

**PITTSBURG UNIFIED SCHOOL DISTRICT FINANCING AUTHORITY**

**RESOLUTION NO. FA19-01**

**RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF REVENUE BONDS FOR THE PURPOSE OF FINANCING THE ACQUISITION OF GENERAL OBLIGATION BONDS OF THE PITTSBURG UNIFIED SCHOOL DISTRICT AND FOR OTHER PURPOSES AND APPROVING RELATED AGREEMENTS AND ACTIONS**

WHEREAS, pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the California Government Code (the "JPA Act"), the Pittsburg Unified School District (the "District") and the California Municipal Finance Authority have entered into a joint exercise of powers agreement (the "Agreement") pursuant to which the Pittsburg Unified School District Financing Authority (the "Authority") was organized;

WHEREAS, the Authority is authorized by its Agreement to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements for all purposes permitted by the JPA Act and described in the Agreement;

WHEREAS, pursuant to the provisions of the JPA Act, the cities, counties and special districts which are the contracting parties comprising the membership of the Authority are authorized to jointly exercise any power common to such contracting parties, including, without limitation, the power to acquire and dispose of property, both real and personal;

WHEREAS, a duly called special municipal election was held in the Pittsburg Unified School District (the "District") on November 2, 2010, and thereafter canvassed pursuant to law;

WHEREAS, at such election there was submitted to and approved by the requisite fifty-five percent (55%) vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District to provide safe, modern neighborhood schools with updated computer technology, upgrade energy systems, including solar, reduce cost, improve student learning by acquiring, upgrading, constructing, equipping classrooms, science/computer labs, and school facilities, replace aging roofs, plumbing, heating, ventilation/electrical systems, improve fire alarms, school security and earthquake safety (the "2010 Project"), in the maximum aggregate principal amount of \$100,000,000 (the "2010 Bonds") payable from the levy of an *ad valorem* tax against the taxable property in the District;

WHEREAS, a duly called special municipal election was held in the Pittsburg Unified School District (the "District") on November 6, 2018, and thereafter canvassed pursuant to law;

WHEREAS, at such election there was submitted to and approved by the requisite fifty-five percent (55%) vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District to provide safe, modern neighborhood schools with updated computer technology and improve student learning by upgrading, constructing and equipping classrooms, science labs, District office facilities and workforce housing (the

"2018 Project"), in the maximum aggregate principal amount of \$100,000,000 (the "2018 Bonds") payable from the levy of an *ad valorem* tax against the taxable property in the District;

WHEREAS, pursuant to Title 1, Division 1, Part 10, Chapter 2 (commencing with section 15100) of the California Education Code and Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with section 53506) of the California Government Code, the District is empowered to issue general obligation bonds;

WHEREAS, the District has issued 2010 Bonds in four series, totaling \$80,503,162.75, leaving \$19,496,837.25 of 2010 Bonds authorized but unissued;

WHEREAS, to date, none of the 2018 Bonds has been issued;

WHEREAS, the District has determined to issue its final series of 2010 Bonds, its Pittsburg Unified School District (Contra Costa County, California) General Obligation Bonds, Election of 2010, Series E, in an amount not to exceed \$19,495,000,000 (the "2010E Bonds"), for the purpose of raising money for the 2010 Project, its first series of 2018 Bonds, its Pittsburg Unified School District (Contra Costa County, California) General Obligation Bonds, Election of 2018, Series A, in an amount not to exceed \$10,505,000 (the "2018A Bonds"), its second series of 2018 Bonds, its Pittsburg Unified School District (Contra Costa County, California) General Obligation Bonds, Election of 2018, Series B, in an amount not to exceed \$2,000,000 (the "2018B Bonds" and, with the 2010E Bonds and the 2018A Bonds, the "District Bonds"), for the purpose of raising money for the 2018 Project;

WHEREAS, the District has determined that issuing the bonds through a joint powers authority would result in lower borrowing costs to the District taxpayers, would best allocate the authorizations provided by the 2010 Bonds and the 2018 Bonds and would best meet the tax rate requirements with respect to each authorization;

WHEREAS, the District has requested that the Authority issue and sell its bonds for the purpose of purchasing the District Bonds, such Authority bonds secured solely by and payable from the debt service payments made by the District with respect to the District Bonds;

WHEREAS, based upon the request of the District and its intention to sell the District Bonds to the Authority, the Authority has determined to issue its Pittsburg Unified School District Financing Authority 2019 General Obligation Revenue Bonds (Pittsburg Unified School District Bond Program) (the "Authority Bonds"), under the provisions of Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code (the "Bond Law"), the proceeds of which will be applied to the purchase of the District Bonds;

WHEREAS, pursuant to a bond purchase agreement, to be dated the date of sale of the Authority Bonds (the "Bond Purchase Agreement"), by and between Raymond James & Associates, Inc., as underwriter (the "Underwriter"), and the Authority and approved by the District, the Authority Bonds will be sold to the Underwriter and the proceeds of such sale will be used as set forth in the Indenture to purchase of the District Bonds and to pay costs incurred in connection with the issuance of the Authority Bonds;

WHEREAS, the Authority Bonds will be offered for sale through an official statement; and

WHEREAS, there have been placed on file with the Authority prior to this meeting the following documents and agreements:

(a) a proposed form of an indenture (the "Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee thereunder (the "Trustee"),

(b) a proposed form of the Bond Purchase Agreement,

(c) a proposed form of a bond purchase agreement, to be dated the date of sale of the 2010E Bonds (the "2010E Purchase Agreement"), by and between the District and the Authority,

(d) a proposed form of a bond purchase agreement, to be dated the date of sale of the 2018A Bonds (the "2018A Purchase Agreement"), by and between the District and the Authority,

(e) a proposed form of a bond purchase agreement, to be dated the date of sale of the 2018B Bonds (the "2018B Purchase Agreement"), by and between the District and the Authority, and

(f) a proposed form of preliminary official statement (the "Preliminary Official Statement") to be used by the Underwriter in connection with the offering and sale of the Authority Bonds;

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Pittsburgh Unified School District Financing Authority (the "Board"), as follows:

*Section 1.* Pursuant to the JPA Act and the Indenture, the Authority is hereby authorized to issue the Authority Bonds in an aggregate principal amount not to exceed thirty-two million dollars (\$32,000,000). The Authority Bonds shall be issued and secured in accordance with the terms of, and shall be in the form set forth in, the Indenture, with such changes, deletions or insertions as may be approved by any member of the Board (each, an "Authorized Officer") and legal counsel to the Authority. The Authority Bonds shall be executed by the manual or facsimile signature of any Authorized Officer.

*Section 2.* The Indenture, in the form attached hereto as Exhibit A, is hereby approved. Any Authorized Officer is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Indenture in substantially said form, with such changes and insertions therein as such Authorized Officer, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The dated date, maturity dates or dates, interest rate or rates, interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption and other terms of the Authority Bonds shall be as provided in the Indenture, as finally executed.

*Section 3.* The Bond Purchase Agreement, in the form attached hereto as Exhibit B, is hereby approved. Any Authorized Officer is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Bond Purchase Agreement, in substantially said form, with such changes and insertions therein and as such Authorized Officer, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof, so long as the Underwriter's discount (excluding any original issue discount which does not constitute compensation to the Underwriter) does not exceed 0.50%.

*Section 4.* The 2010E Purchase Agreement, in the form attached hereto as Exhibit C, is hereby approved. Any Authorized Officer is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the 2010E Purchase Agreement, in substantially said

form, with such changes and insertions therein and as such Authorized Officer, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The 2010E Bonds will be purchased by the Authority pursuant to the 2010E Purchase Agreement at the par amount thereof.

*Section 5.* The 2018A Purchase Agreement, in the form attached hereto as Exhibit D, is hereby approved. Any Authorized Officer is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the 2018A Purchase Agreement, in substantially said form, with such changes and insertions therein and as such Authorized Officer, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The 2018A Bonds will be purchased by the Authority pursuant to the 2018A Purchase Agreement at the par amount thereof.

*Section 6.* The 2018B Purchase Agreement, in the form attached hereto as Exhibit E, is hereby approved. Any Authorized Officer is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the 2018B Purchase Agreement, in substantially said form, with such changes and insertions therein and as such Authorized Officer, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The 2018B Bonds will be purchased by the Authority pursuant to the 2018B Purchase Agreement at the par amount thereof.

*Section 7.* The Underwriter is hereby authorized to distribute the Preliminary Official Statement in substantially the form placed on file with the Authority, to persons who may be interested in the purchase of the Authority Bonds and to deliver an official statement in final form to the purchasers of the Authority Bonds, in each case with such changes as any Authorized Officer, with advice of counsel to Authority, deems desirable, necessary or appropriate.

*Section 8.* The Authority Bonds, when executed as provided in Section 1, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Authority Bonds by executing the Trustee's Certificate of Authentication appearing thereon, and to deliver the Authority Bonds, when duly executed and authenticated, to the purchaser or purchasers thereof in accordance with written instructions executed on behalf of the Authority by an Authorized Officer, which Authorized Officer, acting alone, is authorized and directed, for and on behalf of the Authority, to execute and deliver to the Trustee. Such instructions shall provide for the delivery of the Authority Bonds to the purchaser or purchasers thereof, upon payment of the purchase price thereof.

*Section 9.* Any Authorized Officer and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver any and all documents, including, without limitation, any and all documents and certificates to be executed in connection with securing credit support, if any, for the Authority Bonds, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Authority has approved in this Resolution; provided that no such documents or certificates shall create any obligation or liability of the Authority other than with respect to the revenues and assets derived from the proceeds of the Authority Bonds or otherwise securing the Authority Bonds under the financing documents described and authorized herein.

*Section 10.* Any Authorized Officer, acting alone, is hereby authorized to execute and deliver future amendments to the documents authorized to be executed and delivered pursuant to this Resolution ("Authorized Documents"), without further action of the Authority, for the purpose of (i) adding to the covenants and agreements of the District or of the provider of any

credit enhancement or liquidity facility; (ii) assigning or pledging additional security for any of the Authority Bonds, which security shall be provided by the District; (iii) curing any ambiguity, inconsistency or omission or supplementing any defective provision of the Authorized Documents; (iv) permitting the qualification of the Indenture or any supplemental indenture under the Trust Indenture Act of 1939 or any similar federal statutes hereafter in effect; (v) providing for any additional procedures, covenants or agreements necessary to maintain the tax-exempt status of interest on the Authority Bonds; (vi) modifying or eliminating the book-entry registration system for the Authority Bonds, if any; or (vii) providing for the appointment of a co-trustee/bondowner representative or the succession of a new trustee/bondowner representative authorized pursuant to the terms of the Indenture; provided such amendments are (1) made pursuant to the written request of the District, (2) made pursuant to the terms of such documents, (3) are consistent with such documents, (4) do not require the consent of the holders of the Authority Bonds which has not already been obtained and (5) do not provide for any additional duties or costs with respect to the Authority for which the District does not agree in advance to reimburse or indemnify the Authority therefor.

*Section 11.* All actions heretofore taken by the Chairman, the Vice Chairman, the Secretary, the members of the Board of the Authority and other appropriate officers and agents of the Authority with respect to the issuance of the Authority Bonds are hereby ratified, confirmed and approved.

*Section 12.* As required by section 15146(b) of the California Education Code (AB 1482, 2006), the Authority, on behalf of the District, hereby states and certifies the following information:

(a) *Express Approval of Sale.* The Board hereby approves the negotiated sale of the Authority Bonds.

(b) *Statement of Reason for Method of Sale Selected.* Negotiated sales are deemed provide more flexibility in timing the sale, an ability to implement the sale in a shorter time period, an increased ability to structure the Authority Bonds to fit the needs of particular purchasers, an a greater opportunity for the Underwriter to pre-market the Authority Bonds to potential purchasers prior to the sale and offer greater flexibility in changing the time and terms of the sale than a competitive sale in a volatile municipal securities market, all of which will contribute to the District's goal of achieving the lowest overall cost of funds.

(c) *Disclosure of Consultants.* The Bond Counsel to the Authority and the District in connection with the issuance of the Authority Bonds will be Quint & Thimmig LLP, Larkspur, California. The disclosure counsel to the Authority and the District in connection with the issuance of the Authority Bonds will be Quint & Thimmig LLP, Larkspur, California. The Municipal Advisor to the Authority and the District in connection with the issuance of the Authority Bonds will be the PFM Financial Advisors LLC. The Underwriter of the Authority Bonds will be Raymond James & Associates, Inc.

(d) *Costs Associated with the Sale of the Authority Bonds.* Estimates of the costs associated with the issuance of the Authority Bonds, to be allocated proportionately among the District Bonds, are shown below:

| Role                            | Consultant                 | Fee       |
|---------------------------------|----------------------------|-----------|
| Financial Advisor               | PFM Financial Advisors LLC | \$ 60,000 |
| Financial Advisor Reimbursables | PFM Financial Advisors LLC | 2,500     |
| Bond Counsel                    | Quint & Thimmig LLP        | 65,000    |

|                                  |                                 |                  |
|----------------------------------|---------------------------------|------------------|
| Bond Counsel Reimbursables       | Quint & Thimmig LLP             | 2,500            |
| Disclosure Counsel               | Quint & Thimmig LLP             | 30,000           |
| Disclosure Counsel Reimbursables | Quint & Thimmig LLP             | 2,500            |
| Rating Agency                    | Moody's Investor Service        | 29,000           |
| Rating Agency                    | S&P                             | 27,000           |
| Paying Agent                     | BNY Mellon                      | 2,500            |
| Municipal Data                   | California Municipal Statistics | 1,000            |
| Printing                         | AVIA                            | 1,000            |
| Continuing Disclosure Review     | DAC                             | 3,000            |
| Contingency                      | To Be Returned if Unused        | 15,000           |
| Total                            |                                 | <u>\$241,000</u> |

(e) *No Capital Appreciation Authority Bonds*. The Authority Bonds and the District Bonds will be issued as current interest Authority Bonds.

*Section 13.* As required by section 5852.1 of the California Government Code, the Authority hereby provides the following good faith estimates regarding the Authority Bonds:

(a) The true interest cost of the Authority Bonds: 4.000%.

(b) The finance charge of the Authority Bonds (the sum of all fees and charges paid to third parties): \$241,000 plus an underwriting fee of \$136,000.

(c) The amount of proceeds to be received less the sum of all fees and charges paid to third parties, any reserves or capitalized interest: \$32,000,000.

(d) The sum total of all payments to pay debt service on the Authority Bonds, calculated to the final maturity of the Authority Bonds: \$88,000,000.

The foregoing constitute good faith estimates only.

The principal amount of the Authority Bonds, the true interest cost of the Authority Bonds, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Authority Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Authority Bonds sold being different from the estimated amount used for purposes of such estimates, (c) the actual amortization of the Authority Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Authority Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the District's financing plan, or a combination of such factors. The actual date of sale of the Authority Bonds and the actual principal amount of Authority Bonds sold will be determined based on the timing of the need for proceeds of the Authority Bonds and other factors. The actual interest rates with respect to the Authority Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Authority Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the District.

*Section 14.* This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the Pittsburg Unified School District Financing Authority this 23rd day of October, 2019, by the following vote:

AYES: 4 (Smith, Miller, Conciarnilla, Arenivar)

NOES: 1 (Wodridge)

ABSTAIN: 0

I, the undersigned, a duly appointed and qualified Secretary of the Pittsburg Unified School District Financing Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of said Authority at a duly called meeting of the Board of said Authority held in accordance with law on October 23, 2019.

By:  Secretary