

CITY OF LOS ANGELES

CALIFORNIA

JUNE LAGMAY
City Clerk

KAREN E. KALFAYAN
Executive Officer

HOLLY L. WOLCOTT
Executive Officer



ANTONIO R. VILLARAIGOSA
MAYOR

Office of the
CITY CLERK

Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
General Information - (213) 978-1133
Fax: (213) 978-1040

KONRAD CARTER
Acting Chief, Council and Public Services
Division

www.cityclerk.lacity.org

November 17, 2009

To All Interested Parties:

The City Council adopted the action(s), as attached, under Council file
No. 09-2004-S1, at its meeting held November 6, 2009.

City Clerk
me

Mayor's Time Stamp
OFFICE OF THE MAYOR
RECEIVED

2009 NOV -9 PM 4:14

CITY OF LOS ANGELES

FORTHWITH

City Clerk's Time Stamp
RECEIVED
CITY CLERK'S OFFICE

2009 NOV -9 PM 4:14

CITY CLERK

BY _____
DEPUTY

SUBJECT TO THE MAYOR'S APPROVAL

COUNCIL FILE NO. 09-2004-S1

COUNCIL DISTRICT _____

COUNCIL APPROVAL DATE NOVEMBER 6, 2009

RE: AUTHORIZATION FOR THE ISSUANCE OF UP TO \$55 MILLION IN SOLID WASTE RESOURCES
REVENUE BONDS (SWRRB) THAT WILL BE USED TO REFUND/REFINANCE APPROXIMATELY \$51
MILLION IN OUTSTANDING SWRRB THAT WERE ISSUED IN OCTOBER 2001

NOV 19 2009

LAST DAY FOR MAYOR TO ACT _____
(10 Day Charter requirement as per Charter Section 341)

DO NOT WRITE BELOW THIS LINE - FOR MAYOR USE ONLY

APPROVED

✓

*DISAPPROVED

*Transmit objections in writing
pursuant to Charter Section 341

NOV 16 2009

DATE OF MAYOR APPROVAL OR DISAPPROVAL _____



MAYOR

RECEIVED
CITY CLERK'S OFFICE
2009 NOV 16 PM 2:24
BY _____
CITY CLERK
DEPUTY

24

COMMUNICATION

TO: LOS ANGELES CITY COUNCIL

FILE NO. 09-2004-S1

FROM: COUNCILMEMBER JAN PERRY, CHAIR
ENERGY AND ENVIRONMENT COMMITTEE

COMMUNICATION FROM CHAIR, ENERGY AND ENVIRONMENT COMMITTEE relative to authorization for the issuance of up to \$55 million in Solid Waste Resources Revenue Bonds (SWRRB) that will be used to refund/refinance approximately \$51 million in outstanding SWRRB that were issued in October 2001.

Recommendation for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

ADOPT the accompanying AUTHORIZING RESOLUTION approving certain documents and authorizing the issuance of up to \$55 million in refunding bonds.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that there is no fiscal impact on the General Fund as a result of the proposed \$55 million in SWRRB, Refunding Series 2009-B, as average annual debt service will be paid from the Solid Waste Resources Revenue Fund.

Debt Impact Statement: The CAO reports that the issuance of the proposed \$55 million in SWRRB, Refunding Series 2009-B, will not cause the City's debt service payments to exceed 15 percent of General Fund Revenues for both voter-approved and non-voter approved debt as established in the City's Financial Policies, Debt Management Section, because the debt service on these bonds will be paid from the Solid Waste Resources Revenue Fund.

Community Impact Statement: None Submitted.

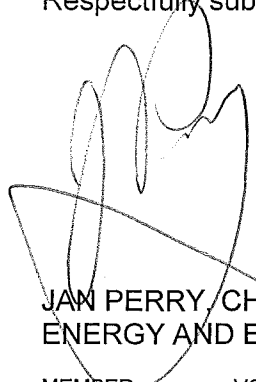
Summary:

On November 3, 2009, your Committee Chair considered a report from the CAO relative to authorization for the issuance of up to \$55 million in SWRRB that will be used to refund/refinance approximately \$51 million in outstanding SWRRB that were issued in October 2001. In its October 23, 2009 report, attached to the Council file, the CAO states that completion of the proposed bond issuance would result in approximately \$4.4 million in long-term interest savings to the Solid Waste Resources Revenue Fund, or \$3.7 million in present value savings. The CAO also provides additional details in its report.

During the discussion of this matter the CAO and Bureau of Sanitation representatives provided an overview of this matter and responded to related questions. After additional discussion and providing the opportunity for public comment, the Committee Chair recommended that Council approve the recommendation contained in the CAO report, as reflected above.

This matter is now submitted to Council for its consideration.

Respectfully submitted,



JAN PERRY, CHAIR
ENERGY AND ENVIRONMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
PERRY:	YES
CÁRDENAS:	ABSENT
ALARCÓN:	ABSENT
KORETZ	ABSENT

MLE
09-2004-S1_rpt_ee_11-3-09

ADOPTED

NOV 06 2009

LOS ANGELES CITY COUNCIL
TO THE MAYOR FORTHWITH

- Not Official Until Council Acts -

FOR WITH FILE

**RESOLUTION OF THE CITY OF LOS ANGELES,
CALIFORNIA AUTHORIZING THE ISSUANCE OF
REVENUE BONDS IN AN AGGREGATE
PRINCIPAL AMOUNT NOT TO EXCEED
\$55,000,000 TO BE SECURED BY THE SOLID
WASTE RESOURCES SPECIAL REVENUE FUND,
APPROVING AN EIGHTH SUPPLEMENTAL
TRUST AGREEMENT PURSUANT TO WHICH
SUCH REVENUE BONDS SHALL BE ISSUED AND
APPROVING CERTAIN MATTERS RELATED
THERETO**

WHEREAS, the City of Los Angeles, California (the "City") is a municipal corporation operating under the provisions of a freeholders' charter (the "Charter") in the State of California (the "State"); and

WHEREAS, pursuant to City Ordinance No. 166308 (codified as Section 5.121.5 of the Administrative Code of the City), the City established a special fund known as the "Solid Waste Resources Special Revenue Fund" into which there is deposited all monies collected from the Solid Waste Collection, Transfer, Recycling, Recovery of Waste Resources and Disposal Fee imposed by Section 66.40 *et seq.* of Article 6.1 of Chapter VI of the Municipal Code of the City; and

WHEREAS, the monies in the Solid Waste Resources Special Revenue Fund are devoted exclusively to the purposes enumerated in Section 5.121.5 of the Administrative Code, including the purposes set out in Section 66.41 of the Municipal Code; and

WHEREAS, under Section 361 of the Charter, the City has the power to issue revenue bonds pursuant to procedural ordinances adopted by the Council of the City (the "Council"), and the Council, on July 24, 2001, adopted Ordinance No. 174129, codified at Sections 11.27.50 through 11.27.58 of Division 11, Chapter 1, Article 6.4 of the Los Angeles Administrative Code, which permits the City to issue revenue bonds secured by the moneys in the Solid Waste Resources Special Revenue Fund and the earnings thereon (the "Revenues") for the purposes enumerated in Section 5.121.5 of the Administrative Code and Section 66.41 of the Municipal Code; and

WHEREAS, pursuant to another Resolution (the "Series 2009-A Resolution") previously presented to the Council for adoption regarding the issuance of the City's Solid Waste Resources Revenue Bonds, Series 2009-A (the "Series 2009-A Bonds") in an aggregate principal amount not to exceed \$75,000,000 and the execution and delivery of certain financing documents in connection therewith, there have been presented to the Council forms of a Bond Purchase Agreement (the "Bond Purchase Agreement"), a Preliminary Official Statement (the "Preliminary Official Statement") and a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate"); and

WHEREAS, the Council has determined that the public interest and necessity now require the issuance of the City's Solid Waste Resources Revenue Bonds, Series 2009-B (the

“Series 2009-B Bonds”) in an aggregate principal amount not to exceed \$55,000,000, to be issued concurrently with or about the time of issuance of the Series 2009-A Bonds, for the purposes of (i) current refunding any or all of the City’s Sanitation Equipment Charge Revenue Bonds, Series 2001-A (the “Series 2001-A Bonds”) and (ii) paying the costs of issuance of the Series 2009-B Bonds; and

WHEREAS, any refunding to be accomplished with the proceeds of the Series 2009-B Bonds shall result in a minimum average net present value savings of 3%, expressed as a percentage of the principal amount of the refunded Series 2001-A Bonds, as calculated by the City’s independent financial advisors; and

WHEREAS, the City has previously executed and delivered a Master Trust Agreement, dated as of September 1, 2001 (the “Master Trust Agreement”) between the City and U.S. Bank National Association, as successor trustee (the “Trustee”), as amended and supplemented from time to time, providing for the issuance by the City of revenue bonds secured by the Revenues; and

WHEREAS, the City has previously obligated itself to make debt service payments, base rental payments and installment payments secured by the Revenues on a parity with the proposed bonds, which indebtedness is currently outstanding in an aggregate principal amount of \$242,580,000 (the “Outstanding Parity Debt”); and

WHEREAS, the City’s independent financial advisors have advised that with the turmoil in the current financial markets, competitive bidding would not be practicable or advantageous and that it would be in the best financial interests of the City to sell the Series 2009-B Bonds through a negotiated underwriting process and the City Attorney has advised that, accordingly, the Council could determine that a private negotiated sale would be appropriate; provided that, if market conditions should change, nothing herein shall preclude the City from selling the Series 2009-B Bonds on a competitive basis; and

WHEREAS, there have been presented to the Council the following documents:

1. a form of Eighth Supplemental Trust Agreement (the “Eighth Supplement”), by and between the City and the Trustee; and
2. a form of Escrow Agreement (the “Escrow Agreement”), by and between the City and U.S. Bank National Association, as escrow agent (the “Escrow Agent”); and

WHEREAS, said documents will be modified and amended to reflect the various details applicable to the Series 2009-B Bonds and said documents are subject to completion to reflect the results of the sale of the Series 2009-B Bonds.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE COUNCIL OF THE CITY OF LOS ANGELES AS FOLLOWS:

1. Findings Related to Negotiated Sale of the Series 2009-B Bonds and Selection of Professionals. Pursuant to Section 371(e)(10) of the Charter, the Council hereby finds, based upon advice from the City’s independent financial advisors and advice from the City Attorney,

that due to current market conditions, the use of sealed competitive bidding to sell the Series 2009-B Bonds would be undesirable and impractical and it is in the best financial interests of the City to sell the Series 2009-B Bonds through a private negotiated sale pursuant to the terms and provisions set forth in the Bond Purchase Contract.

2. Issuance of Bonds; Term of Bonds. For the purposes set forth in the foregoing recitals, the City hereby deems it necessary to incur the bonded indebtedness and authorizes the issuance of up to \$55,000,000 aggregate principal amount of its Solid Waste Resources Revenue Bonds, Series 2009-B in order to refund any or all of the Series 2001-A Bonds, such Series 2009-B Bonds to be issued under the Master Trust Agreement, as amended and supplemented, including as amended and supplemented by the Eighth Supplement (collectively, the "Trust Agreement").

The Series 2009-B Bonds are hereby authorized to be issued concurrently with the Series 2009-A Bonds, and if not so issued, the Series 2009-B Bonds may be issued at any time within three months following the issuance of the Series 2009-A Bonds.

The maximum term of the Series 2009-B Bonds shall be 20 years from the date of issuance. The Series 2009-B Bonds may be issued as serial bonds or term bonds or as both serial and term bonds, all as set forth in the Trust Agreement. The Series 2009-B Bonds shall have a true interest cost not in excess of four percent (4%). The true interest cost is the annual discount rate which, when used to discount all debt service payments on the Series 2009-B Bonds to the date of initial delivery of the Series 2009-B Bonds, compounded semiannually, results in the aggregate present value of such debt service payments being equal to the original purchase price. The Series 2009-B Bonds shall be in fully registered form and may be issued as book-entry bonds. Payment of principal of, premium, if any, and interest on the Series 2009-B Bonds shall be made at the place or places, on such dates and in the manner provided in the Trust Agreement. The Series 2009-B Bonds shall be available in denominations of \$5,000 and integral multiples thereof. The Series 2009-B Bonds shall be dated as shall be provided in the final form of the Eighth Supplement. The Series 2009-B Bonds shall be subject to redemption prior to maturity at the option of the City on such terms and conditions as shall be set forth in the Trust Agreement. The Series 2009-B Bonds which are term bonds shall also be subject to mandatory sinking fund redemption as shall be set forth in the Trust Agreement.

3. Special Obligations. The Series 2009-B Bonds shall be special obligations of the City secured by and payable from the Revenues, as defined in the Trust Agreement, consisting of monies in the Solid Waste Resources Special Revenue Fund and certain limited moneys and accounts held by the Trustee under the Trust Agreement, as and to the extent described in the Trust Agreement. Other than the Outstanding Parity Debt, the City has not previously granted any prior or parity interest in the Revenues or the Solid Waste Resources Special Revenue Fund, and the City hereby agrees that it will not, as long as any of the Series 2009-B Bonds remain outstanding, grant or attempt to grant, except as permitted by the Trust Agreement, any prior or parity pledge, lien or other interest in the Revenues or the Solid Waste Resources Special Revenue Fund to secure any other obligations of the City. The General Fund of the City shall not be obligated to pay principal of, premium, if any, or interest on the Series 2009-B Bonds.

4. Form of Series 2009-B Bonds. The Series 2009-B Bonds and the Trustee's Certificate of Authentication to appear thereon shall be in substantially the forms set forth in Exhibit A to the Eighth Supplement, with such necessary or appropriate variations, omissions and insertions as permitted or required by the Trust Agreement or as appropriate to adequately reflect the terms of the Series 2009-B Bonds and the obligations represented thereby. The Series 2009-B Bonds shall be executed by the Mayor, and by the City Treasurer or a Deputy City Treasurer, and countersigned by the City Clerk or a Deputy City Clerk. All such signatures and countersignatures may be printed, lithographed or otherwise mechanically reproduced except that one signature must be signed manually.

5. Approval of Documents.

(a) The form, terms and provisions of the Eighth Supplement are hereby approved substantially in the form presented to this meeting. The City Administrative Officer and any Assistant City Administrative Officer (each, an "Authorized Representative") are each hereby authorized and directed for and on behalf of the City to execute and deliver the Eighth Supplement in connection with the issuance and delivery of the Series 2009-B Bonds in substantially the form presented to this meeting, with such changes, additions and modifications thereto as the Authorized Representative executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

(b) The form, terms and provisions of the Escrow Agreement are hereby approved substantially in the form presented to this meeting. The Authorized Representatives, or any of them, are each hereby authorized and directed for and on behalf of the City to execute and deliver the Escrow Agreement in connection with the issuance and delivery of the Series 2009-B Bonds in substantially the form presented to this meeting, with such changes, additions and modifications thereto as the Authorized Representative executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

(c) The Authorized Representatives, or any of them, with the advice of the City Attorney, Bond Counsel and the City's financial advisors (as appropriate), are each hereby authorized to make such changes to the forms of Bond Purchase Agreement, Preliminary Official Statement and Continuing Disclosure Agreement presented to this Council pursuant to the Series 2009-A Resolution, in order to permit the issuance of the Series 2009-B Bonds, the approval of such changes to be conclusively evidenced by the execution of such document by an Authorized Representative. In addition, in the event that the Series 2009-B Bonds are not issued concurrently with the Series 2009-A Bonds, the Authorized Representatives, or any of them, are each hereby authorized to "deem final" the Preliminary Official Statement as of its date, except for amendments to reflect subsequent events and the omission of certain information as provided in and pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, and is hereby authorized and directed for and on behalf of the City to execute and deliver a final official statement with respect to the Series 2009-B Bonds, in substantially the form of the Preliminary Official Statement, with such changes therein as the Authorized Representative executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

6. Sale of Bonds. The Series 2009-B Bonds shall be sold at private negotiated sale pursuant to the terms of the Bond Purchase Agreement substantially in the form approved pursuant to the Series 2009-A Resolution at a price not less than 99.5% of par. The Authorized Representatives, or any of them, are each hereby authorized and directed for and on behalf of the City (i) to fix the actual principal amount of Series 2009-B Bonds issued within the limit set forth in this Resolution and (ii) to execute and deliver any financial guaranty or reimbursement agreement with a provider of a guarantee of payment of the principal of or interest on the Series 2009-B Bonds or with any provider of a surety bond covering all or a portion of the reserve fund for the Series 2009-B Bonds, all upon such terms as shall be satisfactory to such Authorized Representative.

7. Notices. The Authorized Representatives, or any of them, are each further authorized to cause written notice to be provided to the California Debt and Investment Advisory Commission of the proposed sale of the Series 2009-B Bonds, said notice to be provided not later than 30 days prior to the sale of the Series 2009-B Bonds as provided in Section 8855 *et seq.* of the California Government Code, to file the notice of final sale with said Commission, to file a Form 8038-G for the Series 2009-B Bonds with the Internal Revenue Service and to file such additional notices and reports as are deemed necessary or desirable by any of such persons in connection with the Series 2009-B Bonds, including the filing of notices and payment of rebates, if any, required under sections 148(f) and 149(e) of the Internal Revenue Code of 1986, as amended, and any prior filings of such notices are hereby ratified, confirmed and approved.

8. Ratification; Additional Authorizations. All acts taken by Authorized Representatives, and any other officers, employees and agents of the City, in connection with the sale and issuance of the Series 2009-B Bonds are hereby ratified and confirmed. The Authorized Representatives and each of their designees, and any other officers, employees and agents of the City, for and on behalf of the City, are hereby authorized and directed to do any and all things necessary to effect the receipt of bids for the Series 2009-B Bonds, if applicable, and to carry out the terms hereof, and to take such actions and execute such additional documents, certificates and other instruments as are necessary to accomplish the transactions contemplated by this Resolution, including but not limited to providing for the redemption of any or all of the Series 2001-A Bonds, appointing a verification agent for the defeasance of the Series 2001-A Bonds, obtaining bond insurance for the Series 2009-B Bonds and executing the Tax Certificate required by the Eighth Supplement.

Any Authorized Representative is hereby authorized, without further action of this Council, to replace the Trustee if such Authorized Representative deems it in the best interest of the City to do so, provided that no replacement of the Trustee shall require an annual fee in excess of \$5,000.

9. Effective Date. This Resolution shall take effect immediately upon its approval.

I hereby certify that the foregoing Resolution was adopted by the Council of the City of Los Angeles, California, at a meeting thereof duly held on the 6th day of NOV, 2009.

JUNE LAGMAY,
City Clerk



By 
Deputy

APPROVED AS TO FORM:

CARMEN A. TRUTANICH,
City Attorney

By _____
Assistant/Deputy City Attorney

Council File No. 09-2004-51