

MEMBER CITIES

Alhambra
 Apple Valley
 Azusa
 Baldwin Park
 Barstow
 Bell
 Bellflower
 Brea
 Calaveras County Water District
 Capitola
 Carpinteria
 Carson
 Chino
 Claremont
 Clovis
 Colton
 Commerce
 Compton
 Covina
 Downey
 Duarte
 El Monte
 Fairfield
 Fontana
 Fresno
 Gardena
 Garden Grove
 Glendale
 Glendora
 Hawaiian Gardens
 Hawthorne
 Huntington Park
 Indio
 Inglewood
 La Habra
 La Puente
 Lakewood
 Lancaster
 Lawndale
 Long Beach
 Los Angeles
 Lynwood
 Monrovia
 Montclair
 Montebello
 Monterey Park
 Morgan Hill
 Norwalk
 Oceanside
 Palmdale
 Palm Springs
 Paramount
 Pico Rivera
 Planada Community Services District
 Pomona
 Rancho Cucamonga
 Rialto
 Riverside
 Rohnert Park
 Salinas
 San Bernardino
 San Bernardino County
 San Diego County
 San Fernando
 San Juan Capistrano
 San Marcos
 San Mateo County
 Santa Clarita
 Santa Rosa
 Signal Hill
 South Gate
 Union City
 Vernon
 Visalia
 Vista
 West Covina
 Whittier
 Yucaipa

BOARD MEMBERS

OFFICERS
 Sylvia Ballin, President
 San Fernando
 Jose Solache, Vice President/Treasurer
 Lynwood
DIRECTORS
 VACANT, Baldwin Park
 Aja Brown, Compton
 Eduardo "Eddie" Martinez, Huntington Park
 Al Rios, South Gate
 Leticia Lopez, Vernon

Secretary/Executive Director
 Debbie Smith
General Legal Counsel
 Scott Campbell
 Best Best & Krieger, LLP



INDEPENDENT CITIES FINANCE AUTHORITY
 Regular Meeting of the Board of Directors
 Regular Meeting of the Executive Committee

Tuesday, December 22, 2020
 12:00 p.m.

TELEPHONIC BOARD MEETING
Call In Information:
 Call In Number: 1-712-775-7031
 Participant Number: 236-977-467#

NOTE: In accordance with the Governor's Executive Order (N-29-20) and the declared State of Emergency as a result of the threat of COVID-19, members of the Board of Directors and staff will be participating in this meeting remotely from multiple locations. Members of the public are encouraged to use the call-in number, which will allow them to fully participate in the meeting without having to be present in person. If members of the public have any problems using the call-in number during the meeting, please contact the ICFA office at (877) 906-0941.

STAFF REPORTS AND OTHER WRITTEN DOCUMENTS RELATED TO ITEMS ON THIS AGENDA CAN BE OBTAINED FROM THE INDEPENDENT CITIES FINANCE AUTHORITY BY CALLING (877) 906-0941.

FOR YOUR INFORMATION: The Authority Board/Executive Committee will hear from the public on any items on the agenda or an item of interest to the Board/Executive Committee that is not on the Agenda. These items may be referred for administrative action or scheduled on a future agenda. Comments are to be limited to three minutes for each speaker, unless extended by the Authority Board. Each speaker will have an opportunity to speak on any Agenda item. You have the opportunity to address the Authority Board at the following times:

- A. AGENDA ITEMS: at the time the Authority Board considers the Agenda item or during Public Comment, and
- B. NON-AGENDA ITEMS: during Public Comment – comments will be received for a maximum 30-minute period; any additional requests will be heard following the completion of the Agenda, and
- C. PUBLIC HEARINGS: at the time of the Public Hearing

I. CALL TO ORDER. (Page 4)

II. ROLL CALL. (Page 4)

City of Baldwin Park
City of Compton
City of Huntington Park
City of Lynwood

City of San Fernando
City of South Gate
City of Vernon

III. AMENDMENTS OR ADJUSTMENTS TO THE AGENDA. (Page 4)

IV. PUBLIC COMMENTS. At this time the public shall have an opportunity to comment on any non-agenda item relevant to the jurisdiction of the Authority. Reasonable time limits are imposed on each topic and each speaker. In accordance with the provisions of the Ralph M. Brown Act (GC § 54950 et seq.), no action or discussion may take place by the Board of any items not on the posted agenda. The Board may respond to statements made or questions asked and may direct staff to report back on the topic at a future meeting. (Pages 4-5)

V. NEW BUSINESS.

A. Approval Of Minutes Of The June 24, 2020 Board Of Directors Meeting. (Pages 5 & 13-17).
RECOMMEND APPROVAL

B. Approval Of The Issuance Of Independent Cities Finance Authority (City of Compton, California) Sales Tax Revenue Bonds Utilizing Measure M, Measure R, And Proposition C Sales Tax Receipts For The Purposes Of Financing The Construction Of Local Street And Road Improvement Projects In The City Of Compton, California. (Pages 5-9)
RECOMMEND APPROVAL

C. Approval/Adoption Of Resolution No. 2020-2 (A Resolution Of The Board Of Directors/Executive Committee Of The Independent Cities Finance Authority Authorizing The Issuance Of The Independent Cities Finance Authority (City of Compton, California), Sales Tax Revenue Bonds; The Execution And Delivery By The Authority Of An Installment Sale Agreement, Trust Agreement And Bond Purchase Agreement; Authorizing The Distribution OF A Limited Offering Memorandum In Connection With The Issuance Of The Bonds; And Authorizing The Execution Of Necessary Documents And Certificates And Related Actions. (Pages 9-10 & 18-25)
RECOMMEND APPROVAL/ADOPTION

D. Approval Of Financial Accounting For The Period June 1, 2020 to October 31, 2020. (Pages 10-12)
RECOMMEND APPROVAL

VI. COMMENTS FROM BOARD MEMBERS. (Page 12)

VII. **MATTERS FROM STAFF.** *(Page 12)*

VIII. **ADJOURNMENT.** *(Page 12)*

The public shall have an opportunity to comment on any item as each item is considered by the Board/Executive Committee and prior to action being taken. Agenda reports are available at the Independent Cities Finance Authority office upon request by calling (877) 906-0941.

NOTICE: New items will not be considered after 1:00 p.m. unless the Board of Directors/Executive Committee votes to extend the time limit. Any items on the agenda that are not completed will be forwarded to the next regular Board of Directors/Executive Committee meeting.

IN COMPLIANCE WITH THE AMERICAN DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT THE INDEPENDENT CITIES FINANCE AUTHORITY AT (877) 906-0941. NOTIFICATION 48 HOURS PRIOR TO THE MEETING WILL ENABLE THE INDEPENDENT CITIES FINANCE AUTHORITY TO MAKE REASONABLE ARRANGEMENTS TO ENSURE ACCESSIBILITY TO THIS MEETING.

NOTE TO CITY CLERKS:

Please post this Meeting Notice just as you would a City Council agenda.

INDEPENDENT CITIES FINANCE AUTHORITY
REGULAR MEETING OF THE BOARD OF DIRECTORS
REGULAR MEETING OF THE EXECUTIVE COMMITTEE

December 22, 2020 – 12:00 p.m.

AGENDA SUMMARY

I. CALL TO ORDER.

II. ROLL CALL.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

A roll call of the following member cities will be conducted:

City of Baldwin Park
City of Compton
City of Huntington Park
City of Lynwood

City of San Fernando
City of South Gate
City of Vernon

C. RECOMMENDATION:

None.

III. AMENDMENTS OR ADJUSTMENTS TO THE AGENDA.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

None.

C. RECOMMENDATION:

None.

IV. PUBLIC COMMENT.

A. MATERIAL ENCLOSED:

None.

AGENDA SUMMARY

December 22, 2020

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B. COMMENTS:

At this time the public shall have an opportunity to comment on any non-agenda item relevant to the jurisdiction of the Authority. Reasonable time limits are imposed on each topic and each speaker. In accordance with the provisions of the Ralph M. Brown Act (GC § 54950 et seq.), no action or discussion may take place by the Board of any items not on the posted agenda. The Board may respond to statements made or questions asked and may direct staff to report back on the topic at a future meeting.

C. RECOMMENDATION:

None.

V. NEW BUSINESS.

A. APPROVAL OF MINUTES OF THE JUNE 24, 2020 BOARD OF DIRECTORS MEETING.

A. MATERIAL ENCLOSED: (PAGES 13-17)

Minutes of the June 24, 2020 Board of Directors meeting.

B. COMMENTS:

None.

C. RECOMMENDATION:

Approve the minutes of the June 24, 2020 Board of Directors meeting.

B. APPROVAL OF THE ISSUANCE OF INDEPENDENT CITIES FINANCE AUTHORITY (CITY OF COMPTON, CALIFORNIA) SALES TAX REVENUE BONDS UTILIZING MEASURE M, MEASURE R, AND PROPOSITION C SALES TAX RECEIPTS FOR THE PURPOSES OF FINANCING THE CONSTRUCTION OF LOCAL STREET AND ROAD IMPROVEMENT PROJECTS IN THE CITY OF COMPTON, CALIFORNIA.

A. MATERIAL ENCLOSED:

None.

AGENDA SUMMARY

December 22, 2020

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B. COMMENTS:

Background:

The City of Compton receives Local Return Funds, which are half cent measures funded from certain Countywide sales revenues to pay for street/road maintenance and infrastructure projects. Measure M, approved by voters in 2016, and Measure R, approved in 2008, and Proposition C, approved in 1990, have steadily allocated these revenues to cities located in Los Angeles County by the Metropolitan Transportation Authority (Metro).

These receipts are distributed monthly to cities on a per capita basis. In order to utilize these programs, cities must submit capital projects for approval to Metro and must adhere to the established Metro project guidelines by an annual independent audit and ongoing monitoring through an independent taxpayer oversight committee.

The City is proposing to issue bonds through ICFA to finance the construction of street improvement and infrastructure projects. Metro has approved the projects submitted by the City of Compton, as well as the bond financing.

The bonds will be secured by a pledge of the City's Measure M, Measure R, and Proposition C receipts. The annual revenues received from these sources is expected to exceed the annual debt service of the Bonds plus amounts expected to be needed for pay-go capital improvement projects and other City expenses payable from these revenue sources.

ICFA would issue tax-exempt Sales Tax Revenue Bonds on behalf of the City of Compton. As part of the transaction, the City would enter into a Trust Agreement by and among the City, ICFA, and US Bank National Association, as trustee for the Bonds, pursuant to which it would pledge its receipts of Measure M, Measure R, and Proposition C receipts to the payment of debt service on the Bonds for as long as the Bonds are outstanding. The City shall also enter into an Installment Sale Agreement with ICFA to which ICFA will (a) acquire, construct, and complete the projects for, and sell the projects to the City, and (b) the City will purchase the projects from the Authority by making installment sale payments to the Authority in an amount equal to the aggregate principal amount of the Bonds.

ICFA shall sell the Bonds to Raymond James, as Underwriter, pursuant to a Bond Purchase Agreement by and among ICFA, the City and the Underwriter. The Underwriter will then sell the Bonds to investors. To help facilitate the marketing and sale of the Bonds, Nixon Peabody as Underwriter Counsel, with the assistance of ICFA and the City, will prepare a Limited Offering Memorandum which provides information about the Bonds, the City, ICFA, the

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Measure R Sales Tax, the Measure M Sales Tax, Proposition C Sales Tax and other pertinent information.

Financing Team:

The financing team for this transaction is as follows:

<u>Participant</u>	<u>Firm</u>
Issuer	Independent Cities Finance Authority
Issuer's Counsel	Best Best & Krieger LLP
Co-Bond Counsel & Disclosure Counsel	Butler Snow LLP & Stradling Yocca Carlson Rauth
Underwriter	Raymond James & Associates, Inc.
Underwriter's Counsel	Nixon Peabody
Financial Advisor	Willdan Financial Services
Trustee	U.S. Bank National Association
Borrower	City of Compton
Borrower's Counsel	City of Compton City Attorney

Sources And Uses of Funds:

The Sources and Uses of Funds are as follows. The financing of this project is estimated generally as follows (please note that these numbers are preliminary and are subject to change). More details can be found in the document sent under separate cover.

	Measure M	Measure R	Proposition C	Total
SOURCES:				
Bond Proceeds:				
Par Amount	\$15,210,000.00	\$7,010,000.00	\$10,740,000.00	\$32,960,000.00
Premium	2,264,446.70	1,116,200.90	1,641,364.75	5,022,012.35
TOTAL SOURCES	\$17,474,446.70	\$8,126,200.90	\$12,381,364.75	\$37,982,012.35
USES:				
Street Improvement Fund	\$16,069,902.88	\$7,478,873.34	\$11,389,596.13	\$34,938,372.35
Debt Service Reserve Fund	1,060,685.22	488,849.67	748,965.11	2,298,500.00
Cost of Issuance	206,968.60	95,387.89	146,143.51	448,500.00
Underwriter's Discount	136,890.00	63,090.00	96,660.00	296,640.00
TOTAL USES	\$17,474,446.70	\$8,126,200.90	\$12,381,364.75	\$37,982,012.35

Good Faith Estimates:

A good faith estimate was obtained from Raymond James (the Underwriter), based on cash flows prepared on November 24, 2020. This document outlines estimates based on: 1) true interest cost of the base rental payments evidenced

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by the Series 2021 Bonds; 2) finance charge of the Series 2021 Bonds; 3) amount of proceeds to be received; and 4) total payment (see Page 25 for further details).

Costs of Issuance:

The costs of issuance will be covered solely from the Measure R, Measure M, and Proposition C receipts.

<u>Payee</u>	<u>Purpose</u>	<u>Payment*</u>
Butler Snow LLP & Stradling Yocca Carlson Rauth	Co-Bond & Disclosure Counsel	\$170,000.00
ICFA	Issuer	100,000.00
Best Best & Krieger LLP	Issuer's Counsel	11,000.00
Willdan Financial Services	Municipal Advisor	40,000.00
US Bank	Trustee	6,000.00
City Attorney	City Legal Services	75,000.00
Printer	TBD	3,000.00
City of Compton	Legal Services	TBD
Standard & Poors	Rating Agency	33,500.00
Contingency		10,000.00
TOTAL		\$448,500.00

City of Compton Obligations

The City of Compton conducted a public hearing and adopted the necessary documents to approve the bond financing by ICFA on December 15, 2020.

ICFA Payment and Responsibilities

ICFA will receive a fee at closing equal to 20 basis points times the principal amount of the bonds issued. ICFA will thereafter receive an annual fee equal to 10 basis points on the outstanding principal of the bonds as long as the bonds are outstanding. The obligation of the City of Compton to pay these fees is set forth in the Installment Sale Agreement.

The bonds are not a financial obligation of the Authority. They are payable solely from revenues from Measure M, Measure R, and Proposition C receipts pledged by the City of Compton to repayment of the bonds.

The City receives approximately \$4.49 million annual revenues received from these revenues, which exceeds the proposed annual debt service of \$2.1 million for the Bonds. For reference, a list of the Sources and Uses of Funds can be found in an attachment under separate cover.

Timeline:

After ICFA Board approval, a 60 day validation process will begin. Raymond James will post a Limited Offering Memorandum on February 23rd, at which time the rate is locked in and they can begin to sell bonds to investors. The bonds will be pre-priced and priced on March 2nd and 3rd, and financing will be complete on March 17th. These anticipated deadlines are contingent upon factors such as the conditions of the bond market and timely completion of events and/or certain tasks.

Bond Documents:

The ICFA resolution approving the bond documents are enumerated under Agenda Item C.

C. RECOMMENDATION:

Approve all aspects of the proposed project for the City of Compton sales tax revenue bonds.

C. APPROVAL/ADOPTION OF RESOLUTION NO. 2020-2 (A RESOLUTION OF THE BOARD OF DIRECTORS/EXECUTIVE COMMITTEE OF THE INDEPENDENT CITIES FINANCE AUTHORITY AUTHORIZING THE ISSUANCE OF THE INDEPENDENT CITIES FINANCE AUTHORITY (CITY OF COMPTON, CALIFORNIA), SALES TAX REVENUE BONDS; THE EXECUTION AND DELIVERY BY THE AUTHORITY OF AN INSTALLMENT SALE AGREEMENT, TRUST AGREEMENT AND BOND PURCHASE AGREEMENT; AUTHORIZING THE DISTRIBUTION OF A LIMITED OFFERING MEMORANDUM IN CONNECTION WITH THE ISSUANCE OF THE BONDS; AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS.

A. MATERIAL ENCLOSED: (PAGES 18-25) AND UNNUMBERED BOND DOCUMENTS DELIVERED UNDER SEPARATE COVER)

1. Resolution No. 2020-2 (Pages 18-24)
2. Good Faith Estimate (Page 25)
3. Installment Sale Agreement
4. Trust Agreement
5. Bond Purchase Agreement
6. Preliminary Limited Offering Memorandum
7. Preliminary Sources and Uses Of Funds and Estimated Bond Debt Service Schedule

AGENDA SUMMARY

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B. COMMENTS:

Documents:

The Resolution and Good Faith Estimate is included in the packet; the draft bond documents were distributed under separate cover for review.

Summary

The bond documents referred to above may be modified by the President, staff and General Legal Counsel to the extent necessary to carry out the purposes expressed by the Board of Directors/Executive Committee in Resolution 2020-2 following the distribution of this packet and action by the Board of Directors/Executive Committee.

Any and all questions regarding the myriad of bond documents can be answered by the various consultants at the meeting.

C. RECOMMENDATION:

1. Approve/adopt Resolution No. 2020-2 approving the bond issuance and the various agreements and documents relating thereto; and
2. Authorize General Legal Counsel to work with respective parties to finalize necessary documents; and
3. Authorize President Ballin and staff to execute to execute any and all necessary documents relating thereto.

D. APPROVAL OF FINANCIAL ACCOUNTING FOR THE PERIOD JUNE 1, 2020 TO OCTOBER 31, 2020.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

Receipts for the period June 1, 2020 to October 31, 2020 were as follows:

Castle monthly fees (5 months)	2,465.84
Yucaipa monthly fees (5 months)	2,481.25
Vista de Santa Barbara monthly fees (5 months)	3,505.83
Hacienda Valley monthly fees (5 months)	4,045.85
Palm Springs monthly fees (5 months)	4,371.65
Palomar East monthly fees (5 months)	5,127.10
Santa Rosa monthly fees (5 months)	5,559.00

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Castle audit fees	6,000.00
Rancho Vallecitos audit fees	6,000.00
Rohnert Park audit fees	6,000.00
Sahara audit fees	6,000.00
Vista de Santa Barbara audit fees	6,000.00
Augusta Communities (annual loan payment)	6,012.92
Byron-Bethany Irrigation District (administrative & legal fees)	6,500.00
MASH fees	6,708.91
Westlake/Millbrook monthly fees (5 months)	6,912.50
Augusta Communities (quarterly fees)	7,276.56
Zions Bank (charter school quarterly fees)	7,316.22
Palomar West monthly fees (5 months)	7,412.50
Rancho Vallecitos monthly fees (5 months)	7,952.10
Rohnert Park monthly fees (5 months)	8,760.40
Union City monthly fees (5 months)	11,366.64
Pillar Ridge monthly fees (5 months)	11,390.00
The Woods monthly fees (5 months)	12,645.85
San Juan monthly fees (5 months)	14,300.00
TOTAL RECEIPTS	\$172,111.12

Expenditures for the period June 1, 2020 to October 31, 2020 were as follows:

Best Best & Krieger (legal fees)	8,604.00
US Bank (DPA fees)	500.00
Sylvia Ballin (Board meeting stipend)	150.00
Aja Brown (Board meeting stipend)	150.00
Leticia Lopez (Board meeting stipend)	150.00
Eduardo Martinez (Board meeting stipend)	150.00
Jose Solache (Board meeting stipend)	150.00
Smith, Alvarez & Castillo (staff services)	18,750.00
Tripepi Smith (public relations)	550.00
Best Best & Krieger (legal fees)	5,959.50
Smith, Alvarez & Castillo (staff services)	19,331.25
Tripepi Smith (public relations)	680.00
Smith, Alvarez & Castillo (staff services)	19,331.25
S&P Global Services (annual fee)	91.00
UPS Store (notary & shipping fees)	137.07
Smith, Alvarez & Castillo (accrual-staff services)	24,801.61
Tripepi Smith (public relations)	150.00
UPS Store (notary & shipping fees)	137.76
USPS (post office box annual fee)	452.00
Alliant Insurance Services (E&O insurance)	5,904.94
UPS Store (notary & shipping fees)	95.93
Smith, Alvarez & Castillo (staff services)	19,331.25
Vasquez & Company LLP (audit services)	5,500.00
TOTAL EXPENDITURES	\$131,057.56

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ICFA account balances as of October 31, 2020 are as follows:

Bank of America - \$111,180.47
LAIF - \$368,403.04

It should also be noted that ICFA has one outstanding loan to Augusta Communities in the amount of \$90,000, with an outstanding balance of \$68,154.08

C. RECOMMENDATION:

Approve the financial accounting for the period June 1, 2020 to October 31, 2020.

VI. COMMENTS FROM BOARD MEMBERS.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

None.

C. RECOMMENDATION:

None

VII. MATTERS FROM STAFF.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

None.

C. RECOMMENDATION:

None.

VIII. ADJOURNMENT.

INDEPENDENT CITIES FINANCE AUTHORITY

BOARD OF DIRECTORS ANNUAL MEETING

June 24, 2020

MINUTES

I. CALL TO ORDER.

The annual meeting of the Board of Directors of the Independent Cities Finance Authority (ICFA) was called to order on June 24, 2020 at 12:02 p.m. by President Sylvia Ballin.

I. ROLL CALL.

Members Of The Executive Committee/Board of Directors Present_
(Voting)

Sylvia Ballin, President	San Fernando
Jose Solache, Vice President	Lynwood
Aja Brown	Compton
Leticia Lopez	Vernon
Eduardo "Eddie" Martinez	Huntington Park

Alternate Members Of The Board of Directors Present

None

The cities of Baldwin Park and South Gate were not represented by a voting member.

Guests Present

Julie Ann Anopol	Willdan Financial Services
Wes Wolf	Wolf & Company, Inc.

Staff Present

Scott Campbell	Best Best & Krieger LLP
Debbie Smith	Smith, Alvarez & Castillo/ICFA

II. AMENDMENTS OR ADJUSTMENTS TO THE AGENDA.

There were no amendments or adjustments to the agenda.

III. PUBLIC COMMENTS.

There were no members of the public who wished to speak.

IV. NEW BUSINESS.

A. APPROVAL OF THE MINUTES OF THE DECEMBER 4, 2019 BOARD OF DIRECTORS MEETING.

It was moved by Leticia Lopez, seconded by Jose Solache, and carried by the following roll call vote to approve the minutes of the December 4, 2019 Board of Directors meeting:

- AYES: Sylvia Ballin (San Fernando), Aja Brown (Compton), Leticia Lopez (Vernon), Eduardo Martinez (Huntington Park), Jose Solache (Lynwood)
NOES: None
ABSTAIN: None
ABSENT: City of Baldwin Park, City of South Gate

B. APPROVAL/ADOPTION OF RESOLUTION NO. 2020-1 (A RESOLUTION OF THE BOARD OF DIRECTORS/EXECUTIVE COMMITTEE OF THE INDEPENDENT CITIES FINANCE AUTHORITY AUTHORIZING AND DIRECTING THE EXECUTION AND DELIVERY OF A JOINT EXERCISE OF POWERS AGREEMENT NECESSARY FOR THE CREATION OF THE CALIFORNIA MUNICIPAL PUBLIC FINANCING AUTHORITY AND PROVIDING FOR OTHER MATTERS PROPERLY RELATED THERETO).

Staff reported generally as follows:

By way of introduction, the Byron-Bethany Irrigation District is a multi-county special district serving parts of Alameda, Contra Costa, and San Joaquin Counties across 47 square miles and 30,000 acres.

The Byron-Bethany Irrigation District has determined that the utilization of a joint exercise of powers agency will provide enhanced savings over other legal structures available to the District and will, therefore, be most economically beneficial to the District and its constituents. As such, the District has researched various potential agencies that might be willing to create a District-controlled Joint Powers Authority (JPA), and has concluded that the Independent Cities Finance Authority provides the best available option to create a new JPA, which will be called the California Municipal Public Financing Authority.

The California Municipal Public Financing Authority will offer low-cost, tax-exempt refinancing options for each water contractor with an eligible Bureau of Reclamation Water Service Contract under the "Water Infrastructure Improvements for the Nation Act (WIIN)." The Authority will provide a turnkey resource for public agencies to refinance WIIN contracts, restructure pension plan liabilities, and otherwise access cost effective capital.

ICFA staff is recommending that the Board work with the District to create a new JPA that will be controlled solely by the Board of Directors of the District. As noted above, the new JPA will be called the California Municipal Public Financing Authority. The Byron-Bethany Irrigation District approved the creation of the new JPA at its Board meeting of June 16, 2020.

Board Members were referred to a form of the proposed Joint Exercise of Powers Agreement creating the new California Municipal Public Financing Authority included in the agenda packet. The JPA Agreement expressly provides that the Authority will be a public entity separate and apart from the parties to the JPA Agreement and that the debts, liabilities and obligations of the Authority will not be the debts, liabilities or obligations of either the District or ICFA.

The District has agreed to pay ICFA a one-time transaction fee of \$6,500, which includes ICFA staff and legal costs.

In response to a question regarding the benefits to ICFA, it was noted that ICFA will be able to participate in any projects created by the JPA, and further that the JPA will be responsible for any and all tasks related thereto.

President Ballin asked if there were any further questions or comments. There were none.

It was moved by President Ballin, seconded by Eduardo Martinez, and carried by the following roll call vote to: 1) approve/adopt Resolution No. 2020-1 authorizing and directing the execution of a Joint Exercise of Powers Agreement necessary for the creation of the California Municipal Public Financing Authority; 2) authorize General Legal Counsel to work with respective parties to finalize

necessary documents; and 3) authorize President Ballin and staff to execute any and all necessary documents relating thereto:

AYES: Sylvia Ballin (San Fernando), Aja Brown (Compton), Leticia Lopez (Vernon), Eduardo Martinez (Huntington Park), Jose Solache (Lynwood)

NOES: None

ABSTAIN: None

ABSENT: City of Baldwin Park, City of South Gate

C. APPROVAL/ADOPTION OF A BUDGET FOR THE 2020-21 FISCAL YEAR AND A STATEMENT OF INVESTMENT POLICY FOR A TWO YEAR PERIOD.

Jose Solache, ICFA Treasurer, referred those present to the proposed budget contained in the agenda packet noting that it represents the best estimates of staff regarding future financings, and noted that a balanced budget is being presented for approval/adoption.

He also noted that a Statement of Investment Policy should be adopted which requires that all Authority funds be deposited in a bank and/or in the State of California Local Agency Investment Fund (LAIF), unless otherwise directed by the Board.

A question was asked about the decrease in new issuance receipts during the 2019-20 FY. Staff noted that two financings have been delayed due to COVID-19 restrictions/guidelines.

President Ballin asked if there were any more questions or comments. There were none.

It was moved by Jose Solache, seconded by Leticia Lopez, and carried by the following roll call vote to approve the 2020-21 FY budget and Statement of Investment Policy:

AYES: Sylvia Ballin (San Fernando), Aja Brown (Compton), Leticia Lopez (Vernon), Eduardo Martinez (Huntington Park), Jose Solache (Lynwood)

NOES: None

ABSTAIN: None

ABSENT: City of Baldwin Park, City of South Gate

D. APPROVAL OF FINANCIAL ACCOUNTING FOR THE PERIOD NOVEMBER 1, 2019 TO MAY 31, 2020.

Staff provided a report on the accounting for the period noted.

President Ballin asked if there were any questions or comments. There were none.

It was moved by Jose Solache, seconded by Eduardo Martinez, and carried by the following roll call vote to approve the financial accounting for the period November 1, 2019 to May 31, 2020:

- AYES: Sylvia Ballin (San Fernando), Aja Brown (Compton), Leticia Lopez (Vernon), Eduardo Martinez (Huntington Park), Jose Solache (Lynwood)
NOES: None
ABSTAIN: None
ABSENT: City of Baldwin Park, City of South Gate

VI. COMMENTS FROM BOARD MEMBERS.

President Ballin thanked everyone for their participation in the meeting, especially during these challenging times. She noted that she looks forward to the time where meetings can be held in person.

VII. COMMENTS FROM STAFF.

Staff asked Board Members to mark their calendars for a meeting on July 22nd.

VIII. ADJOURNMENT.

There being no further business to be discussed, the meeting was adjourned at 12:18 p.m.

Respectfully submitted,

_____/s/_____
Deborah J. Smith
Executive Director

RESOLUTION NO. 2021-2

A RESOLUTION OF THE BOARD OF DIRECTORS/EXECUTIVE COMMITTEE OF THE INDEPENDENT CITIES FINANCE AUTHORITY AUTHORIZING THE ISSUANCE OF THE INDEPENDENT CITIES FINANCE AUTHORITY (CITY OF COMPTON, CALIFORNIA), SALES TAX REVENUE BONDS; THE EXECUTION AND DELIVERY BY THE AUTHORITY OF AN INSTALLMENT SALE AGREEMENT, TRUST AGREEMENT AND BOND PURCHASE AGREEMENT; AUTHORIZING THE DISTRIBUTION OF A LIMITED OFFERING MEMORANDUM IN CONNECTION WITH THE ISSUANCE OF THE BONDS; AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS.

WHEREAS, the Independent Cities Finance Authority (the “**Authority**”) is a joint exercise of powers authority duly organized and operating pursuant to Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California;

WHEREAS, Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (“**Article 4**”) authorizes and empowers the Authority to issue bonds to assist its local agency members in financing projects and programs consisting of certain public improvements, working capital, liability, and other insurance needs whenever a local agency member determines that there are significant public benefits from so doing;

WHEREAS, the City of Compton, California (the “**City**”) is a member of the Authority;

WHEREAS, the City Council of the City has determined that the Authority’s issuance of tax-exempt sales tax revenue bonds, in an amount not to exceed \$45,000,000 (the “**Bonds**”), in order to finance (a) capital expenditures connected with the City’s Residential and Commercial Street Rehabilitation Project, including, but not limited to, rehabilitating, constructing, enlarging, improving, and/or equipping City Streets, sidewalks, gutters, curbs and ramps, streetlights, and street signs (the “**Rehabilitation Project**”), which is further described at Exhibit A attached hereto, and (b) certain necessary expenses incidental thereto, including the costs of issuing the Bonds and any credit enhancement in connection therewith (together, (a) and (b) constitute the “**Project**”), will result in significant public benefits within the meaning of California Government Code Section 6586;

WHEREAS, the Authority is empowered pursuant to the 2021 Installment Sale Agreement and Article 4 to finance the Project on behalf of the City by issuing Bonds;

WHEREAS, the members of the Board of Directors of the Authority (the “**Board**”) have been duly appointed and qualified;

WHEREAS, in order to finance the Project and issue the Bonds, it is hereby proposed that the Authority enter into a Trust Agreement (the “**Trust Agreement**”) by and among the City, the Authority, and U.S. Bank National Association, as trustee (the “**Trustee**”), pursuant to which the Authority will issue, and the Trustee will authenticate and deliver, the Bonds;

WHEREAS, in order to finance the Project, it is hereby proposed that the Authority enter into an Installment Sale Agreement (the “**2021 Installment Sale Agreement**”) by and between the City and the Authority, pursuant to which (a) the Authority will acquire, construct, and complete the Project for, and sell the Project to, the City, and (b) the City will purchase the Project from the Authority by making installment sale payments to the Authority in amounts and at the times necessary to enable the Authority to pay scheduled principal of and interest on the Bonds (the “**2021 Installment Sale Payments**”);

WHEREAS, the 2021 Installment Sale Payments shall be payable by the City solely from the Measure R Receipts, Measure M Receipts, and Proposition C Receipts, as such terms are defined in the 2021 Installment Sale Agreement (collectively, the “**Tax Revenues**”);

WHEREAS, the Bonds will be payable by the Authority from the 2021 Installment Sale Payments received by the Authority from the City under the 2021 Installment Sale Agreement;

WHEREAS, in connection with the issuance and sale of the Bonds, it is hereby proposed that the Authority enter into a Bond Purchase Agreement (the “**Purchase Agreement**”) by and among the City, the Authority, and the Raymond James & Associates, Inc., as underwriter of the Bonds (the “**Underwriter**”), setting forth certain terms and conditions pertaining to the purchase and sale of the Bonds;

WHEREAS, in connection with the sale of the Bonds, it is hereby proposed that the City and the Authority execute and deliver preliminary and final limited offering memoranda (together, the “**Limited Offering Memorandum**”), which will be used by the Underwriter in the marketing and sale of the Bonds;

WHEREAS, forms of the Trust Agreement, the 2021 Installment Sale Agreement, the Purchase Agreement, and the Limited Offering Memorandum have been presented to the Board at this meeting and are on file with the Secretary of the Board, and each member of the Board has examined and approved each document and desires to authorize the issuance of the Bonds and the execution of such documents in connection therewith;

WHEREAS, in accordance with the Borrowing Guidelines of the Los Angeles County Metropolitan Transportation Authority (“**Metro**”) relating to the Revenues, the City has presented the form of the Trust Agreement and the 2021 Installment Sale Agreement and a description of the Rehabilitation Project to Metro, and Metro has reviewed and approved the forms of the Trust Agreement and the 2021 Installment Sale Agreement and the use of the Revenues to pay the 2021 Installment Sale Payments;

WHEREAS, in accordance with the requirements of Government Code Section 6586.5, the City held a public hearing regarding the proposed financing on December 15, 2020;

WHEREAS, notice of such hearing was published at least five days prior to such hearing in a newspaper of general circulation in the City;

WHEREAS, good faith estimates of certain information relating to the 2021 Installment Sale Agreement, the Trust Agreement and the Bonds are set forth in the staff report submitted to the Board herewith as required by California Government Code Section 5852.1; such estimates were provided by the City’s Municipal Advisor based on preliminary bond pricing information provided by the Underwriter; and

WHEREAS, all acts, conditions and things required by the 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 such 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 Authority 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, DETERMINED AND ORDERED BY THE BOARD OF DIRECTORS/EXECUTIVE COMMITTEE OF THE INDEPENDENT CITIES FINANCE AUTHORITY AS FOLLOWS:

Section 1. Recitals. The above recitals, and each of them, are true and correct.

Section 2. 2021 Installment Sale Agreement. The form of 2021 Installment Sale Agreement is hereby approved, and the Executive Director of the Authority (the “**Executive Director**”) is hereby authorized and directed to execute and deliver the 2021 Installment Sale Agreement in substantially such form, with any changes, additions, and completions thereto as the Executive Director, following consultation with general counsel to the Authority, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. Trust Agreement. The form of Trust Agreement is hereby approved, and the Executive Director is hereby authorized and directed to execute and deliver the Trust Agreement in substantially such form, with any changes, additions and completions thereto as the Executive Director, following consultation with general counsel to the Authority, may require or approve.

Section 4. Approval of Bonds. The issuance of the Bonds, in the principal amounts, bearing interest at the rates and maturing on the dates as specified in the Trust Agreement, is hereby authorized and approved. The sale and issuance of the Bonds is hereby determined to be consistent with the Authority’s Debt Management Policy and to the extent the sale and issuance of the Bonds is not in compliance with the Authority’s Debt Management Policy, such noncompliance is waived in accordance with the terms of the Authority’s Debt Management Policy.

Section 5. Purchase Agreement. The form of Purchase Agreement is hereby approved, and any member of the Board is hereby authorized and directed to execute the Purchase Agreement in substantially such form, with any changes, additions, and completions thereto as any member of the Board may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof, subject to the following limitations:

- a. The true interest cost of the Bonds shall not exceed 4.85%;
- b. the aggregate principal amount of the Bonds shall not exceed \$45,000,000;
- c. the maximum annual repayment cost and total repayment cost due on the Bonds shall not exceed \$2,300,000 and \$67,000,000, respectively;
- d. the final maturity date of the Bonds shall be no later than June 1, 2051; and
- e. the underwriter's discount for the sale of the Bonds shall not exceed 0.90% of the aggregate principal amount of the Bonds.

Section 6. Limited Offering Memorandum. The form of Limited Offering Memorandum is hereby approved. Any member of the Board is hereby authorized and directed to execute and deliver any and all certificates and representations, signature certificates, no-litigation certificates, tax and rebate certificates, and certificates concerning certain portions of the Limited Offering Memorandum distributed in connection with the sale of the Bonds. Any member of the Board and other appropriate officers of the Authority are hereby authorized and directed to execute and deliver any and all certificates, investment instructions or agreements relating to the proceeds of the Bonds, certificates or agreements relating to the bond insurance, written requests, and other certificates necessary or desirable to issue the Bonds, to pay costs of issuance, or to accomplish the transactions contemplated herein.

Section 7. Bond Insurance. The Board hereby acknowledges that the City Manager of the City may select a municipal bond insurer to insure payments of interest and principal on all or a portion of the Bonds so long as the City Manager of the City determines that obtaining the municipal bond insurance policy provided thereby will result in a lower interest rate or yield to maturity on such Bonds. Stradling Yocca Carlson & Rauth, A Professional Corporation, and Butler Snow LLP, as Co-Bond Counsel to the City, are hereby directed to make all changes to the 2021 Installment Purchase Agreement, the Trust Agreement, and the Purchase Agreement as are necessary to reflect the selection of a municipal bond insurer and the reasonable comments thereof.

Section 8. Other Acts. The officers and agents of the Authority are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to, and comply with the terms and intent of this Resolution, including, without limitation, negotiating the terms of an insurance policy and/or a reserve surety bond to the extent such insurance and surety bond is determined to be economically advantageous.

Section 9. Ratification of Prior Acts. All actions taken heretofore by the officers and agents of the Authority with respect to the transactions set forth above are hereby approved, confirmed and ratified.

Section 10. Severability. If any provisions of this Resolution should be held invalid, the invalidity of such provision shall not affect the validity of any of the other provisions of this Resolution.

Section 11. Effective Date. All resolutions of the Authority or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This Resolution shall take effect immediately upon adoption.

PASSED, APPROVED, AND ADOPTED BY THE INDEPENDENT CITIES FINANCE AUTHORITY THIS [22nd DAY OF DECEMBER, 2020].

President

Secretary/Executive Director

I, Deborah Smith, Secretary and Executive Director of the Independent Cities Finance Authority, do hereby certify that the foregoing Resolution was duly adopted by the Board of Directors/Executive Committee of said Authority at the meeting of the Board of Directors/Executive Committee of said Authority held on the [22nd day of December, 2020], and that the same was passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Deborah Smith, Secretary and Executive Director of
the Independent Cities Finance Authority

EXHIBIT A

Description of Rehabilitation Project

ANNUAL RESIDENTIAL STREET REHABILITATION PROJECT CIP# 18-01, Phase 1

<i>Street</i>	<i>From</i>	<i>To</i>	<i>Cost</i>	<i>Potential Funding Source</i>
1 Tajauta Avenue	Rosecrans Avenue	Compton Boulevard	\$ 818,125.00	Measure R & M
2 Myrrh Street	Santa Fe	East City Limit	1,251,404.00	Measure R & M
3 Bradfield Avenue	Pixley Street	Compton Boulevard	208,384.00	Measure R & M
4 Elva Avenue	Parmelee Avenue	138th Street	600,919.00	Measure R & M
5 Grandee Avenue	El Segundo Boulevard	138th Street	1,005,345.00	Measure R & M
6 Caldwell Street	Oleander	West City Limits	1,905,211.00	Prop C, Measure R & M
7 Alondra Boulevard	Lime Avenue	East City Limit	<u>105,644.00</u>	Measure R & M
			\$	
			5,895,032.00	

ANNUAL RESIDENTIAL STREET REHABILITATION PROJECT CIP# 18-01, Phase 2

<i>Street</i>	<i>From</i>	<i>To</i>	<i>Cost</i>	<i>Potential Funding Source</i>
1 135th Street/ Stockwell Street	Parmelee Avenue	Elva	\$ 188,805.00	Measure R & M
2 Alameda Street East	City Limit North	City Limit South	1,660,131.00	Prop C, Measure R & M
3 Alameda Street West	City Limit North	City Limit South	2,541,259.00	Prop C, Measure R & M
4 Alondra Boulevard	City Limit West	Lime Avenue	3,911,479.00	Prop C, Measure R & M
5 Bradfield Avenue	Compton Boulevard	Alondra Boulevard	539,932.00	Measure R & M
6 Bullis Road	City Limit North	City Limit South	1,903,312.00	Prop C, Measure R & M
7 Compton Avenue	130th Street	134th Place	897,154.00	Measure R & M
8 Compton Boulevard	City Limit East	City Limit West	6,537,172.00	Prop C, Measure R & M
9 Greenleaf Boulevard	City Limit East	Alameda Street	1,186,838.00	Prop C, Measure R & M
10 Oris Street	Willowbrook Avenue	City Limit East	247,789.00	Measure R & M
11 Palmer Street	Alameda Street	Bowen	627,066.00	Measure R & M
12 Parmelee Avenue	City Limit North	138th Street	1,145,888.00	Measure R & M
13 Rosecrans Avenue	City Limit East	Alameda Street	1,053,657.00	Prop C, Measure R & M
14 Sante Fe Avenue	City Limit North	City Limit South	2,265,230.00	Prop C, Measure R & M
15 Slater Street	133rd Street	Wilmington Avenue	937,189.00	Measure R & M
16 Tucker Street	Van Ness Avenue	Long Beach Boulevard	321,403.00	Measure R & M
17 Greenleaf Boulevard	Central Avenue	Whitemarsh Avenue	1,081,268.00	Prop C, Measure R & M
18 Walnut Street,	Walnut Park Drive	Walnut Park Way	2,975,880.00	Prop C, Measure R & M
19 Wilmington Avenue	Rosecrans Avenue	City Limit South	<u>4,500,000.00</u>	Prop C, Measure R & M
			\$	
			34,521,452.00	

ICFA (COMPTON) SALES TAX REVENUE BONDS 2021

GOOD FAITH ESTIMATES

The following information based on cash flows prepared on November 24th, 2020 was obtained from Raymond James (the Underwriter), and is provided in compliance with Section 5852.1 of the California Government Code with respect to the base rental payments evidenced by the Series 2021 Bonds:

1. *True Interest Cost of the Base Rental Payments Evidenced by the Series 2021 Bonds.*

Assuming the estimated aggregate principal amount of the Series 2021 Bonds authorized to be issued by the Authority \$32,960,000 is sold, and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the base rental payments evidenced by the Series 2021 Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Series 2021 Bonds, is 3.89%.

2. *Finance Charge of the Series 2021 Bonds.* Assuming the estimated aggregate principal amount of the Series 2021 Bonds authorized to be issued by the Authority \$32,960,000 is sold, and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the Authority's finance charge of the Series 2021 Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Series 2021 Bonds), is \$745,140.

3. *Amount of Proceeds to be Received.* Assuming the estimated aggregate principal amount of the Series 2021 Bonds authorized to be issued by the Authority \$32,960,000 is sold, and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of proceeds expected to be received by the City following the Authority's sale of the Series 2021 Bonds, less the finance charge of the Series 2021 Bonds described in paragraph 2 above and any reserves or capitalized interest paid or funded with proceeds of the Series 2021 Bonds, is \$34,938,372.

4. *Total Payment Amount.* Assuming the estimated aggregate principal amount of the Series 2021 Bonds authorized to be issued by the Authority \$32,960,000 is sold, and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the City will make to pay installment payments evidenced by the Series 2021 Bonds plus the finance charge of the Series 2021 Bonds described in paragraph 2 above not paid with the proceeds of the Series 2021 Bonds, calculated to the final debt service payment evidenced by the Series 2021 Bonds, is \$65,568,445. The average annual debt service payment is \$2,169,344.

Attention is directed to the fact that the foregoing information constitutes good faith estimates only. The actual interest cost, finance charges, amount of proceeds and total payment amount may vary from those presently estimated due to variations from these estimates in the timing of the sale of the Series 2021 Bonds, the actual principal amount of Series 2021 Bonds sold, the amortization of the Series 2021 Bonds sold and market interest rates at the time of sale. The date of sale and the amount of Series 2021 Bonds sold will be determined by the City based on need for improvement funds and other factors. The actual interest rates at which the Series 2021 Bonds will be sold will depend on the bond market at the time of sale. The actual amortization of the Series 2021 Bonds will also depend, in part, on market interest rates at the time of sale. Market interest rates are affected by economic and other factors beyond the City's control.

