

CITY OF LOS ANGELES
CALIFORNIA

JUNE LAGMAY
City Clerk

HOLLY L. WOLCOTT
Executive Officer

When making inquiries relative to
this matter, please refer to the
Council File No.



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

SHANNON HOPPES
Council and Public Services
Division

www.cityclerk.lacity.org

January 31, 2013

To All Interested Parties:

The City Council adopted the action(s), as attached, under Council File No. 13-0086,
at its meeting held January 29, 2013.


City Clerk
kw

Mayor's Time Stamp
OFFICE OF THE MAYOR
RECEIVED
2013 JAN 29 PM 3:24
CITY OF LOS ANGELES

FORTHWITH

City Clerk's Time Stamp
CITY CLERK'S OFFICE
2013 JAN 29 PM 3:24
CITY CLERK
BY _____ DEPUTY

SUBJECT TO THE MAYOR'S APPROVAL

COUNCIL FILE NO. 13-0086

COUNCIL DISTRICT _____

COUNCIL APPROVAL DATE January 29, 2013

RE: ISSUANCE OF SOLID WASTE RESOURCES REVENUE BONDS, SERIES 2013-A (NEW MONEY), AND SERIES 2013-B (REFUNDING) FROM THE CITY'S SOLID WASTE WATER COLLECTION PROGRAM

LAST DAY FOR MAYOR TO ACT FEB 08 2013
(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

DATE OF MAYOR APPROVAL OR DISAPPROVAL JAN 30 2013

Harold J. Wesson
ACTING MAYOR

BY _____
CITY CLERK
2013 JAN 30 PM 3:17
CITY CLERK'S OFFICE



Council Action

The City Council ADOPTED the following recommendation(s), contained in a COMMUNICATION FROM THE CITY ADMINISTRATIVE OFFICER which were WAIVED, pursuant to Council Rule 17, by the Chair of the Energy and Environment and Budget and Finance Committees, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. ADOPT the accompanying Authorizing RESOLUTION of the City Council of the City of Los Angeles, approving certain documents, and authorizing the issuance of up to \$80 million in new money bonds and up to \$101 million in refunding bonds.
2. INSTRUCT the City Clerk to place on the Council agenda on February 5, 2013, or on an alternate date specified by the City Administrative Officer (CAO), the adoption of a resolution for final approval of documents and award to the lowest bidder(s) of the sale of the two series of bonds, in amounts not exceeding \$80 million (new money) and \$101 million (refunding).
3. AUTHORIZE the CAO, on behalf of the City, to receive and open bids on the published date and to award the two series of bonds to the bidder(s) with the lowest true interest cost, if there is no Council quorum or meeting in City Hall, as described in the Notice Inviting Bids for the bonds.

Council File No. 13-0086

ADOPTED

JAN 29 2013

LOS ANGELES CITY COUNCIL

TO THE MAYOR FORTHWITH

MAYOR WITH FILE

MAYOR WITH FILE

ATTACHMENT B

AUTHORIZING RESOLUTION

RESOLUTION OF THE CITY OF LOS ANGELES AUTHORIZING THE ISSUANCE OF REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$80,000,000, TO BE SECURED BY THE SOLID WASTE RESOURCES SPECIAL REVENUE FUND, AND APPROVING A NINTH SUPPLEMENTAL TRUST AGREEMENT PURSUANT TO WHICH SUCH REVENUE BONDS SHALL BE ISSUED; AUTHORIZING THE ISSUANCE OF REFUNDING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$101,000,000, TO BE SECURED BY THE SOLID WASTE RESOURCES SPECIAL REVENUE FUND, AND APPROVING A TENTH SUPPLEMENTAL TRUST AGREEMENT PURSUANT TO WHICH SUCH REFUNDING 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 on July 24, 2001, the Council 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, the Council has determined that the public interest and necessity now require the issuance of the City's Solid Waste Resources Revenue Bonds, Series 2013-A (the "Series 2013-A Bonds"), in an aggregate principal amount not to exceed \$80,000,000, for the purposes of (i) financing the acquisition of certain vehicles and equipment for, and the construction of certain improvements to, the refuse collection and disposal system of the City (the "Project") and (ii) paying the costs of issuance of the Series 2013-A Bonds;

WHEREAS, the Council has determined that the public interest and necessity now require the issuance of the City's Solid Waste Resources Refunding Revenue Bonds, Series 2013-B (the "Series 2013-B Bonds" and together with the Series 2013-A Bonds, the "2013 Bonds"), in an aggregate principal amount not to exceed \$101,000,000, for the purposes of (i) refunding such portions of the City's Sanitation Equipment Charge Revenue Bonds and Solid Waste Resources Revenue Bonds as may be selected by the City, as hereinafter provided (the "Refunded Bonds") and (ii) paying the costs of issuance of the Series 2013-B Bonds; and

WHEREAS, any refunding to be accomplished with the proceeds of the Series 2013-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 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 on bonds secured by the Revenues on a parity with the proposed bonds, which bonds are currently outstanding in an aggregate principal amount of \$282,200,000 (the "Outstanding Parity Bonds"); and

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

1. a form of Ninth Supplemental Trust Agreement (the "Ninth Supplement"), by and between the City and the Trustee; and
2. a form of Tenth Supplemental Trust Agreement (the "Tenth Supplement"), by and between the City and the Trustee; and
3. 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
4. a form of Preliminary Official Statement relating to the Bonds (the "Preliminary Official Statement"); and
5. a form of Notice Inviting Bids relating to the Bonds (the "Notice Inviting Bids"); and
6. a form of Continuing Disclosure Certificate relating to the Bonds (the "Continuing Disclosure Certificate"); and

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

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

1. Issuance of Series 2013-A Bonds; Term of Series 2013-A 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 its Solid Waste Resources Revenue Bonds, Series 2013-A, in an aggregate principal amount of up to \$80,000,000, in order to finance the Project. Such Series 2013-A Bonds are to be issued under the Master Trust Agreement, as amended and supplemented, including as amended and supplemented by the Ninth Supplement and the Tenth Supplement (collectively, the "Trust Agreement").

The maximum term of the Series 2013-A Bonds shall be 17 years from the date of issuance. The Series 2013-A 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 2013-A Bonds shall bear a maximum annual rate of interest not in excess of ten percent (10%) and shall have a true interest cost not in excess of five percent (5%). The true interest cost is the annual discount rate which, when used to discount all debt service payments on the Series 2013-A Bonds to the date of initial delivery of the Series 2013-A Bonds, compounded semiannually, results in the aggregate present value of such debt service payments being equal to the original purchase price. The Series 2013-A Bonds shall be in fully registered form and may be issued as book-entry bonds. Payment of principal and premium, if any, and interest on the Series 2013-A Bonds shall be made at the place or places, on such dates and in the manner provided in the Trust Agreement. The Series 2013-A Bonds shall be available in denominations of \$5,000 and integral multiples thereof. The Series 2013-A Bonds shall be dated as shall be provided in the final form of the Ninth Supplement. The Series 2013-A 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 2013-A Bonds that are term bonds shall also be subject to mandatory sinking fund redemption as shall be set forth in the Trust Agreement.

2. Issuance of Series 2013-B Bonds; Term of Series 2013-B 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 its Solid Waste Resources Refunding Revenue Bonds, Series 2013-B, in an aggregate principal amount of up to \$101,000,000, in order to refund the Refunded Bonds. Such Series 2013-B Bonds are to be issued under the Trust Agreement.

The Series 2013-B Bonds are hereby authorized to be issued concurrently with the Series 2013-A Bonds, and if not so issued, the Series 2013-B Bonds may be issued at any time within three months before or after the issuance of the Series 2013-A Bonds. The Series 2013-B Bonds shall be issued in such principal amount, and to refund such Refunded Bonds, as may be determined by the City Administrative Officer or any Assistant City Administrative Officer, provided that the refunding of the Refunded Bonds effected thereby shall result in a minimum average net present value savings of 3%, expressed as a percentage of the principal amount of the Refunded Bonds, as calculated by the City's independent financial advisors.

The maximum term of the Series 2013-B Bonds shall be 16 years from the date of issuance. The Series 2013-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 2013-B Bonds shall bear a maximum annual rate of interest not in excess of ten percent (10%) and shall have a true interest cost not in excess of five percent (5%). The true interest cost is the annual discount rate which, when used to discount all debt service payments on the Series 2013-B Bonds to the date of initial delivery of the Series 2013-B Bonds, compounded semiannually, results in the aggregate present value of such debt service payments being equal to the original purchase price. The Series 2013-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 2013-B Bonds shall be made at the place or places, on such dates and in the manner provided in the Trust Agreement. The Series 2013-B Bonds shall be available in denominations of \$5,000 and integral multiples thereof. The Series 2013-B Bonds shall be dated as shall be provided in the final form of the Tenth Supplement. The Series 2013-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 2013-B Bonds that 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 2013 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 Bonds, 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 2013 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 2013 Bonds.

4. Form of Bonds. The Series 2013-A Bonds and the Trustee's Certificate of Authentication to appear thereon shall be in substantially the forms set forth in Exhibit A to the Ninth 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 2013-A Bonds and the obligations represented thereby. The Series 2013-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 Tenth 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 2013-B Bonds and the obligations represented thereby. The 2013 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 Ninth 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 Ninth Supplement in connection with the issuance and delivery of the Series 2013-A 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 Tenth Supplement 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 Tenth Supplement in connection with the issuance and delivery of the Series 2013-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 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 2013-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.

(d) The form, terms and provisions of the Notice Inviting Bids 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 advertise, execute and deliver to prospective purchasers of the 2013 Bonds, or caused to be advertised and delivered to prospective purchasers of the 2013 Bonds, the Notice Inviting Bids in connection with the sale of the 2013 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 delivery thereof.

(e) The form, terms and provisions of the Preliminary Official Statement 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 “deem final” the Preliminary Official Statement as of its date, except for amendment to reflect subsequent events and the omission of certain information as provided in and pursuant to Rule 15c2-12 promulgated under the Securities and Exchange Act of 1934, and are hereby authorized and directed for and on behalf of the City to execute and deliver a final official statement with respect to the 2013 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.

(f) The form, terms and provisions of the Continuing Disclosure Certificate 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 Continuing Disclosure Certificate in connection with the issuance and delivery of the 2013 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.

6. Sale of Bonds. The 2013 Bonds shall be sold at competitive sale pursuant to the terms of the Notice Inviting Bids substantially in the form approved pursuant to this Resolution, at a price not less than 99% 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 2013 Bonds issued within the limits 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 2013 Bonds or with any provider of a surety bond covering all or a portion of the reserve fund for the 2013 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 2013 Bonds, said notice to be provided not later than 30 days prior to the sale of the 2013 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 2013 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 2013 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 2013 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 2013 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 Refunded Bonds, appointing a verification agent for the defeasance of the Refunded Bonds, obtaining bond insurance for the 2013 Bonds and executing the Tax Certificate required by the Ninth Supplement and the Tenth 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 29 day of January 2013, 2013.



JUNE LAGMAY,
City Clerk

By [Signature]
Deputy

APPROVED AS TO FORM:

CARMEN A. TRUTANICH,
City Attorney

By _____
Assistant/Deputy City Attorney

Council File No. 13-0086