



# CITY OF SACRAMENTO



## OFFICE OF THE TREASURER

800 - 10TH STREET SACRAMENTO, CA 95814  
SUITE 1 TELEPHONE (916) 449-5318

THOMAS P. FRIERY  
TREASURER

DONALD E. SPERLING  
ASST. TREASURER

July 2, 1986  
860204:TPFlv:b&ftran

Budget and Finance Committee  
Sacramento, California

Honorable Members in Session:

SUBJECT: Recommendation for the Sale of \$14.490 Million 1986/87  
Certificates of Participation (COP), \$12 Million 1986/87 Tax  
and Revenue Anticipation Note (TRAN) Issues and Other Matters  
Related to these Financings

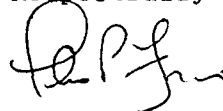
### SUMMARY

Transmitted herewith are reports to the full Council recommending authorization for the sale of \$14.490 million 1986/87 COP and \$12 million 1986/87 TRAN financings as well as certain other actions necessary to proceed with the financing.


### RECOMMENDATION

It is recommended that after hearing the attached report the Budget and Finance Committee recommend approval of these actions to the full Council.

Respectfully submitted,

  
THOMAS P. FRIERY  
City Treasurer

APPROVED FOR COMMITTEE INFORMATION:

  
Solon Wishman, Jr.,  
Assistant City Manager



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July 2, 1986  
860202:TPFlv:86trco3

*This report will be updated on July 8, 1986 when the financing is estimated to occur.*

Sacramento City Council  
Sacramento, California 95814

SUBJECT: Approval of Resolution for Approval of Legal Documents and Sale of \$14.490 City of Sacramento 1986/87 Certificates of Participation (COP), Award of COPS to Firm of Paine Webber, Inc., and Approval of Official Statement

Honorable Members in Session:

### SUMMARY

On July 8, 1986 the City Treasurer and Paine Webber, Inc. negotiated a Net Interest Cost (NIC) of \_\_\_\_\_ on the \$14.490 million COP. The COPs have a weighted average life of \_\_\_\_\_ years, \_\_\_\_\_ months. Finally, the COPs have been rated \_\_\_\_\_ by Moody's. The annual debt service payments are approximately \$ \_\_\_\_\_ thousand.

The NIC considers normal as well as necessary financing costs and expenses which totalled approximately \$ \_\_\_\_\_ thousand. Normal financing costs which are generally paid for by an issuer from bond proceeds totalled approximately \$ \_\_\_\_\_. Necessary financing costs and expenses, which are those expenses generally paid for by an issuer from cash reserves as opposed to bond proceeds, totalled approximately \$ \_\_\_\_\_.

Necessary financing costs and expenses which are those financing expenses generally paid for by an issuer from internal funds totalled approximately \$ \_\_\_\_\_ thousand. These expenses are equivalent to \$ \_\_\_\_\_ per \$1,000 of COPs issued. The normal financing costs and expenses totalled \$ \_\_\_\_\_ thousand and are equivalent to \$ \_\_\_\_\_ per \$1,000 of COPs issued. These expenses are within the underwriter contract limits and are both reasonable and in proximity to other issues in the market place.

The price negotiated is favorable in the market place given consideration to the recent action by the rating agency pertaining to the credit rating suspension on the Light Rail COPs. The Preliminary Official Statement for the financing is on file with the City Clerk.



Sacramento City Council  
July 2, 1986  
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RECOMMENDATION

It is recommended that the City Council:

- Approve legal documents associated with the COP financing,
- Adopt the Resolution of Sale awarding the COPs to Paine Webber, Inc. at a Net Interest Cost of \_\_\_\_\_, and other matters relating to the sale of the bonds.

Respectfully submitted,



THOMAS P. FRIERY  
City Treasurer

RECOMMENDATION APPROVED:

\_\_\_\_\_  
WALTER J. SLIPE, City Manager

July 8, 1986  
All Districts

CITY OF SACRAMENTO

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE COUNCIL OF THE CITY OF SACRAMENTO AUTHORIZING THE EXECUTION AND DELIVERY OF A SITE LEASE, A PROJECT LEASE, A TRUST AGREEMENT, AN AGENCY AGREEMENT, A CERTIFICATES OF PARTICIPATION PURCHASE CONTRACT AND AN OFFICIAL STATEMENT IN CONNECTION WITH THE CITY OF SACRAMENTO 1986 PUBLIC FACILITIES PROJECT AND CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the City of Sacramento, a charter city and municipal corporation duly organized and existing under and pursuant to the Constitution and laws of the State of California (the "City"), is authorized under provisions of the Constitution and laws of the State of California to lease real property and personal property as the City may determine is necessary or proper for municipal purposes; and

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

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

Section 1. All of the above recitals are true and correct, and this Council so finds and determines.

Section 2. The City hereby specifically finds and declares that the actions authorized hereby constitute and are with respect to municipal affairs of the City and that the statements, findings and determinations of the City set forth in the preambles of the documents approved herein are true and correct.

Section 3. The form of Site Lease, dated as of July 1, 1986, between the City and the Sacramento City Public Facilities Financing Corporation (the "Corporation") presented to this meeting and on file with the City Clerk, is hereby approved. The Mayor of the City is hereby authorized and directed, for and in the name and on behalf of the City, to execute, acknowledge and deliver to the Corporation said Site Lease in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The form of Project Lease, dated as of July 1, 1986, between the City and the Corporation presented to this meeting and on file with the City Clerk, is hereby approved. The Mayor of the City is hereby authorized and directed, for and in the name and on behalf of the City, to

execute, acknowledge and deliver to the Corporation said Project Lease in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The form of Trust Agreement, dated as of July 1, 1986, among the City, the Corporation and Security Pacific National Bank, as trustee (the "Trustee"), presented to this meeting and on file with the City Clerk, is hereby approved. The Mayor of the City is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver to the Corporation and the Trustee said Trust Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The form of Agency Agreement, dated as of July 1, 1986, between the Corporation and the City, presented to this meeting and on file with the City Clerk, is hereby approved. The Mayor of the City is hereby authorized and directed, for and in the name and on behalf of the City, to execute, acknowledge and deliver to the Corporation said Agency Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The form of Certificates of Participation Purchase Contract between the City, the Corporation and PaineWebber Incorporated (the "Underwriter"), presented to this meeting and on file with the City Clerk, is hereby approved. The Mayor of the City is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver to the Corporation and to the Underwriter said Certificates of Participation Purchase Contract in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 8. The form of Official Statement relating to certificates of participation (the "Certificates") in the base rental payments to be made by the City pursuant to said Project Lease, presented to this meeting and on file with the City Clerk, is hereby approved. The Mayor of the City is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver to the Underwriter said Official Statement in substantially said form, with such changes as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Underwriter is hereby authorized to distribute copies of said Official Statement to persons who may be interested in the purchase of the Certificates and is hereby



directed to deliver such copies to all actual purchasers of the Certificates.

Section 8. The City Clerk is hereby authorized and directed to attest the signature of the Mayor, and to affix and attest the seal of the City, as may be required or appropriate in connection with the execution and delivery of said Site Lease, said Project Lease, said Trust Agreement, said Agency Agreement, said Certificates of Participation Purchase Contract and said Official Statement.

Section 10. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the sale, execution and delivery of the Certificates by the Trustee and otherwise to carry out, give effect to and comply with the terms and intent of this resolution, the Certificates, said Site Lease, said Project Lease, said Trust Agreement, said Agency Agreement, said Certificates of Participation Purchase Contract and said Official Statement. Such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 11. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED on July 8, 1986, by the

following vote:

AYES: Councilmembers

NOES:

ABSENT:

Mayor of the City of Sacramento

[SEAL]

Attest:

City Clerk of the City of Sacramento