

RESOLUTION NO. 2018-053

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE
AUTHORIZING THE CITY MANAGER TO ENTER INTO A LETTER OF
ENGAGEMENT WITH STIFEL NICOLAUS & COMPANY, INCORPORATED FOR
UNDERWRITING SERVICES IN CONNECTION WITH A NEW DEBT ISSUANCE
RELATED TO SERIES 2018 LEASE REVENUE BONDS AND AUTHORIZING
NECESSARY BUDGET AMENDMENTS TO RECORD THE ISSUANCE OF THE
SERIES 2018 LEASE REVENUE BONDS**

WHEREAS, the City Council, on October 13, 2013, entered into a five-year agreement with the County of Sacramento to provide animal sheltering through the County Department of Animal Care and Regulations, for a period beginning on January 1, 2014 and expiring on June 30, 2019; and

WHEREAS, on October 12, 2016, the City Council adopted Resolution No. 2016-186, declaring their intention to reimburse expenditure for an animal shelter from the proceeds of future bond issuances; and

WHEREAS, on July 28, 2017, the City Council adopted Resolution No. 2017-144, declaring their intention to reimburse expenditure for an animal shelter and acquisition of property from the Los Rios Community College District from the proceeds of future bond issuances; and

WHEREAS, Fieldman Rolapp, the City's Financial Advisors, have advised that it is critical to have the finance team, including underwriting services, in place to fully execute the Series 2018 Lease Revenue Bonds; and

WHEREAS, in accordance with Elk Grove Municipal Code Section 3.42.140, Fieldman Rolapp prepared a Request for Proposal for Underwriting Services in association with the Series 2018 Lease Revenue Bonds; and

WHEREAS, Stifel Nicolaus & Company, Incorporated has provided the City with the most competitive bid for underwriting services; and

WHEREAS, it is staff's recommendation that entering into a Letter of Engagement for Underwriting Services with Stifel Nicolaus & Company, Incorporated is in the best interest of the City; and

WHEREAS, the City of Elk Grove (the "City") will enter into a Facilities Lease, with the Elk Grove Finance Authority (the "Authority"), and the Facilities Lease will provide financing for the cost of constructing and equipping the Animal Shelter, as well as reimburse the City for expenditures related to the pre-construction costs of the expenditures related to the Animal Shelter and for the acquisition of parkland in Laguna Ridge; and

WHEREAS, the City Council wishes to authorize the Capital Facilities Fee – Corporation Yard and General Fund to pay their proportional share of the ongoing debt service; and

WHEREAS, the City Council wishes to authorize amendments to the budget to record the Series 2018 bonds and record the issuance of the Lease Revenue Bond; and

WHEREAS, the debt conforms to the City's Debt Management Policy; and

WHEREAS, the City Council desires to approve all of said transactions in furtherance of the public purposes of the City, and wishes at this time to authorize all proceedings relating to the financing of the 2018 Lease

NOW, THEREFORE, IT IS HEREBY RESOLVED by the City Council of the City of Elk Grove as follows:

Section 1. Approval of Letter of Engagement for Underwriting Services. The City Council hereby authorizes the City Manager to enter into a Letter of Engagement for Underwriting Services with Stifel Nicolaus & Company, Incorporated in an amount not to exceed \$80,000, which was negotiated by the City's Financial Advisor, Fieldman Rolapp, on behalf of the City and is to include all expenses of the underwriter, including the fees of the underwriter's counsel. That is the maximum not to exceed amount, meaning it is possible the City may incur costs that are less than this percentage amount.

Section 2. Budget Adjustments. The City Council of the City of Elk Grove hereby authorizes the City Manager to make any budget adjustments necessary to complete the financing transaction and record the Bond closing, including reimbursement of expenditures made from the CFF- Corporation Yard, estimated to be \$1,503,000 and reimbursement to the City for funds expended for the acquisition of park land.

Section 3. Effectiveness. This resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 14th day of March 2018.




STEVE LY, MAYOR of the
CITY OF ELK GROVE

ATTEST:


JASON LINDGREN, CITY CLERK

APPROVED AS TO FORM:


JONATHAN P. HOBBS,
CITY ATTORNEY

CERTIFICATION
ELK GROVE CITY COUNCIL RESOLUTION NO. 2018-053

STATE OF CALIFORNIA)
COUNTY OF SACRAMENTO) ss
CITY OF ELK GROVE)


I, Jason Lindgren, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on March 14, 2018 by the following vote:

AYES: **COUNCILMEMBERS:** *Ly, Suen, Hume, Nguyen*

NOES: **COUNCILMEMBERS:** *Detrick*

ABSTAIN: **COUNCILMEMBERS:** *None*

ABSENT: **COUNCILMEMBERS:** *None*



Jason Lindgren, City Clerk
City of Elk Grove, California