

RESOLUTION NO. 2013-39

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GALT,
CALIFORNIA, APPROVING THE REFINANCING OF THE 2001 POLICE BUILDING AND
RELATED FACILITIES CERTIFICATE OF PARTICIPATION (COP) AND 1999 REVENUE
BONDS (WASTEWATER REFUNDING) USING INTERNAL LOANS**

WHEREAS, over the past several years, the city has issued various bonds to assist with the financing of various improvements; and

WHEREAS, staff on a regular basis evaluates if refinancing of bonds is prudent; and recently determined that two outstanding bonds should be refinanced, the 2001 Police Building Certificates of Participation and the 1999 Wastewater Revenue bonds; and

WHEREAS, staff has determined that it is more cost effective to refinance the two bonds using cash on hand and internal loans rather than a public offering or private placement; and

WHEREAS, the use of internal loans is a viable option as there are no costs of issuance, lower annual debt payments will be achieved, and higher rate of interest will be earned as compared to current investments; and

WHEREAS, the internal loan will be from the General Fund which has an estimated ending fund balance of \$6.4 million (inclusive of the fully funded reserves per the reserve policy of \$4,611,064) as of June 30, 2014 pursuant to the mid-term budget; and

WHEREAS, the next scheduled debt payment is September 2013.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the City Council of the City of Galt, California, that the City Council hereby authorizes

1. The refinancing of the 2001 Police Building and Related Facilities Certificate of Participation (COP) and the payoff of the 1999 Revenue Bonds (Wastewater Refunding) using cash on hand and an internal loan;
2. That refinancing should occur no later than the next scheduled debt payment date of September 1, 2013;
3. An appropriation of \$670,000 from the General Fund Unassigned Fund Balance to refinance the Police Building COP;
4. An appropriation of \$963,000 from the Wastewater Treatment Plant Expansion fund and reduction in the appropriation from \$462,690 to \$265,000 from the Capital Reserve Sewer Fund to payoff the 1999 Wastewater Revenue Bonds;
5. The loan from the General Fund to refinance the Police Building COP shall have a term of 3 years and a maturity of September 1, 2016;
6. Other accounting entries as may be necessary to record the loan as further described herein and to be incorporated in the Budget Change Form 14-08 attached hereto and incorporated by reference herein;
7. Interest rate on the General Fund loans to accrue at 2%.

The City Clerk shall certify the passage and adoption of this resolution and enter it into the book of original resolutions.

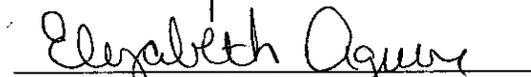
PASSED AND ADOPTED by the City Council of the City of Galt, California, this 4th day of June, 2013, upon a motion by Council Member Campion, seconded by Council Member Powers, by the following vote, to wit:

AYES:	Council members:	Singleton, Payne, Campion, Crews, Powers
NOES:	Council members:	
ABSTAIN:	Council members:	
ABSENT:	Council members:	



MAYOR, City of Galt

ATTEST:



City Clerk, City of Galt