	\$ 240.89	\$ 227.79	\$ 13.10	None	94/95
Victorian Harbor E - Maint.	55	\$ 644.68	\$ 631.58	\$ 13.10	Jan-02	94/95
Victorian Harbor F - Dredging	89	\$ 240.89	\$ 227.79	\$ 13.10	None	94/95
Victorian Harbor F - Maint.	89	\$ 644.68	\$ 631.58	\$ 13.10	Jan-02	94/95

EDU = Equivalent
Dwelling Unit

ENR CCI = Adjusted annual inflator produced by the Engineer's News Record Construction Cost Index.

Summary of Proposed District Assessments - Fiscal Year 2012-13

District	# of Parcels & EDU's	FY 2012-13 Assessment per Unit	FY 2011-12 Assessment per Unit	ENR CCI (2.074%) Increase 2012- 13	Last Non- Indexed Increased	Year First Assessed
Blossom	113	\$ 139.86	\$ 137.02	\$ 2.84	Jan-02	92/93
Heritage Park	759	\$ 192.64	\$ 192.64	\$ -	None	92/93
Lawler Ranch	1,304.30	\$ 217.37	\$ 212.96	\$ 4.41	Jan-02	90/91
Marina Village	42	\$1,127.28 to \$4,688.28	\$1,127.28 to \$4,688.28	\$ -	None	95/96
Montebello Vista	486	\$ 75.00	\$ 75.00	\$ -	1994/1995	89/90
Peterson Ranch	546	\$ 286.06	\$ 280.00	\$ 6.06	N/A	Feb-03
Railroad Avenue	2	\$ 3,005.52	\$ 2,941.81	\$ 63.71	None	91/92
Victorian Harbor A - Dredging	94	\$ 240.89	\$ 227.79	\$ 13.10	None	94/95
Victorian Harbor A - Maint.	94	\$ 644.68	\$ 631.58	\$ 13.10	Jan-02	94/95
Victorian Harbor B - Dredging	20.95	\$ 240.89	\$ 227.79	\$ 13.10	None	94/95
Victorian Harbor B - Maint.	20.95	\$ 644.68	\$ 631.58	\$ 13.10	Jan-02	94/95
Victorian Harbor C-D - Dredging	125.15	\$ 240.89	\$ 227.79	\$ 13.10	None	94/95
Victorian Harbor C-D - Maint.	119.99	\$ 967.31	\$ 947.66	\$ 19.65	Jan-02	94/95
Victorian Harbor E - Dredging	55	\$ 240.89	\$ 227.79	\$ 13.10	None	94/95
Victorian Harbor E - Maint.	55	\$ 644.68	\$ 631.58	\$ 13.10	Jan-02	94/95
Victorian Harbor F - Dredging	89	\$ 240.89	\$ 227.79	\$ 13.10	None	94/95
Victorian Harbor F - Maint.	89	\$ 644.68	\$ 631.58	\$ 13.10	Jan-02	94/95

EDU = Equivalent
Dwelling Unit

ENR CCI = Adjusted annual inflator produced by the Engineer's News Record Construction Cost Index.

RESOLUTION NO. 2012-__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY
INITIATING PROCEEDINGS, PRELIMINARILY APPROVING THE ANNUAL
ENGINEER'S REPORTS, AND DECLARING ITS INTENTION TO
LEVY AND COLLECT ASSESSMENTS FOR THE SUISUN CITY
MAINTENANCE ASSESSMENT DISTRICTS FOR FISCAL YEAR 2012-13**

WHEREAS, the City Council has by previous Resolutions formed and levied annual assessments for the **Blossom Maintenance Assessment District, Heritage Park Maintenance Assessment District, Lawler Ranch Maintenance Assessment District, Marina Village Channel Improvement District, Montebello Vista Maintenance Assessment District, Peterson Ranch Maintenance Assessment District, Railroad Avenue Maintenance Assessment District and Victorian Harbor Maintenance Assessment District** (hereafter referred to as the "Districts"), has initiated proceedings and declared its intention to levy and collect annual assessments in special maintenance districts created pursuant to the provisions of the *Landscape and Lighting Act of 1972, Part 2, Division 15 of the California Streets and Highways Code (commencing with Section 22500)* and the *Municipal Improvement Act of 1913, Division 12 of the California Streets and Highways Code (commencing with Section 10000)* (hereafter referred to as the "Acts") that provide for the levy and collection of assessments by the County of Solano for the City of Suisun City to pay the maintenance and services of all improvements and facilities related thereto; and

WHEREAS, the City Council has retained NBS for the purpose of assisting with the Annual Levy of the Districts and the preparation and filing of reports with the City Clerk in accordance with the Acts; and

WHEREAS, there has now been presented to this City Council the Reports as required by said Acts; and

WHEREAS, this City Council has carefully examined and reviewed the Reports as presented and is preliminarily satisfied with the Districts, each and all of the budget items and documents as set forth therein, and is satisfied that the levy amounts, on a preliminary basis, have been assessed in accordance with the special benefit received from the improvements, operation, maintenance and services to be performed within the Districts, as set forth in said Reports.

NOW, THEREFORE BE IT RESOLVED, DETERMINED, AND ORDERED BY THE CITY COUNCIL FOR THE DISTRICT, PURSUANT TO THE ACTS, AS FOLLOWS:

Section 1 That the above recitals are true and correct.

Section 2 Annual Engineer's Report: The City Council hereby orders NBS to prepare and file with the City Clerk an Annual Engineer's Report for each of the Districts concerning the levy and collection of assessments for the fiscal year commencing July 1, 2012 and ending June 30, 2013 in accordance with the Acts.

Section 3 Proposed Improvements and any Substantial Changes in Existing Improvements: The improvements within the Districts are outlined in the Annual Engineer's Reports, which provide details of all improvements, and describe all new improvements or substantial changes in existing improvements.

Section 4 Engineer of Record. Dane H. Schilling, the City Engineer of Suisun City, is designated as Engineer of Work for purposes of the District.

Section 5 Intention: The City Council hereby declares that it is its intention to seek the Annual Levy of the District pursuant to the Act, over and including the land within each District's respective boundaries, and to levy and collect assessments on all such land to pay the annual costs of the improvements. The City Council finds that the public's best interest requires such levy and collection.

Section 6 That the "Reports" as presented, consist of a Description of Improvements and the Annual Budgets (Costs and Expenses of Services, Operations and Maintenance). The District Rolls containing the Fiscal Year 2012-13 Levy for each Assessor Parcel within the Districts will be provided with the final Annual Engineer's Reports. The Reports are hereby approved on a preliminary basis and ordered to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection.

Section 7 Description of Improvements: The improvements within the Districts may include operation, maintenance, and servicing of landscaping, street lighting, channel maintenance, parks, median island landscaping, alleyway landscaping, hardscape, sound walls, and appurtenant facilities within the boundaries of the Districts. Services provided include all necessary service, operations, administration and maintenance required to keep the improvements in a healthy, vigorous and satisfactory condition.

Section 8 Proposed Assessment Amounts: For Fiscal Year 2012-13, the proposed assessments are outlined in the Annual Engineer's Reports which detail any changes or increases in the annual assessment.

Section 9 Public Hearing(s): The City Council hereby declares its intention to conduct a Public Hearing annually concerning the levy of assessments for the Districts in accordance with *Chapter 3, Section 22626* of the Act.

Section 10 Notice: The City shall give notice of the time and place of the Public Hearing to all property owners within the Districts by causing the publishing of this Resolution once in the local newspaper, not less than ten (10) days before the date of the Public Hearing, and by posting a copy of this resolution on the official bulletin board customarily used by the City Council for the posting of notices. Any interested person may file a written protest with the City Clerk prior

to the conclusion of the Public Hearing, or, having previously filed a protest, may file a written withdrawal of that protest. A written protest shall state all grounds of objection and a protest by a property owner shall contain a description sufficient to identify the property owned by such property owner. At the Public Hearing all interested persons shall be afforded the opportunity to hear and be heard.

Section 11 Notice of Public Hearing: Notice is hereby given that a Public Hearing on these matters will be held by the City Council on **Tuesday, June 19, 2012, at 7:00 p.m.** or as soon thereafter as feasible in the City Council Chambers located at 701 Civic Center Boulevard, Suisun City.

Section 12 That the City Clerk shall certify to the passage and adoption of this Resolution and the minutes of this meeting shall so reflect the presentation of the Reports.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Suisun City held on Tuesday the 22nd day of May 2012 by the following vote:

AYES:	Councilmembers:	_____
NOES:	Councilmembers:	_____
ABSENT:	Councilmembers:	_____
ABSTAIN:	Councilmembers:	_____

WITNESS my hand and the seal of said City this 22nd day of May 2012.

Linda Hobson, CMC
City Clerk

AGENDA TRANSMITTAL

MEETING DATE: May 22, 2012

CITY AGENDA ITEM: Initiate and Provide Intent to the Levy and Collection of Assessments for the Parking Benefit Assessment District:

- a. Council Adoption of Resolution No. 2012-___: Initiating Proceedings for the Levy and Collection of Assessments for the McCoy Creek Parking Benefit Assessment District for Fiscal Year 2012-13; and
- b. Council Adoption of Resolution No. 2012-___: Declaring Its Intention to Order Assessments for a Previously Approved Benefit Assessment District Pursuant to the Benefit Assessment Act of 1982, Preliminarily Approving an Engineer's Report in Connection with Such District and Appointing a Time and Place for Comment (Public Hearing) on the Engineer's Report for Fiscal Year 2012-13.

FISCAL IMPACT: The proposed assessments would be collected for the City by the Solano County Auditor/Controller, via the secured property tax bills of the assessable parcels within the District boundary, to fund the parking improvements and the ongoing maintenance. For Fiscal Year 2012-13, maximum assessments will be \$82.14 per equivalent dwelling unit. The total district budget is \$6,161.20. This District provides services that benefit the properties assessed, and these services would otherwise be provided from the General Fund.

The maximum assessment would be subject to an annual inflation factor based on the Annual Construction Cost Index as published in the first issue of each April of the Engineering News Record magazine. This year the annual inflation factor was 2.074%, increasing the maximum assessment for FY 2012-13 from \$80.48 to \$82.15.

STAFF REPORT: As a condition of approval for the McCoy Creek Development Project, the developer was required to create a Parking Assessment District to offset long-term maintenance costs associated with the on-street parking within public right-of-way. The City Council and applicant agreed to the formation of a Parking Assessment District to offset the long-term maintenance of on-street parking.

The number of on-street parking spaces provided is 75. The Mixed-Use Portion and Commercial development is required to pay for the long-term maintenance of the on-street parking, because those units are benefiting from the deviation to the City's off-street parking requirements and utilizing public right-of-way.

PREPARED BY:

Jeff Penrod, Public Works Superintendent

REVIEWED/APPROVED BY:

Daniel Kasperson, Building & Public Works Director

Suzanne Bragdon, City Manager

The boundaries of the district are described as within the area bounded by McCoy Creek Way to the North, Gray Hawk Lane to the South, Crescent Elementary School to the East and Grizzly Island Road to the West. The District consists of mixed parcel types and is proposed to include 75 assessable equivalent dwelling units (on-street parking spaces).

Today, the City Council would initiate the process, would consider for approval the Preliminary Engineer's Reports for Parking Benefit Assessment District, would declare the intent to levy and collect assessments for all Districts, and would establish June 19, 2012, for the required Public Hearing. There would be a 2.074% increase for fiscal year 2012-13.

At the Public Hearing, Council would allow property owners the opportunity to address the Council concerning the districts, and the Council would approve or amend the Preliminary Engineers Reports and order the levy and collection of taxes. Then NBS would prepare the taped Assessor Parcel Assessment Report to be sent to the County in time for the assessor's deadline on August 3, 2012.

STAFF RECOMMENDATION: It is recommended that the City Council adopt:

1. Resolution No. 2012-___: Initiating Proceedings for the Levy and Collection of Assessments for the McCoy Creek Parking Benefit Assessment District for Fiscal Year 2012-13; and
2. Resolution No. 2012-___: Declaring Its Intention to Order Assessments for a Previously Approved Benefit Assessment District Pursuant to the Benefit Assessment Act of 1982, Preliminarily Approving an Engineer's Report in Connection with Such District and Appointing a Time and Place for Comment (Public Hearing) on the Engineer's Report for Fiscal Year 2012-13.

ATTACHMENTS:

1. Resolution No. 2012-___: Initiating Proceedings for the Levy and Collection of Assessments for the McCoy Creek Parking Benefit Assessment District for Fiscal Year 2012-13.
 2. Resolution No. 2012-___: Declaring Its Intention to Order Assessments for a Previously Approved Benefit Assessment District Pursuant to the Benefit Assessment Act of 1982, Preliminarily Approving an Engineer's Report in Connection with Such District and Appointing a Time and Place for Comment (Public Hearing) on the Engineer's Report for Fiscal Year 2012-13.
 3. Engineer's Report.
-

RESOLUTION NO. 2012-__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY
INITIATING PROCEEDINGS FOR THE LEVY AND COLLECTION OF
ASSESSMENTS FOR THE MCCOY CREEK PARKING BENEFIT ASSESSMENT
DISTRICT FOR FISCAL YEAR 2012-13**

WHEREAS, the City Council has by previous Resolutions formed and levied annual assessments for the McCoy Creek Parking Benefit Assessment District (hereafter referred to as the "District"), pursuant to the terms and provisions of the Benefit Assessment Act of 1982, Chapter 6.4, Division 2, Title 5 of the California Government Code (commencing with Section 54703) (the "1982 Act"), Article XIID of the Constitution of the State of California ("Article XIID") and the Proposition 218 Omnibus Implementation Act (Government Code Section 53750 and following) (the "Implementation Act") (the 1982 Act, Article XIID and the Implementation Act are referred to collectively as the "Assessment Law"), in what is known and designated as the MCCOY CREEK PARKING BENEFIT ASSESSMENT DISTRICT (the "District"); and

WHEREAS, the City Council has retained NBS for the purpose of assisting with the Annual Levy of the District, and to prepare and file a report with the City Clerk in accordance with the Act; and,

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

Annual Levy Report: The improvements proposed to be installed and/or maintained, are hereby referred to by NBS, acting as the Assessment Engineer, who is hereby directed to make and file the Assessment Engineer's Report as required by the provisions of the Assessment Law.

District Improvements: The maintenance of improvements shall include the furnishing of services and materials for the ordinary and usual maintenance, operation and servicing of the improvements.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Suisun City held on Tuesday the 22nd day of May 2012 by the following vote:

AYES:	Councilmembers:	_____
NOES:	Councilmembers:	_____
ABSENT:	Councilmembers:	_____
ABSTAIN:	Councilmembers:	_____

WITNESS my hand and the seal of said City this 22nd day of May 2012.

Linda Hobson, CMC
City Clerk

RESOLUTION NO. 2012-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY DECLARING ITS INTENTION TO ORDER ASSESSMENTS FOR A PREVIOUSLY APPROVED BENEFIT ASSESSMENT DISTRICT PURSUANT TO THE BENEFIT ASSESSMENT ACT OF 1982, PRELIMINARILY APPROVING AN ENGINEER'S REPORT IN CONNECTION WITH SUCH DISTRICT AND APPOINTING A TIME AND PLACE FOR COMMENT (PUBLIC HEARING) ON THE ENGINEER'S REPORT FOR FISCAL YEAR 2012-13

WHEREAS, the City Council of the City of Suisun City, California, has previously formed a special maintenance district pursuant to the terms of the *Benefit Assessment Act of 1982, Chapter 6.4 of Part 1 of Division 2 of Title 5 of the California Government Code, (commencing with Section 54703)* (hereafter referred to as the "Act"), said maintenance assessment district known and designated as Drainage Assessment District as follows:

McCOY CREEK PARKING BENEFIT ASSESSMENT DISTRICT

(hereinafter referred to as the "Maintenance District"); and,

WHEREAS, the City Council of the City of Suisun City is desirous to conduct proceedings to provide for the annual levy of assessments for Fiscal Year 2012-13 to provide for the costs and expenses necessary to pay for the maintenance of the improvements in said Maintenance District; and

WHEREAS, NBS Government Finance Group, DBA NBS, has prepared a preliminary Engineer's Report generally containing the following:

- A. Plans and specifications describing the general nature, location and extent of the improvements to be maintained.
- B. An estimate of the cost of the maintenance and/or servicing of the improvements for the Maintenance District for the referenced fiscal year.
- C. A diagram for the Maintenance District, showing the area and properties proposed to be assessed.
- D. An assessment of the estimated costs of the maintenance and/or servicing, assessing the net amount upon all assessable lots and/or parcels within the Maintenance District in proportion to the benefits received. That upon completion of the preparation of said "Report," the original shall be filed with the City Clerk, who shall then submit the same to this legislative body for its immediate review and consideration.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

RECITALS: That the above recitals are all true and correct.

DECLARATION OF INTENTION: That the public interest and convenience requires, and it is the intention of this legislative body, to levy and collect assessments to pay the annual costs and expenses for the installation, replacement, maintenance and/or servicing of the improvements for the above-referenced Maintenance District. No new improvements or any substantial changes in existing improvements or zones are proposed as a part of these proceedings.

PUBLIC HEARING: Notice is hereby given that a Public Hearing on these matters will be held by the City Council on **Tuesday, June 19, 2012, at 7:00 p.m.** or as soon thereafter as feasible in the City Council Chambers located at 701 Civic Center Boulevard, Suisun City. At the hearing, the City Council shall hear and consider all discussion regarding the proposed assessment as described in the Report.

FISCAL YEAR: That the assessments as above authorized and levied for these proceedings will provide revenue and relate to the fiscal year commencing July 1, 2012 and ending June 30, 2013.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Suisun City held on Tuesday the 22nd day of May 2012 by the following vote:

AYES: Councilmembers: _____
NOES: Councilmembers: _____
ABSENT: Councilmembers: _____
ABSTAIN: Councilmembers: _____

WITNESS my hand and the seal of said City this 22nd day of May 2012.

Linda Hobson, CMC
City Clerk



**City of Suisun City
McCoy Creek Parking Benefit Assessment District
Fiscal Year 2012/13 Engineer's Report**

May 2012

Main Office

32605 Temecula Parkway, Suite 100
Temecula, CA 92592
Toll free: 800.676.7516 Fax: 951.296.1998

Regional Office

870 Market Street, Suite 1223
San Francisco, CA 94102
Toll free: 800.434.8349 Fax: 415.391.8439

**City of Suisun City
Maintenance Assessment Districts
701 Civic Center Blvd.
Suisun City, California 94585
Phone - (707) 421-7300
Fax - (707) 421-7366**

CITY COUNCIL

Pedro "Pete" Sanchez, Mayor

Mike Hudson, Vice Mayor

Jane Day, Councilmember

Sam Derting, Councilmember

Michael A. Segala, Councilmember

CITY STAFF

Daniel Kasperson, Building & Public Works Director

Dane H. Schilling, PE, City Engineer

Jeff Penrod, Public Works Superintendent

NBS

Danielle Wood, Client Services Director

Pablo Perez, Project Manager

Tiffany Ellis, Consultant

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1. ENGINEER'S LETTER

WHEREAS, the City Council of the City of Suisun City (the "City") has previously formed the following special benefit assessment district pursuant to terms of the "Benefit Assessment Act of 1982", Chapter 6.4, Division 2, Title 5 of the California Government Code (commencing with Section 54703) (hereafter referred to as the "Act"). The district is known and designated as the McCoy Creek Parking Benefit Assessment District (hereafter referred to as the "District");

WHEREAS, on May 22, 2012, the City Council under the Act, adopted its Resolution Initiating Proceedings for the Annual Levy of Assessments and Ordering the Preparation of an Engineer's Report for the District;

WHEREAS, the Resolution of Initiation directed NBS Government Finance Group, DBA NBS, to prepare and file a report presenting plans and specifications describing the general nature, location and extent of the improvements to be maintained, an estimate of the costs of the maintenance, operations and servicing of the improvements for the District for the referenced fiscal year, a diagram for the District, showing the boundaries of the District and properties to be assessed, and an assessment of the estimated costs of the maintenance, operations and servicing the improvements, assessing the net amount upon all assessable lots and/or parcels within the District in proportion to the special benefit received;

NOW THEREFORE, the following assessment is proposed to be authorized in order to pay for the estimated costs of maintenance, operation and servicing of improvements to be paid by the assessable real property within the boundaries of the District in proportion to the special benefit received.

SUMMARY OF ASSESSMENT

Description	Estimated for Fiscal Year 2012/13
Estimated Fiscal Year 2012/13 Levy	\$6,161.20
Total District Equivalent Dwelling Units	75.00
Fiscal Year 2012/13 Assessment Per EDU	\$82.15

*Based on current EDUs, actual assessment amount after rounding adjustment is \$6,161.14.

1. I identified all parcels which will have a special benefit conferred upon them from the improvements described in the District's Plans and Specifications section of this Engineer's Report (the "Specially Benefited Parcels"). For particulars as to the identification of said parcels, reference is made to the Assessment Diagram, a copy which is on file in the office of the City Clerk.
2. I have assessed the costs and expenses of the improvements upon the Specially Benefited Parcels. In making such assessment:
 - a. The proportionate special benefit derived by each Specially Benefited Parcel from the improvements was determined in relationship to the entirety of the maintenance costs of the improvements; and
 - b. No assessment has been imposed on any Specially Benefited Parcel which exceeds the reasonable cost of the proportional special benefit conferred on such parcel from the improvements; and

- c. Any general benefits from the improvements have been separated from the special benefits and only special benefits have been assessed.

I, the undersigned, respectfully submit the enclosed Engineer's Report and, to the best of my knowledge, information and belief, the Engineer's Report, Assessments, and the Assessment Diagram herein have been prepared and computed in accordance with the order of the City Council of the City of Suisun City, the Act and Article XIID.

Dane H. Schilling, PE
City Engineer

2. PLANS AND SPECIFICATIONS

DESCRIPTION OF THE BOUNDARIES OF THE DISTRICT

The boundaries of the District are described as the area bounded by McCoy Creek Way to the north, Gray Hawk Lane to the south, Crescent Elementary School to the east and Grizzly Island Road to the west. The District consists of mixed-use parcel types and is proposed to include 75 on-street parking spaces at build-out for lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 13.

DESCRIPTION OF IMPROVEMENTS AND SERVICES

In accordance with the Act, the improvements are the construction, operation, maintenance and servicing of parking facilities including, but not limited to, maintenance, replacement, repair, materials, personnel, contracting services, and other items necessary for the satisfactory operation of these services.

Reference is made to the plans and specifications for the improvements, which are on file with the City. The table below lists specific improvements within the District:

Parking Areas and Facilities:

75 on-street parking spaces benefiting Lots 1 through 10 and Lot 13,
located on the south side of McCoy Creek Way, west of Crescent
Elementary School, east of Grizzly Island Road and north of Gray
Hawk Lane.

3. ESTIMATE OF COSTS

The cost of servicing, maintaining, repairing and replacing the actual improvements as described in the Plans and Specifications are summarized as follows:

DEFINITIONS OF BUDGET ITEMS

The following definitions describe the services and costs included in the District Budget:

Pavement (Direct) Costs:

Asphalt Replacement includes costs for labor, material and equipment required to properly replace the asphalt within the District at an interval of 30 years.

Slurry Seal includes costs for labor, material and equipment required to refinish (slurry seal) the asphalt within the District at an interval of 5 years.

Striping includes costs for labor, material and equipment required to properly re-stripe the parking stalls within the District at an interval of 5 years.

Signage includes costs for labor, material and equipment required to replace the parking signs within the District at an interval of 10 years.

Administration (Indirect) Costs:

Personnel/Overhead includes all particular departments and staff of the City for providing the coordination of District services, maintenance supervision, operations and maintenance of the improvements, response to public concerns and education, and procedures associated with the levy and collection of assessments.

Consultants include the professionals that the City contracts with to provide services specific to administration of the levy.

Professional Fees includes the cost of contracting with professionals to provide any additional administrative, legal or engineering services specific to the District, including preparation and mailing of notices of the Public Hearing and publishing the Notice of the Public Hearing.

Maintenance Repairs and Contingency includes costs for labor, material and equipment required to replace the parking signs within the District at an interval of 10 years.

Rounding Factor allows the final assessment amount per EDU to be rounded to an even penny for purposes of County tax roll submittal.

MCCOY CREEK DISTRICT BUDGET

Fnd/Name	Account Name	FY10 ACT	FY11 ACT	FY12 BUD	FY12 EST	FY13 Mgr.
464 McCoy Creek Parking Assessment District Fund						
BAL		(\$8,385)	\$0	(\$17,300)	(\$17,600)	
REV						
6464	McCoy Creek PAD					
	Spec. Assess.					
	72110 MAD/PAD/CFD	(\$5,779)	(\$5,779)	(\$5,900)	(\$5,900)	(\$6,000)
	Spec. Assess. Total	(\$5,779)	(\$5,779)	(\$5,900)	(\$5,900)	(\$6,000)
	Use of Money					
	75110 Interest Earnings	(\$222)	(\$239)	(\$100)	(\$100)	(\$200)
	Use of Money Total	(\$222)	(\$239)	(\$100)	(\$100)	(\$200)
6464 Total		(\$6,001)	(\$6,018)	(\$6,000)	(\$6,000)	(\$6,200)
REV Total		(\$6,001)	(\$6,018)	(\$6,000)	(\$6,000)	(\$6,200)
EXP						
6464	McCoy Creek PAD					
	Services/Supplies					
	91140 Other Prof. Services	\$323	\$315	\$500	\$500	\$500
	91330 Advertising	\$0	\$107	\$0	\$0	\$0
	91357 Property Tax Admin. Fee	\$57	\$57	\$100	\$100	\$100
	91431 Contract Srvc/Other	\$0	\$0	\$3,000	\$1,000	\$3,000
	91435 Field Supplies	\$0	\$0	\$1,000	\$500	\$1,000
	Services/Supplies Total	\$380	\$479	\$4,600	\$2,100	\$4,600
	Interdept'al Charges					
	92420 PW Crew Support/Fixed	\$477	\$496	\$500	\$500	\$500
	Interdept'al Charges Total	\$477	\$496	\$500	\$500	\$500
	Transfers Out					
	85010 To General Fund	\$500	\$500	\$500	\$500	\$500
	Transfers Out Total	\$500	\$500	\$500	\$500	\$500
6464 Total		\$1,357	\$1,475	\$5,600	\$3,100	\$5,600
EXP Total		\$1,357	\$1,475	\$5,600	\$3,100	\$5,600
McCoy Creek Parking Assessment District Fund Total		(\$13,029)	(\$4,543)	(\$17,700)	(\$20,500)	(\$600)

4. ASSESSMENTS

The amount of the assessment for Fiscal Year 2012/13 apportioned to each parcel as shown on the latest equalized roll at the Solano County Assessor's office are listed in Section 6 of this Engineer's Report. The description of each lot or parcel is part of the records of the County Assessor and such records are, by reference, made part of this Engineer's Report.

METHOD OF APPORTIONMENT

Pursuant to the Act and Article XIID of the Constitution of the State of California, all parcels that have special benefit conferred upon them as a result of the maintenance and operation of improvements shall be identified and the proportionate special benefit derived by each identified parcel shall be determined in relationship to the entire cost of the maintenance and operation of the improvements. Only parcels that receive direct special benefit are assessed, and each parcel is assessed in proportion to the estimated benefit received. Equivalent Dwelling Units (EDU) of benefit per parcel/unit type is equal to the on-street parking spaces benefiting the parcel.

The District consists of three (3) development types: Single-Family Attached parcels – (Retail Space) (SFA); Residential/Commercial parcels – (Carriage Unit over Retail) – (Live-Work "L-W"); and Commercial parcels (COM), subject to this assessment. For any fiscal year, the Estimated Costs are apportioned as follows: each SFA parcel is deemed to receive 3.30 EDUs of benefit, per parcel/unit type; each Live-Work parcel is deemed to receive 4.30 EDU of benefit for each parcel/unit type; and each COM parcel is deemed to receive 1 EDU, per 250 square feet of building area. Given the current configuration of the District at build-out, the total EDU count for the District is 75.00 EDU. Please refer to Section 7 of the Original Engineer's Report for a full description and breakdown of the actual EDU calculations for the District.

The annual assessment for each parcel is calculated first by dividing the total District Estimated Costs by the total EDU count, thus yielding an assessment rate per EDU; second, multiplying the quotient from the first step by a given parcel's individual EDU value. (Note: the actual annual assessment per EDU cannot exceed the Maximum Assessment described in this section without appropriate proceedings being conducted by the City.)

The District costs are spread to each of the seventy-five (75) EDU within the District as follows:

Estimated Fiscal Year 2012/13 Levy	\$6,161.20
Total District Equivalent Dwelling Units	75.00
Fiscal Year 2012/13 Assessment Per EDU	\$82.15

*Based on current EDUs, actual assessment amount after rounding adjustment is \$6,161.14.

PROPOSITION 218 REQUIREMENTS

This rate is to automatically increase in future years based on the Annual Construction Cost Index for San Francisco as published in the first issue of each April of the Engineering News Record magazine. The confirmed assessment per EDU for Fiscal Year 2006/07 sets the initial maximum assessment. If the actual assessment in any succeeding year increases by a percentage no greater than the April Construction Cost Index, the assessment shall not be considered an increase. The table below shows the Construction Cost Index history and the authorized assessment related to the increase.

Fiscal Year	Percentage Increase*	Maximum Assessment	Actual Assessment
2006/07	N/A	\$66.74	\$66.74
2007/08	7.76%	71.93	71.92
2008/09	0.58%	72.36	72.36
2009/10	6.56%	77.07	77.07
2010/11	-0.26%	77.07	77.07
2011/12	4.42%	80.48	80.48
2012/13	2.07%	82.15	82.15

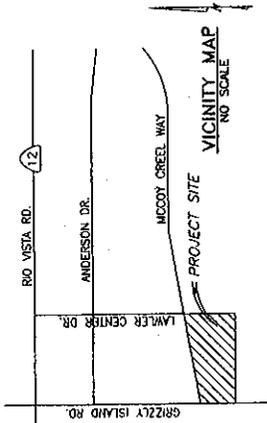
*The 2010/11 percentage increase in the annual Construction Cost Index is -0.26%, and as such the maximum assessment rate for 2010/11 remains the same as the prior year.

5. ASSESSMENT DIAGRAM

An Assessment Diagram for the District has been submitted to the City in the format required under the provisions of the Act. The lines and dimensions shown on maps of the County Assessor for the current year are incorporated by reference herein and made part of this Engineer's Report.

ASSESSMENT DIAGRAM MCCOY CREEK PARKING BENEFIT ASSESSMENT DISTRICT

CITY OF SUISUN
COUNTY OF SOLANO
STATE OF CALIFORNIA



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF SUISUN
THIS 12TH DAY OF JULY 2006.

Doreen Leah
CITY CLERK (DEPUTY)
CITY OF SUISUN
SOLANO COUNTY, CALIFORNIA

I HEREBY CERTIFY THAT THE WITHIN DIAGRAM SHOWING THE BOUNDARIES
OF MCCOY CREEK PARKING BENEFIT ASSESSMENT DISTRICT CITY OF SUISUN,
COUNTY OF SOLANO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY
COUNCIL OF THE CITY OF SUISUN AT A REGULAR MEETING THEREOF HELD
ON THE 12TH DAY OF JULY 2006, BY ITS
RESOLUTION NO. 2006-76.

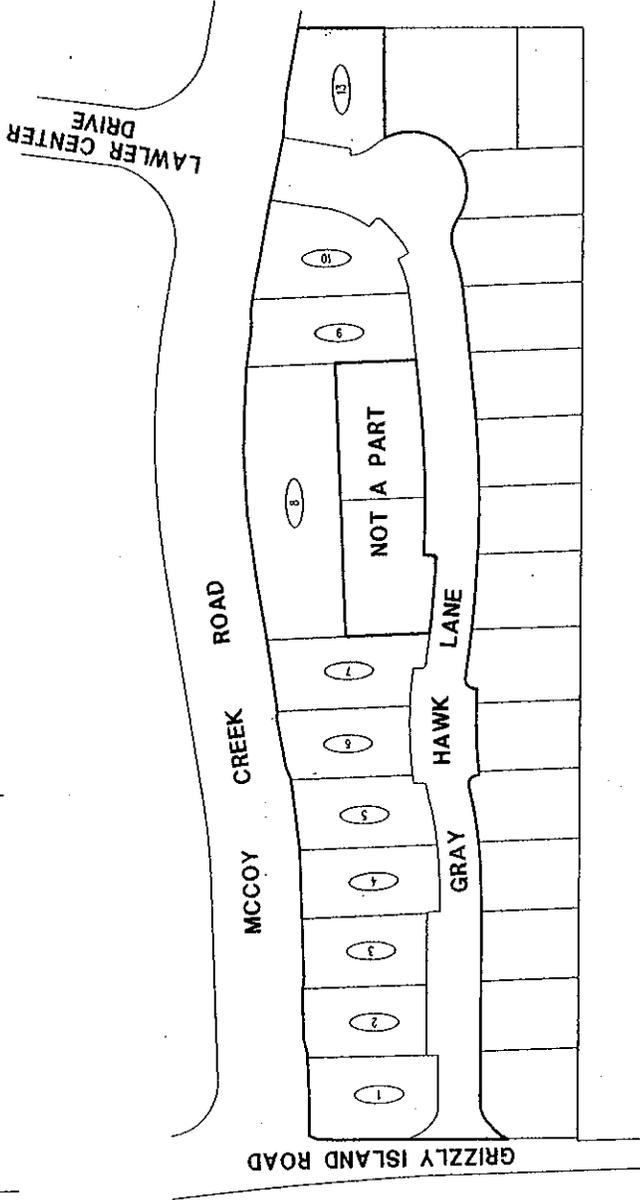
Doreen Leah
CITY CLERK (DEPUTY)
CITY OF SUISUN
SOLANO COUNTY, CALIFORNIA

FILED THIS 20TH DAY OF JULY 2006 AT THE HOUR OF 9:26
O'CLOCK A.M. IN BOOK 213 AT PAGE 83 OF MAPS OF ASSESSMENT
DISTRICTS IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SOLANO,
STATE OF CALIFORNIA.

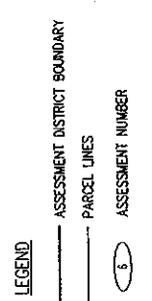
Marc C. Tonnessen by M. Tonnessen
DEPUTY
COUNTY RECORDER
COUNTY OF SOLANO

Tract # 2006-91322

NOTE: FOR A DETAILED DESCRIPTION OF THE LINES AND DIMENSIONS OF EACH PARCEL
WITHIN THE DISTRICT REFER TO THE COUNTY OF SOLANO ASSESSOR'S MAPS.



Assessment Number	APN
1	FOR. OF 173-870-0108013
2	FOR. OF 173-870-0108013
3	FOR. OF 173-870-0108013
4	FOR. OF 173-870-0108013
5	FOR. OF 173-870-0108013
6	FOR. OF 173-870-0108013
7	FOR. OF 173-870-0108013
8	FOR. OF 173-870-0108013
9	FOR. OF 173-870-0108013
10	FOR. OF 173-870-0108013
11	FOR. OF 173-870-0108013
12	FOR. OF 173-870-0108013
13	FOR. OF 173-870-0108013



NBS

3266 Highway 73 South, Suite 100
Fremont, CA 94532

Local Government Solutions

6. ASSESSMENT ROLL

The following is a detailed listing within the District that will be assessed for Fiscal Year 2012/13.

APN	Parcel Type	EDUs	FY 2012/13 Assessment	Rounding Adjustment	FY 2012/13 Actual Levy
0173-811-010	SFA	3.30	\$271.09	(\$0.01)	\$271.08
0173-811-020	L-W	4.30	353.24	0.00	353.24
0173-811-030	COM	37.00	3039.55	(0.01)	3039.54
0173-811-060	L-W	4.30	353.24	0.00	353.24
0173-811-070	L-W	4.30	353.24	0.00	353.24
0173-811-080	SFA	3.30	271.09	(0.01)	271.08
0173-811-090	SFA	3.30	271.09	(0.01)	271.08
0173-811-100	SFA	3.30	271.09	(0.01)	271.08
0173-811-110	L-W	4.30	353.24	0.00	353.24
0173-811-120	L-W	4.30	353.24	0.00	353.24
0173-812-180	SFA	3.30	271.09	(0.01)	271.08
Total		75.00	\$6,161.20	(\$0.06)	\$6,161.14

AGENDA TRANSMITTAL

MEETING DATE: May 22, 2012

SUCCESSOR AGENCY AGENDA ITEM: Receiving and Accepting an Updated Draft Recognized Obligation Payment Schedule

FISCAL IMPACT: None. There are no obligations listed that are not contemplated in the FY 2011-12 Annual Budget.

BACKGROUND: The first ROPS covering the period of January 1, 2012 through June 30, 2012, was accepted and received by the Successor Agency on April 3, 2012, and subsequently submitted to and approved by the Oversight Board on April 13, 2012, with the following three items included on the ROPS conditionally, subject to further review:

- Civic Center COP Reimbursement Agreement.
- 333 Sunset Avenue Reimbursement.
- Main Street West DDA.

The Oversight Board requested more information on these three items as the State Department of Finance (DOF) initially indicated that they were not enforceable obligations. Exhibits A through C provide a summary of the case for each of these items remaining enforceable obligations. Since that time, the DOF orally indicated the Civic Center COP Reimbursement Agreement and the costs associated with the Main Street West DDA are enforceable obligations. The DOF has verbally indicated the 333 Sunset Lease Reimbursement is not an enforceable obligation, as it is viewed as an obligation between a City and Agency entered into more than two years after the Agency was formed. Further, the DOF provided a written determination which does not address any of the aforementioned items, and is discussed below.

STAFF REPORT: Upon Oversight Board approval, the initial ROPS for the period ending June 30, 2012, was immediately submitted to the DOF for review on April 13, 2012. The DOF responded on April 17, 2012, with an email indicating it was requesting review of one or more items listed on the ROPS. Between April 17 and April 23, staff had numerous communications with the DOF regarding the ROPS.

Ultimately, through these conversations, staff was told orally that the Civic Center COP Reimbursement Agreement, and Main Street West items are viewed as enforceable obligations, but bond proceeds and the 333 Sunset Lease Reimbursement are not (as part of the review of the second ROPS for the period ending December 31, 2012, the DOF changed its position on the Civic Center COP issue, went through another exhaustive review process, and ultimately provided staff with another verbal "OK" on the Civic Center COP item). Further, DOF indicated a \$135,900 amount listed in January as an administrative cost would be disallowed, as it was over the \$250,000 administrative cost allowance. Staff explained to the DOF this is not an administrative cost of the Successor Agency, it is the last month's worth of administrative expenses incurred by the Redevelopment Agency. Staff believes this can be corrected with a separate line item on the ROPS so the two are not confused.

PREPARED BY:

Jason Garben, Economic Development Director

REVIEWED/APPROVED BY:

Suzanne Bragdon, Executive Director

A letter from the DOF was received on the evening of Tuesday, April 24 (Attached as Exhibit D). The letter from the DOF is somewhat vague in that it references only two items:

- Errors with payments posted in wrong periods.
- An issue regarding the \$135,900 of administrative costs incurred in January 2012.

There was no mention of any of the items that consumed most of the time and effort during the DOF review process, specifically the Civic Center COP Lease Reimbursement, Main Street West DDA and 333 Sunset Lease Reimbursement. Thus, staff sent an email on the morning of April 25, 2012, memorializing the discussions that took place over the preceding two days.

Staff sent an email to the DOF on April 24, 2012, regarding the administrative cost issue of \$135,900 in pursuit of an agreeable solution from the perspective of the DOF. No response was provided. Thus, staff is recommending this item be submitted to DOF as a separate line item on the ROPS, as attached.

South Waterfront ENA

The South Waterfront Exclusive Negotiation Agreement (ENA) the Agency entered into with Ballman, Jensen, and Pitcher has been added to this ROPS in order to return a \$5,000 deposit held as a "negotiation fee" pursuant to the ENA. On April 19, 2012 Ballman, Jensen, and Pitcher sent a letter to staff requesting a refund of the deposit in light of the dissolution of the Agency. The ENA was not included on the ROPS initially as ENA's are not considered enforceable obligations. However, upon consulting with legal counsel, it is appropriate to list this item on the ROPS as any payments made by the Successor Agency must be included on the ROPS. This item is listed solely for the purpose of returning the deposit to Ballman, Jensen, and Pitcher.

The ENA did not explicitly contemplate how to handle the deposit if the redevelopment agency were dissolved. However, the enactment of AB 26 essentially intervened into the ENA such that neither party could achieve the goals and purposes of the ENA. Where the purpose of a contract is essentially destroyed by some unexpected cause outside the control of the parties, the "frustration of purpose" doctrine may apply. This doctrine is summarized in the Restatement Second of Contracts, section 265, as follows:

"Where, after a contract is made, a party's principal purpose is substantially frustrated without his fault by the occurrence of an event the non-occurrence of which was a basic assumption on which the contract was made, his remaining duties to render that performance are discharged, unless the language or circumstances indicate the contrary."

Here, the Agency's authority to enter into a DDA was the basic assumption of the ENA, which assumption is now "substantially frustrated" by the unexpected enactment of AB 26, and nothing in the ENA addresses such a circumstance. Where this occurs, the doctrine of frustration of purpose may hold the contract "void" and all prior monetary considerations exchanged should be returned. Thus, to terminate the ENA based on the frustration of its purpose, the deposit should be repaid to Ballman, Jensen, and Pitcher.

Pending Legislation/Litigation

Finally, with pending legislation and possible litigation relating to AB 26, it is recommended the 333 Sunset Reimbursement and the Bond Proceeds remain on the ROPS without requests for payment, even though the DOF has indicated these items are not enforceable obligations). Leaving these items listed on the ROPS without request for payment during this period positions the

Successor Agency to take advantage of any future changes to the law, and preserves the current legal rights of the Successor Agency.

RECOMMENDATION: It is recommended that the Successor Agency receive and accept the Updated Draft Recognized Obligation Payment Schedule for the Period of January 1, 2012 through June 30, 2012.

ATTACHMENTS:

1. Updated Draft ROPS (January 1, 2012 through June 30, 2012).
2. Exhibit A – Civic Center COP Summary.
3. Exhibit B – 333 Sunset Lease Payment Reimbursement Summary
4. Exhibit C – Main Street West DDA Summary
5. Exhibit D – DOF Letter Re: ROPS Jan 1, 2012 through June 30, 2012

**RECOGNIZED OBLIGATION PAYMENT SCHEDULE - CONSOLIDATED
FILED FOR THE PERIOD**

Name of Successor Agency

Successor Agency to the Redevelopment Agency of the City of Suisun City

Balance Carried Forward From:	Current	
	Total Outstanding Debt or Obligation	Total Due During Fiscal Year
Outstanding Debt or Obligation (From Form A, Page 1 Totals)	\$ 77,082,397.01	\$ 6,928,631.25
	Total Due for Six Month Period	
Outstanding Debt or Obligation (From Form B, Page 1 Totals)	\$ 1,339,542.50	
Available Revenues other than anticipated funding from RPTTF (Form C)	\$ 5,000.00	
Anticipated Funding from Redevelopment Property Tax Trust Fund (RPTTF) (Form C)	\$ 1,334,542.50	
Administrative Allowance (greater of 5% of anticipated Funding from RPTTF or 250,000)	\$ 250,000.00	

* It is noted line item 15 was not listed on previous ROPS

** It is noted line items 16 & 17 are not enforceable obligations as determined by the Department of Finance. However, these items are listed on the ROPS without request for payment during this period given the uncertainty surrounding potential future changes to the law affecting these items.

*** It is noted line item 18 was not listed on the previous ROPS, but was combined with line item 11. DOF initially indicated in its April 23, 2012 letter that this amount was not payable as it exceeded the \$250,000 allowance to the Successor Agency (the "SA"), however this amount is not applicable to the SA.

Consolidate on this form all of the data contained on Form A, B and C. Form A is to include all outstanding obligation entered into for period filed. Form B is to include payment requirement for each enforceable obligation for each month. Form C is to enter the anticipated funding source for each listed enforceable obligation.

Certification of Oversight Board Chairman:
Pursuant to Section 34177(l) of the Health and Safety code,
I hereby certify that the above is a true and accurate Recognized
Enforceable Payment Schedule for the above named agency.

Name Title

Signature Date

RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Per AB 26 - Section 34177(l)

Filed for Period January 1, 2012 to June 30, 2012

Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year
1) 1998 Tax Exempt Bonds	US Bank	Bonds Issued to Fund Redevelopment Project	21,900,525.78	548,015.00
2) 2003 Series A Tax Allocation Bonds	US Bank	Bonds Issued to Fund Redevelopment Project	5,005,000.00	515,497.50
3) 2003 Series B Tax Allocation Bonds	US Bank	Refunding of 1993 Tax Allocation Bonds	30,015,000.00	3,044,048.75
4) Marina Construction Loan	Dept of Boating and Waterways	Marina Construction/Rehab	6,488,571.56	452,070.00
5) Marina Expansion Loan	Sheldon Oil	Marina Expansion/Land Acquisition	2,261,591.39	268,000.00
6) Audit Cost	Vavrinek, Trine & Day	FY 10-11 Audit Costs	19,500.00	19,500.00
7) SERAF Payment	Low/Mod Housing Fund	SERAF Loan Payment	6,901,505.00	
8) Unfunded Liability	PERS Agency Employees	Unfunded PERS and Accrued Leave	168,000.00	
9) 1998/2003 Tax Allocation Bonds	Various	Bond Proceeds	225,000.00	
10) Iconic Sign Design	Earthquake and Structures, Inc.	Gateway Sign Design	11,000.00	
11) Successor Agency Admin Cost	Various	Successor Agency Staffing Costs, Rent/Utilities, Supplies, Legal, Oversight Board, Etc		250,000.00
12) Foster Boltz Loan Guaranty	Travis Credit Union	Loan Guaranty to Travis Credit Union For Equipment/Start-up Loan to Business	300,000.00	
13) Main Street West DDA	Various	DDA Obligations		195,700.00
14) Civic Center COP	City of Suisun City	Civic Center COP Reimbursement Agreement	3,231,623.00	
15) South Waterfront ENA*	Ballman, Jensen, Pitcher	Refund of Deposit Associated with Terminated ENA	5,000.00	5,000.00
16) Reimbursement - 333 Sunset Lease**	City of Suisun City	Lease Payment Reimbursements	325,080.28	
17) 1998/2003 Tax Allocation Bonds**	Various	Bond Proceeds	225,000.00	
18) RDA Employee/Admin Cost***	Various	Redevelopment Agency Staffing Costs, Rent/Utilities, Supplies, Legal, Etc		1,630,800.00
19)				
20)				
Totals - This Page			\$ 77,082,397.01	\$ 6,928,631.25
Totals - Page 2			\$ -	\$ -
Grand total - All Pages			\$ 77,082,397.01	\$ 6,928,631.25

* It is noted line item 15 was not listed on previous ROPS

** It is noted line items 16 & 17 are not enforceable obligations as determined by the Department of Finance. However, these items are listed on the ROPS without request for payment during this period given the uncertainty surrounding potential future changes to the law affecting these items.

*** It is noted line item 18 was not listed on the previous ROPS, but was combined with line item 11. DOF initially indicated in its April 23, 2012 letter that this amount was not payable as it exceeded the \$250,000 allowance to the Successor Agency (the "SA"), however this amount is not applicable to the SA.

RECOGNIZED OBLIGATION PAYMENT SCHEDULE
Per AB 26 - Section 34177(l)
Filed for Period

	Project Name / Debt Obligation	Project Area	Payments by Month						Subtotal	Adjustments from Prior Schedule	TOTAL
			January	February	March	April	May	June			
1)	1998 Tax Exempt Bonds	All Areas			153,475.00				\$ 153,475.00		\$ 153,475.00
2)	2003 Series A Tax Allocation Bonds	All Areas			125,083.75				\$ 125,083.75		\$ 125,083.75
3)	2003 Series B Tax Allocation Bonds	All Areas			625,183.75				\$ 625,183.75		\$ 625,183.75
4)	Marina Construction Loan	All Areas							\$ -		\$ -
5)	Marina Expansion Loan	All Areas							\$ -		\$ -
6)	Audit Cost	All Areas				9,500.00			\$ 9,500.00		\$ 9,500.00
7)	SERAF Payment	All Areas							\$ -		\$ -
8)	Unfunded Liability	All Areas							\$ -		\$ -
9)	1998/2003 Tax Allocation Bonds	All Areas							\$ -		\$ -
10)	Iconic Sign Design	All Areas							\$ -		\$ -
11)	Successor Agency Admin Cost	All Areas	0.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	\$ 250,000.00		\$ 250,000.00
12)	Foster Boltz Loan Guaranty	All Areas							\$ -		\$ -
13)	Main Street West DDA	All Areas	0.00	4,600.00	4,600.00	17,000.00	4,600.00	4,600.00	\$ 35,400.00		\$ 35,400.00
14)	Civic Center COP	All Areas							\$ -		\$ -
15)	South Waterfront ENA*	All Areas						5,000.00	\$ 5,000.00		\$ 5,000.00
16)	Reimbursement - 333 Sunset Lease**	All Areas							\$ -		\$ -
17)	1998/2003 Tax Allocation Bonds***	All Areas							\$ -		\$ -
18)	RDA Employee/Admin Cost***	All Areas	135,900.00	0.00	0.00	0.00	0.00	0.00	\$ 135,900.00		\$ 135,900.00
19)									\$ -		\$ -
20)									\$ -		\$ -
Totals - This Page			\$ 135,900.00	\$ 54,600.00	\$ 958,342.50	\$ 76,500.00	\$ 54,600.00	\$ 59,600.00	\$ 1,339,542.50	\$ -	\$ 1,339,542.50
Totals - Page 2			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand total - All Pages			\$ 135,900.00	\$ 54,600.00	\$ 958,342.50	\$ 76,500.00	\$ 54,600.00	\$ 59,600.00	\$ 1,339,542.50	\$ -	\$ 1,339,542.50

* It is noted line item 15 was not listed on previous ROPS

** It is noted line items 16 & 17 are not enforceable obligations as determined by the Department of Finance. However, these items are listed on the ROPS without request for payment during this period given the uncertainty surrounding potential future changes to the law affecting these items.

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RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Per AB 26 - Section 34177(I)

File for Period

Project Name / Debt Obligation	Total from Form B	Source of Payment						TOTAL
		RPTTF	Low and Moderate Income Housing Fund	Bond Proceeds	Reserve Balances	Administrative Cost Allowance	Other Revenue Sources	
1) 1998 Tax Exempt Bonds	\$ 153,475.00	153,475.00						\$ 153,475.00
2) 2003 Series A Tax Allocation Bonds	\$ 125,083.75	125,083.75						\$ 125,083.75
3) 2003 Series B Tax Allocation Bonds	\$ 625,183.75	625,183.75						\$ 625,183.75
4) Marina Construction Loan	\$ -							\$ -
5) Marina Expansion Loan	\$ -							\$ -
6) Audit Cost	\$ 9,500.00	9,500.00						\$ 9,500.00
7) SERAF Payment	\$ -							\$ -
8) Unfunded Liability	\$ -							\$ -
9) 1998/2003 Tax Allocation Bonds	\$ -							\$ -
10) Iconic Sign Design	\$ -							\$ -
11) Successor Agency Admin Cost	\$ 250,000.00	250,000.00						\$ 250,000.00
12) Foster Boltz Loan Guaranty	\$ -							\$ -
13) Main Street West DDA	\$ 35,400.00	35,400.00						\$ 35,400.00
14) Civic Center COP	\$ -							\$ -
15) South Waterfront ENA*	\$ 5,000.00				5,000.00			\$ 5,000.00
16) Reimbursement - 333 Sunset Lease**	\$ -							\$ -
17) 1998/2003 Tax Allocation Bonds**	\$ -							\$ -
18) RDA Employee/Admin Cost***	\$ 135,900.00	135,900.00						\$ 135,900.00
19)	\$ -							\$ -
20)	\$ -							\$ -
Totals - This Page	\$ 1,339,542.50	\$ 1,334,542.50	\$ -	\$ -	\$ 5,000.00	\$ -	\$ -	\$ 1,339,542.50
Totals - Page 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand total - All Pages	\$ 1,339,542.50	\$ 1,334,542.50	\$ -	\$ -	\$ 5,000.00	\$ -	\$ -	\$ 1,339,542.50

* It is noted line item 15 was not listed on previous ROPS

** It is noted line items 16 & 17 are not enforceable obligations as determined by the Department of Finance. However, these items are listed on the ROPS without request for payment during this period given the uncertainty surrounding potential future changes to the law affecting these items.

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Exhibit A

Civic Center COP Reimbursement Agreement

Civic Center Certificate of Participation (COP) is a financing instrument initially issued in 1987 to fund construction of the Civic Center complex through the Suisun City Public Financing Authority. It was subsequently refinanced in 1993 and 2004. **The DOF initially indicated this is not an enforceable obligation, but upon receiving additional information, has indicated this item is an enforceable obligation.** Below is an excerpt from email sent to staff from the bond counsel on the issue:

From: Steve Melikian [mailto:smelikian@joneshall.com]
Sent: Wednesday, April 18, 2012 3:54 PM
To: Jason Garben
Subject: Suisun City COP

Jason - I wanted to put some thoughts in an e-mail, which perhaps you can pass along to the Department of Finance. The thoughts below relate to the 2004 Refunding Certificates of Participation (City of Suisun City--Civic Center Project) (the "COPs").

Pursuant to a Site Lease, the City of Suisun City (the "City") leased real property to the Suisun City Public Financing Authority (the "Authority"), and the Authority made a nominal payment of \$1 to the City as a Site Lease payment. The Authority then leased the same real property back to the City pursuant to the terms of a Lease Agreement, and in return the City agreed to make certain Lease Payments for the beneficial use and enjoyment of the property subject to the Lease Agreement.

The Authority then entered into a Trust Agreement with a trustee and the City pursuant to which the Authority agreed to the certification through the delivery of COPs of its interest in the City's Lease Payments. The Authority also entered into an Assignment Agreement with the trustee pursuant to which it assigned its right to receive the Lease Payments to the Trustee for the benefit of the holders from time to time of the COPs. In return for assigning its rights to receive the Lease Payments, the Authority received the proceeds of the sale of the COPs, which, under the Trust Agreement, it directed the trustee to use such amounts to refund certain outstanding certificates of participation (the "Refunded COPs"). The Authority, at closing, gave written instructions to the trustee to execute and deliver the COPs for delivery to the original purchasers thereof. Lease transactions of this type have been consistently upheld by the California Supreme Court, most recently and notably in *Rider v. City of San Diego* (1998) 18 Cal.4th 1037.

The project refinanced by the City with the proceeds of the Refunded COPs benefited the redevelopment project area of the Redevelopment Agency of the City of Suisun City in accordance with the applicable provisions of the Community Redevelopment Law. Accordingly, at the time the COPs were executed and delivered, the City and the Agency entered into a Reimbursement Agreement pursuant to which the Agency agreed to reimburse the City for its Lease Payments (as it also had done on the Refunded COPs), which was permissible under the Community Redevelopment Law because the project benefited the Agency's redevelopment project area and could have been financed or refinanced directly through tax increment or the issuance of tax increment bonds. The Reimbursement Agreement was entered into by the Agency pursuant to the authority granted in Section 33445 of the Health and Safety Code.

Section 34171(d)(2) of the Health and Safety code states that "written agreements entered into (A) at the time of issuance, but in no event later than December 31, 2010, of

indebtedness obligations, and (B) solely for the purpose of securing or repaying those indebtedness obligations may be deemed enforceable obligations for purposes of this part." Section 34171(e) defines "indebtedness obligation to mean "bonds, notes, certificates of participation, or other evidences of indebtedness, issued or delivered by the redevelopment agency, or by a joint powers authority created by the redevelopment agency, to third party investors or bondholders to finance or refinance redevelopment projects undertaken by the redevelopment agency in compliance with the Community Redevelopment Law (Part 1 (commencing with Section 33000))." [emphasis added] We note that the Authority was created by the City and the Agency.

The COP financing described meet the definition of "indebtedness obligation" because it constitutes "certificates of participation" "delivered a joint powers authority created by the redevelopment agency . . . to investors" and all of the agreements described above - the Site Leases, the Lease Agreements, the Trust Agreements, the Assignment Agreements and the Reimbursement Agreement - were entered into at the time of the delivery of the COPs "solely for the purpose of securing or repaying those indebtedness obligations" and are, therefore, "enforceable obligations," as provided in Section 34171(d)(2). Each of the listed agreements relate either to the security for the COPs or the payment of the COPs, or both.

It is worth highlighting that our conclusion is consistent with the requirements of the "Contract Clauses" of the United States Constitution (Article I, Section 10: "No state shall...pass any...law impairing the obligation of contracts") and the California Constitution (Article I, Section 9: a "law impairing the obligation of contracts may not be passed").

I would also suggest that if the Department of Finance does not find our analysis convincing, they should contact other bond counsel firms, including Orrick, Herrington & Sutcliffe. We have worked closely with most other bond counsel firms in California on ongoing redevelopment issues, and believe they will agree with our analysis.

Exhibit B

333 Sunset Lease Reimbursement

333 Sunset Lease Reimbursement is the reimbursement of lease payments made to the Redevelopment Agency for land the City gave to the Redevelopment Agency for no consideration. In February 1991, the Redevelopment Agency entered into a 55-year ground lease with the Wiseman Company for the development of the 333 Sunset office building. The City transferred this land to the Agency in October 1989 for no compensation to create a workable structure to allow the development of the office building. In November 2003, pursuant to Redevelopment Agency Resolution 2003-13, the Redevelopment Agency agreed to transfer proceeds from the ground lease to the City to begin to compensate the City for the land. Further, the Agency indicated that back lease payments paid to the Agency prior to November 2003 would be evaluated based on the Agency's ability to pay. Pursuant to the budget adopted in FY 2004-05, the Redevelopment Agency Board agreed to repay the back lease payments (lease payments paid to the Agency from 1991 through 2003). Back lease payments total \$666,470.28, with all but \$325,080.28 reimbursed to the City.

This transfer of land occurred within two years of the formation of the Amended Project Area (July 18, 1989). The Agency subsequently entered into a ground lease with a developer in February 1991. The ground lease resulted in the Agency being paid lease payments, which is the subject of the reimbursements to the City, as no compensation was received from the Agency at the time the land was transferred. Health & Safety Code Section 34178(b)(2) states that a written agreement between a redevelopment agency and the city, county, or city and county that created it that provided loans or other startup funds for the redevelopment agency that were entered into within two years of the formation of the redevelopment agency is not invalid. Thus lease reimbursements should be honored as an enforceable obligation.

After receiving additional information, the DOF maintains its position the lease reimbursements associated with 333 Sunset are not enforceable obligations pursuant to AB 26.

Exhibit C Main Street West DDA

The Main Street West Disposition and Development Agreement (DDA) is a contract for the development of 14 sites located throughout the Waterfront District entered into with Main Street West Partners in April 2006. The Harbor Square mixed use building at the southeast corner of Main Street and Solano Street and the Hampton Inn located at the north end of the waterfront are direct results of this project. All the properties associated with this agreement are proximate to the waterfront. The ROPS contains costs associated with project management (\$55,000 - annually), property maintenance (weed abatement/trash clean-up - \$12,400 annually), assessment fees (\$40,300 annually), and the balance of a line of credit (\$87,300) provided to the developer to be utilized to attract tenants. The State Department of Finance initially raised concerns that these costs would not be allowable as they are not contained within the agreement.

To date, two of the 14 properties have been sold to and developed by Main Street West Partners. Pursuant to the DDA, the remaining 12 properties have not transferred to the Developer, as the transfers are not to occur until the developer is ready to break ground (a building permit is pulled). The costs identified within the ROPS consist of on-going costs to implement the DDA and cause the 12 remaining properties to develop. The costs identified in the ROPS total \$195,700 with a detailed breakdown below:

1. Line of Credit – The Agency provided a \$500,000 line of credit for tenant recruitment as part of the DDA. Approximately \$87,900 remained in this line of credit at the start of FY 11-12. A distribution of approximately \$28,800 was made in December 2011, with \$59,100 remaining. Section 7 (page 4) of the Third Amendment of the DDA outlines this specific item. This is a contractual obligation with a third party.
2. Maintenance Assessment Districts – There are 19 parcels that are part of this project that have not yet transferred to the Developer, which are located within the Victorian Harbor Maintenance Assessment District that pays for maintenance of parks, street lighting, median landscaping, curbside landscaping, alleyway hardscape, soundwalls and dredging of the Suisun Channel. The aggregate amount of assessments levied against the 19 parcels during FY 11-12 was \$40,300. A summary of the charges for each parcel along with the FY 11-12 bill from the County is attached. These assessments are billed by and paid to Solano County, and we view this as a contractual obligation.
3. The properties that are part of this DDA consist of primarily vacant land. The ROPS includes costs to maintain the properties of approximately \$12,400. These maintenance costs consist of annual weed abatement and debris/rubbish removal (periodically trash or unwanted items are illegally dumped on these properties). The vacant land consists of approximately 13 acres. Based on historical maintenance costs, an estimate of \$12,400 per year was developed for weed abatement and debris/rubbish removal

4. Project Management Costs – Staff time to manage the project, and carry out the DDA is estimated at 832 hours per year at an average staff rate of \$65 per hour, totaling approximately \$55,000.

The costs associated with general maintenance and project management qualify as "project costs" not "administrative costs" chargeable to the Successor Agency's administrative allowance. The DOF's own website bolsters the fact that these project costs are not chargeable against the administrative cost allowance. The DOF's "Q&A Exhibit 4" states, *"Generally employees working on specific project implementation activities such as construction inspection, project management or actual construction would not be viewed by Finance as 'administrative.'"*

After receiving the additional information, the DOF has indicated the costs associated with the Main Street West DDA are enforceable obligations.



EXHIBIT D

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

April 23, 2012

Jason Garben, Director
Economic Development
City of Suisun City
701 Civic Center Blvd.
Suisun City, CA 94585

Dear Mr. Garben:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Suisun City Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 16, 2012 for the period January through June, 2012. Finance staff contacted you for clarification of items listed in the ROPS.

The ROPS submitted to Finance contained errors with payments posted in wrong periods. Therefore, your ROPS is not approved for making obligation payments. See the example provided in Exhibit 6 of http://www.dof.ca.gov/assembly_bills_26-27/view.php. Resubmit a revised board-approved ROPS for the period January through June, 2012 and send to: Redevelopment_Administration@dof.ca.gov

In addition, Finance has determined a line item included on the ROPS is not an enforceable obligation (EO). HSC section 34171 (d) lists enforceable obligations characteristics. Based on our application of the law, the following item does not qualify as an EO:

Item No. 11 in the amount of \$135,900 is not an EO. HSC section 34171 (b) limits the 2011-12 administrative cost allowance to five percent of the property tax allocated to the successor agency or \$250,000, whichever is greater. Therefore, we are denying \$135,900 of the claimed \$385,900.

As authorized by HSC section 34179 (h), Finance is returning your ROPS for your reconsideration. This action will cause the ROPS to be ineffective until Finance approval.

Please direct inquiries to Robert Scott, Supervisor or Kylie Le, Lead Analyst at (916) 322-2985.

Sincerely,

A handwritten signature in black ink that reads "Mark Hill".

MARK HILL
Program Budget Manager

cc: Ms. Simona Padilla-Scholtens, Auditor-Controller, County of Solano
Mr. Jun Aveda, Deputy Auditor Controller, County of Solano

AGENDA TRANSMITTAL

MEETING DATE: May 22, 2012

JOINT AGENDA ITEM: Accept the Investment Report for the Quarter Ending March 31, 2012.

FISCAL IMPACT: None as this item is for information only.

BACKGROUND: Each quarter we are required to produce an Investment Report, showing how all the City's/Redevelopment Successor Agency's/Authority's available cash is invested, in terms of the type of investment, what institution it is invested in, current value and interest earnings, amongst other things.

STAFF REPORT: The City's and Agency's total cash and investments (par amount) equaled \$39,055,872 for the period ending March 31, 2012.

In terms of return on our investment, we earned 1.18% for the quarter. This compares very favorably with the LAIF return of only 0.38%. As can be seen in the Pie Chart, most of the City's/Successor Agency's/Authority's money is invested in federally insured CD's, US Treasuries or Agency Notes, all of which generate higher yields. The large balance in our Checking Account is necessary to keep our banking fees and charges down (the interest earned is used to offset these costs).

RECOMMENDATION: It is recommended that the Council/Redevelopment Successor Agency/Authority accept the Third Quarter Financial Officer's Investment Report.

ATTACHMENTS:

1. Financial Officer's Investment Report, March 31, 2012.

PREPARED BY:

Elizabeth N. Luna, Senior Accountant

REVIEWED/APPROVED BY:

Ronald C. Anderson, Jr., Assistant City Manager

Suzanne Bragdon, City Manager

City of Suisun City
 Successor Agency and Housing Authority
FINANCIAL OFFICER'S INVESTMENT REPORT

MARCH 31, 2012

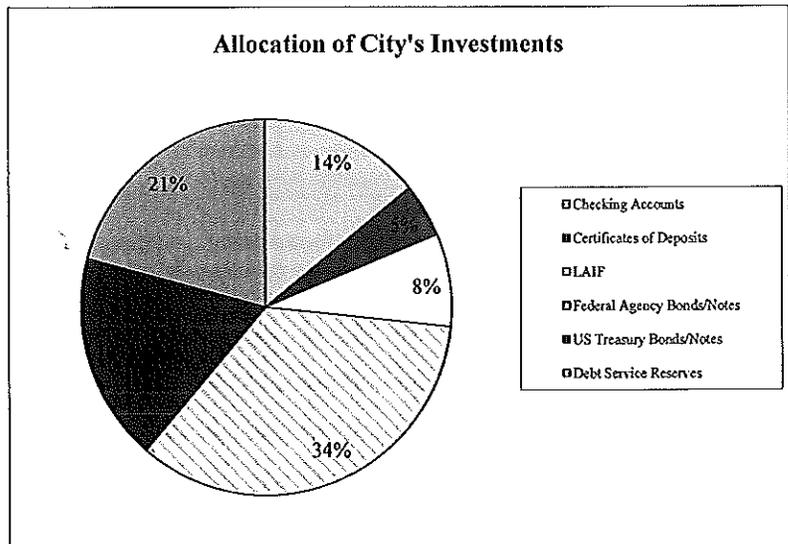
<u>Category of Investment</u>	<u>Name of Institution</u>	<u>Maturity Date</u>	<u>Par Amount</u>	<u>Market Value*</u>	<u>Amortized Cost</u>	<u>Curr Yield At Market</u>	<u>Est Annual Income</u>
Checking Account	West America Bank	Demand Deposit	\$ 5,546,284	\$ 5,546,284	\$ 5,546,284	-	-
Certificate of Deposit	American Express-Centurion	09/24/12	\$ 247,000	\$ 249,225	\$ 247,000	2.33%	5,805
Certificate of Deposit	Barclays Bank	10/09/12	\$ 247,000	\$ 249,458	\$ 247,000	2.38%	5,928
Certificate of Deposit	GE Money Bank	10/09/12	\$ 247,000	\$ 249,468	\$ 247,000	2.38%	5,928
Certificate of Deposit	Discover Bank	11/13/12	\$ 247,000	\$ 249,900	\$ 247,000	2.37%	5,928
Certificate of Deposit	CIT Bank	12/10/12	\$ 247,000	\$ 250,228	\$ 247,000	2.37%	5,928
Certificate of Deposit	Ally Bank Midvale	08/05/13	\$ 247,000	\$ 247,788	\$ 247,000	0.74%	1,828
Certificate of Deposit	GE CAP Finl Inc	01/27/15	\$ 150,000	\$ 150,462	\$ 150,000	1.14%	1,710
Certificate of Deposit	Travis Credit Union	06/17/14	\$ 198,025	\$ 198,025	\$ 198,025	2.52%	4,990
Total CD's			\$ 1,830,025	\$ 1,844,554	\$ 1,830,025	2.06%	38,045
State Investment-CITY	LAIF	Demand Deposit	\$ 3,143,141	\$ 3,138,841	\$ 3,138,841	0.38%	12,656
First Amer Treas Oblig Fd	First Amer #31846V203	Demand Deposit	\$ 69,414	\$ 69,414	\$ 69,414	0.00%	-
Federal Agency/Bond Note	FHLB #3133756Q5	08/23/12	\$ 1,000,000	\$ 1,000,587	\$ 999,941	0.30%	3,000
Federal Agency/Bond Note	FHLB #3133MTZL5	11/15/12	\$ 260,000	\$ 266,793	\$ 262,881	4.39%	11,700
Federal Agency/Bond Note	FNMA #31398AHZ8	11/19/12	\$ 300,000	\$ 308,603	\$ 301,067	4.62%	14,250
Federal Agency/Floating Note	FNMA #31398A6R8	11/23/12	\$ 1,000,000	\$ 1,000,915	\$ 999,935	0.39%	3,900
Federal Agency/Bond Note	FNMA #31398AE24	02/22/13	\$ 475,000	\$ 481,245	\$ 474,799	1.73%	8,313
Federal Agency/Bond Note	FNMA #3137EACJ6	04/15/13	\$ 1,900,000	\$ 1,927,043	\$ 1,899,093	1.60%	30,875
Federal Agency/Global Refer Note	FHLMC #3137EABMO	06/28/13	\$ 850,000	\$ 887,217	\$ 879,075	3.59%	31,875
Federal Agency/Bond Note	FHLB #313374Y61	08/28/13	\$ 870,000	\$ 872,163	\$ 869,188	0.50%	4,350
Federal Agency/Global Note	FNMA #3137EACZ0	11/27/13	\$ 1,800,000	\$ 1,800,365	\$ 1,797,455	0.37%	6,750
Federal Agency/Bond Note	FNMA #3135G0BJ1	06/27/14	\$ 990,000	\$ 1,007,338	\$ 994,133	1.11%	11,138
Federal Agency/Global Note	FNMA #3134G2UA8	08/20/14	\$ 695,000	\$ 703,493	\$ 700,668	0.99%	6,950
Federal Agency/Bond Note	FHLMC #3137EACV9	08/27/14	\$ 1,000,000	\$ 1,012,930	\$ 1,009,061	0.99%	10,000
Federal Agency/Bond Note	FNMA #31398AU34	07/28/15	\$ 500,000	\$ 527,156	\$ 511,109	2.25%	11,875
Federal Agency/Bond Note	FHLMC #3137EACM9	09/10/15	\$ 1,100,000	\$ 1,136,519	\$ 1,105,907	1.69%	19,250
Federal Agency/Bond Note	FNMA #31398A4M1	10/26/15	\$ 725,000	\$ 746,793	\$ 742,623	1.58%	11,781
Total Federal Agency Bond/Note			\$ 13,534,414	\$ 13,748,573	\$ 13,616,351	1.35%	186,007
US Treasury Notes	#912828NS5	06/30/12	\$ 215,000	\$ 215,269	\$ 215,151	0.62%	1,344
US Treasury Notes	#912828PR5	01/31/13	\$ 1,000,000	\$ 1,003,477	\$ 1,000,213	0.62%	6,250
US Treasury Notes	#912828QZ6	05/31/13	\$ 280,000	\$ 280,809	\$ 280,045	0.50%	1,400
US Treasury Notes	#912828KN9	04/30/14	\$ 400,000	\$ 412,375	\$ 397,099	1.82%	7,500
US Treasury Notes	#912828LZ1	11/30/14	\$ 925,000	\$ 965,107	\$ 914,557	2.04%	19,656
US Treasury Notes	#912828MR8	02/28/15	\$ 955,000	\$ 1,005,734	\$ 1,007,571	2.26%	22,681
US Treasury Notes	#912828PE4	10/31/15	\$ 700,000	\$ 713,945	\$ 692,970	1.23%	8,750
US Treasury Notes	#912828PE4	10/31/15	\$ 134,446	\$ 137,124	\$ 134,845	1.23%	1,681
US Treasury Notes	#912828PJ3	11/30/15	\$ 450,000	\$ 460,828	\$ 447,606	1.34%	6,188
US Treasury Notes	#912828QR4	06/30/16	\$ 400,000	\$ 410,594	\$ 406,440	1.46%	6,000
US Treasury Notes	#912828QX1	07/31/16	\$ 750,000	\$ 769,512	\$ 763,794	1.46%	11,250
US Treasury Notes	#912828SC5	01/31/17	\$ 550,000	\$ 546,605	\$ 549,895	0.88%	4,813
US Treasury Notes	#912828SJ10	02/28/17	\$ 250,000	\$ 248,242	\$ 249,236	0.88%	2,188
Total US Treasury Bond/Note			\$ 7,009,446	\$ 7,169,623	\$ 7,059,422	1.39%	99,701
			\$ -				
TOTAL POOLED INVESTMENTS			\$ 31,063,310	\$ 31,447,874	\$ 31,190,923	1.08%	\$ 336,409

City of Suisun City
Successor Agency and Housing Authority
FINANCIAL OFFICER'S INVESTMENT REPORT

MARCH 31, 2012

<u>Category of Investment</u>	<u>Name of Institution</u>	<u>Maturity Date</u>	<u>Par Amount</u>	<u>Market Value*</u>	<u>Amortized Cost</u>	<u>Curr Yield At Market</u>	<u>Est Annual Income</u>
Reserved for Bond/Debt Service							
Govt Sec Money Market-SSWA 1993	First Amer Treas Oblig Fd	Demand Deposit	530,332	530,332	530,332	0.00%	-
Govt Sec Money Market-SSWA 1993	First Amer Treas Oblig Fd	Demand Deposit	408,139	408,139	408,139	0.00%	-
Govt Sec Money Market-SSWA 1993	Federal Home Loan Bks	11/15/2012	335,000	343,750	364,873	4.30%	15,075
Govt Sec Money Market-2004 CVCC	First Amer Treas Oblig Fd	Demand Deposit	19,000	19,000	19,000	0.00%	-
Govt Sec Money Market-2004 CVCC	U.S. Bank Term C/D	Demand Deposit	230,000	230,000	230,000	3.13%	7,199
Govt Sec Money Market- RDA 1998	First Amer Treas Oblig Fd	Demand Deposit	13,931	13,931	13,931	0.00%	-
Govt Sec Money Market- RDA 1998	First Amer Treas Oblig Fd	Demand Deposit	139,544	139,544	139,544	0.00%	-
Govt Sec Money Market- RDA 1998	First Amer Treas Oblig Fd	10/31/2014	708,000	742,458	730,089	2.38%	16,815
Gov Sec Money Market - RDA 2003-A	First Amer Treas Oblig Fd	Demand Deposit	250,283	250,283	250,283	0.00%	-
Govt Sec Money Market- RDA 2003-A	Federal Home Loan Bks	Demand Deposit	125,084	125,084	125,084	0.00%	-
Govt Sec Money Market- RDA 2003-A	Federal Home Loan Bks	11/15/2012	225,000	230,090	245,064	4.30%	10,125
Gov Sec Money Market - RDA 2003-A	First Amer Treas Oblig Fd	Demand Deposit	0	0	0	0.00%	-
Govt Sec Money Market-RDA 2003-B	First Amer Treas Oblig Fd	Demand Deposit	1,606,293	1,606,293	1,606,293	0.00%	-
Govt Sec Money Market-RDA 2003-B	Federal Home Loan Bks	Demand Deposit	625,184	625,184	625,184	0.00%	-
Govt Sec Money Market-RDA 2003-B	Federal Home Loan Bks	11/15/2012	1,465,000	1,503,266	1,595,638	4.30%	65,925
Savings Acct-RDA Marina	West America Bank	Demand Deposit	396,217	396,217	396,217	0.15%	395
Marina Debt Service #912828PE4	US Treasury Notes	10/31/2015	915,554	933,794	\$ 918,269	1.22%	11,444
Total Debt Service Reserve Funds			\$ 7,992,562	\$ 8,097,365	\$ 8,197,941	1.55%	\$ 126,978
Grand Total			\$ 39,055,872	\$ 39,545,239	\$ 39,388,864	1.18%	\$ 463,387

<u>Summary of Pooled Investments</u>	<u>Amount</u>	<u>Pct.</u>
Checking Accounts	\$ 5,546,284	14.1%
Certificates of Deposits	\$ 1,830,025	4.6%
LAIF	\$ 3,138,841	8.0%
Federal Agency Bonds/Notes	\$ 13,616,351	34.6%
US Treasury Bonds/Notes	\$ 7,059,422	17.9%
Debt Service Reserves	\$ 8,197,941	20.8%
Total	\$ 39,388,864	100.0%



* Market Valuation for Federal Agency Bonds/Notes and US Treasury Bonds/Notes is from City's Investment Advisor, PFM. Valuation for Debt Service Reserve

City Treasurer's Statement:

I hereby certify that I have examined the records and find this report to be correct, that all investments are made in accordance with the investment policy, and the City will be able to meet its obligations for the next six months.

Attest by:

Jeanie F. McMurry 5/16/12
Jeanie F. McMurry, City Treasurer Date

Submitted by:

Elizabeth Luna
Elizabeth Luna, Senior Accountant Date
5-16-2012

MINUTES

REGULAR MEETING OF THE SUISUN CITY COUNCIL

AND

SUISUN CITY COUNCIL ACTING AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SUISUN CITY,

TUESDAY, MAY 1, 2012

7:00 P.M.

SUISUN CITY COUNCIL CHAMBERS -- 701 CIVIC CENTER BOULEVARD -- SUISUN CITY, CALIFORNIA

ROLL CALL

Mayor Sanchez called the meeting to order at 7:00 PM with Council / Board Members Day, Derting, Hudson and Segala present.

Pledge of Allegiance was led by Council / Board Member Day.

Invocation was given by City Manager Bragdon.

PUBLIC COMMENT

(Requests by citizens to discuss any matter under our jurisdiction other than an item posted on this agenda per California Government Code §54954.3 allowing 3 minutes to each speaker).

George Guynn expressed concern about the lack of an appointment of a citizen to the Oversight Board.

Laura Calderon thanked everyone for their support with Earth Day, announced Sam Derting and Chuck Kingeter had won the kayak race on Earth Day, and commented on the art piece that will be made out of refuse that was collected on Earth Day.

PRESENTATIONS/APPOINTMENTS

(Presentations, Awards, Proclamations, Appointments).

1. Presentation of Proclamation to Building Department, Proclaiming May 2012, as "Building Safety Month".

Mayor Sanchez read and Council Member Derting presented the proclamation to Building / Public Works Director Kasperson.

2. Presentation of Proclamation to Police Department Proclaiming the week of May 13 - 19, 2012, as "Police Week" and May 15, 2012, as "Peace Officers' Memorial Day".

Mayor Sanchez read and Council Member Hudson presented the proclamation to Police Chief Dadisho.

Police Chief Dadisho announced the Police Memorial will be held May 23 in Fairfield.

3. Presentation of Proclamation Proclaiming May 5, 2012, as "Jimmy Doolittle Day".

Mayor Sanchez read and Council Member Segala presented the proclamation to Sandy Person.

CONFLICT OF INTEREST NOTIFICATION None

(Any items on this agenda that might be a conflict of interest to any Councilmembers / Boardmembers should be identified at this time.)

CONSENT CALENDAR

Consent calendar items requiring little or no discussion may be acted upon with one motion.

City Council

4. Council Presentation of the Comprehensive Annual Financial Report, and Council Adoption of Resolution No. 2012-25: Accepting the Comprehensive Annual Financial Report for Fiscal Year 2010-11 – (Anderson).
5. Council Adoption of Resolution No. 2012-26: Authorizing the City Manager to Enter into a Construction Contract on the City's behalf with Northern Mechanical Company for the City's Environmental Management System Upgrade as Part of the Energy Efficiency and Conservation Block Grant Project – (Kasperson).
6. Award of Contracts for the Grizzly Island Trail Project – (Kasperson).
 - a. Council Adoption of Resolution No. 2012-27: Authorizing the City Manager to Enter into a Construction Contract on the City's behalf with Suulutaaq Construction Company for the Construction of the Grizzly Island Trail Project.
 - b. Council Adoption of Resolution No. 2012-28: Authorizing the City Manager to Enter into a Professional Services Agreement on the City's behalf with Sycamore Environmental Consultants, Inc. for Environmental Monitoring of the Grizzly Island Trail Project.
 - c. Council Adoption of Resolution No. 2012-29: Authorizing the City Manager to Enter into a Professional Services Agreement on the City's behalf with CTS Construction Testing Services for Materials Testing for the Grizzly Island Trail Project.

Suisun City Council Acting as Successor Agency

7. Basic Component Unit Financial Statements for the Suisun City Redevelopment Agency – (Anderson).
 - a. Successor Agency Annual Presentation of the City of Suisun City Redevelopment Agency Basic Financial Statements.
 - b. Successor Agency Adoption of Resolution No. SA 2012-05: Accepting the Basic Component Unit Financial Statements with Independent Auditor's Report, the Housing Community Report, the Annual Report and the State Controller's Report for Fiscal Year 2010-11.

Joint City Council / Suisun City Council Acting as Successor Agency

8. Council/Agency Approval of the Minutes of the Regular and/or Special Meetings of the Suisun City Council and Suisun City Council Acting as Successor Agency held on April 3, 2012 and April 17, 2012 – (Hobson).

Council / Board Member Segala requested Item 5 be pulled from Consent Calendar.

Motioned by Council Member Derting and seconded by Council Member Day to approve the Consent Calendar Items 4, 6 7, and 8. Motion carried unanimously.

Motioned by Council / Board Member Derting and seconded by Council / Board Member Segala to adopt Resolution No. 2012-25 (Item 5). Motion carried unanimously.

GENERAL BUSINESS

Suisun City Council Acting as Successor Agency

9. Successor Agency Receive and accept the Draft Recognized Obligation Payment Schedule for the Period Ending December 31, 2012 – (Garben).

Motioned by Board Member Day and seconded by Board Member Hudson to accept the Draft Recognized Obligation Payment Schedule for the Period Ending December 31, 2012. Motion carried unanimously.

City Council

10. Council Discussion and Direction Regarding a Scaled-Back Independence Day Celebration for July 4, 2012– (Corey).

Lori Wilson, co-chair of the Suisun City Community Services Foundation, recommended the City Council reinstate 2012 event and authorize a scaled-back event.

Discussion was held about extending the hours, variety of food trucks, and non-profit booths.

Motioned by Council Member Day and Seconded by Council Member Derting to authorize:

- **City Manager to enter into contracts for a scaled-back 4th of July event with clarification that people will begin coming as they have historically to picnic;**
- **Formal entertainment to begin at 6:00 PM;**
- **Coordination and working out logistics with the non-profits that want to share information about their services;**
- **Coordination with past providers of the beer garden;**
- **Exploration of food options within the constraints of being self-contained; and**
- **Exploration of bringing “fun on the run” to Suisun event without additional cost.**

Motion carried unanimously.

PUBLIC HEARINGS: None

REPORTS: (Informational items only.)

11. City Manager/Executive Director/Staff - None

12. Mayor/Council -Chair/Board Members

Council / Board Member Segala expressed concern about weed abatement in downtown, lighting of monuments at Harbor Entrance, north side of Bella Vista across from Prosperity Lane regarding wire fence, 826 Ruddy Lane sidewalk, tents in driveways, and stated he appreciated the work of the 4th of July celebration ad hoc committee.

Council / Board Member thanked Lori Wilson for her fund raising work for the 4th of July event.

Council / Board Member Day thanked Recreation Director Jessop for his work on the Veterans Forum.

Mayor Sanchez stated he had attended the MS Walk on Saturday and advised \$45,000 was raised at the event.

ADJOURNMENT

There being no further business, Mayor Sanchez adjourned the meeting at 8:21 PM.

Linda Hobson, CMC
City Clerk

AGENDA TRANSMITTAL

MEETING DATE: May 22, 2012

CITY AGENDA ITEM: Council Adoption of Resolution No. 2012-___: Authorizing the Issuance and Sale of Pension Obligation Bonds to Refinance Outstanding Side Fund Obligations of the City to the California Public Employees' Retirement System, Approving the Forms of and Authorizing the Execution and Delivery of an Indenture and a Bond Purchase Agreement, Directing the Filing of a Judicial Validation Action with Respect Thereto, and Providing Other Matters Relating Thereto.

FISCAL IMPACT: By refinancing existing debt associated with liability of the "side fund," staff expects that the City will save more than \$15,000 annually in interest expenses. The cost of moving ahead with this transaction would be paid from proceeds of the financing. However, if the City moves forward and the financing does not close, the City would be responsible for the \$7,500 fee associated with proceeding with the judicial validation action. Thus, there are no out-of-pocket costs to the City if the transaction closes.

BACKGROUND: At the time of joining a CalPERS risk pool, a side fund was created to account for the difference between the funded status of the pool and funded status of the plans. The side fund balance is amortized and annual payments are applied in a similar manner as a mortgage loan with an interest rate of 7.75% through FYE 2013 and 7.50% thereafter. On January 3, 2012, Council received a presentation from staff and representatives from Brandis Tallman LLC on the concept of refunding our "side fund" with CalPERS – essentially, refinancing our unfunded liability at a lower rate. Council directed staff to explore the issue and report its recommendations to the Council. On February 7, 2012 during the Mid-Year Budget Review, the matter was further discussed and Council directed staff to initiate the process, and use Brandis Tallman, LLC ("Brandis Tallman") as our Placement Agent. On March 6, 2012, Council passed a resolution approving the refinancing of the City's "side fund," and to execute a professional services agreement with Brandis Tallman to provide placement agent services.

STAFF REPORT: Subsequent to the March 6, 2012 meeting, Brandis Tallman began discussions with interested investors to determine pricing levels and terms of the refinancing. Umpqua Bank provided the most aggressive indicative interest rates and favorable financing terms and is therefore the contemplated investor for this transaction. Additionally, staff has been working with the financing team to draft the Trust Indenture and Bond Purchase Agreement discussed in the Resolution and attached hereto.

Adoption of the Resolution will authorize the filing of an action to determine the validity of the Bonds, the Indenture and related matters in the Solano County Superior Court. Bond Counsel, in concert with the City Attorney, will 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.

PREPARED BY:

Ronald C. Anderson, Jr., Assistant City Manager

REVIEWED/APPROVED BY:

Suzanne Bragdon, City Manager

In order to issue pension obligation bonds in California and render a final legal opinion regarding the validity of the bonds, a judicial validation process must be undertaken and completed. The judicial validation process is available to pension obligation bond issuers under State Law, and results in a binding judgment rendered by the local superior court supporting the legal theory under which the bonds are issued. The legal theory relies on the interpretation of state law that the refunding of any unfunded liability owed to CalPERS constitutes an obligation imposed by law and therefore is exempt from the voter approval requirement of the California Constitution's debt limitation provision (Article XVI, Section 18). The legal arguments supporting this theory are briefed to the court, and, following an opportunity for the public to respond, a judgment is rendered which becomes forever binding and conclusive, and cannot be challenged.

A summary of the steps in the validation process are:

- Action Triggered – City adopts resolution approving issuance of bonds and authorizing Bond Counsel to commence validation proceedings.
- Initial Court Filing – Complaint is filed in local superior court; summons is issued simultaneously.
- Publication of Summons – Summons is directed at “All Interested Persons” and the full text is published in an adjudicated publication in the jurisdiction of the issuer once a week for three consecutive weeks, offering any interested person an opportunity to file an answer in the action.
- Request to Court for Entry of Default Judgment and Court Judgment – If no person has filed an answer in the action by the legal deadline, then Bond Counsel seeks a default judgment in the issuer's favor. Bond counsel also files a Memorandum of Points and Authorities briefing its legal argument in favor of the issuance of the bonds, and supporting the judgment. The court will then consider and render the judgment in the issuer's favor.
- Statutory Appeal Period – The judgment can be appealed for 30 days following entry of the judgment. If there is no answer to the action, the basis of appeal can only relate to issues of jurisdiction of the court to enter the judgment.

The judicial validation process described above will take at least 100 days. Given the lengthy process, the transaction is not expected to close until September of 2012. The interest rate can be locked two weeks prior to closing. All of the costs associated with the transaction are contingent upon closing with the exception of the validation fee of \$7,500, as previously mentioned.

Representatives from Brandis Tallman, and Jones Hall, Bond Counsel, will be present to answer any questions and to provide the most up to date savings information based on the recent changes in CalPERS rates and the projected decrease in City payroll costs resulting from the 5% cut expected on July 1, 2012.

Adoption of the attached resolution would:

- Authorize and approve the issuance of the City of Suisun City 2012 Taxable Pension Obligation Bonds under the Bond Law in the aggregate principal amount of not to exceed \$3,400,000.

- Authorize an authorized officer to approve the Indenture between the City and U.S. Bank National Trust Association as Trustee, prescribing the terms and provisions of the Bonds.
- Authorize an authorized officer to approve the Bond Purchase Agreement between the City and Umpqua Bank as purchaser, and authorize the sale of the Bonds to Umpqua Bank provided the true interest cost of the Bonds shall not exceed 4.60%.
- Authorize the initiation of prior judicial determination of the validity of the Bonds, the Indenture and related actions.
- Authorize the firm Jones Hall, A Professional Law Corporation, as Bond Counsel to the City and Brandis Tallman LLC as Placement Agent.
- Authorize an authorized officer to do any and all things and take any and all actions necessary to effectuate this transaction.

RECOMMENDATION: It is recommended that the City Council adopt Resolution No. 2012-___: Authorizing the Issuance and Sale of Pension Obligation Bonds to Refinance Outstanding Side Fund Obligations of the City to the California Public Employees' Retirement System, Approving the Forms of and Authorizing the Execution and Delivery of an Indenture and a Bond Purchase Agreement, Directing the Filing of a Judicial Validation Action with Respect Thereto, and Providing Other Matters Relating Thereto.

ATTACHMENTS:

1. Resolution No. 2012-___: Authorizing the Issuance and Sale of Pension Obligation Bonds to Refinance Outstanding Side Fund Obligations of the City to the California Public Employees' Retirement System, Approving the Forms of and Authorizing the Execution and Delivery of an Indenture and a Bond Purchase Agreement, Directing the Filing of a Judicial Validation Action with Respect Thereto and Providing Other Matters Relating Thereto.
2. Indenture of Trust.
3. Bond Purchase Agreement.

RESOLUTION NO. ____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY
AUTHORIZING THE ISSUANCE AND SALE OF PENSION OBLIGATION
BONDS TO REFINANCE OUTSTANDING SIDE FUND OBLIGATIONS OF THE
CITY TO THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM,
APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION AND
DELIVERY OF AN INDENTURE AND A BOND PURCHASE AGREEMENT,
DIRECTING THE FILING OF A JUDICIAL VALIDATION ACTION WITH
RESPECT THERETO, AND PROVIDING OTHER MATTERS RELATING
THERETO**

WHEREAS, the City of Suisun City (the "City") is a contracting member of the California Public Employees' Retirement System ("PERS"), and the City is obligated to make certain payments to PERS in respect of retired public safety police, public safety fire and 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 City 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 City, 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 City 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 City Council of the City wishes at this time to 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 City is subject, however, to a prior judicial determination of the validity of such bonds and the City 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 City Council of the City of Suisun City (the "City Council") as follows:

Section 1. Approval of Issuance of Bonds. The City Council hereby authorizes and approves the issuance of the City of Suisun City 2012 Taxable Pension Obligation Bonds (the "Bonds") under the Bond Law in the aggregate principal amount of not to exceed \$3,400,000. The City Council hereby authorizes the Mayor to execute the Bonds

and the City Clerk to attest Mayor's signature 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 Mayor 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 City 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 City Council hereby approves the Indenture of Trust between the City and U.S. Bank National Association as trustee (the "Indenture"), prescribing the terms and provisions of the Bonds. Each of the Mayor or the City Manager (each, an "Authorized Officer") is hereby authorized and directed to execute and deliver, and the City Clerk is hereby authorized and directed to attest to, the Indenture for and in the name and on behalf of the City, in substantially the form on file with the City Clerk, 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 Indenture. The City Council hereby authorizes the delivery and performance of the Indenture.

Section 3. Sale of Bonds. The City Council hereby approves the Bond Purchase Agreement between the City and Umpqua Bank 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 4.6%. 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 City, in substantially the form on file with the City Clerk, 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 City 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 City 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 City 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 Solano 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 City, is hereby directed, in concert with the City Attorney, 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 City Council hereby appoints Jones Hall, A Professional Law Corporation, as Bond Counsel and Brandis Tallman LLC as Placement Agent for the Bonds. Fees and expenses to be paid to the foregoing for services shall be as provided in agreements on file with the City Clerk or as approved by the City Manager or Finance Director upon delivery of the Bonds to the Purchaser.

Section 7. Official Actions. The Mayor, the Vice Mayor, the City Manager, the Administrative Services Director, the City Clerk, the Finance Director, the Public Finance Director, the City Attorney 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, 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 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.

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

PASSED AND ADOPTED at a Regular Meeting of the City Council of the City of Suisun City held on Tuesday, the 22nd day of May, 2012, by the following vote:

AYES:	COUNCILMEMBERS:	_____
NOES:	COUNCILMEMBERS:	_____
ABSENT:	COUNCILMEMBERS:	_____
ABSTAIN:	COUNCILMEMBERS:	_____

WITNESS my hand and the seal of the City of Suisun City this 22nd day of May 2012.

Linda Hobson, CMC
Secretary

INDENTURE OF TRUST

Dated as of May 1, 2012

between the

CITY OF SUISUN CITY

and

U.S. BANK NATIONAL ASSOCIATION
as Trustee

Relating to

**[\$Bond Amount]
City of Suisun City
2012 Taxable Pension Obligation Bonds**

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APPENDIX A - DEFINITIONS

APPENDIX B - FORM OF BOND

APPENDIX C - FORM OF CITY CERTIFICATE REGARDING BUDGET AND
APPROPRIATION OF DEBT SERVICE

INDENTURE OF TRUST

This INDENTURE OF TRUST (this "Indenture") dated as of May 1, 2012, is between the CITY OF SUISUN CITY, a city duly organized and existing under the laws of the State of California (the "City"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee").

BACKGROUND:

1. The City has previously elected to become a contracting member of the California Public Employees' Retirement System ("PERS"), and under its contract with PERS (the "PERS Contract"), the City is obligated to make certain payments to PERS in respect of retired public safety police, public safety fire and miscellaneous employees of the City under the Side Fund program of PERS which amortizes such obligations over a fixed period of time (the "PERS Side Fund Obligations").

2. The PERS Contract is set forth in the "Amendment to Contract Between the Board of Administration California Public Employees Retirement System and the City Council City of Suisun City", effective _____, being a continuation of a contract with the City initially effective _____, and thereafter amended several times, including the most recent prior amendment effective _____.

3. The City 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 indebtedness of the City, including the PERS Side Fund Obligations.

4. In order to refund the PERS Side Fund Obligations and thereby realize interest savings in respect of the PERS Side Fund Obligations, the City has determined to issue its \$[Bond Amount] aggregate principal amount of City of Suisun City 2012 Taxable Pension Obligation Bonds (the "Bonds") under the Bond Law and this Indenture, and under a Resolution adopted by the City Council of the City on May 22, 2012.

5. The principal and redemption price of and interest on the Bonds are payable from any source of legally available funds of the City, including amounts on deposit in the general fund of the City.

6. The Bonds have been determined to be the legal, valid and binding obligations of the City by judgment of the Solano County Superior Court rendered on _____, 2012 in *City of Suisun City v. All Persons Interested, etc.*, Case No. _____.

7. The City has determined that all acts and proceedings required by law necessary to make the Bonds, when executed by the City, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal obligations of the City, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done or taken.

AGREEMENT:

In order to secure the payment of the principal and redemption price of and the interest on all the Outstanding Bonds under this Indenture according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the City and the Trustee hereby covenant and agree with one another, for the benefit of the respective Owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; RULES OF CONSTRUCTION

SECTION 1.01. *Definitions.* Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms defined in Appendix A have the respective meanings specified in Appendix A when used in this Indenture.

SECTION 1.02. *Authorization.* Each of the parties represents and warrants that it has full legal authority and is duly empowered to enter into this Indenture, and has taken all actions necessary to authorize the execution hereof by the officers and persons signing it.

SECTION 1.03. *Interpretation.*

(a) Unless the context otherwise indicates, words expressed in the singular include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and do not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

AUTHORIZATION AND TERMS OF BONDS

SECTION 2.01. *Authorization and Purpose of Bonds.* The City has reviewed all proceedings heretofore taken and has found, as a result of such review, and hereby finds and determines that all things, conditions and acts required by law to exist, happen or be performed precedent to and in connection with the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the City is now duly empowered, under each and every requirement of law, to issue the Bonds in the manner and form provided in this Indenture.

The City hereby authorizes the issuance of the Bonds in the aggregate principal amount of \$[Bond Amount] under the Authorizing Resolution and the Bond Law for the purposes of providing funds to refinance the PERS Side Fund Obligations of the City as provided herein. The Bonds are designated the "City of Suisun City 2012 Taxable Pension Obligation Bonds".

SECTION 2.02. *Terms of the Bonds.* The Bonds shall be issued in fully registered form without coupons in denominations of \$100 or any integral multiple thereof. The Bonds shall be dated as of the Closing Date. The Bonds shall mature on June 30, 2025, and shall bear interest at the rate per annum of _____% until _____, 2022, and, thereafter, at the Reset Rate until maturity (calculated on the basis of a 360-day year comprised of twelve 30-day months); *provided, however*, that upon the occurrence and during the continuation of an Event of Default, the Bonds shall bear interest at the applicable Default Rate.

Interest on the Bonds is payable from the Interest Payment Date immediately preceding the date of authentication thereof unless:

- (a) a Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it will bear interest from such Interest Payment Date,
- (b) a Bond is authenticated on or before the first Record Date, in which event interest thereon will be payable from the Closing Date, or
- (c) interest on a Bond is in default as of the date of authentication thereof, in which event interest thereon will be payable from the date to which interest has been paid in full, payable on each Interest Payment Date.

Interest is payable on each Interest Payment Date to the persons in whose names the ownership of the Bonds is registered on the Registration Books at the close of business on the immediately preceding Record Date, except as provided below. Interest on a Bond which is not punctually paid or duly provided for on any Interest Payment Date is payable to the person in whose name the ownership of such Bond is registered on the Registration Books at the close of business on a special record date for the payment of such defaulted interest to be fixed by the Trustee, notice of which is given to such Owner by first-class mail not less than ten days prior to such special record date.

The Trustee will pay interest on the Bonds by wire or check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Owners of the Bonds at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date. At the written request of the Owner of Bonds in an aggregate principal amount of at least \$1,000,000, which written request is on file with the Trustee as of any Record Date, the Trustee will pay interest on such Bonds on each succeeding Interest Payment Date by wire transfer in immediately available funds to such account of a financial institution within the United States of America as specified in such written request, which written request will remain in effect until rescinded in writing by the Owner.

The Trustee will pay principal of the Bonds in lawful money of the United States of America by wire or check of the Trustee upon presentation and surrender thereof at the Office of the Trustee.

Notwithstanding anything herein to the contrary, so long as Bonds are owned by the Original Purchaser, (a) the Bonds are not required to be presented and surrendered to the Trustee for payment at any time prior to the final maturity or earlier optional redemption thereof, and (b) the Trustee will pay the principal of, including sinking fund payments, and interest on Bonds by wire transfer to the Original Purchaser in accordance with the following wire transfer instructions (which instructions may be changed from time to time by the Original Purchaser upon written notice to the Trustee):

[Purchasers Wire Instructions to Come]

SECTION 2.03. *Redemption of Bonds.*

(a) Optional Redemption.

The Bonds are subject to optional redemption, in whole or in part on any date at a redemption price equal to the principal amount thereof, together with the premium set forth below (expressed as a percentage of the total principal amount redeemed), and accrued interest to the date fixed for redemption: **[REVISE]**

<u>Date of Redemption</u>	<u>Premium</u>
On or before December 30, 2012	
On or before December 30, 2013	
On or before December 30, 2014	
On or before December 30, 2015	
On or before December 30, 2016	
On or before December 30, 2017	
On or before December 30, 2018	
On or before December 30, 2019	
On or before December 30, 2020	
On or before [10 years from Closing Date]	
Thereafter	-0-

(b) Mandatory Sinking Fund Redemption.

The Bonds are subject to mandatory redemption by lot at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on June 30 and December 30 in the respective years as set forth in the following table.

Sinking Fund Redemption Date	Principal Amount To Be Redeemed
12/30/12	
6/30/13	
12/30/13	
6/30/14	
12/30/14	
6/30/15	
12/30/15	
6/30/16	
12/30/16	
6/30/17	
12/30/17	
6/30/18	
12/30/18	
6/30/19	
12/30/19	
6/30/20	
12/30/20	
6/30/21	
12/30/21	
6/30/22	
12/30/22	
6/30/23	
12/30/23	
6/30/24	
12/30/24	
6/30/25	

(c) Notice of Redemption. The Trustee on behalf and at the expense of the City will mail (by first class mail) notice of any redemption to the respective Owners of Bonds designated for redemption at their respective addresses appearing on the Registration Books, to the Municipal Securities Rulemaking Board, at least 20 but not more than 60 days prior to the date fixed for redemption; *provided, however,* that neither failure to receive any such notice so mailed nor any defect therein will affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice must state the date of the notice, the redemption date, the redemption place and the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date. Notwithstanding the foregoing, so long as the Bonds are owned by the Original Purchaser, no notice of sinking fund redemption shall be given.

(d) Manner of Redemption. Whenever provision is made in this Section 2.03 for the redemption of less than all of the Bonds, the Trustee shall select the Bonds to be

redeemed by lot in any manner in which the Trustee in its sole discretion deems appropriate. For the purpose of such selection, all Bonds will be deemed to be comprised of separate \$100 denominations and such separate denominations will be treated as separate Bonds which may be separately redeemed.

(e) Partial Redemption of Bonds. If only a portion of a Bond is called for redemption, then upon surrender of such Bond the City will execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the City, a new Bond or Bonds, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond to be redeemed.

(f) Effect of Redemption. From (and) after the date fixed for redemption, if notice of redemption has been duly mailed and funds available for the payment of the principal of and interest (and premium, if any) on the Bonds so called for redemption have been duly provided by the City to the Owner, such Bonds so called for redemption shall cease to be entitled to any benefit under this Indenture other than the right to receive payment of the redemption price, and no interest shall accrue thereon from and after the redemption date specified in such notice. Unless otherwise directed in writing by the City, the Trustee shall cancel and destroy all Bonds redeemed under this Section 2.03.

SECTION 2.04. *Form and Execution of Bonds.* The Bonds will be initially delivered in the form of a separate single fully registered bond (which may be typewritten) in the aggregate principal amount of the Bonds, which shall be executed, authenticated and delivered to the Original Purchaser on the Closing Date. Upon initial delivery of Bonds to the Original Purchaser, the Trustee shall register the ownership of the Bonds on the Registration Books in the name of the Original Purchaser.

The Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, are set forth in Appendix B, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

The Mayor shall execute, and the City Clerk shall attest the Bonds. Any or all of such signatures may be made manually or may be affixed by facsimile thereof. If any officer whose signature appears on a Bond ceases to be such officer before the Closing Date, such signature will nevertheless be as effective as if the officer had remained in office until the Closing Date. A Bond may be signed and attested on behalf of the City by such persons as at the actual date of the execution of that Bond are the proper officers of the City, duly authorized to execute debt instruments on behalf of the City, although on the date of that Bond any such person was not an officer of the City.

Only those Bonds bearing a certificate of authentication in the form set forth in Appendix B, manually executed and dated by the Trustee, are valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee is conclusive evidence that such Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

SECTION 2.05. *Transfer and Exchange of Bonds.*

(a) Transfer. A Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by a

duly authorized attorney of such person, upon surrender of that Bond to the Trustee at its Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. The Trustee shall collect any tax or other governmental charge on the transfer of any Bonds under this Section 2.05. Whenever any Bond or Bonds are surrendered for transfer, the City will execute and the Trustee shall authenticate and deliver to the transferee a new Bond or Bonds of like interest rate, maturity and aggregate principal amount. The City will pay the cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer of Bonds.

(b) Exchange. The Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations and of the same interest rate and maturity. The Trustee shall collect any tax or other governmental charge on the exchange of Bonds under this subsection (b). The City will pay the cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange of Bonds.

(c) Limitations. The Trustee may refuse to transfer or exchange, under the provisions of this Section 2.05, any Bonds selected by the Trustee for redemption under Section 2.03, or any Bonds during the period established by the Trustee for the selection of Bonds for redemption.

SECTION 2.06. *Registration Books*. The Trustee will keep or cause to be kept, at its Office, sufficient records for the registration and registration of transfer of the Bonds, which shall at all times during normal business hours, and upon reasonable notice, be open to inspection by the City. The Trustee will register the ownership and transfer of the Bonds on the Registration Books under such reasonable regulations as it may prescribe.

SECTION 2.07. *Bonds Mutilated, Lost, Destroyed or Stolen*. If a Bond is mutilated, the City, at the expense of the Owner of that Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in exchange and substitution for the Bond so mutilated, upon surrender to the Trustee of the Bond so mutilated. The Trustee shall cancel every mutilated Bond surrendered to it and deliver such mutilated Bond to or upon the order of the City. If a Bond is lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence is satisfactory to the Trustee and if indemnity satisfactory to the Trustee is given, the City, at the expense of the Owner, will execute, and the Trustee will thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen. The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Bond issued under this Section and of the expenses which may be incurred by the Trustee in connection therewith. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen will constitute an original additional contractual obligation on the part of the City whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and are equally and proportionately entitled to the benefits of this Indenture with all other Bonds issued under this Indenture.

Notwithstanding any other provision of this Section 2.07, in lieu of delivering a new Bond for which principal has become due for a Bond which has been mutilated, lost, destroyed or stolen, the Trustee may make payment of such Bond in accordance with its terms upon receipt of indemnity satisfactory to the Trustee.

ARTICLE III

DEPOSIT AND APPLICATION OF PROCEEDS OF BONDS

SECTION 3.01. *Issuance of Bonds.* Upon the execution and delivery of this Indenture, the City shall execute and deliver Bonds in the aggregate principal amount of \$[Bond Amount] to the Trustee and the Trustee shall authenticate and deliver the Bonds to the Original Purchaser upon receipt of a Request of the City therefor.

SECTION 3.02. *Deposit and Application of Proceeds.* Upon receipt of the proceeds of the Bonds on the Closing Date, the Trustee shall deposit the proceeds into a special fund to be held by the Trustee and known as the Bond Proceeds Account which the Trustee shall establish and hold in trust hereunder, to be applied as follows:

- (a) The Trustee shall deposit the amount of \$_____ in the Costs of Issuance Fund.
- (b) The Trustee shall apply the amount of \$_____ to the satisfaction of the City's obligations under the PERS Contract with respect to the Safety Police Plan PERS Side Fund Obligations, by effecting a wire transfer of such proceeds to PERS, in accordance with a Request of the City.
- (c) The Trustee shall apply the amount of \$_____ to the satisfaction of the City's obligations under the PERS Contract with respect to the Safety Fire Plan PERS Side Fund Obligations, by effecting a wire transfer of such proceeds to PERS, in accordance with a Request of the City.
- (d) The Trustee shall apply the amount of \$_____, constituting the remainder of the proceeds of sale of the Bonds, to the satisfaction of the City's obligations under the PERS Contract with respect to the Miscellaneous Plan PERS Side Fund Obligations, by effecting a wire transfer of such proceeds to PERS, in accordance with a Request of the City.

After making the foregoing transfers, the Trustee shall close the Bond Proceeds Account.

SECTION 3.03. *Costs of Issuance Fund.* There is hereby established a separate fund to be known as the "Costs of Issuance Fund," to be held by the Trustee. The Trustee shall disburse moneys in the Costs of Issuance Fund from time to time to pay Costs of Issuance upon submission of a Request of the City stating (a) the person to whom payment is to be made, (b) the amounts to be paid, (c) the purpose for which the obligation was incurred, (d) that such payment is a proper charge against the Costs of Issuance Fund, and (e) that such amounts have not been the subject of a prior Request of the City; in each case together with a statement or invoice for each amount requested thereunder. On _____ 1, 2012, the Trustee shall transfer any amounts remaining in

the Costs of Issuance Fund to the Debt Service Fund and shall close the Costs of Issuance Fund.

SECTION 3.04. *Validity of Bonds.* The recital contained in the Bonds that the same are issued pursuant to the Bond Law and pursuant hereto shall be conclusive evidence of their validity and of regularity of their issuance, and all Bonds shall be incontestable from and after definitive Bonds (or temporary Bonds exchangeable therefor) shall have been delivered to the Original Purchaser and the proceeds of sale thereof received by the Trustee as provided herein.

ARTICLE IV

SECURITY OF BONDS; FLOW OF FUNDS; INVESTMENTS

SECTION 4.01. *Security of Bonds; Equal Security.* The Bonds are and shall be secured by a first pledge of all of the Gross Revenues of the City. In addition, the Bonds shall be secured by a pledge of all of the moneys in each Fund and Account established hereunder, including all amounts derived from the investment of such moneys. Such pledge does and shall constitute a lien on the Gross Revenues and such other moneys for the payment of the principal of and interest and premium, (if any) on the Bonds in accordance with the terms hereof. The City shall be obligated to, and shall, satisfy its obligations with respect to the Bonds from any legally available funds of the City. Upon satisfaction of such payment obligations on the Bonds by payment to the Trustee of all amounts due or to be due and owing on the Bonds, including sinking fund amounts, in any Fiscal Year, the City may apply the remaining Gross Revenues to any lawful purpose for the remainder of such Fiscal Year. The obligations of the City under the Bonds, including the obligation to make all payments of principal and redemption price of and interest on the Bonds when due and the obligation of the City to make the deposits required hereunder for the security of the Bonds, are obligations of the City imposed by law and are absolute and unconditional, without any right of set-off or counterclaim. The Bonds do 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 constitute an indebtedness of the City, the State of California, or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

In consideration of the acceptance of the Bonds by those who hold the same from time to time, this Indenture constitutes a contract between the City and the Owners from time to time of the Bonds, and the covenants and agreements herein set forth to be performed on behalf of the City are for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

SECTION 4.02. *Debt Service Fund; Transfer of Amounts to Trustee.* There is hereby established a separate fund to be known as the "Debt Service Fund" which shall be held by the Trustee in trust for the benefit of the Owners. The Trustee will hold the Debt Service Fund for the uses and purposes set forth herein, so long as any of the

Bonds remain Outstanding. The City will transfer an amount of legally available funds to the Trustee in the following amounts at the following times, for deposit by the Trustee in the following respective special accounts within the Debt Service Fund, which accounts are hereby established with the Trustee with respect to the Bonds, in the following order of priority:

- (a) Interest Account. On or before the 5th Business Day preceding each Interest Payment Date on which interest on the Bonds is due and payable, the City will transfer to the Trustee for deposit in the Interest Account an amount which, when added to the amount then on deposit in the Interest Account, equals the aggregate amount of the interest coming due and payable on the Outstanding Bonds on such Interest Payment Date. The Trustee will apply amounts in the Interest Account solely for the purpose of paying the interest on the Bonds when due and payable.
- (b) Principal Account. On or before the 5th Business Day preceding each date on which principal of the Bonds is due and payable at maturity or upon optional or mandatory sinking fund redemption under Section 2.03(b), the City will transfer to the Trustee for deposit in the Principal Account an amount which, when added to the amount then on deposit in the Principal Account, equals the amount of principal coming due and payable on that date on the Outstanding Bonds, including the principal amount of the Bonds which are subject to optional or mandatory sinking fund redemption on that date under Section 2.03(b). The Trustee will apply amounts in the Principal Account solely for the purpose of paying the principal of the Bonds at the maturity thereof and the principal of the Bonds upon the optional or mandatory sinking fund redemption thereof.

SECTION 4.03. *Investment of Moneys in Funds*. The Trustee shall invest moneys in the funds and accounts established and held by it hereunder in Permitted Investments specified in the Request of the City (which Request of the City will be deemed to include a certification that the specified investment is a Permitted Investment) delivered to the Trustee at least 2 Business Days in advance of the making of such investments. In the absence of any direction from the City concerning the investment of amounts held by the Trustee hereunder, the Trustee shall invest any such amounts solely in Permitted Investments described in clause (f) of the definition thereof as specified by the City to the Trustee in writing on or before the Closing Date. If for any reason the Trustee is unable to invest in the specified investment, the Trustee shall promptly notify the City so that the City can specify a replacement investment. The City shall ensure that all Permitted Investments mature not later than the date on which the funds invested therein are required to be expended.

Obligations purchased as an investment of moneys in any fund or account will be deemed to be part of such fund or account. Whenever in this Indenture the City is required to transfer any moneys to the Trustee, such transfer may be accomplished by transferring a like amount of Permitted Investments. All interest or gain derived from the investment of amounts in any of the funds or accounts held by the Trustee hereunder will be retained in the respective fund or account from which such investment was made. For purposes of acquiring any investments hereunder, the Trustee may commingle

funds held by it hereunder upon receipt by the Trustee of the Request of the City. The Trustee or an affiliate may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee shall incur no liability for losses arising from any investments made under this Section.

The City acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the City the right to receive brokerage confirmations of security transactions as they occur at no additional cost, the City specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the City periodic transaction statements which include detail for all investment transactions made by the Trustee hereunder.

The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee hereunder.

ARTICLE V

OTHER COVENANTS OF THE CITY

SECTION 5.01. *Punctual Payment.* The City shall punctually pay or cause to be paid the principal and redemption price and interest to become due in respect of all the Bonds in strict conformity with the terms of this Indenture. The City shall faithfully observe and perform all of the conditions, covenants and requirements of this Indenture and all Supplemental Indentures.

SECTION 5.02. *Budget and Appropriation of Debt Service; Certification to Trustee.* The City covenants to take such action as may be necessary to include in each of its annual budgets the payments required to be made by the City under Section 4.02, and to make the necessary annual appropriations for all such payments. If any payment of debt service requires the adoption by the City of a supplemental budget or appropriation, the City will promptly adopt the same. This covenant to budget and appropriate shall apply to all legally available funds of the City. The covenants on the part of the City herein contained constitute duties imposed by law and it is the duty of each and every public official of the City to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the City to carry out and perform the covenants and agreements in this Indenture agreed to be carried out and performed by the City.

Promptly following the adoption of an annual budget which includes the appropriations required by this Section, but in any event not later than July 15 in each Fiscal Year, the City shall execute and deliver to the Trustee a Certificate of the City in substantially the form attached hereto as Appendix C, which shall evidence the compliance by the City with the covenants set forth in this Section 5.02 with respect to such Fiscal Year.

SECTION 5.03. *Extension of Payment of Bonds.* The City may not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and if the maturity of any of the Bonds or the time of payment of any such claims for interest is extended, such Bonds or claims for interest are not entitled, in

case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Outstanding Bonds and of all claims for interest thereon which have not been so extended. Nothing in this Section limits the right of the City to issue bonds for the purpose of refunding any Outstanding Bonds, and such issuance does not constitute an extension of maturity of the Bonds.

SECTION 5.04. *Books and Accounts; Financial Statements; Additional Information.* The City will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the City. Such books of record and accounts shall at all times during business hours be subject, upon prior written request, to the reasonable inspection of the Trustee (who has no duty to inspect), the Owners of not less than 10% in aggregate principal amount of the Bonds then Outstanding, or their representatives authorized in writing.

So long as any of the Bonds are Outstanding, the City will cause to be prepared (a) annually, within 240 days after the close of each Fiscal Year, complete audited financial statements with respect to such Fiscal Year, as of the end of such Fiscal Year, and (b) semi-annually, within 90 days after the end of the 6th month of the City's Fiscal Year and after the end of the City's Fiscal Year, complete internally prepared financial statements with respect to such semi-annual period, as of the end of such semi-annual period. The City will furnish a copy of such statements, upon reasonable request, to the Trustee and any Owner. The Trustee has no duty to review any such financial statement.

SECTION 5.05. *Protection of Security and Rights of Owners.* The City shall preserve and protect the security of the Bonds and the rights of the Owners. From and after the date of issuance of the Bonds, the City shall not contest the validity or enforceability of the Bonds or this Indenture.

SECTION 5.06. *Further Assurances.* The City shall adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners the rights and benefits provided in this Indenture.

SECTION 5.07. *Information to Original Purchaser.* The City shall provide the following items to the Original Purchaser, in each case in an electronic format which is acceptable to the Original Purchaser and otherwise in form and detail satisfactory to the Original Purchaser:

- (a) audited annual financial statements of the City pursuant to Section 5.04 within the time required therefor;
- (b) internally prepared semi-annual statements of the City pursuant to Section 5.04 within the time required therefore; and
- (c) annual budgets pursuant to Section 5.02 within the time required therefore; and
- (d) such additional information as the Original Purchaser shall reasonably request from time to time pursuant to written notice to the City.

SECTION 5.08. *Obligation of the City.* The City shall be obligated and shall, to the extent permitted by law, to satisfy its obligations under the Bonds from any money lawfully available in any fund of the City, and the City shall be obligated to transfer from any money lawfully available in any such fund amounts necessary to make such payments to the Trustee to pay the principal, or redemption price of and the interest on the Bonds on the applicable payment date.

SECTION 5.09. *Certain Financial Covenants of the City.* So long as any Bonds are Outstanding, the City shall seek such appropriations such that at all times the City maintains (a) a ratio of (i) Funded Debt to (ii) net assets of the City not to exceed 2.0:1, and (b) a ratio of (i) Gross Revenues minus expenses (excluding from expenses interest expense, depreciation and amortization) of the City for each Fiscal Year to (ii) Annual Debt Service for such Fiscal Year of not less than 1.10:1.

ARTICLE VI

THE TRUSTEE

SECTION 6.01. *Duties, Immunities and Liabilities of Trustee.*

(a) The Trustee shall, prior to the occurrence of an Event of Default, and after the curing or waiving of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or duties will be read into this Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a reasonable corporate trustee would exercise or use.

(b) Prior to the occurrence and continuance of an Event of Default, the City may remove the Trustee at any time, and shall remove the Trustee (i) if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or (ii) if at any time (A) the Trustee ceases to be eligible in accordance with subsection (e) of this Section 6.01, (B) becomes incapable of acting, (C) is adjudged a bankrupt or insolvent, (D) a receiver of the Trustee or its property is appointed, or (E) any public officer takes control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation. The City may accomplish such removal by giving 30 days written notice to the Trustee, whereupon the City will appoint a successor Trustee by an instrument in writing, with a copy to the Original Purchaser.

(c) The Trustee may at any time resign by giving written notice of such resignation to the City, and by giving notice of such resignation by first class mail, postage prepaid, to the Owners at their respective addresses shown on the Registration Books. Upon receiving such notice of resignation, the City will promptly appoint a successor Trustee by an instrument in writing, with a copy to the Original Purchaser.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee ~~becomes~~ shall become effective upon acceptance of appointment by the successor Trustee. If no successor Trustee has been appointed and accepted appointment within 45 days following giving notice of removal or notice of resignation as aforesaid, the resigning Trustee, at the expense of the City, or any Owner (on behalf of such Owner and all other Owners) may petition any federal or state court for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing and delivering to the City and to its predecessor Trustee a written acceptance thereof, and to the predecessor Trustee an instrument indemnifying the predecessor Trustee for any costs or claims arising during the time the successor Trustee serves as Trustee hereunder, and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless, upon the receipt by the predecessor Trustee of the Request of the City or the request of the successor Trustee and upon payment of all fees and expenses then due and owing to the Trustee hereunder, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the City will execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the City will mail or cause the successor Trustee to mail, by first class mail postage prepaid, a notice of the succession of such Trustee to the trusts hereunder to the Owners at the addresses shown on the Registration Books. If the City fails to mail such notice within 15 days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the City.

(e) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall (i) be a company or bank having trust powers, (ii) have a corporate trust office in the State of California, (iii) have (or be part of a bank holding company system whose bank holding company has) a reported combined capital and surplus of at least \$50,000,000, and (iv) be subject to supervision or examination by federal or state authority.

If such bank or company publishes a report of condition at least annually, under law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such bank or company is deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in subsection (c) of this Section.

SECTION 6.02. *Merger or Consolidation.* Any bank or company into which the Trustee may be merged or converted or with which either of them may be consolidated

or any bank or company resulting from any merger, conversion or consolidation to which it shall be a party or any bank or company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank or company shall be eligible under subsection (e) of Section 6.01, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

SECTION 6.03. *Liability of Trustee.*

(a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the City, and the Trustee assumes no responsibility for the correctness of the same, nor does it have any liability whatsoever therefor, nor does it make any representations as to the validity or sufficiency of this Indenture or of the Bonds nor does it incur any responsibility in respect thereof, other than as expressly stated herein. The Trustee is, however, responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee is not liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee is not liable for the acts of any agents or attorneys of the Trustee selected by it with due care. The Trustee may become the Owner of Bonds with the same rights it would have if they were not Trustee and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding. The Trustee, either as principal or agent, may engage in or be entrusted in any financial or other transaction with the City.

(b) The Trustee is not liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Owners of a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(c) The Trustee is not liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture, except for actions arising from the negligence or willful misconduct of the Trustee. The permissive right of the Trustee to do things enumerated hereunder shall not be construed as a mandatory duty.

(d) The Trustee will not be deemed to have knowledge of any Event of Default hereunder unless and until a responsible officer of the Trustee has actual knowledge thereof, or unless and until a responsible officer of the Trustee has received written notice thereof at its Office. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of an Event of Default hereunder or thereunder. The Trustee shall not be responsible for the City's payment of principal and interest on the Bonds, the City's observance or performance of any other covenants, conditions or terms contained herein, or the validity or effectiveness of any collateral given to or held by it. Without limiting the generality of the foregoing, and notwithstanding anything herein to the contrary, the Trustee is not responsible for reviewing the contents of any financial statements furnished to the Trustee under Section 5.04 and may rely conclusively on the Certificate of the City accompanying such

financial statements to establish the City's compliance with its financial covenants hereunder.

(e) No provision in this Indenture requires the Trustee to risk or expend its own funds or otherwise incur any financial liability hereunder. The Trustee is entitled to receive interest on any moneys advanced by it hereunder, at the maximum rate permitted by law.

(f) The Trustee may establish additional accounts or subaccounts of the funds established hereunder as the Trustee deems necessary or prudent in furtherance of its duties under this Indenture.

(g) The Trustee has no responsibility or liability whatsoever with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds, nor shall the Trustee have any obligation to review any such material, and any such review by the Trustee will not be deemed to create any obligation, duty or liability on the part of the Trustee.

(h) Before taking any action under Article VIII the Trustee may require indemnity satisfactory to the Trustee be furnished to it to hold the Trustee harmless from any expenses whatsoever and to protect it against any liability it may incur hereunder.

(i) The immunities extended to the Trustee also extend to its directors, officers, employees and agents.

(j) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty.

(k) The Trustee may execute any of the trusts or powers hereof and perform any of its duties through attorneys, agents and receivers and shall not be answerable for the conduct of the same if appointed by it with reasonable care.

(l) The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the City elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The City agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

SECTION 6.04. *Right to Rely on Documents.* The Trustee is fully protected in acting upon any notice, resolution, requisition, request, consent, order, certificate,

report, opinion or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, including, without limitation, Bond Counsel or other counsel of or to the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in accordance therewith.

The Trustee is not bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and such person's title thereto is established to the satisfaction of the Trustee.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate of the City, which shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such Certificate, but in its discretion the Trustee may (but has no duty to), in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable. The Trustee may conclusively rely on any certificate or report of any Independent Accountant appointed by the City.

SECTION 6.05. *Preservation and Inspection of Documents.* The Trustee shall retain in its possession all documents received by it under the provisions of this Indenture, which are subject during normal business hours, and upon reasonable prior written notice, to the inspection of the City and any Owner, and their agents and representatives duly authorized in writing.

SECTION 6.06. *Compensation and Indemnification.* Absent any agreement to the contrary, the City shall pay to the Trustee from time to time compensation for all services rendered under this Indenture and also all expenses, charges, legal and consulting fees and other disbursements and those of its attorneys (including any allocated costs of internal counsel), agents and employees, incurred in and about the performance of its powers and duties under this Indenture.

The City further covenants to indemnify the Trustee and its officers, directors, agents and employees, against any loss, expense, suit, claim, judgment, damage and liabilities, whether or not litigated, which it may incur arising out of or in the exercise and performance of its powers and duties hereunder, including the costs and expenses of defending against any claim of liability (including, without limitation, legal fees and expenses) and of enforcing any remedies hereunder and under any related documents, but excluding any and all losses, expenses and liabilities which are due to the negligence or willful misconduct of the Trustee, its officers, directors, agents or employees. The obligations of the City under this Section 6.06 shall survive resignation or removal of the Trustee under this Indenture and payment of the Bonds and discharge of this Indenture.

Upon an Event of Default, and only upon an Event of Default, the Trustee shall have a first lien with right of payment prior to payment on account of principal of and premium, if any, and interest on any Bond, upon the trust estate for the foregoing fees, charges and expenses incurred by it.

When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

SECTION 6.07. *Accounting Records and Financial Statements.* The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with industry standards, in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of the Bonds and all funds and accounts established and held by the Trustee under this Indenture. Such books of record and account shall be available for inspection by the City at reasonable hours, during regular business hours, with reasonable prior notice and under reasonable circumstances. The Trustee shall furnish to the City, at least semiannually, an accounting (which may be in the form of its customary trust account statements) of all transactions relating to the proceeds of the Bonds and all funds and accounts held by the Trustee under this Indenture.

ARTICLE VII

MODIFICATION OR AMENDMENT OF THIS INDENTURE

SECTION 7.01. *Amendments Permitted.*

(a) Amendment With Owner Consent. This Indenture and the rights and obligations of the City and of the Owners of the Bonds may be modified or amended by the City and the Trustee upon Request of the City at any time by the execution of a Supplemental Indenture, with the written consents of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 9.05. Any such Supplemental Indenture becomes effective upon the execution and delivery thereof by the parties thereto and upon consent of the requisite Owners. No such modification or amendment may:

- (i) extend the maturity of a Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal thereof, or interest thereon, or any premium payable on the redemption thereof, at the time and place and at the rate and in the currency provided therein, without the written consent of the Owner of that Bond; or
- (ii) modify any of the rights or obligations of the Trustee without its written consent.

(b) Amendment Without Owner Consent. This Indenture and the rights and obligations of the City and of the Owners of the Bonds may also be modified or amended at any time by the execution of a Supplemental Indenture, without the consent of any Owners of the Bonds, for any one or more of the following purposes:

- (i) to add to the covenants and agreements of the City contained in this Indenture, other covenants and agreements thereafter to be

observed, or to limit or surrender any rights or power herein reserved to or conferred upon the City;

- (ii) to provide additional security for the Bonds; or
- (iii) to cure any ambiguity, or to cure, correct or supplement any defective provision contained in this Indenture, or in any other respect whatsoever as the City deems necessary or desirable, provided under any circumstances that such modifications or amendments do not materially adversely affect the interests of the Owners in the opinion of Bond Counsel filed with the City and the Trustee.

Notwithstanding the foregoing provisions of this subsection (b), so long as the Original Purchaser is the Owner of all of the Outstanding Bonds, no amendment shall be made under this subsection (b) without the prior written consent of the Original Purchaser.

SECTION 7.02. *Effect of Supplemental Indenture.* From and after the time any Supplemental Indenture becomes effective under this Article VII, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 7.03. *Endorsement or Replacement of Bonds After Amendment.* After the effective date of any amendment or modification hereof under this Article VII, the City may determine that any or all of the Bonds shall bear a notation, by endorsement in form approved by the City, as to such amendment or modification and in that case upon demand of the City the Owners of such Bonds shall present such Bonds for that purpose at the Office of the Trustee, and thereupon a suitable notation as to such action shall be made on such Bonds. In lieu of such notation, the City may determine that new Bonds shall be prepared and executed in exchange for any or all of the Bonds and in that case upon demand of the City the Owners of the Bonds shall present such Bonds for exchange at the Office of the Trustee without cost to such Owners.

SECTION 7.04. *Amendment by Mutual Consent.* The provisions of this Article VII do not prevent any Owner from accepting any amendment as to the particular Bond held by such Owner.

SECTION 7.05. *Trustee's Reliance.* The Trustee may conclusively rely, and is protected in relying, upon a Certificate of the City and an opinion of counsel stating that all requirements of this Indenture relating to the amendment or modification hereof have been satisfied and that such amendments or modifications do not materially adversely affect the interests of the Owners.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

SECTION 8.01. *Events of Default.* Each of the following events constitutes an Event of Default hereunder:

- (a) Failure to pay any installment of the principal of any Bonds when due, whether at maturity as therein expressed, by proceedings for redemption, including sinking fund redemption under Section 2.03(b), by acceleration, or otherwise.
- (b) Failure to pay any installment of interest on the Bonds when due.
- (c) Failure by the City to observe and perform any of the other covenants, agreements or conditions on its part contained in this Indenture or in the Bonds, if such failure has continued for a period of 30 days after written notice thereof, specifying such failure and requiring the same to be remedied, has been given to the City by the Trustee; *provided, however*, if in the reasonable opinion of the City the failure stated in the notice can be corrected, but not within such 30-day period, such failure will not constitute an Event of Default if corrective action is instituted by the City within such 30-day period and thereafter diligently and in good faith cures the failure in a reasonable period of time, such period to be no longer than 180 days from the date of the default notice without the prior written consent of the Original Purchaser to a longer period.
- (d) The City commences a voluntary case under Title 11 of the United States Code or any substitute or successor statute.

Upon the occurrence and during the continuation of an Event of Default interest on the Bonds shall accrue at the Default Rate.

SECTION 8.02. *Rights and Remedies on Default.* If an Event of Default occurs under Section 8.01 and is continuing, the Trustee may, and at the written direction of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding and provision of indemnity satisfactory to it the Trustee must, (a) declare the principal of the Bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same will become immediately due and payable, anything in this Indenture or in the Bonds to the contrary notwithstanding, and (b) subject to the provisions of Sections 8.07 and 8.09, exercise any other remedies available to the Trustee and the Owners in law or at equity to enforce the rights of the Owners under this Indenture. Without limiting the generality of the foregoing, the Trustee shall have the right by mandamus, suit, action or proceeding, to compel the City and its members, officers, agents or employees to perform each and every term, provision and covenant contained in this Indenture and in the Bonds, and to require the carrying out of any or all such covenants and agreements of the City and the fulfillment of all duties imposed upon it. Upon the occurrence and during the continuation of an Event of Default, interest on the Bonds shall accrue at the Default Rate.

SECTION 8.03. *Notice of Event of Default.* Immediately upon having knowledge of the occurrence of an Event of Default, the Trustee shall promptly give notice of such Event of Default to the City and the Original Purchaser by telephone confirmed in writing. Such notice must also state whether the principal of the Bonds has been declared to be or have immediately become due and payable as provided in Section 8.02(a). With respect to any Event of Default described in Section 8.01(a) or (b), the Trustee shall, and with respect to any Event of Default described in Section 8.01(c) the Trustee in its sole discretion may, also give such notice to the Owners in the same manner as provided herein for notices of redemption of the Bonds, which must include the statement that interest on the Bonds will cease to accrue from and after the date, if any, on which the Trustee declares the Bonds to become due and payable under Section 8.02 (but only to the extent that principal and any accrued, but unpaid, interest on the Bonds is actually paid on such date).

SECTION 8.04. *Application of Funds Upon Event of Default.* All of the sums in the funds and accounts established and held by the Trustee hereunder upon the occurrence of an Event of Default, and all sums thereafter received by the Trustee hereunder, shall be applied by the Trustee as follows and in the following order:

- (a) *First*, to the payment of any fees, costs and expenses incurred by the Trustee to protect the interests of the Owners of the Bonds; payment of the fees, costs and expenses of the Trustee (including fees and expenses of its counsel, including any allocated costs of internal counsel) incurred in and about the performance of its powers and duties under this Indenture and the payment of all fees, costs and expenses owing to the Trustee under Section 6.06, together with interest on all such amounts advanced by the Trustee at the maximum rate permitted by law.
- (b) *Second*, to the payment of the whole amount then owing and unpaid upon the Bonds for interest and principal, with interest on such overdue amounts at the respective rates of interest borne by those Bonds, and in case such moneys are insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such interest, principal and interest on overdue amounts without preference or priority among such interest, principal and interest on overdue amounts ratably to the aggregate of such interest, principal and interest on overdue amounts.
- (c) *Third*, to the payment of any other amounts then due and owing the Original Purchaser under the Bond Purchase Agreement.

SECTION 8.05. *Power of Trustee to Control Proceedings.* If the Trustee, upon the happening of an Event of Default, takes any action, by judicial proceedings or otherwise, in the performance of its duties hereunder, whether upon its own discretion, with the consent or upon the request of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, it has full power, in the exercise of its discretion for the best interests of the Owners of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action. The Trustee may not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the

Owners of a majority in principal amount of the Outstanding Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Owner of the Bonds any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or the rights of any Owner of the Bonds thereof, or to authorize the Trustee to vote in respect of the claim of any Owner of the Bonds in any such proceeding without the approval of the Owners of the Bonds so affected.

SECTION 8.06. *Limitation on Owners' Right to Sue.* No Owner of a Bond has the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless:

- (a) said Owner has previously given to the Trustee written notice of the occurrence of an Event of Default;
- (b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding have requested the Trustee in writing to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name;
- (c) said Owners have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and
- (d) the Trustee has failed to comply with such request for a period of 60 days after such written request has been received by, and said tender of indemnity has been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy hereunder; it being understood and intended that no one or more Owners has any right in any manner whatever by his or their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds.

The right of any Owner of any Bond to receive payment of the principal of and premium, if any, and interest on such Bond as herein provided, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

SECTION 8.07. *Non-waiver.* Nothing in this Article VIII or in any other provision of this Indenture or in the Bonds, affects or impairs the obligation of the City, which is absolute and unconditional, to pay from any source of legally available funds of the City, the principal of and interest and redemption premium (if any) on the Bonds to the Owners when due and payable as herein provided, or affects or impairs the right of action, which is also absolute and unconditional, of the Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds.

A waiver of any default by any Owner does not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of the Owner or any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Owners by the Bond Law or by this Article VIII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners.

If a suit, action or proceeding to enforce any right or exercise any remedy is abandoned or determined adversely to the Owners, the City, the Owners will be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

SECTION 8.08. *Actions by Trustee as Attorney-in-Fact.* Any suit, action or proceeding which any Owner has the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners similarly situated and the Trustee is hereby appointed (and the successive respective Owners by taking and holding the Bonds shall be conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the respective Owners for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact, subject to the provisions of Article VI. Notwithstanding the foregoing provisions of this Section 8.08, the Trustee has no duty to enforce any such right or remedy unless it has been indemnified to its satisfaction for any additional fees, charges and expenses of the Trustee related thereto, including without limitation, fees and charges of its attorneys and advisors.

SECTION 8.09. *Remedies Not Exclusive.* No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Bond Law or any other law.

SECTION 8.10. *Control of Remedies by Original Purchaser.* Notwithstanding anything herein to the contrary, for so long as a majority in aggregate principal amount of the Outstanding Bonds are owned by the Original Purchaser, the Trustee shall act only as directed in writing by the Original Purchaser in connection with any actions relating to events of default or waivers thereof, or remedies or consents or the exercise of any other rights granted to the Trustee hereunder. Any time the consent of, or notice to, the Original Purchaser is required under this Indenture, such consent or notice is only required if the Original Purchaser shall own at least a majority in aggregate principal amount of the Outstanding Bonds. All provisions herein relating to the rights of the Original Purchaser shall be of no force and effect if the Original Purchaser no longer owns a majority in principal amount of Outstanding Bonds. In such event, all references to the Original Purchaser shall have no force or effect.

ARTICLE IX

MISCELLANEOUS

SECTION 9.01. *Benefits Limited to Parties.* Nothing in this Indenture, expressed or implied, gives any person other than the City, the Trustee and the Owners, including the Original Purchaser, any right, remedy, claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the City are for the sole and exclusive benefit of the Trustee and the Owners, including the Original Purchaser.

SECTION 9.02. *Successor is Deemed Included in All References to Predecessor.* Whenever in this Indenture or any Supplemental Indenture either the City or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the City or the Trustee binds and inures to the benefit of the respective successors and assigns thereof whether so expressed or not.

SECTION 9.03. *Defeasance of Bonds.* If the City pays and discharges the entire indebtedness on any Bonds in any one or more of the following ways:

- (a) by paying or causing to be paid the principal of and interest on such Bonds, as and when the same become due and payable;
- (b) by irrevocably depositing with the Trustee, in trust, at or before maturity, an amount of cash which, together with the available amounts then on deposit in the funds and accounts established under this Indenture, in the opinion or report of an Independent Accountant delivered to the Trustee and the Original Purchaser is fully sufficient to pay such Bonds, including all principal, interest and redemption premium, if any;
- (c) by irrevocably depositing with the Trustee, in trust, at or before maturity, Federal Securities, which, together with the interest to accrue thereon and available amounts then on deposit in the funds and accounts established under this Indenture, in the opinion or report of an Independent Accountant delivered to the Trustee and the Original Purchaser is fully sufficient to pay and discharge the indebtedness on such Bonds including all principal, interest and redemption premium, if any; or
- (d) by purchasing such Bonds prior to maturity and tendering such Bonds to the Trustee for cancellation;

and provided further that (i) no obligations are then due and owing by the City to the Original Purchaser under the Bond Purchase Agreement, as evidenced by a Certificate of the City to such effect filed with the Original Purchaser and the Trustee, and (ii) if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption has been duly given or provision satisfactory to the Trustee has been made for the giving of such notice, then, at the election of the City, and notwithstanding that any such Bonds have not been surrendered for payment, all obligations of the Trustee and the

City under this Indenture with respect to such Bonds shall cease and terminate, except only:

- (a) the obligation of the Trustee to transfer and exchange Bonds hereunder,
- (b) the obligation of the City to pay or cause to be paid to the Owners of such Bonds, from the amounts so deposited with the Trustee, all sums due thereon, and
- (c) the obligations of the City to compensate and indemnify the Trustee under Section 6.06.

The City must file notice of such election with the Trustee and the Original Purchaser. The Trustee shall pay any funds thereafter held by it, which are not required for said purpose, to the City.

To accomplish defeasance, the City shall cause to be delivered to the Trustee and the Original Purchaser (i) a report of an Independent Accountant verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or redemption date (a "Verification"), (ii) an Escrow Deposit Agreement and (iii) an opinion of Bond Counsel to the effect that the Bonds are no longer Outstanding. Each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the City and the Trustee and the Original Purchaser.

In the case of a defeasance or payment of all of the Bonds Outstanding in accordance with this Section 9.03, the Trustee shall pay all amounts held by it in any funds or accounts hereunder, which are not required for said purpose or for payment of amounts due the Trustee under Section 6.06, to the City.

SECTION 9.04. *Execution of Documents and Proof of Ownership by Owners.* Any request, consent, declaration or other instrument which this Indenture may require or permit to be executed by any Owner may be in one or more instruments of similar tenor, and shall be executed by such Owner in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, consent, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

The ownership of Bonds and the amount, maturity, number and date of ownership thereof are conclusively proved by the Registration Books.

Any request, declaration or other instrument or writing of the Owner of any Bond binds all future Owners of such Bond in respect of anything done or suffered to be done by the City or the Trustee in good faith and in accordance therewith.

SECTION 9.05. *Disqualified Bonds.* In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the City shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, unless all Bonds are so owned or held. The Trustee will not be deemed to have knowledge that any Bond is owned or held by the City unless responsible officer of the Trustee has received written notice to that effect at its Office.

SECTION 9.06. *Waiver of Personal Liability.* No member, officer, agent or employee of the City is individually or personally liable for the payment of the principal of or interest or any premium on the Bonds. However, nothing contained herein relieves any such member, officer, agent or employee from the performance of any official duty provided by law.

SECTION 9.07. *Destruction of Canceled Bonds.* Whenever in this Indenture provision is made for the surrender to the City of any Bonds which have been paid or canceled under the provisions of this Indenture, a certificate of destruction duly executed by the Trustee shall be deemed to be the equivalent of the surrender of such canceled Bonds and the City is entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Bonds therein referred to. The City will pay all costs of any microfilming of Bonds to be destroyed.

SECTION 9.08. *Notices.* All written notices under this Indenture shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice is effective either (a) upon transmission by facsimile transmission or other form of telecommunication, (b) upon actual receipt after deposit in the United States mail, postage prepaid, or (c) in any other case, upon actual receipt. The City, the Trustee or the Original Purchaser may, by written notice to the other parties, from time to time modify the address or number to which communications are given hereunder.

- If to the City:* City of Suisun City
701 Civic Center Boulevard
Suisun City, California 94585
Attention City Manager
Fax: (707) 421-7366

- If to the Trustee:* U.S. Bank National Association
One California Street, Suite 1000
San Francisco, California 94111
Corporate Trust Services
Fax: (415) 677-3769

- If to the Original Purchaser:* Umpqua Bank
2998 Douglas Boulevard, Suite 100
Roseville, California 95661
Attention: George Diesch
Fax: (916) 783-2448

SECTION 9.09. *Partial Invalidity.* If any Section, paragraph, sentence, clause or phrase of this Indenture is for any reason held illegal, invalid or unenforceable, such

holding will not affect the validity of the remaining portions of this Indenture. The City and the Trustee hereby declare that they would have entered into this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid or unenforceable.

SECTION 9.10. *Unclaimed Moneys.* Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest or premium (if any) on or principal of the Bonds which remains unclaimed for two years after the date when the payments of such interest, premium and principal have become payable, if such money was held by the Trustee at such date, or for two years after the date of deposit of such money if deposited with the Trustee after the date when the interest and premium (if any) on and principal of such Bonds have become payable, shall be repaid by the Trustee to the City as its absolute property free from trust (without liability for interest), and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the City for the payment of the principal of and interest and redemption premium (if any) on such Bonds.

SECTION 9.12. *Execution in Counterparts.* This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 9.13. *Governing Law.* This Indenture shall be construed and governed in accordance with the laws of the State of California.

SECTION 9.14. *Venue.* Venue shall be in the California state court sitting in the State of California in Solano County, and in the United States District Court for the Eastern District of California.

SECTION 9.15. *No Assertion of Sovereign Immunity.* The City hereby represents that it does not possess and agrees that it will not invoke and hereby waives any claim of sovereign immunity for disputes arising out of contractual claims relating to the Bonds or this Indenture.

IN WITNESS WHEREOF, the CITY OF SUISUN CITY has caused this Indenture to be signed in its name by the Mayor and attested to by City Clerk, and U.S. BANK NATIONAL ASSOCIATION, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

CITY OF SUISUN CITY

By _____
Mayor

Attest:

City Clerk

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Authorized Officer

APPENDIX A

DEFINITIONS

“Account” means the Bond Proceeds Account, the Interest Account, the Principal Account and any other account established hereunder or under any Supplemental Indenture.

“Annual Debt Service” means the interest and principal payable on any Outstanding Bonds during any Fiscal Year.

“Authorizing Resolution” means the Resolution adopted by the City Council of the City on May 22, 2012, authorizing the issuance of the Bonds.

“Bond Counsel” means (a) Jones Hall, A Professional Law Corporation, or (b) any other attorney or firm of attorneys appointed by or acceptable to the City of nationally-recognized experience in the issuance of obligations issued by public agencies.

“Bond Law” means 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, as in effect on the Closing Date or as thereafter amended.

“Bond Proceeds Account” means the account by that name established and held by the Trustee under Section 3.02.

“Bond Purchase Agreement” means the Bond Purchase Agreement dated as of _____, 2012, between the City and the Original Purchaser, relating to the purchase of the Bonds by the Original Purchaser from the City.

“Bonds” means the City of Suisun City 2012 Taxable Pension Obligation Bonds issued by the City in the aggregate principal amount of \$[Bond Amount] under the Bond Law, the Authorizing Resolution and this Indenture.

“Business Day” means a day of the year (other than a Saturday or Sunday) on which banks in California are not required or permitted to be closed.

“Certificate of the City” means a certificate in writing signed by the Mayor, the City Manager, the Administrative Services Director or the Finance Director, or any other officer of the City duly authorized by the City for that purpose.

“City” means the City of Suisun City, a general law city organized and existing under the laws of the State of California.

“Closing Date” means _____, 2012, being the date on which the Bonds are delivered by the City to the Original Purchaser.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the City relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to: printing expenses; filing and recording fees; initial

fees, expenses and charges of the Trustee and its counsel, including the Trustee's first annual administrative fee; fees, charges and disbursements of attorneys, financial advisors, accounting firms, consultants and other professionals, including fees of Original Purchaser's Counsel; and any other cost, charge or fee in connection with the original issuance of the Bonds.

"Costs of Issuance Fund" means the fund by that name established and held by the Trustee under Section 3.03.

"Debt Service Fund" means the fund by that name established and held by the Trustee under Section 4.02.

"Default Rate" means the rate of interest then borne by the Bonds plus 3.00% per annum.

"Escrow Deposit Agreement" means an agreement with the Trustee ~~or other fiduciary~~ providing for the deposit in trust and the investment and disbursement of funds sufficient to pay in full and defease the Bonds.

"Event of Default" means any of the events described in Section 8.01.

"Federal Securities" means: (a) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), for which the full faith and credit of the United States of America are pledged; (b) obligations of any agency, department or instrumentality of the United States of America, the timely payment of principal and interest on which are directly or indirectly secured or guaranteed by the full faith and credit of the United States of America.

"Fiscal Year" means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve-month period selected and designated by the City as its official fiscal year period under a Certificate of the City filed with the Trustee.

"Fund" means the Costs of Issuance Fund, the Debt Service Fund and any other fund established hereunder or under any Supplemental Indenture.

"Funded Debt" means all outstanding liabilities of the City for borrowed money and other interest-bearing liabilities, including current and long term debt and the stated amount of any letter of credit (other than a letter of credit that is cash secured) issued for the account of the City.

"Gross Revenues" means all revenues, moneys, accounts receivable, contractual rights to payment, and other rights to payment of whatever kind legally available to pay debt service on the Bonds.

"Indenture" means this Indenture of Trust between the City and the Trustee, as amended or supplemented from time to time under any Supplemental Indenture entered into under the provisions hereof.

"Independent Accountant" means any accountant or firm of such accountants duly licensed or registered or entitled to practice and practicing as such under the laws

of the State of California, appointed by or acceptable to the City, and who, or each of whom: (a) is in fact independent and not under domination of the City; (b) does not have any substantial interest, direct or indirect, with the City; and (c) is not connected with the City as an officer or employee of the City, but who may be regularly retained to make reports to the City.

“Interest Account” means the account by that name established and held by the Trustee under Section 4.02(a).

“Interest Payment Date” means December 30, 2012, and each June 30 and December 30 thereafter so long as any of the Bonds remain unpaid.

“Miscellaneous Plan” means the obligation of the City to make payments pursuant to the PERS Contract with respect to the City’s miscellaneous employees.

“Office” means, with respect to the Trustee, the corporate trust office of the Trustee at the address set forth in Section 9.08, or solely for purposes of the presentation of Bonds for payment, transfer or exchange, the corporate trust operations office designated by the Trustee, or at such other or additional offices as may be specified by the Trustee in writing to the City and the Original Purchaser.

“Original Purchaser” means Umpqua Bank, as original purchasers of the Bonds upon the negotiated sale thereof, or its successors or assigns.

“Outstanding”, when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 9.05) all Bonds except: (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds paid or deemed to have been paid within the meaning of Section 9.03; and (c) Bonds in lieu of or in substitution for which other Bonds have been authorized, executed, issued and delivered by the City hereunder.

“Owner” means, with respect to any Bond, the person in whose name the ownership of such Bond is registered on the Registration Books.

“Permitted Investments” means any of the following which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein:

- (a) Federal Securities;
- (b) Obligations of any agency, department or instrumentality of the United States of America which are rated A or better by S&P.
- (c) Interest-bearing deposit accounts (including certificates of deposit) in federal or State of California chartered savings and loan associations or in federal or State of California banks (including the Trustee), provided that: (i) the unsecured obligations of such commercial bank or savings and loan association are rated A or better by S&P; or (ii) such deposits are fully insured by the Federal Deposit Insurance Corporation.
- (d) Commercial paper rated “A-1” or better by S&P.

- (e) Federal funds or bankers acceptances with a maximum term of one year of any bank which an unsecured, uninsured and unguaranteed obligation rating of "A-1" or better by S&P.
- (f) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of at least AAAm-G, AAAm or AAm, which funds may include funds for which the Trustee, its affiliates, parent or subsidiaries provide investment advisory or other management services.
- (g) Obligations the interest on which is excludable from gross income pursuant to Section 103 of the Internal Revenue Code of 1986, as amended, and which are either (a) rated A or better by S&P, or (b) fully secured as to the payment of principal and interest by Permitted Investments described in clauses (a) or (b).
- (h) Bonds or notes issued by any state or municipality which are rated A or better by S&P.
- (i) The Local Agency Investment Fund of the State of California, created pursuant to Section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name.

"PERS" means the California State Public Employees' Retirement System.

"PERS Contract" means the contract, as amended from time to time, entered into by the City and PERS pursuant to the Retirement Law obligating the City to make contributions to PERS in exchange for PERS providing retirement benefits to certain City employees.

"PERS Side Fund Obligations" means the obligation of the City under the Retirement Law and the PERS Contract to make payments to PERS with respect to benefits accruing to retired public safety and certain other employees of the City under the Safety Fire Plan, the Safety Police Plan and the Miscellaneous Plan.

"Principal Account" means the account by that name established and held by the Trustee under Section 4.02(b).

"Record Date" means, with respect to any Interest Payment Date, the close of business on the ~~4st~~-15th calendar day of the month in which such Interest Payment Date occurs, whether or not such ~~4st~~-15th calendar day is a Business Day.

"Registration Books" means the records maintained by the Trustee under Section 2.06 for the registration and transfer of ownership of the Bonds.

"Request of the City" means a request in writing signed by the Mayor, the City Manager, the Administrative Services Director or the Finance Director, or any other officer of the City duly authorized by the City for that purpose.

“Reset Rate” means the Wall Street Journal prime rate as quoted daily in the money and investing section of the Western Edition of The Wall Street Journal. Should The Wall Street Journal fail to announce a prime rate, or should The Wall Street Journal no longer exist, the prime rate shall be deemed to be the average prime interest rate quoted from time to time by the three (3) largest (total assets) banking institutions in the continental United States then determining such prime interest rate, as quoted in a generally recognized source for such information selected by the Original Purchaser, in its sole discretion. The Reset Rate is a variable or fluctuating rate that increases or decreases from time to time. Any change in the Reset Rate shall take place at the beginning of the day on which such rate changes. The Reset Rate is not and is not necessarily the lowest rate of interest that the Original Purchaser collects from any borrower or class of borrowers.

“Retirement Law” means the Public Employees’ Retirement Law set forth in Sections 20000 *et seq.* of the Government Code.

“Safety Fire Plan” means the obligation of the City to make payments pursuant to the PERS Contract with respect to the City’s public safety fire employees.

“Safety Police Plan” means the obligation of the City to make payments pursuant to the PERS Contract with respect to the City’s public safety police employees.

“S&P” means Standard & Poor’s Corporation, of New York, New York, and its successors.

“Supplemental Indenture” means any indenture, agreement or other instrument which amends, supplements or modifies this Indenture and which has been duly entered into between the City and the Trustee; but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

“Trustee” means U.S. Bank National Association, as Trustee hereunder, or any successor thereto appointed as Trustee hereunder in accordance with the provisions of Article VI.

APPENDIX B
FORM OF BOND

No.

\$

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

CITY OF SUISUN CITY
2012 TAXABLE PENSION OBLIGATION BOND

RATE OF INTEREST:	MATURITY DATE:	ORIGINAL ISSUE DATE:
until _____, 2022, and thereafter, at the Reset Rate (as defined in the indenture)	_____, 2025	_____, 2012

REGISTERED OWNER: UMPQUA BANK

PRINCIPAL AMOUNT OF BONDS: \$[Bond Amount]

The CITY OF SUISUN CITY, a city duly organized and existing under the laws of the State of California (the "City"), for value received, hereby promises to pay to the Registered Owner identified above or registered assigns (the "Registered Owner"), on the applicable Maturity Date identified above, the Principal Amount identified above in lawful money of the United States of America; and to pay interest thereon at the Rate of Interest identified above to and including _____, 2022, and, thereafter, until maturity at the Reset Rate (as defined and provided in the hereinafter defined Indenture) in like lawful money from the date hereof, which date shall be the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond (unless this Bond is authenticated on or before an Interest Payment Date and after the first calendar day of the month in which such Interest Payment Date occurs (a "Record Date"), in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or before ~~November~~ _____, 15, 2012, in which event it shall bear interest from the Original Issue Date identified above; *provided, however,* that if, at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest hereon has previously been paid or made available for payment), payable semiannually on June 30 and December 30 in each year, commencing December 30, 2012, and including the Maturity Date set forth above (the "Interest Payment Dates") until payment of such Principal Amount in full.

Notwithstanding the foregoing paragraph, upon the occurrence and during the continuation of an Event of Default, this Bond shall bear interest at the Default Rate. As used herein, the term "Default Rate" means the Rate of Interest identified above plus 3.00%.

The Principal Amount hereof is payable upon presentation hereof at the corporate trust office of U.S. Bank National Association, San Francisco, California, as trustee (the "Trustee") or such other office designated by the Trustee. Interest hereon is payable by check of the Trustee mailed by first class mail on each Interest Payment Date to the Registered Owner hereof at the address of such Registered Owner as it appears on the registration books of the Trustee as of the preceding Record Date; provided that at the written request of the owner of at least \$1,000,000 aggregate principal amount of Bonds which written request is on file with the Trustee prior to the Record Date immediately preceding any Interest Payment Date, interest on such Bonds shall be paid on such Interest Payment Date by wire transfer to such account within the United States of America as shall be specified in such written request.

Notwithstanding anything herein or in the Indenture to the contrary, so long as this Bond is owned by Umpqua Bank (the "Original Purchaser"), (a) this Bond is not required to be presented and surrendered to the Trustee for payment at any time prior to the final maturity thereof, and (b) the Trustee will pay the principal of, including sinking fund payments, and interest on this Bond by wire transfer to the Original Purchaser in accordance with the wire transfer instructions set forth in the Indenture; provided that principal on this Bond which is payable at maturity shall be made only upon presentation and surrender hereof at the corporate trust office of the Trustee as set forth in the preceding paragraph.

This Bond is one of a duly authorized issue of bonds of the City designated as the "City of Suisun City 2012 Taxable Pension Obligation Bonds" (the "Bonds") of an aggregate principal amount of \$[Bond Amount], all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities or interest rates) and all issued 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") and under an Indenture of Trust, dated as of May 1, 2012 between the City and the Trustee (the "Indenture"). The Bonds have been authorized to be issued by the City under a resolution adopted by the City Council of the City on May 22, 2012. Reference is hereby made to the Indenture (copies of which are on file at the office of the City) and all supplements thereto and to the Bond Law for a description of the terms on which the Bonds are issued, and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the City thereunder, to all of the provisions of which the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds have been issued by the City to refinance obligations of the City owing to the California Public Employees' Retirement System. This Bond and the interest hereon are payable from any source of legally available funds of the City.

The rights and obligations of the City and the owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall permit a change in the terms of maturity of the principal of any outstanding Bond or of any installment of interest thereon or a reduction in the rate of interest thereon without the consent of the

owner of such Bond, or shall reduce the percentages of the owners required to effect any such modification or amendment.

The Bonds are subject to optional redemption, in whole or in part, on any date at a redemption price equal to the principal amount thereof, together with the premium set forth below (expressed as a percentage of the total principal amount redeemed), and accrued interest to the date fixed for redemption:

<u>Date of Redemption</u>	<u>Premium</u>
On or before December 30, 2012	
On or before December 30, 2013	
On or before December 30, 2014	
On or before December 30, 2015	
On or before December 30, 2016	
On or before December 30, 2017	
On or before December 30, 2018	
On or before December 30, 2019	
On or before December 30, 2020	
On or before [10 years from Closing Date]	
Thereafter	-0-

The Bonds are subject to mandatory redemption at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on June 30 and December 30 in the years, as set forth in the following table.

Sinking Fund Redemption Date	Principal Amount To Be Redeemed
12/30/12	
6/30/13	
12/30/13	
6/30/14	
12/30/14	
6/30/15	
12/30/15	
6/30/16	
12/30/16	
6/30/17	
12/30/17	
6/30/18	
12/30/18	
6/30/19	
12/30/19	
6/30/20	
12/30/20	
6/30/21	
12/30/21	
6/30/22	
12/30/22	
6/30/23	
12/30/23	
6/30/24	
12/30/24	
6/30/25	

As provided in the Indenture, the Trustee is required to mail notice of redemption of any Bonds by first class mail, postage prepaid, not less than 30 nor more than 60 days before the redemption date, to the registered owners of the Bonds to be redeemed, but neither failure to receive such notice nor any defect in the notice so mailed affects the sufficiency of the proceedings for prepayment or the cessation of accrual of interest thereon. Notwithstanding the foregoing, so long as the Bonds are owned by the Original Purchaser, no notice of sinking fund redemption shall be given. If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest hereon will cease to accrue from and after the date fixed for redemption.

Whenever provision is made in the Indenture for the redemption of less than all of the Bonds, the Trustee will select the Bonds to be redeemed by lot in any manner which the Trustee in its sole discretion deems appropriate. For purpose of such selection, all Bonds will be deemed to be comprised of separate \$100 denominations and such separate denominations will be treated as separate Bonds which may be separately redeemed.

If an Event of Default occurs under and as defined in the Indenture, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture. Upon the

occurrence and during the continuation of an Event of Default, the Bonds shall bear interest at the Default Rate defined above.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at said corporate trust office of the Trustee, in San Francisco, California, or such other place as may be designated by the Trustee. but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon registration of such transfer a new Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor.

The City and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the City and the Trustee shall not be affected by any notice to the contrary.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time, form and manner as required by the laws of the State of California and that the amount of this Bond, together with all other indebtedness of the City, does not exceed any limit prescribed by any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond is not entitled to any benefit under the Indenture and is not valid or obligatory for any purpose until the certificate of authentication hereon endorsed has been manually signed by the Trustee.

IN WITNESS WHEREOF, the CITY OF SUISUN CITY has caused this Bond to be executed in its name and on its behalf with the facsimile signature of the Mayor of the City and to be attested to by the facsimile signature of City Clerk, all as of the Original Issue Date specified above.

CITY OF SUISUN CITY

By _____
Mayor

Attest:

City Clerk

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Indenture.

Dated:

U.S. BANK NATIONAL ASSOCIATION
as Trustee

By _____
Authorized Signatory

ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto _____ whose address and social security or other tax identifying number is _____, the within-mentioned Bond and hereby irrevocably constitute(s) _____ and appoint(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Note: Signature(s) must be guaranteed by an eligible guarantor institution.

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

APPENDIX C

**FORM OF ANNUAL CITY CERTIFICATION REGARDING
BUDGET AND APPROPRIATION OF DEBT SERVICE**

The undersigned hereby states and certifies that:

(i) I am the duly appointed, qualified and acting _____ of the City of Suisun City, a city duly organized and existing under the laws of the State of California (the "City"), and as such, I am familiar with the facts herein certified and am authorized and qualified to certify the same;

(ii) the City has previously issued its City of Suisun City 2012 Taxable Pension Obligation Bonds in the aggregate principal amount of \$[Bond Amount] (the "Bonds") under an Indenture of Trust dated as of May 1, 2012 (the "Indenture"), between the City and U.S. Bank National Association, as trustee;

(iii) during the fiscal year commencing July 1, 20__ (the "Ensuing Fiscal Year"), the aggregate amount of principal and interest coming due on the Bonds is \$_____;

(iv) on _____, 20__, the City Council of the City duly adopted its Resolution No. ___ at a meeting which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting at the time of adoption, adopting a budget for the City (the "Adopted Budget") with respect to the Ensuing Fiscal Year;

(v) pursuant to the Adopted Budget, the City has budgeted the payment of principal and interest coming due during the Ensuing Fiscal Year on the Bonds; and

(vi) attached hereto is an extract from the Adopted Budget showing a line item for payment of principal and interest coming due during the Ensuing Fiscal Year on the Bonds.

Capitalized terms used herein and not otherwise defined have the meanings given them in the Indenture.

Dated:

CITY OF SUISUN CITY

By: _____

Name:

Title:

BOND PURCHASE AGREEMENT

\$ _____
City of Suisun City
2012 Taxable Pension Obligation Bonds

_____, 2012

City of Suisun City
 701 Civic Center Blvd.
 Suisun City, California 94585

Ladies and Gentlemen:

The undersigned, Umpqua Bank (the "**Purchaser**"), acting for itself and not as fiduciary or agent for you, offers to enter into this Bond Purchase Agreement (this "**Purchase Agreement**") with the City of Suisun City (the "**Issuer**"), which, upon the acceptance by the Issuer and as additionally provided in Article VII hereof, shall be in full force and effect in accordance with its terms and shall be binding upon you and the Purchaser.

This offer is made subject to your acceptance and approval on or before _____ m., California time, on _____, 2012.

ARTICLE I.
SALE, PURCHASE AND DELIVERY

Section 1.1. Purchase and Sale. On the basis of the representations and agreements contained herein and upon the terms and conditions herein set forth, the Issuer hereby agrees to sell to the Purchaser, and the Purchaser hereby agrees to purchase from the Issuer, \$_____ aggregate principal amount of City of Suisun City 2012 Taxable Pension Obligation Bonds (the "**Bonds**"), dated their date of delivery. The Bonds will be issued pursuant to an Indenture of Trust, dated as May 1, 2012 (the "**Indenture of Trust**"), between the Issuer and U.S. Bank National Association, as trustee (the "**Trustee**"). The issuance of the Bonds and the execution and delivery of the Indenture of Trust and this Purchase Agreement was approved by Resolution No. _____ (the "**Authorizing Resolution**") adopted by the City Council of the Issuer (the "**Governing Board**") on May 22, 2012. Capitalized terms used herein and not otherwise defined shall have the meaning as defined in the Indenture of Trust, unless the context of the use of any such term requires otherwise.

The Bonds are being issued solely for the purposes of (a) refinancing the Issuer's outstanding "side fund" obligations with respect to its retired safety fire and police employees and with respect to its miscellaneous employees (the "**Side Fund Obligations**") to the

California Public Employees' Retirement System ("**PERS**") and (b) paying the costs associated with the issuance of the Bonds.

Pursuant to and subject to the terms of this Purchase Agreement, all of the Bonds shall be sold to the Purchaser, and the Purchaser shall be obligated to purchase all of the Bonds, if any are purchased, and the aggregate principal amount of the Bonds as set forth in Schedule I hereto shall be delivered by the Issuer to, and accepted and paid for by, the Purchaser on the Closing Date (hereinafter defined).

The Issuer has no financial advisory relationship with the Purchaser with respect to the Bonds, nor with any investment firm controlled by or under common control with the Purchaser.

Section 1.2. Closing. On _____, 2012, or on such other date as shall be agreed upon in writing by the Issuer and the Purchaser (such time and date being herein referred to as the "**Closing Date**"), the Issuer shall deliver or cause to be delivered the Bonds (in executed and authenticated form) to the Purchaser, and shall deliver or cause to be delivered to the Purchaser the other documents herein mentioned, including the Indenture of Trust, at the offices of Jones Hall, A Professional Law Corporation ("**Bond Counsel**"), San Francisco, California, or such other location as may be mutually agreed upon by the Issuer and the Purchaser. Provided all conditions to acceptance of the Bonds have been satisfied hereunder, the Purchaser shall accept such delivery and, upon delivery, shall pay the purchase price of the Bonds set forth in Schedule A hereto in immediately available funds by wire transfer to the order of the Issuer. The simultaneous delivery of, and payment for, the Bonds is referred to herein as the "**Closing**." At the time of the Closing, the Issuer shall pay or cause to be paid the fee described in Section 3.1(c) hereof, all of the fees and expenses incurred in connection with the issuance of the Bonds and the Closing, fees and expenses of counsel to the Trustee, fees and expenses of bond counsel, fees and expenses of counsel to the Purchaser, fees and expenses of the Issuer and its counsel, and all fees necessary for closing. In addition, the Issuer will pay all fees and expenses incurred by the Purchaser (including, but not limited to, attorneys' fees and expenses) in connection with (a) any amendment of the documents relating to the Bonds, or (b) the exercise of any rights and remedies by or on behalf of the Purchaser under the Indenture of Trust or this Bond Purchase Agreement.

The Bonds shall initially be issued in the form of one fully registered bond registered in the name of the Purchaser. The Bonds will be dated their date of delivery. The Bonds will mature on June 30, 2025, and will bear interest at the rate of _____% per annum until _____, 2022, and, thereafter, at the Reset Rate (as defined in the Indenture) until maturity. The Bonds will be subject to mandatory sinking fund redemption and payment at maturity as set forth in Schedule I and Schedule II hereto. The Bonds will be subject to optional redemption prior to maturity as set forth in the Indenture of Trust.

ARTICLE II. REPRESENTATIONS AND AGREEMENTS OF THE ISSUER

In order to induce the Purchaser to purchase the Bonds, the Issuer represents and warrants to Purchaser as of the date hereof and as of the Closing and agrees with the Purchaser as follows:

Section 2.1. Valid Existence. The Issuer is a municipal corporation and general law city duly organized and existing under and by virtue of the laws of the State of California (the “State”).

Section 2.2. Powers. The Issuer has all necessary legal power and authority (a) to issue the Bonds and to execute, deliver and perform its obligations under the Bonds, the Indenture of Trust, this Purchase Agreement (including, but not limited to, making all payments as provided therein and herein) and any other related document or instrument; and (b) to agree to pay principal of and interest on the Bonds pursuant to the Indenture of Trust on an absolute and unconditional basis.

Section 2.3. Authority. The issuance of the Bonds and the execution, delivery and performance by the Issuer of its obligations under the Bonds, the Indenture of Trust and this Purchase Agreement have been duly authorized by proper proceedings of the Issuer, and no further approval, authorization or consents are required by law or otherwise. The Governing Board adopted the Authorizing Resolution approving the issuance of the Bonds and the execution and delivery of the Indenture of Trust and the Purchase Agreement on May 22, 2012. The Authorizing Resolution is in full force and effect on the date hereof and has not been terminated, rescinded, repealed, cancelled, amended, supplemented or otherwise modified, in whole or in part, since its adoption.

Section 2.4. Validity of Documents and Bonds. This Purchase Agreement, and when the Indenture of Trust has been executed and delivered by the Issuer and the Trustee the Indenture of Trust, constitute the legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, moratorium or other laws affecting creditors’ rights generally. When issued by the Issuer, authenticated by the Trustee and paid for by the Purchaser as provided herein, the Bonds will constitute, the legal, valid and binding obligation of the Issuer enforceable in accordance with its terms, subject to bankruptcy, insolvency, moratorium or other laws affecting creditors’ rights generally and equitable principles, whether considered at law or in equity, and will be entitled to the benefits of the laws of the State and the Indenture of Trust.

Section 2.5. Compliance. The Issuer will at the Closing be in compliance with the obligations on its part contained in the Indenture of Trust and this Purchase Agreement and any and all other agreements relating thereto in connection with the issuance and sale of the Bonds.

Section 2.6. No Defaults or Conflicts. The Issuer is not in breach of or default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment, order or decree or any indenture, loan agreement, note, resolution, agreement, ordinance, mortgage, lease, sublease or other instrument to which the Issuer is a party or to which it or any of its property is otherwise subject, the breach of or default under which will have a material adverse effect on the Issuer or its operations, properties, assets or condition, financial or otherwise, or the Bonds or the transactions contemplated herein; and the issuance of the Bonds and the execution and delivery of the Indenture of Trust and this Purchase Agreement, and compliance with the provisions of each hereof and thereof, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, order, decree, indenture, loan agreement, note, resolution, agreement, ordinance, mortgage, lease, sublease or other instrument to which the Issuer is a party or to which it or any of its property is otherwise subject. The Issuer is not a party to and neither the Issuer nor any of its property is bound by any judgment, order, decree, indenture, loan agreement, note, resolution, agreement, ordinance mortgage, lease, sublease or other instrument that materially

and adversely affects or, so far as the Issuer can now determine, may in the future materially and adversely affect the operations, properties, assets or condition, financial or otherwise, of the Issuer.

Section 2.7. No Litigation. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or, to the best knowledge of the Issuer, after due investigation, threatened against the Issuer or any officials of the Issuer: (a) affecting the existence of the Issuer or the titles of its officers to their respective offices; (b) seeking to prohibit, restrain or enjoin the issuance, sale, execution or delivery of the Bonds; (c) in any way contesting or affecting any authority for or the validity or enforceability of the Bonds, the Indenture of Trust or this Purchase Agreement or the transactions contemplated hereby or thereby; (d) in any way contesting the powers of the Issuer or any authority for the issuance of the Bonds, the adoption by the Governing Board of the Authorizing Resolution or the performance by the Issuer of its obligations under the Bonds, the Indenture of Trust or this Purchase Agreement, or the execution and delivery by the Issuer or the performance by the Issuer of its obligations under the Bonds, the Indenture of Trust or this Purchase Agreement; (e) in any way contesting the Issuer's right to undertake the refinancing of the Side Fund Obligations or seeking to prohibit, restrain or enjoin its undertaking of the refinancing of the Side Fund Obligations; or (f) wherein an unfavorable decision, ruling or finding would have a material adverse effect on the Issuer or the Bonds or the transactions contemplated herein; nor, to the best knowledge of the Issuer, is there any basis for any such action, suit, proceeding, inquiry or investigation.

Section 2.8. Regulatory Approvals. Each authorization, consent, approval, license or formal exemption from or filing, declaration or registration with, any court or governmental authority, required in connection with the Issuer's issuance of the Bonds and execution and delivery of and performance under the Bonds, the Indenture of Trust and this Purchase Agreement has been obtained or made and is in full force and effect.

Section 2.9. Prospective Change in Law. To the best knowledge of the Issuer, there is no amendment, or proposed amendment certified for placement on a statewide ballot, to the Constitution of the State or any published administrative interpretation of the Constitution of the State or any State law, or any legislation which has passed either house of the State legislature or is under consideration by any conference or similar committee, or any published judicial decision interpreting any of the foregoing, the effect of which would have a material adverse effect on the Issuer or the Bonds or the transactions contemplated herein.

Section 2.10. Sovereign Immunity. Under State law, the Issuer cannot assert sovereign immunity as a defense to the enforcement of its obligations under the Bonds, the Indenture of Trust or this Purchase Agreement.

Section 2.11. Financial Statements. The financial statements of the Issuer for the fiscal year ended June 30, 2011, and audited by Maze & Associates, Certified Public Accountants, were prepared in accordance with generally accepted accounting principles in the United States ("**GAAP**") consistently applied and present fairly the financial position of the Issuer at the date thereof and the changes in financial position for the fiscal year ended on such date. Except as previously disclosed to the Purchaser, since June 30, 2011, there has been no material adverse change in such position or in the operation, properties or condition (financial or otherwise) of the Issuer.

Section 2.12. Application of Proceeds. The Issuer will not take, or omit to take, any action that will in any way result in the proceeds from the sale of the Bonds being applied in a manner inconsistent with the Indenture of Trust.

Section 2.13. No Events of Default. No default or event of default has occurred and is continuing by the Issuer under the Indenture of Trust, and no such event has occurred and is continuing that with the lapse of time, the giving of notice or both would constitute a default by the Issuer or an event of default under the Indenture of Trust.

Section 2.14. Representations on behalf of Issuer. Any certificate signed by an authorized officer of the Issuer and delivered to the Purchaser at or prior to the Closing shall be deemed a representation by the Issuer in connection with this Purchase Agreement to the Purchaser as to the statements made therein upon which the Purchaser shall be entitled to rely. The Issuer covenants that between the date hereof and the Closing, it will not take any action that will cause the representations made herein to be untrue as of the Closing. Neither this Bond Purchase Agreement nor any other document or certificate furnished to the Purchaser by or on behalf of the Issuer in connection herewith or with the Bonds contains any untrue statement of material fact or omits to state any material fact necessary to make the statements contained herein or therein not misleading.

Section 2.15. Security. The Issuer shall be obligated under the Indenture of Trust to satisfy its obligations under the Bonds from any legally available funds of the Issuer. The obligations of the Issuer under the Bonds, including the obligation to make all payments of principal of and interest on the Bonds when due and the obligations of the Issuer to make the deposits required for the security of the Bonds, are obligations of the Issuer imposed by law and are absolute and unconditional, without any right of set-off or counterclaim.

Section 2.16. Compliance with Documents; Incorporation of Covenants; Amendments. The Issuer will perform and comply with each and every obligation, covenant and agreement required to be performed or observed by it in or pursuant to this Purchase Agreement and the Indenture of Trust, which provisions, as well as related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety and all of which shall be deemed to be made for the benefit of the Purchaser and shall be enforceable by the Purchaser against the Issuer. No termination of or amendment to such covenants and agreements or defined terms or release of the Issuer with respect thereto made pursuant to the Indenture of Trust shall be effective to terminate or amend such covenants and agreements and defined terms or release of the Issuer with respect thereto as incorporated by reference herein without the prior written consent of the Purchaser. Notwithstanding any termination or expiration of the Indenture of Trust, the Issuer shall continue to observe the covenants therein contained for the benefit of the Purchaser until the termination of this Purchase Agreement. All such incorporated covenants shall be in addition to the express covenants contained herein and shall not limit or be limited by the express covenants contained herein. The Issuer shall not enter into any amendment, modification or supplement to the Indenture of Trust without the prior written consent of the Purchaser.

ARTICLE III. PURCHASER'S CONDITIONS

Section 3.1. Conditions to Purchase. The Purchaser has entered into this Purchase Agreement in express reliance upon the full performance by the Issuer of its obligations and

duties hereunder, both as of the date hereof and as of the Closing. The Purchaser's obligations under this Purchase Agreement are and shall be subject to the following further conditions:

(a) Authority. At the time of the Closing, (i) the Authorizing Resolution shall be in full force and effect and shall not have been terminated, rescinded, repealed, cancelled, amended, supplemented or otherwise modified, in whole or in part, since its adoption, except with the prior written consent of the Purchaser; (ii) this Purchase Agreement shall be duly authorized, executed and delivered by the parties hereto, shall be in full force and effect and shall not have been amended, modified or supplemented, except as herein permitted or with the prior written consent of the Purchaser; and (iii) the Issuer shall have the power and authority to issue the Bonds and apply the proceeds of the Bonds to the refinancing of the Side Fund Obligations pursuant to and in accordance with the Indenture of Trust.

(b) No Conditions Subsequent. None of the events, conditions or circumstances set forth in Section 3.2 hereof shall have occurred, unless waived in writing by the Purchaser.

(c) Documents for Delivery at Closing. At the Closing, the obligation of the Purchaser to purchase and pay for the Bonds is subject to the Purchaser's receipt of the following, in form and substance satisfactory to the Purchaser and to the accuracy in all material respects of the representations, warranties and agreements on the part of the Issuer contained herein as of the date hereof::

(i) The unqualified approving opinion of Bond Counsel relating to the enforceability and validity of the Indenture of Trust and the Bonds, or a related reliance letter, in either case dated the Closing Date and addressed to the Purchaser, in the form attached hereto as Exhibit A;

(ii) The supplemental opinion of Bond Counsel that the Bonds are not subject to the registration requirements of the Securities Act and the Indenture of Trust is exempt from qualification under the Trust Indenture Act, or a related reliance letter, dated the Closing Date and addressed to the Purchaser, in the form attached hereto as Exhibit B;

(iii) The opinion of the Issuer's Attorney, dated the Closing Date and addressed to the Purchaser, in the form attached hereto as Exhibit C;

(iv) A certificate, dated the Closing Date, signed on behalf of the Issuer by the City Manager of the Issuer, to the effect that (A) the representations of the Issuer set forth in this Purchase Agreement are true, correct and complete in all material respects as of the Closing Date and (B) the Issuer has complied with all agreements and satisfied all of the conditions on its part to be performed or satisfied on or prior to the Closing Date, and (C) none of the events, conditions or circumstances enumerated in Section 3.2 hereof has occurred, unless waived in writing by the Purchaser;

(v) A true, correct and complete copy of the Authorizing Resolution, certified on the Closing Date by the City Clerk;

(vi) Signature and incumbency certificate, dated the Closing Date, of the signatories of the Issuer executing this Purchase Agreement, the Indenture or Trust and the Bonds;

- (vii) A true, correct and complete fully executed original of the Indenture of Trust;
- (viii) Evidence satisfactory to the Purchaser that the Side Fund Obligations have been fully repaid to PERS and are satisfied and discharged;
- (ix) Evidence of required filings with the California Debt and Investment Advisory Commission;
- (x) A certificate of the Trustee and opinion of counsel to the Trustee;
- (xi) The initial, duly executed and authenticated Bond; and
- (xii) Such additional legal opinions, certificates, instruments and other documents as the Purchaser may reasonably require for it to confirm the Issuer's compliance with the Indenture of Trust, this Purchase Agreement and any other legal requirement to be satisfied by the Issuer.

All the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Purchaser, and the Purchaser shall have the right to waive any condition set forth in this Section.

(d) Payment. At or before the Closing, the Issuer shall have paid to the Purchaser (or paid directly to the California Debt and Investment Advisory Commission) a fee in the amount of 1.5 basis points of the par amount of the Bonds (not to exceed \$1,000) for the registration fees assessed by the California Debt and Investment Advisory Commission.

(e) Information Provided to Purchaser. The Purchaser shall not have become aware of any information affecting either the Issuer or the Bonds or the transactions contemplated herein which is inconsistent in any material manner with what has been previously disclosed to the Purchaser and such information is true and correct in all material respects.

(f) No Material Adverse Effect. The Purchaser shall be satisfied that no situation has occurred which would, in the opinion of the Purchaser, materially adversely affect the Issuer or the Bonds or the transactions contemplated herein.

Section 3.2. Right to Terminate. The Purchaser may terminate its obligations hereunder by written notice to the Issuer if, at any time subsequent to the date hereof on or prior to the Closing:

(a) Legislation shall have been enacted or any action shall have been taken by the Securities and Exchange Commission that, in the reasonable judgment of the Purchaser, has the effect of requiring either (A) the offer or sale of the Bonds to be registered under the Securities Act of 1933, as amended (the "**Securities Act**"), or any other "security," as defined in the Securities Act, issued in connection with or as part of the issuance of the Bonds to be so registered, or (B) the Indenture of Trust to be qualified under the Trust Indenture Act of 1939, as amended (the "**Trust Indenture Act**");

(b) Any litigation shall be pending or shall have been threatened in writing (i) affecting the existence of the Issuer or the titles of its officers to their respective offices;

(ii) seeking to prohibit, restrain or enjoin the issuance, sale, execution or delivery of the Bonds or payment, collection or application of the proceeds thereof or monies assigned, pledged or to be pledged under the Indenture of Trust; (iii) in any way contesting or affecting any authority for the validity or enforceability of the Bonds, the Indenture of Trust or this Purchase Agreement or the transactions contemplated hereby or thereby; (iv) in any way contesting the powers of the Issuer or any authority for the issuance of the Bonds, the adoption by the Governing Board of the Authorizing Resolution or the performance by the Issuer of its obligations under the Bonds, the Indenture of Trust or this Purchase Agreement, or the execution and delivery by the Issuer or the performance by the Issuer of its obligations under the Indenture of Trust or this Purchase Agreement; (v) in any way contesting the Issuer's right to undertake the refinancing of the Side Fund Obligation or seeking to prohibit, restrain or enjoin its undertaking of the refinancing of the Side Fund Obligations; or (vi) wherein an unfavorable decision, ruling or finding would have a material adverse effect on the Issuer or the Bonds or the transactions contemplated herein; or

(c) There shall have occurred any material adverse change in the financial condition or general affairs of the Issuer that, in the reasonable judgment of the Purchaser, materially adversely affects the Issuer or the Bonds or the transactions contemplated herein; or

(d) There shall have occurred an escalation of any current international or national crisis or another international or national crisis, a suspension of stock exchange trading, or a banking moratorium that, in the reasonable judgment of the Purchaser, materially adversely affects the market price of the Bonds; or

(e) The federal or State Constitution shall have been amended, or any federal or state court, legislative body, regulatory body, or other authority shall issue a decision, ruling, order, rule or regulation, that adversely affects the validity or enforceability of the Bonds or the Indenture of Trust.

(f) Any representation or warranty contained herein or any other document or certificate furnished to the Purchaser by or on behalf of the Issuer in connection herewith or with the Bonds is or becomes untrue or incorrect or the Issuer fails to perform any covenant or condition required to be performed by it pursuant hereto.

ARTICLE IV. ISSUER'S CONDITIONS

Section 4.1. Conditions to Sale. The Issuer's obligation to sell and deliver the Bonds to the Purchaser under this Purchase Agreement is and shall be subject to the condition that, at the time of the Closing, (a) the Purchaser shall have performed its obligations hereunder; and (b) the Issuer shall have received (A) the documents set forth in Section 3.1(c)(i), (ii), and (iii) hereof, and (B) a duly executed and delivered Purchaser's Letter substantially in the form thereof set forth as Exhibit D to this Purchase Agreement, with only such insertions, deletions and other modifications as approved by the City Manager of the Issuer (such approval to be conclusively evidenced by such official's written acceptance thereof).

ARTICLE V. EXPENSES

Section 5.1. Expenses. The Purchaser shall be under no obligation to pay, and the Issuer shall pay or cause to be paid from the proceeds of sale of the Bonds or other moneys lawfully available to the Issuer all expenses and costs of the Issuer incident to the performance

of its obligations in connection with the authorization, sale, issuance and delivery of the Bonds to the Purchaser, the execution and delivery of this Purchase Agreement, and the fees and expenses of Bond Counsel, Purchaser's Counsel and the Issuer. If the Bonds are not sold by the Issuer to the Purchaser pursuant to this Purchase Agreement, the foregoing expenses and costs shall be paid promptly by the Issuer following demand.

ARTICLE VI. INDEMNITY

Section 6.1. Indemnity. To the extent permitted by law, the Issuer agrees to indemnify, hold harmless and defend the Purchaser, and each director, officer, partner, member, agent, employee and controlling person (within the meaning of Section 15 of the Securities Act) of the Purchaser from and against all losses, claims, damages, liabilities and expenses, joint or several, to which the Purchaser or such director, officer, partner, member, agent employee or controlling person of the Purchaser (collectively, the "***Indemnified Parties***") may become subject under the federal securities laws or regulations or otherwise, insofar as such losses, claims, damages, liabilities or expenses (or actions in respect thereof) arise out of the purchase and sale of the Bonds and the transactions contemplated by this Bond Purchase Agreement for any expenses, including, but not limited to, any legal, professional and other reasonable expenses reasonably incurred by the Indemnified Parties in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever. Promptly after receipt by an Indemnified Party under this Section 6.1 of notice of the commencement of any action, such Indemnified Party shall, if a claim in respect thereof is to be made against an Indemnified Party under this Section 6.1, notify the Issuer of the commencement thereof. In case any such action shall be brought against any Indemnified Party and it shall so notify the Issuer of the commencement thereof, (a) the Issuer may assume the defense thereof unless in the reasonable judgment of the Indemnified Parties there is a conflict of interest between the Indemnified Parties and the Issuer, in which event the Issuer shall reimburse such Indemnified Parties for the legal fees reasonably incurred by such Indemnified Parties, or (b) if the Issuer does assume such defense, the Indemnified Parties shall be entitled to participate therein to the extent that they may wish, jointly with any other defense thereof, with counsel reasonably satisfactory to such Indemnified Parties, after notice from the Issuer to such Indemnified Party of their assumption of the defense thereof. The Issuer shall not be liable to such Indemnified Party under this Section 6.1 for any legal or other expense subsequently incurred by such Indemnified Party, independently, in connection with the defense thereof other than reasonable costs of investigation. The Issuer shall have no obligation with respect to any claim for which it has not received prompt notice thereof, but the failure to give such notice in sufficient time shall not constitute a defense hereunder, nor in any way impair the obligations of the Issuer under this Section 6.1.

ARTICLE VII. GENERAL

Section 7.1. Notices. Any notice or other communication to be given to the Purchaser under this Purchase Agreement may be given by delivering the same in writing to Umpqua Bank, 2998 Douglas Boulevard, Suite 100, Roseville, California 95661, Attention: Mr. George Diesch, Vice President. Any notice or other communication to be given to the Issuer under this Purchase Agreement may be given by delivering the same in writing to City Manager Suzanne Bragdon at the address of the City set forth above.

Section 7.2. Beneficiaries. This Purchase Agreement is made solely for the benefit of the Issuer and the Purchaser (including their respective successors or assigns) and no other person shall acquire or have any right hereunder or by virtue hereof.

Section 7.3. Survival of Representations and Agreements. All the representations and agreements contained herein shall remain operative and in full force and effect and shall survive delivery of and payment for the Bonds hereunder and regardless of any investigation made by the Purchaser or on its behalf.

Section 7.4. Assignments. This Purchase Agreement may not be assigned without the prior written consent of the non-assigning party.

Section 7.5. Amendments. This Purchase Agreement may not be amended except by a written agreement or other instrument executed and delivered by duly authorized representatives of the Issuer and the Purchaser.

Section 7.6. Transfers of Bonds. The Purchaser intends to hold the Bonds until maturity. However, the Issuer agrees that the Purchaser may at any time sell, assign or transfer one or more interests or participations in all or any part of its rights and obligations in the Bonds to one or more purchasers whether or not related to the Purchaser.

Section 7.7. Governing Law. This Purchase Agreement shall be governed by the laws of the State.

Section 7.8. Termination of this Purchase Agreement. Except for the Issuer's obligation to indemnify the Purchaser and each Indemnified Party, which shall survive the termination of this Purchase Agreement, this Purchase Agreement shall terminate when the Bonds have been paid in full.

Section 7.9. Execution in Counterparts. This Purchase Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 7.10. Effect of Execution and Delivery. This Purchase Agreement shall become effective upon its execution and delivery by the Purchaser and its acceptance by the Issuer.

Very truly yours,

UMPQUA BANK

By: _____

Its: _____

The terms and conditions of the Bond Purchase Agreement are accepted this ____ day of _____, 2012.

CITY OF SUISUN CITY

By: _____

Its: City Manager

SCHEDULE I

TERMS FOR BONDS

1. Aggregate Principal Amount: \$_____
2. Purchase Price: \$_____
3. Purchaser's Fee: \$-0-
4. Accrued Interest: \$-0-
5. Principal Payment Date: Commencing December 30, 2012 and ending June 30, 2025
6. Interest Payment Dates: June 30 and December 30, commencing December 30, 2012
7. Interest Rate: ____% per annum until _____, 2022, and, thereafter, at the Reset Rate (as defined in the Indenture) until maturity
8. Default Rate: ____% per annum
9. Dated Date: Closing Date
10. Form: fully registered bonds
11. Closing Date: _____
12. Redemption: The Bonds are subject to option redemption and mandatory sinking fund redemption as provided in the Indenture of Trust and set forth below.

OPTIONAL REDEMPTION

The Bonds are subject to optional redemption, in whole or in part, on any date at a redemption price equal to the principal amount thereof, together with the premium set forth below (expressed as a percentage of the total principal amount redeemed), and accrued interest to the date fixed for redemption:

<u>Date of Redemption</u>	<u>Premium</u>
On or before December 30, 2012	
On or before December 30, 2013	
On or before December 30, 2014	
On or before December 30, 2015	
On or before December 30, 2016	
On or before December 30, 2017	
On or before December 30, 2018	
On or before December 30, 2019	
On or before December 30, 2020	
On or before [10 years from Closing Date]	
Thereafter	-0-

MANDATORY SINKING FUND REDEMPTION

The Bonds are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date. As and for a sinking fund for the redemption of the Bonds, there shall be redeemed (after any credits provided for in the Indenture of Trust) on the dates in the years and principal amounts set forth in Schedule II.

SCHEDULE II

SINKING FUND REDEMPTION

[TO COME]

Date	Principal	Interest	Periodic Debt Service
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EXHIBIT A

FORM OF FINAL OPINION OF BOND COUNSEL

[LETTERHEAD OF JONES HALL]

[To Come]

EXHIBIT B

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

[LETTERHEAD OF JONES HALL]

[To Come]

FORM OF OPINION OF COUNSEL TO THE ISSUER

[Letterhead of City Attorney]

_____, 2012

City of Suisun City
701 Civic Center Boulevard
Suisun City, CA 94585

Umpqua Bank
2998 Douglas Blvd., Suite 100
Roseville, CA 95661

OPINION: \$_____ City of Suisun City
2012 Taxable Pension Obligation Bonds

Ladies and Gentlemen:

I am the City Attorney of the City of Suisun City, California (the "City"), and in that connection I have examined certain records reflecting the actions taken by the City pertaining to the authorization, execution and delivery by the City of its \$_____ aggregate principal amount of bonds designated the "City of Suisun City 2012 Taxable Pension Obligation Bonds" (the "Bonds"), issued under the provisions of Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law"), an Indenture of Trust, dated as of _____ (the "Indenture of Trust"), between the City and _____, as trustee, and Resolution No. ____ adopted by the City Council of the City on May 22, 2012. (the "City Resolution"). The Bonds have been issued to provide funds to refund certain obligations of the City to the California Public Employees' Retirement System. We have examined the Bond Law, the Indenture of Trust and such certified proceedings and other papers as we deem necessary to render this opinion. Capitalized terms shall have those meanings ascribed to them in the Bond Purchase Agreement dated _____ (the "Purchase Agreement"), between Umpqua Bank, as purchaser, and the City.

As to questions of fact material to our opinion, we have relied upon representations of the City contained in the Indenture of Trust and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, that:

(1) The City is a municipal corporation and general law city duly organized and validly existing under the laws of the State of California;

(2) The City Resolution was duly adopted at a meeting of the City Council of the City which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout and has not been modified, rescinded or amended;

(3) There is no action, suit, proceeding or investigation, at law or in equity, before or by any court, public board or body pending or, to the best of my knowledge after reasonable investigation, threatened against or affecting the City which would materially and adversely impact the City's (1) financial condition, (2) ability to issue the Bonds and perform its obligations under the Bonds, the Purchase Agreement or the Indenture of Trust, and (3) ability to complete the transactions described in and contemplated by the Bonds, the Purchase Agreement or the Indenture of Trust or in any way contesting or affecting the validity of the Bonds, the Purchase Agreement or the Indenture of Trust or which would have a material adverse effect on the security for the Bonds;

(4) The issuance of the Bonds, the execution and delivery of the Purchase Agreement and the Indenture of Trust, the adoption of the City Resolution, and compliance by the City with the provisions thereof, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement or other instrument to which the City is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the City is subject;

(5) No authorization, approval, consent or other order of the State of California or any other governmental agency within the State of California, other than the Board of Directors of the City, is required for the valid authorization, execution and delivery by the City of the Bonds, the Purchase Agreement or the Indenture of Trust.

Respectfully submitted,

FORM OF PURCHASER'S LETTER

_____, 2012

City Manager
City of Suisun City
701 Civic Center Blvd.
Suisun City, California 94585

Re: \$_____ aggregate principal amount of City of Suisun City 2012 Taxable
Pension Obligation Bonds

Ladies and Gentlemen:

The undersigned, Umpqua Bank, as the Purchaser under the Bond Purchase Agreement, dated _____, 2012 (the "**Bond Purchase Agreement**") relating to the above-referenced bonds (the "**Bonds**") between the Purchaser and the City of Suisun City (the "**Issuer**"), does hereby represent and warrant for the benefit of the Issuer, that:

(1) In accordance with the Bond Purchase Agreement, the Purchaser is purchasing all of the Bonds issued on this date.

(2) The Purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its investment in the Bonds.

(3) The Purchaser is not purchasing the Bonds for more than one account or with a view to distributing the Bonds.

(4) The Purchaser understands that the Bonds are being sold by the Issuer to the Purchaser without any offering document, credit rating, financial guaranty insurance policy or other similar credit enhancement, or CUSIP number, and that a secondary market for the Bonds may not exist.

(5) The Purchaser (i) has made an independent investigation of the merits and risks involved with purchasing and owning the Bonds and such other matters in connection therewith that, having such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its investment in the Bonds, it has deemed appropriate for its decision to purchase the Bonds; and (ii) as part of such investigation, has been supplied with, or has had access to, the Issuer's financial statements and such other information, and has had the opportunity to ask questions and receive answers from representatives of the Issuer concerning the Issuer, its operations, its financial condition, the Indenture of Trust and the Bonds that the Purchaser has deemed appropriate for the its decision to purchase the Bonds.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____,
2012.

UMPQUA BANK

By: _____

Its: _____

Receipt accepted on this day of

CITY OF SUISUN CITY

By: _____
City Manager

AGENDA TRANSMITTAL

MEETING DATE: May 22, 2012

CITY AGENDA ITEM: Fiscal Year 2012-13 Annual Budget Workshop.

FISCAL IMPACT: There would be no fiscal impact at this time.

BACKGROUND: The FY 2012-13 Annual Budget will be presented to the City Council at the Budget Hearing on June 19, 2012. As a prelude to that, staff is herewith presenting the Estimated FY 2011-12 Annual Budget based on three-quarters of the year, as well as a summary and overview of the Recommended FY 2012-13 Annual Budget. This will provide the Council with the opportunity to give staff feedback about the proposed FY 2012-13 Annual Budget and supporting strategy prior to its submission to the Council in early June.

STAFF REPORT: The challenges that staff has faced to prepare a balanced FY 2012-13 Annual Budget have been far greater than normal. After several years of a nagging recession, the City was further challenged by the elimination of the Redevelopment Agency. The General Fund shortfall was \$2,043,700, which would equate to **20 percent** of the FY 2011-12 General Fund operating budget! However, working closely with all departments and our employees, we have pulled together a budget that is consistent with the City Council's stated objectives including:

- Continue the hiring freeze strategy to not fill anticipated vacancies (upwards of 10% of the workforce) to avoid layoffs.
- Continue to identify potential savings in all City operations, and to reduce the employee concessions accordingly.
- Ask employees to agree to concessions of roughly 10% versus employee layoffs.
- Any concessions should be equitable across the organization.
- Tax increases and fee increases should be avoided.
- No reductions in service levels or increases in fees should be applied to the Senior Center.

Staff initially approached the challenge assuming that 10% concessions would be required from the employees beginning March 1, 2012. Through further belt-tightening, we are able to propose a budget plan that only requires 5% concessions effective July 1, 2012. The proposed budget plan is present below.

PREPARED BY:

Ronald C. Anderson, Jr., Assistant City Manager

REVIEWED/APPROVED BY:

Suzanne Bragdon, City Manager

FY 2012-13 Budget Balancing

Attachment 1 presents the components of this shortfall, as well as the proposed budget cuts and offsets to address this shortfall. These are summarized below:

<u>Components of the Shortfall</u>	<u>Dollar Amount</u>
Original RDA Operating Budget	\$1,739,100
Additional General Fund Costs	<u>304,600</u>
Total Shortfall	<u>\$2,043,700</u>
 <u>Proposed Budget Adjustments</u>	
Budget Cuts/Belt-Tightening	\$ 926,700
RDA Costs Eliminated	380,000
Costs Reallocated to Housing Programs	103,500
Labor Costs Reallocated to Non-General Fund	165,000
Costs Reallocated to Successor Agency	318,500
Estimated new Property Tax from RDA Elimination	<u>150,000</u>
Total Proposed Budget Adjustments	<u>\$2,043,700</u>

The vast majority of these proposed budget adjustments involve reductions in staffing capacity or service levels in the General Fund and RDA, as well as reorientation of staff time to other activities such as street, sewer, and storm drain maintenance.

Frozen Positions

The City Council imposed a hiring freeze with the adoption of the FY 2011-12 Annual Budget, but numerous positions have gone unfilled for several years. The “high water mark” for staffing was FY 2008-09, when the City had 116.42 full-time equivalent (FTE) employees. Since then, a total of 18.36 FTEs (with annual savings of \$1,683,000) have been frozen, including 6.78 FTEs (with annual savings of \$600,000) in FY 2011-12. Please see Attachment 2 for the details.

General Fund Structural Analysis

Attachment 3 presents an analysis of the General Fund in terms of ongoing revenues versus ongoing expenditures. This analysis evaluates the fund’s ability to sustain itself over time. A couple of years ago, the City Council approved a “Bridging Strategy”. That strategy is based on the use of no more than \$1.1 million per year of one-time revenues to maintain ongoing expenditures. That amount equates to the ongoing General Fund revenue that is expected to be generated by the Wal-Mart project.

Attachment 3 indicates that the Structural Deficit in the General Fund for FY 2011-12 and FY 2012-13 would be less than \$1.1 million per year. This means that if all things remain static, when Wal-Mart opens in the spring of 2014, we should have an operating surplus of about \$275,000.

General Fund Fiscal Analysis

Attachment 4 provides a review of the General Fund by revenue categories and expenditure categories for the period from FY 2010-11 through FY 2012-13. The following is a summary of that information:

Resources

- Local Taxes – This revenue category is expected to increase by about \$560,000 due to increased Property Taxes from the RDA elimination, one-time Sales Tax correction, and general growth.
- Licenses & Permits – This category is expected to be up due to Wal-Mart’s pulling construction permits.
- Fines & Forfeitures – This category is expected to be about the same as FY 2011-12.
- Use of Money & Property – This category is primarily interest earned, which is expected to decline as cash reserves decline.
- Intergovernmental – This category is primarily subventions from the state such as “Triple Flip” revenues. No significant changes are anticipated.
- Charges for Services – This is the category for City fees and charges. Increases from the current year are primarily due to Wal-Mart.
- Intragovernmental – This category is primarily for interfund payments that will be down due to the elimination of the RDA.
- Miscellaneous – Minor increases due to Wal-Mart.
- Transfers In – Transfers are expected to be about the same.

Expenditures

- Personnel Services – This category will be **down about \$400,000 or 9.3%** due to employee give-backs and frozen positions.
- Services & Supplies – Overall this category is **down about \$75,000 or 3.9%**, while still absorbing increases for fuel, radio maintenance and animal control.
- Interdepartmental Charges – This category is **up about \$37,000 or 6.1%**, due to Liability Self-Insurance increases.
- Non-Recurring Costs – This category is up due to the carryover of the General Plan Update project.

Reserves

- The Emergency Reserve would be at 25%.
- Bridging Reserve would be available for one full year of Wal-Mart bridging for not only FY 2012-13, but also FY 2013-14.
- At this time, Wal-Mart is anticipated to begin site grading this summer, to begin construction in spring 2013, and to open in spring 2014. Assuming that this schedule is met, the Bridging Reserve would have a structural surplus of \$500,500. (Please see Attachment 3.)

Next Steps

Based on City Council discussions on these items and strategies, the formal budget document will be prepared and presented for adoption at the City Council meeting of June 19, 2012. As we have during the past several years, staff will be monitoring the budget closely during the coming fiscal, especially given the uncertainty over the impacts of the elimination of redevelopment.

RECOMMENDATION: It is recommended that the City Council receive the staff presentation and provide staff with feedback about the proposed FY 2012-13 Annual Budget.

ATTACHMENTS:

1. Fiscal Year 2012-13 Budget Balancing Model.
2. Frozen Positions.
3. General Fund Structural Analysis.
4. General Fund Fiscal Analysis.

FISCAL YEAR 2012-13 BUDGET BALANCING MODEL ATTACHMENT 1

Budget Activity	FY 2012-13 Recommend	Subtotals
Original RDA Operating Budget*		
RDA Admin	\$862,500	
Code Enforcement	\$170,700	
Housing Set-Aside	\$486,000	
Asset Management (<i>net of any rents earned</i>)	\$171,100	
Marina Operations	\$0	
RDA Acquisition/Disposition	<u>\$48,800</u>	
Subtotal Operating Budget (the "hole" to fill)		\$1,739,100
Additional General Fund Costs		
Employee Benefit Increases (PERS, Health)	\$85,000	
Additional Operating Costs (fuel, animal services, radios)	\$51,800	
GF Support for former RDA properties (Train Station, etc.)	\$42,800	
Increase in Liability & Property Self-Insurance Charges	<u>\$125,000</u>	
Subtotal General Fund Additions		<u>\$304,600</u>
TOTAL SHORTFALL		\$2,043,700
Deducts & Offsets		
Budget Cuts/Belt-Tightening		
Tightening of Employee Costing process (Deferred Comp)	(\$50,000)	
Salary Vacancies	(\$599,200)	
Employee "give-backs" (5%)	<u>(\$277,500)</u>	
Subtotal Budget Cuts		(\$926,700)
RDA Costs Eliminated		
Legal Costs (Housing only)	(\$45,000)	
Operating Costs	(\$51,000)	
Marketing/Printing (RDA Admin)	(\$42,000)	
Travel/Training/Memberships (CRA) (RDA Admin)	(\$11,000)	
Matching Funds/Downtown BID (RDA Admin)	(\$13,500)	
Property Tax Admin Fee (RDA Admin & Housing)	<u>(\$217,500)</u>	
Subtotal RDA Operating Costs		(\$380,000)
Costs Reallocated to Housing Programs (Program Income)		
Labor Only	(\$60,000)	
Operating Costs	<u>(\$43,500)</u>	
Subtotal Housing Program Costs		(\$103,500)
Labor Costs Reallocated to Non-Genarl Fund		
Liability & Property Self-Insurance Fund	(\$35,400)	
SSWA Fund	(\$11,400)	
Gas Tax Fund	(\$66,200)	
Sewer Fund	(\$36,100)	
Storm Drain Fund	<u>(\$15,900)</u>	
Subtotal Non-General Fund		(\$165,000)
Costs Reallocated to Successor Agency		
Labor Only	(\$150,700)	
Cost Allocation	(\$59,300)	
Other Operating Costs	(\$40,000)	
MSW/DDA (Enforceable Obligations)	<u>(\$68,500)</u>	
Subtotal Successor Agency		<u>(\$318,500)</u>
Estimated "new" Property Tax from RDA elimination		<u>(\$150,000)</u>
TOTAL PROPOSED ADJUSTMENTS		<u>(\$2,043,700)</u>
VARIANCE		\$0

* Net of Debt Service and Pass-Through's which continue under the Successor Agency.

FROZEN POSITIONS

ATTACHMENT 2

Job Class by Bargaining Group	Annual Comp	Annual Avoided Costs	Percent of Total	FY 13 Frozen Positions
<u>Executive Management</u>				
PW Director/City Engineer	\$ 153,829			
Rec & Com Svcs Director	\$ 137,151			
		\$ 290,981	17.29%	
<u>SCMPEA</u>				
Financial Services Manager	\$ 114,275			\$ 114,275
Police Support Svcs Manager	\$ 109,679			
Project Manager	\$ 99,804			
Management Analyst I/II	\$ 95,076			
		\$ 418,835	24.89%	
<u>SCEA</u>				
Public Works Inspector	\$ 80,066			
Youth Svcs Specialist	\$ 74,704			
Recreation Supervisor	\$ 68,378			
Maintenance Worker I/II	\$ 59,086			\$ 59,086
		\$ 282,234	16.77%	
<u>SCPOA</u>				
Police Officer	\$ 115,369			\$ 115,369
Police Officer	\$ 115,369			\$ 115,369
Police Officer	\$ 115,369			\$ 115,369
		\$ 346,106	20.56%	
<u>Unrepresented</u>				
<i>Consultant</i>	\$ 63,151			
<i>Contract Engineer</i>	\$ 67,136			
<i>Part-Time Admin Assistant I</i>	\$ 39,536			\$ 39,536
<i>Part-Time Division Chief</i>	\$ 33,564			
<i>Part-Time Maint Worker I</i>	\$ 17,952			
<i>Part-Time PW Employees</i>	\$ 83,401			
<i>Office Assistant</i>	\$ 40,154			\$ 40,154
		\$ 344,894	20.49%	
TOTAL		\$ 1,683,049	100.00%	\$ 599,158

GENERAL FUND STRUCTURAL ANALYSIS

ATTACHMENT 3

Budget Activity	Column 1	Column 2	Column 3	Column 4
	FY 2011-12 Estimated	FY 2012-13 Recommend	FY 2013-14 Projected	Comments
Revenues				
Rev. & Transfers In (No Beg. Bal.)	\$ 8,392,300	\$ 8,987,500	\$ 8,728,500	Assumes revenues stay constant. Transitioning to the Foundation. One-Time catch up of misallocated ST. One-Time Wal-Mart permit fees.
Less: Spec Events Subsidy	\$ (203,200)	\$ -	\$ -	
Less: One-time Sales Tax	\$ -	\$ (199,000)	\$ -	
Less: Wal-Mart Dev. Fees	\$ -	\$ (60,000)	\$ -	
Subtotal One-time Revenues	\$ (203,200)	\$ (259,000)	\$ -	
Ongoing Revenues	\$ 8,189,100	\$ 8,728,500	\$ 8,728,500	
Expenditures				
Expenditures (No Reserves)	\$ 11,459,100	\$ 9,799,600	\$ 9,532,100	Assumes expenses stay constant Return RDA funding for ROPS. PC one-time costs for GPU/ZOU. Transitioning to the Foundation. Fire & Building covered by fees. Assumes 8% increase over FY 13. Assumes normal growth. Assumes normal growth.
Less GP Update/Studies	\$ (250,900)	\$ (193,000)	\$ -	
Less: RR Ave Transfer Out	\$ (1,197,100)	\$ -	\$ -	
Less: PC for GPU/ZOU	\$ -	\$ (8,400)	\$ -	
Less: Special Events	\$ (203,200)	\$ -	\$ -	
Less: Operating Contingencies	\$ -	\$ (66,100)	\$ (66,100)	
Less: Iconic Sign/RDA stuff	\$ (197,500)	\$ -	\$ -	
Plus: PERS/Health	\$ -	\$ -	\$ 60,000	
Plus: Step Increases (& PERS)	\$ -	\$ -	\$ 42,000	
Plus: Min. increases to ID Charges	\$ -	\$ -	\$ 35,000	
Subtotal One-time Expenditures	\$ (1,848,700)	\$ (267,500)	\$ 70,900	
Ongoing Expenditures	\$ 9,610,400	\$ 9,532,100	\$ 9,603,000	
Structural Surplus/(Deficit)	\$ (1,421,300)	\$ (803,600)	\$ (874,500)	Ongoing Wal-Mart revenue: \$1.1 million.

Wal-Mart Bridging Reserve Status				
Structural Surplus/(Deficit)	\$ (1,421,300)	\$ (803,600)	\$ (874,500)	From Table above.
Available Bridging Reserve	\$ 3,300,000	\$ 2,200,000	\$ 1,100,000	Bridging Strategy.
NET of Structural Surplus	\$ 1,878,700	\$ 1,396,400	\$ 225,500	Available assuming July 1, 2014 opening.
Spring Opening			\$ 275,000	Bridging Reserve savings of one quarter.
Total Available			\$ 500,500	Available assuming April 1, 2014 opening.

GENERAL FUND FISCAL ANALYSIS

Based on Actuals through March 22, 2012

	Column 1	Column 2	Column 3	Column 4	Column 5
Budget Activity	FY 2010-11 Actual	FY 2011-12 Amended	FY 2011-12 Estimated	FY 2012-13 Recommend	Comments
RESOURCES					
Beginning Balance	\$ 4,046,700	\$ 7,343,800	\$ 7,372,700	\$ 4,305,900	FY 13 figure assumes use of \$1.1 million bridging and the transfer out of the \$1.2million CIP Reserve (RDA). Remaining \$600,000 is variance between budgeted revenues/expenses and estimated.
Local Taxes					
Property Tax	\$ 1,000,436	\$ 1,002,700	\$ 1,009,600	\$ 1,144,000	Assumes approx. \$150,000 in new taxes due to RDA shutdown. \$199k of increase is due to HdL audit correction.
Sales Tax	\$ 859,749	\$ 1,039,600	\$ 963,700	\$ 1,358,000	
Transient Occupancy Tax	\$ 194,401	\$ 200,000	\$ 220,000	\$ 220,000	FY 12 is \$15k less Gas Franchise fees due to lower usage trend.
Other Taxes	\$ 844,941	\$ 840,500	\$ 805,400	\$ 835,800	
Subtotal Taxes	\$ 2,899,527	\$ 3,082,800	\$ 2,998,700	\$ 3,557,800	
Licenses & Permits	\$ 342,746	\$ 407,600	\$ 357,900	\$ 460,300	Lower FY12 estimate due to Wal-Mart shift to FY13.
Fines & Forfeitures	\$ 231,636	\$ 186,700	\$ 225,400	\$ 215,000	
Use of Money & Property	\$ 985,065	\$ 241,900	\$ 241,900	\$ 227,000	Ongoing decline in interest rates and reduced cash position.
Intergovernmental	\$ 2,603,689	\$ 2,601,000	\$ 2,460,900	\$ 2,475,900	No MVF revenues & no State "Strike Team" revenue expected.
Charges for Services	\$ 757,357	\$ 934,100	\$ 832,100	\$ 952,200	Lower FY12 estimate due to Wal-Mart shift to FY13.
Intragovernmental	\$ 513,247	\$ 581,200	\$ 480,000	\$ 335,000	Lower Cost Allocation Plan revenues due to loss of RDA.
Miscellaneous Revenues	\$ 703,960	\$ 12,300	\$ 15,800	\$ 19,500	One-time revenues from Wal-Mart project.
Transfers In	\$ 4,470,767	\$ 812,500	\$ 779,600	\$ 744,800	
Subtotal Revenues & Transfers	\$ 13,507,994	\$ 8,860,100	\$ 8,392,300	\$ 8,987,500	
TOTAL RESOURCES	\$ 17,554,694	\$ 16,203,900	\$ 15,765,000	\$ 13,293,400	
EXPENDITURES					
Personnel Services					
Salaries & Wages	\$ 4,198,142	\$ 3,926,200	\$ 4,282,400	\$ 3,884,200	Includes 5% employee "give-backs" and ongoing hiring freeze.
Overtime	\$ 188,088	\$ 235,800	\$ 217,500	\$ 210,000	
Employee Benefits	\$ 2,029,198	\$ 2,127,700	\$ 2,061,900	\$ 2,143,900	
Payroll Taxes	\$ 429,208	\$ 431,600	\$ 413,600	\$ 385,000	
Subtotal Personnel Services	\$ 6,844,636	\$ 6,721,300	\$ 6,975,400	\$ 6,623,100	
Services & Supplies	\$ 1,951,836	\$ 1,989,900	\$ 1,899,600	\$ 1,825,000	FY 13 adjusted for higher fuel costs; radio maint; other costs.
Interdepartmental Charges	\$ 547,305	\$ 690,000	\$ 608,500	\$ 645,500	Higher liability & property insurance charges.
Non-Recurring Costs	\$ 365,857	\$ 648,200	\$ 391,800	\$ 481,400	Carry over of one-time studies (e.g., General Plan Update).
Subtotal Operating Exp.	\$ 9,709,634	\$ 10,049,400	\$ 9,875,300	\$ 9,575,000	
Transfers Out	\$ 439,903	\$ 189,800	\$ 1,386,300	\$ 224,600	FY12 includes one-time transfer out of \$1.2m Capital Reserve.
Debt Service	\$ 14,472	\$ -	\$ -	\$ -	
Major CIP	\$ 18,007	\$ 197,000	\$ 197,500	\$ -	Amount budgeted may be used for RDA Closeout costs.
Subtotal Non-Operating Exp.	\$ 472,382	\$ 386,800	\$ 1,583,800	\$ 224,600	
TOTAL EXPENDITURES	\$ 10,182,016	\$ 10,436,200	\$ 11,459,100	\$ 9,799,600	
RESERVES/ENDING BALANCES	\$ 7,372,678	\$ 5,767,700	\$ 4,305,900	\$ 3,493,800	
Reserves Recap					
Emergency Reserves	\$ 2,427,409	\$ 2,228,500	\$ 2,105,900	\$ 2,393,800	FY 13 Recommend Emergency Reserve equals 25%.
Capital Reserve	\$ 1,197,100	\$ 1,197,100	\$ -	\$ -	This reserve was transferred out to cover RDA unwind costs.
Bridging Reserve	\$ 3,300,000	\$ 2,342,100	\$ 2,200,000	\$ 1,100,000	FY13 is the remaining bridge money for FY 14.
General Contingency	\$ 448,170	\$ -	\$ -	\$ -	
Total Reserves	\$ 7,372,678	\$ 5,767,700	\$ 4,305,900	\$ 3,493,800	
Reserve as a Percent of Operating	75.93%	57.39%	43.60%	36.49%	