

DEPARTMENT: Administration

BY: Rick Benson

PHONE: 966-3222

**RECOMMENDED ACTION AND JUSTIFICATION:**

Adopt a Resolution authorizing the issuance of pension obligation bonds; the execution and delivery of a Trust Agreement; an Auction Agreement; a Broker-Dealer Agreement; and authorizing other actions relating to the issuance of such bonds. The Resolution and Agreements are required in order to issue pension obligation bonds. Taking these actions allows the process to continue, but does not commit the County to issue the bonds.

**BACKGROUND AND HISTORY OF BOARD ACTIONS:**

The Board has previously given direction to staff to initiate the process to issue pension obligation bonds for the County's unfunded pension liability.

**ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:**

Do not adopt the Resolution. No further action can be taken in issuing pension obligation bonds. The County's unfunded pension liability will continue to be carried by CalPERS with a 7.75% interest rate.

Financial Impact? ( ) Yes (X) No	Current FY Cost: \$	Annual Recurring Cost: \$
Budgeted In Current FY? ( ) Yes ( ) No ( ) Partially Funded		
Amount in Budget: \$		List Attachments, number pages consecutively
Additional Funding Needed: \$		Resolution
Source:		Trust Agreement
Internal Transfer		Auction Agreement
Unanticipated Revenue	4/5's vote	Broker-Dealer Agreement
Transfer Between Funds	4/5's vote	
Contingency	4/5's vote	
( ) General ( ) Other		

**CLERK'S USE ONLY:**

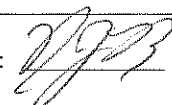
Res. No.: 07-450 Ord. No. \_\_\_\_\_  
 Vote - Ayes: 5 Noes: \_\_\_\_\_  
 Absent: \_\_\_\_\_  
 Approved  
 Minute Order Attached  No Action Necessary

The foregoing instrument is a correct copy of the original on file in this office.

Date: \_\_\_\_\_  
 Attest: MARGIE WILLIAMS, Clerk of the Board  
 County of Mariposa, State of California  
 By: \_\_\_\_\_  
 Deputy

**COUNTY ADMINISTRATIVE OFFICER:**

Requested Action Recommended  
 No Opinion  
 Comments:  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

CAO: 

**RESOLUTION NO. 07-450**

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF MARIPOSA AUTHORIZING THE ISSUANCE OF PENSION OBLIGATION BONDS AND THE EXECUTION AND DELIVERY OF A TRUST AGREEMENT, AN AUCTION AGREEMENT AND A BROKER-DEALER AGREEMENT, AND AUTHORIZING OTHER ACTIONS RELATING TO THE ISSUANCE OF SUCH BONDS**

**WHEREAS**, the County of Mariposa (the "County") has previously elected to become a contracting member of the California Public Employees' Retirement System ("PERS"); and

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

**WHEREAS**, the County desires to authorize the issuance of its Taxable Pension Obligation Bonds, 2007 Series A (the "2007 Series A Bonds"), its Taxable Pension Obligation Bonds, 2007 Series B (the "2007 Series B Bonds") and its Taxable Pension Obligation Bonds, 2007 Series C (the "2007 Series C Bonds," and together with the 2007 Series A Bonds and the 2007 Series B Bonds, the "Bonds"), pursuant to the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53570 of said Code (the "Bond Law"), for the purpose of refunding all or a portion of the County's current obligation to PERS, as evidenced by the PERS Contract, to pay the unfunded accrued actuarial liability of the County with respect to pension benefits under the Public Employees' Retirement Law, and paying the costs of issuance of the Bonds, including the underwriter's discount or placement agent fee, any bond insurance premiums and any original issue discount on the Bonds; and

**WHEREAS**, the Bonds will be issued under and secured by a Trust Agreement (such Trust Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "Trust Agreement"); and

**WHEREAS**, the County has determined the advisability of filing an action to determine the validity of the Bonds and the Trust Agreement, and the actions proposed to be taken in connection therewith.

**NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF MARIPOSA AS FOLLOWS:**

Section 1. Recitals True and Correct. The Board of Supervisors does hereby find and declare that the above recitals are true and correct.

Section 2. Issuance of the Bonds. The issuance of the Bonds on the terms and conditions set forth in, and subject to the limitations specified in the Trust Agreement is hereby authorized and approved. The Bonds shall be dated and shall bear interest at the rates set forth in the Trust Agreement, shall mature on the dates, shall be issued in the form and shall be as otherwise provided in the Trust Agreement, as the same shall be completed in accordance with this Resolution.

Section 3. Trust Agreement. The Trust Agreement, in substantially the form on file with the Clerk of the Board and made a part hereof as though set forth in full herein, is hereby approved. The Chairperson of the Board of Supervisors of the County, the County Administrative Officer and their respective designees (the "Authorized Officers") are, and each of them is, hereby authorized and directed, for and in the name of the County, to execute and deliver the Trust Agreement in the form presented to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Trust Agreement by such Authorized Officer; provided, however, that such changes, insertions and omissions with respect to the Trust Agreement shall not (i) result in the aggregate principal amount of the Bonds being greater than the sum of (1) the amount of the County's obligation to PERS, as evidenced by the PERS Contract, to pay the unfunded accrued actuarial liability of the County, and (2) the amount to pay costs of issuance of the Bonds, and (ii) shall not result in the maturity date of the Bonds being later than the last date through which PERS has approved the amortization of such unfunded accrued actuarial liability of the County. Each of the Authorized Officers is hereby authorized to appoint a trust company or bank with trust powers to serve as Trustee under the Trust Agreement, and from time to time to appoint any additional fiduciaries, depositaries or agents (including paying agents) in connection with the Bonds or any portion thereof and to execute and deliver any and all documents and instruments necessary or proper in connection with each such appointment.

Section 4. Auction Agreement. The Auction Agreement, in substantially the form on file with the Clerk of the Board and made a part hereof as though set forth in full herein, is hereby approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the County, to execute and deliver the Auction Agreement in the form presented to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Auction Agreement by such Authorized Officer. Each of the Authorized Officers is hereby authorized to appoint a trust company or bank with trust powers to serve as Auction Agent under the Auction Agreement.

Section 5. Broker-Dealer Agreement. The Broker-Dealer Agreement, in substantially the form on file with the Clerk of the Board and made a part hereof as though set forth in full herein, is hereby approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the County, to execute and deliver the Broker-Dealer Agreement in the form presented to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Broker-Dealer Agreement by such Authorized Officer. Each of the Authorized Officers is hereby authorized to

appoint a broker-dealer or underwriter to serve as Broker-Dealer under the Broker-Dealer Agreement.

Section 6. Validation Action. With regard to the judicial validation of the Bonds, the County's Resolution No. 07-350 is hereby ratified and confirmed in all respects.


Section 7. Additional Authority. The Authorized Officers are, and each of them hereby is, authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereby, including but not limited to the procurement of a municipal bond insurance policy for the Bonds.

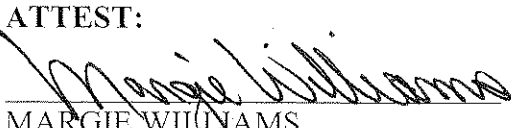
Section 8. Ratification of Prior Action. All actions heretofore taken by the Authorized Officers and by any other officers, employees or agents of the County with respect to the issuance of the Bonds, or in connection with or related to any of the agreements or documents referenced herein, are hereby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


Section 9. Effective Date. This Resolution shall take effect from and after the date of approval and adoption hereof.

**WHEREFORE**, this Resolution is passed, approved and adopted this 18th day of September, 2007, by the following vote:

- AYES: ABORN, TURPIN, BIBBY, FRITZ, PICKARD
- NOES: NONE
- ABSENT: NONE
- ABSTAINED: NONE

  
 \_\_\_\_\_  
 JANET BIBBY  
 Chairperson of the Board of Supervisors

**ATTEST:**  
  
 \_\_\_\_\_  
 MARGIE WILLIAMS  
 Clerk of the Board of Supervisors

**APPROVED AS TO FORM:**  
  
 \_\_\_\_\_  
 THOMAS P. GUARINO  
 County Counsel