

## RESOLUTION NO. 2011-55

**RESOLUTION OF THE COUNCIL OF THE CITY OF BELL  
APPROVING THE GENERAL OBLIGATION BOND WORK-OUT PLAN  
AND RELATED IMPLEMENTATION ACTIONS**

**WHEREAS**, unless corrective is taken, the City will be required to increase the ad valorem tax levy for the repayment of its general obligation (G.O.) bonds from the existing amount of \$2.1 million to \$3.5 million – an increase of \$1.4 million (70%); and

**WHEREAS**, a “G.O. Bond Work-Out Plan” has been prepared and was considered by the Council on December 14, 2011, which if implemented would significantly mitigate the need for this tax levy increase by using the existing balance remaining from the bond proceeds to reduce annual debt service requirements beginning next fiscal year and annually thereafter until all bonds are repaid.

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

**SECTION 1.** City staff is instructed to implement the G.O. Bond Work-Out Plan as described in the Council Agenda Report.

**SECTION 2.** The budget for the work-out plan is adopted in the amount of \$115,000 as set forth below. Subject to concurrence by Bond Counsel, these costs will be funded from the remaining bond proceeds. If some or all of the costs cannot be paid from proceeds, they will be paid from the General Fund or another legally available source.

G.O. Bond Work-Out Plan Budget	
Bond Communications Group	40,000
Bond Counsel	30,000
Financial Advisor (KNN)	15,000
Arbitrage Consultant	5,000
Escrow Agent	1,000
Project Management (Statler)	3,500
Contingencies	20,500
<b>Total</b>	<b>\$115,000</b>

**SECTION 3.** The City Administrative Officer is authorized to take the following actions if within the work-out plan budget:

a. Begin implementing the work-out plan through the combination of “tender offer” and “defeasance” that will result in the lowest amount of level debt service.

b. Contract with Bond Counsel via a request for proposal process, subject to approval of the Agreement by the City Attorney, to provide advice relative to federal tax law, draft bond tender (repurchase) documents, provide advice relative to continuing disclosure requirements and other matters as may be requested by the City in connection with its bonds.

c. Contract with the Bond Communications Group following consultation with Bond Counsel, subject to approval of the Agreement by the City Attorney, to serve as tender agent to facilitate the potential repurchase of the City's outstanding general obligation bonds as appropriate.

d. Contract with a firm, subject to approval of the Agreement by the City Attorney, to provide arbitrage calculations and, if appropriate, investment of a defeasance escrow.

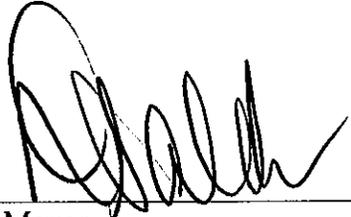
e. Amend the contract with KNN Public Finance for continued advice, subject to approval of the amendment by the City Attorney, regarding the repurchase of outstanding general obligation bonds and, if necessary, the defeasance of such bonds, in order to facilitate the most efficient reduction of the City's general obligation bond indebtedness.

f. Retain Bill Statler for project management in coordinating implementation of the work-out process.

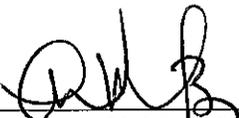
Upon motion of Vice Mayor Harber, seconded by Councilmember Quintana, and on the following vote:

AYES: Councilmember Alvarez, Quintana, Valencia, Vice Mayor Harber and Mayor Saleh  
NOES: None  
ABSENT: None

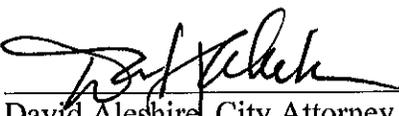
the foregoing resolution was adopted on December 14, 2011.

  
\_\_\_\_\_  
Ali Saleh, Mayor

ATTEST:

  
\_\_\_\_\_  
Rebecca Valdez, City Clerk

APPROVED AT TO FORM

  
\_\_\_\_\_  
David Aleshire, City Attorney