

NOTICE OF SPECIAL MEETING

Pursuant to Section 54956 of the Government Code of the State of California, a Special meeting of the **SOUTH COUNTY FIRE AUTHORITY** is hereby called for:

Date/Time: **Tuesday, May 7, 2013, at 5:45 p.m.**
(or as soon thereafter as possible)

Location: **Council Chambers, City Hall**
333 Civic Center Plaza, Tracy

Government Code Section 54954.3 states that every public meeting shall provide an opportunity for the public to address the South County Fire Authority on any item, before or during consideration of the item, however no action shall be taken on any item not on the agenda.

1. Call to Order
2. Roll Call
3. Items from the Audience - *In accordance with Procedures for Preparation, Posting and Distribution of Agendas and the Conduct of Public Meetings, adopted by Resolution 2008-140 any item not on the agenda brought up by the public at a meeting, shall be automatically referred to staff. If staff is not able to resolve the matter satisfactorily, the member of the public may request a Board Member to sponsor the item for discussion at a future meeting.*
4. CONSIDERATION OF A RESOLUTION APPROVING THE EXERCISE OF POWERS AGREEMENT ESTABLISHING THE TRACY PUBLIC FINANCING AUTHORITY BETWEEN THE CITY OF TRACY AND THE SOUTH COUNTY FIRE AUTHORITY
5. Adjournment

Posting Date May 2, 2013

The City of Tracy is in compliance with the Americans with Disabilities Act and will make all reasonable accommodations for the disabled to participate in public meetings. Persons requiring assistance or auxiliary aids in order to participate, should call City Hall (209-831-6000), at least 24 hours prior to the meeting.

Any materials distributed to the majority of the South County Fire Authority regarding any item on this agenda will be made available for public inspection in the City Clerk's office located at 333 Civic Center Plaza, Tracy, during normal business hours

SCFA AGENDA ITEM 4

REQUEST

CONSIDERATION OF A RESOLUTION APPROVING THE EXERCISE OF POWERS AGREEMENT ESTABLISHING THE TRACY PUBLIC FINANCING AUTHORITY BETWEEN THE CITY OF TRACY AND THE SOUTH COUNTY FIRE AUTHORITY

EXECUTIVE SUMMARY

The City of Tracy previously used the Tracy Operating Partnership Joint Powers Authority (TOPJPA) to facilitate the issuance of various bonds over the past decade. The TOPJPA was formed between the City of Tracy and the Tracy Community Development Agency (redevelopment). Due to recent State actions redevelopment agencies have been eliminated statewide. As such, the TOPJPA in its current form could not be utilized again by the City for future debt issuance. The City is therefore requesting another local agency, the South County Fire Authority, to join with the City in forming a new JPA to facilitate the issuance of bond debt to typically finance infrastructure improvements. Such improvements are necessary for development including that of commercial and industrial properties critical to local economic development efforts. As such development would greatly add to the tax base to support fire operations, it is appropriate for the City to request the cooperation of the South County Fire Authority in this regard. Neither the Fire Authority nor any of its member agencies (i.e. Tracy Rural and the City of Tracy) would have any liability associated with any debt issued by the new JPA nor would either agency have any costs associated with its formation. This item approves a resolution to form the "Tracy Public Financing Authority.

DISCUSSION

For many kinds of municipal debt voter approval is required. For example, when forming a Community Facilities District (CFD) – also commonly known as a Mello-Roos District, the formation of such a district is initiated by a vote of either the land owners or the registered voters within the district (depending upon how many registered voters there are within the boundaries of the proposed district). Bonds are then issued within the parameters for the CFD which are established by the voters at the same time and these include such matters as the total amount of bonds authorized to be issued and the maximum tax and tax rate method each property will be subject to.

Continuing with the CFD example, in the past it was common that the initial bonds were issued prior to development of the properties within the district. For example, the City's CFD 98-1 and CFD 98-3 districts issued bonds prior to development. Subsequently these properties were developed and over 6,000 homes were constructed. A bond owner's security was greatly enhanced from the time of the initial bond issue when the land within the CFD had no development until the time of substantially full build out of the district (with over 6,000 homes mostly individually owned). Due to the improved security (lien to value ratios, etc.), it has often been possible to subsequently refinance the original debt at lower interest rates thereby providing for a combination of reduced special taxes and the funding of new project money.

In order for the City to take advantage of refinancing opportunities due to declining interest rates and improved credit worthiness of various districts, the City used the legal structure of the Tracy Operating Partnership Joint Powers Authority (TOPJPA) as the mechanism to issue such debt. The TOPJPA is a joint powers authority formed between the City of Tracy and the Tracy Community Development Agency (a redevelopment agency) over a decade ago. Since that time the TOPJPA has issued over \$100 million in tax exempt municipal bonds. Approximately 80% of these were for the purposes of refinancing existing debt at lower interest rates. The other 20% was through the issuance of lease back financing.

The use of TOPJPA has provided the City the opportunity to prudently issue municipal debt which due to its tax exempt nature (the bond owners do not have to pay federal or California state income taxes on the interest received) is a low cost form of debt financing. The City's total annual General Fund debt service is just \$1.2 million compared to a total General Fund budget of \$50 million – debt therefore being just 2.4%. Anything under 5% is generally considered a prudent General Fund debt service level.

Municipal debt is commonly used to finance large infrastructure items such as wastewater facilities and lines, buildings and other items that with long useful life. For example, the Tracy Rural Fire District entered into a 10 year municipal lease/debt structure in order to provide funding for the construction of Station 93 (New Jerusalem) Like most home owners who could have never purchased their homes without the use of a mortgage (debt), municipal governments also have needed to debt finance big ticket items. Often the financing of such infrastructure removes an impediment to development for not only residential purposes but also for commercial and industrial development – the latter of which is crucial for the City's economic development efforts to secure jobs and sales tax. The City would like to continue to have use of the TOPJPA in the future to facilitate the financing of such matters.

Legislation (AB 26) signed by the Governor eliminated all redevelopment agencies in the State of California effective February 1, 2012. This means the Tracy Community Development Agency no longer exists and it was one of the two agencies (the other being the City of Tracy) which formed the TOPJPA. As such the TOPJPA cannot be used in its current form to issue debt in the future (existing TOPJPA issued bonds are not affected). The City therefore would like to create a new Joint Powers Authority to facilitate debt financing in the future and needs another public agency to join in the creation of such. The South County Fire Authority is a local public agency that could join with the City of Tracy to create a new Joint Powers Authority (JPA) for this purpose.

There are two major reasons why the City is requesting the South County Fire Authority to create a new Joint Powers Authority with the City of Tracy. First, since the new JPA would facilitate the issuance of debt to assist in the financing of infrastructure necessary for new development, the taxes generated from such provide additional funding for fire services. For example, virtually all new growth areas of the City are also within the boundaries of Tracy Rural Fire District. As such, Tracy Rural will receive its share of property taxes (about 11 cents of every dollar paid in property tax) plus the 3 cents per square foot special fire tax. New development therefore improves the financial resources of Tracy Rural which currently funds approximately 30% of all costs of Fire Services provided by the South County Fire Authority.

Secondly, the City of Tracy is requesting the South County Fire Authority to join the City in the creation of a new JPA because it fosters local cooperative relationships that have a benefit of reducing costs for residents and businesses. The City can form a new JPA with a statewide organization designed for this purpose but this organization charges a fee of \$30,000 to \$40,000 to do so. By forming a new JPA with another local agency such as the South County Fire Authority this fee can be avoided. An on-going cooperative relationship between the City, Tracy Rural, and the South County Fire Authority serves all parties. For example, City Staff assisted Tracy Rural in soliciting and arranging bids for the municipal lease Tracy Rural used to finance the construction of Station 93.

By forming a JPA with the City of Tracy neither the South County Fire Authority nor its member agencies (Tracy Rural and the City of Tracy) are exposed to any debt liability of the JPA. Payment of bonds is strictly limited to the revenues associated with such bond issue. Government Code Section 6508.1 permits the JPA agreement to be written so that the debts of the JPA are not debts of the members of the JPA. As such, if the City and the South County Fire Authority formed a new JPA for financing purposes as requested by the City, the following section would be part of the formation agreement:

Section 2.03. Non-Liability of Members and Directors For Obligations of Authority. The debts, liabilities and obligations of the Financing Authority shall not be the debts, liabilities and obligations of any of the Members. No member, officer, agent or employee of the Financing Authority is individually or personally liable for the payment of the principal of or premium or interest on any obligations of the Financing Authority or be subject to any personal liability or accountability by reason of any obligations of the Financing Authority. Nothing herein contained relieves any such member, officer, agent or employee from the performance of any official duty provided by law or by the instruments authorizing the issuance of any obligations of the Financing Authority.

In short, no Member shall assume any liability or responsibility for any debts, liabilities or obligations which may be incurred by the other Member in connection with the issuance of bonds or otherwise, and no Member shall assume any liability or responsibility for any debts, liabilities or other obligations of the Financing Authority.

The proposed name for the new JPA would be the "Tracy Public Financing Authority" and it would be formed upon the approval and execution of the Exercise of Powers Agreement between both the City of Tracy and the South County Fire Authority. After this action to form the Authority is not anticipated there would be any necessity for future actions by the South County Fire Authority Board related to the Tracy Public Financing Authority. The Board of Directors of financing authority would be the members of the Tracy City Council. Whenever the Tracy Public Financing Authority is used for the purposes of issuing debt, all matters related to that specific debt issue would be considered by the Board of the new JPA as well as by the City Council. Since City Council Members would also serve as Board Members of the new JPA, it is anticipated that meetings of both the City Council and the new JPA would be held jointly during the time of regularly scheduled City Council meetings. Such was the previous situation with the TOPJPA which conducted various joint meetings of its Board of Directors (which were also the Council Members) with that of the Tracy City Council.

FISCAL IMPACT

There is no fiscal impact to the City of Tracy or the South County Fire Authority in forming the Tracy Public Financing Authority. The cost of legal services to prepare the Exercise of Powers Agreement are covered within the fee for bond counsel services which will be paid from bond proceeds upon closing of the first bonds issued by the financing authority. Also the City could avoid a General Fund expense of \$30,000 to \$40,000 – the fee charged by a Sacramento organization to create a financing authority using that organization and the City of Tracy.

RECOMMENDATION

It is recommended the Board of Directors of the South County Fire Authority by resolution approve and authorize the Exercise of Powers Agreement between the City of Tracy and the South County Fire Authority to form the Tracy Public Financing Authority.

Prepared by: Jenny Haruyama, Controller/Treasurer

Reviewed by: Maria Hurtado, Assistant Executive Director

Approved by: R. Leon Churchill, Jr., Executive Director

Attachment: Agreement

JOINT EXERCISE OF POWERS AGREEMENT

This JOINT EXERCISE OF POWERS AGREEMENT (this "Agreement") dated as of May 7, 2013, is between the CITY OF TRACY, a municipal corporation and general law city duly organized and existing under the Constitution and laws of the State of California (the "City"), and the SOUTH COUNTY FIRE AUTHORITY, a joint exercise of powers authority organized and existing under the laws of the State of California ("SCFA");

RECITALS

WHEREAS, agencies formed under Article 1 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the "Joint Powers Law") are permitted to provide financing for any of their members in connection with the acquisition, construction and improvement of public capital improvements and other programs of such members, as defined in the Joint Powers Law; and

WHEREAS, agencies formed under the Joint Agreement may also exercise power jointly possessed by the agencies or such other powers permitted under the Joint Powers Law; and; and

WHEREAS, the City and SCFA wish to form an agency under the Joint Powers Law, to be known as the Tracy Public Financing Authority (the "Financing Authority"), for the purpose of providing an entity which can provide assistance to SCFA and the City in their respective financing undertakings;

NOW, THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

ARTICLE I

GENERAL PROVISIONS

Section 1.01. Purpose. This Agreement is entered into pursuant to the Joint Powers Law. The purpose of this Agreement is to provide assistance to the City and SCFA (collectively, the "Members") from time to time in connection with their financing programs, and for any other purposes authorized under Article 4 of the Joint Powers Law (commencing with Section 6584) (the "Bond Act").

Section 1.02. Creation of Authority. Pursuant to the Joint Powers Law, there is hereby created a joint powers agency to be known as the Tracy Public Financing Authority (the "Financing Authority"). The Financing Authority is a public entity separate and apart from the Members, and shall administer this Agreement. The Financing Authority shall be deemed to be created and to exist as an entity which is authorized to transact business and exercise its powers, upon the adoption of a resolution approving the execution and delivery of this Agreement by the Board of Directors of SCFA and the City Council of the City.

Section 1.03. Board.

(a) Composition of Board; Chair. The Financing Authority shall be governed by a Board of Directors (the "Board") consisting of five (5) directors. Each member of the City Council of the City shall be a member of the Board by virtue of being a member of the City Council of the City. All voting power of the Financing Authority shall reside in the Board.

The Mayor of the City Council of the City shall act as the Chair of the Board. The Chair shall perform the duties normal to said office and such duties as may be imposed by the Board. The Chair is authorized to sign all contracts and bonds on behalf of the Financing Authority to the extent permitted under applicable law.

(b) Call, Notice and Conduct of Meetings. All meetings of the Board, including without limitation, regular, adjourned regular and special meetings, shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act of the State of California (constituting Chapter 9 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California).

(c) Quorum. A majority of the members of the Board shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn from time to time. The affirmative votes of at least a majority of the Board members present at any meeting at which a quorum is present are required to take any action by the Board.

(d) Time and Place of Regular Meetings. The Board shall provide for its regular meetings. The initial meeting shall be held on _____, 2013. Thereafter, the date, hour and place of the holding of regular meetings shall be fixed by resolution of the Board and a copy of such resolution shall be filed with each of the Members. Unless otherwise provided herein or by resolution or by amendment of this Agreement, regular meetings shall be held on the same date and time as regular meetings of the City Council of the City. If the Secretary does not post an agenda for a regular meeting pursuant to Government Code Section 54954.21, then such failure to post shall be deemed to be a determination by the Chair that no items required discussion and, therefore, that the regular meeting should be cancelled, except as otherwise provided in Section 54954.2.

(e) Special Meetings. A special meeting may be called and held at any time in accordance with the Ralph M. Brown Act.

(f) Closed Sessions. Nothing contained in this Agreement shall be construed to prevent the Board from holding closed sessions during a regular or special meeting concerning any matter permitted by law to be considered in a closed session.

(g) Parliamentary Procedure. The presiding officer at the meeting shall determine the rules of conduct. The presiding officer may be guided by the Rules of Procedure of the City Council of the City or such other rules as may be adopted by the City Council with respect to the conduct of its meetings, but failure to follow any such rules shall not affect the validity of any action or motion duly taken or adopted by the Board at any lawfully held meeting.

(h) Minutes. The Secretary shall cause to be kept minutes of the meetings of the Board and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Director and to the Members.

(i) Bylaws. The Board may adopt, from time to time, such bylaws, rules and regulations for the conduct of its meetings as are necessary for the purposes hereof.

Section 1.04. Treasurer. Pursuant to Section 6505.5 of the Joint Powers Law, the chief financial officer of the City is hereby designated as the initial Treasurer of the Financing Authority and, as such, shall perform the functions of the treasurer of the Financing Authority, as such functions are set forth in Section 6505.5 of the Joint Powers Law. Pursuant to Section 6505.1 of the Joint Powers Law, the Treasurer shall have charge of, handle and have access to all accounts, funds and money of the Financing Authority and all records of the Financing Authority relating thereto. As treasurer of the Financing Authority, the Treasurer has custody of all of the accounts, funds and money of the Financing Authority from whatever source.

In the event, but only in the event, that the Treasurer holds moneys for the account of the Financing Authority or the Members, the Treasurer shall verify and report in writing at least quarterly to the Board and the Members the amount of money so held, the amount of receipts since the last such report, and the amount paid out since the last such report.

Section 1.05. Auditor. Pursuant to Section 6505.5 of the Joint Powers Law, the person performing the functions of the chief financial officer of the City is hereby designated as the initial Auditor of the Financing Authority and, as such, shall perform the functions of the auditor of the Financing Authority, as such functions are set forth in Section 6505.5 of the Joint Powers Law.

As auditor of the Financing Authority, the Auditor shall draw warrants to pay demands against the Financing Authority when the demands have been approved by the Board and shall assure that there is strict accountability of all funds and reporting of all receipts and disbursements of the Financing Authority.

Section 1.06. Other Officers and Employees of the Financing Authority.

(a) Other Officers. In addition to the Chair, the Treasurer and the Auditor, the officers of the Financing Authority shall consist of an Executive Director, a Secretary and a General Counsel, who shall consist of the City Manager, the City Clerk and the City Attorney, respectively. The Board may appoint such assistants to act in the place of the officers of the Financing Authority (other than any Director) as the Board shall from time to time deem appropriate.

(b) Duties of Executive Director. The Executive Director shall perform such functions as are customary in the exercise of such a position, and as may be more specifically provided by the Board from time to time. The Executive Director shall have charge of the day-to-day administration of the Financing Authority and shall execute the directives of the Board. The Executive Director is authorized to sign all contracts and bonds on behalf of the Financing Authority, except as may otherwise be provided by resolution of the Board.

(c) Duties of Secretary. The Secretary shall perform such functions as are customary in the exercise of such positions, and as may be more specifically provided by the Board from time to time. The Secretary shall have charge of the records of the Financing Authority and is responsible for recording the minutes of all meetings of the Board.

(d) Duties of General Counsel. The General Counsel shall perform such functions as are customary in the exercise of such positions, and as may be more specifically provided by the Board from time to time.

(e) Other Consultants and Contractors. The Board shall have the power to appoint and employ such other consultants and independent contractors as may be necessary for the purposes of this Agreement.

(f) Miscellaneous. All of the privileges and immunities from liability, exemption from laws, ordinances and rules, all pension, relief, disability, workers' compensation and other benefits which apply to the activities of officers, agents, or employees of a public agency when performing their respective functions shall apply to them to the same degree and extent while engaged in the performance of any of the functions and other duties under this Agreement.

None of the officers, agents, or employees directly employed by the Board shall be deemed, by reason of their employment by the Board to be employed by any of the Members or, by reason of their employment by the Board, to be subject to any of the requirements of any of the Members.

Section 1.07. Bonding of Officers. From time to time, the Board may designate officers of the Financing Authority having charge of, handling or having access to any records, funds or accounts or other assets of the Financing Authority, and the respective amounts of the official bonds of such officers and such other persons pursuant to Section 6505.1 of the Joint Powers Law. In the event that any officer of the Financing Authority is required to be bonded pursuant to this Section 1.07, such bond may be maintained as a part of or in conjunction with any other bond maintained on such person by any Member, it being the intent of this Section 1.07 not to require duplicate or overlapping bonding requirements from those bonding requirements which are otherwise applicable to the Members.

ARTICLE II

POWERS

Section 2.01. General Powers. The Financing Authority shall exercise the powers granted to it under the Joint Powers Law, including but not limited to the powers set forth in the Bond Act and the powers common to each of the Members, as may be necessary to the accomplishment of the purposes of this Agreement, subject to the restrictions set forth in Section 2.02. As provided in the Joint Powers Law, the Financing Authority is a public entity separate and apart from the Members.

Section 2.02. Restrictions on Exercise of Common Powers. The powers of the Financing Authority shall be exercised in the manner provided in the Joint Powers Law and in the Bond Act, and the exercise of the common powers of the City and SCFA shall be subject (in accordance with Section 6509 of the Joint Powers Law) to the restrictions upon the manner of exercising such powers that are imposed upon the City.

Section 2.03. Non-Liability of Members and Directors For Obligations of Authority. The debts, liabilities and obligations of the Financing Authority shall not be the debts, liabilities and obligations of any of the Members. No member, officer, agent or employee of the Financing Authority is individually or personally liable for the payment of the principal of or premium or interest on any obligations of the Financing Authority or be subject to any personal liability or accountability by reason of any obligations of the Financing Authority. Nothing herein contained relieves any such member, officer, agent or employee from the performance of any official duty provided by law or by the instruments authorizing the issuance of any obligations of the Financing Authority.

In addition, no Member shall assume any liability or responsibility for any debts, liabilities or obligations which may be incurred by the other Member in connection with the issuance of bonds or other obligations of the Financing Authority for the benefit of such other Member.

ARTICLE III

CONTRIBUTION; ACCOUNTS AND REPORTS; FUNDS

Section 3.01. Contributions. The Members may, but are not required to: (a) make contributions from their treasuries for any of the purposes set forth herein, (b) make payments of public funds to defray the cost of such purposes, (c) make advances of public funds for such purposes, such advances to be repaid as provided herein, or (d) use their personnel, equipment or property in lieu of other contributions or advances.

Section 3.02. Accounts and Reports. To the extent not covered by the duties assigned to a trustee chosen by the Financing Authority, the Treasurer shall establish and maintain such funds and accounts as may be required by good accounting practice or by any provision of any trust instrument entered into with respect to the proceeds of any bonds issued by the Financing Authority. The books and records of the Financing Authority in the hands of a trustee or the Treasurer shall be open to inspection at all reasonable times by representatives of any of the Members. The trustee appointed under any trust agreement shall establish suitable funds, furnish financial reports and provide suitable accounting procedures to carry out the provisions of said trust agreement. Said trustee may be given such duties in said trust instrument as may be desirable to carry out this Agreement.

Section 3.03. Funds. Subject to the applicable provisions of any instrument or agreement which the Financing Authority may enter into, which may provide for a trustee to receive, have custody of and disburse Authority funds, the Treasurer shall receive, have the custody of and disburse Authority funds as nearly as possible in accordance with generally accepted accounting practices, shall make the disbursements required by this Agreement or to carry out any of the provisions or purposes of this Agreement.

Section 3.04. Annual Budget and Administrative Expenses. The Board shall adopt a budget for administrative expenses, which shall include all expenses not included in any financing issue of the Financing Authority, annually prior to March 1st of each year. The estimated annual administrative expenses of the Financing Authority shall be allocated by the Financing Authority to the Members equally.

ARTICLE IV

MISCELLANEOUS PROVISIONS

Section 4.01. Term. This Agreement shall become effective, and the Financing Authority shall come into existence, on the date of execution and delivery hereof, and this Agreement and the Financing Authority shall thereafter continue in full force and effect so long as either (a) any bonds or other obligations of the Financing Authority remain outstanding or any material contracts to which the Financing Authority is a party remain in effect, or (b) the Financing Authority shall own any interest in any real or personal property.

Section 4.02. Disposition of Assets and Surplus Money. Upon the termination of this Agreement, (a) all property of the Financing Authority, both real and personal, shall be divided between the Members in such manner as agreed upon by the Members and (b) any remaining funds of the Financing Authority, following discharge of all debts, liabilities and obligations of the Financing Authority, shall be returned to the Members in proportion to the contributions made by such Members.

Section 4.03. Notices. Notices hereunder must in writing and will be sufficient if delivered to:

City of Tracy
333 Civic Center Plaza
Tracy, California 95376
Attention: City Manager

South County Fire Authority
c/o City of Tracy
333 Civic Center Plaza
Tracy, California 95376
Attention: City Manager

Section 4.04. Section Headings. All section headings in this Agreement are for convenience of reference only and are not to be construed as modifying or governing the language in the section referred to or to define or limit the scope of any provision of this Agreement.

Section 4.05. Law Governing. This Agreement is made in the State of California under the Constitution and laws of the State of California, and is to be so construed.

Section 4.06. Amendments. This Agreement may be amended at any time, or from time to time, except as limited by contract with the owners of any bonds issued by the Financing Authority or by applicable regulations or laws of any jurisdiction having authority, by one or more supplemental agreements executed by all of the parties to this Agreement either as required in order to carry out any of the provisions of this Agreement or for any other purpose, including without limitation addition of new parties

(including any legal entities or taxing areas heretofore or hereafter created) in pursuance of the purposes of this Agreement.

Section 4.07. Severability. Should any part, term or provision of this Agreement be decided by any court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining portions or provisions shall not be affected thereby.

Section 4.08. Successors. This Agreement is binding upon and inures to the benefit of the successors of the respective Members. No Member may assign any right or obligation hereunder without the written consent of the other Member.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the dates shown here.

CITY OF TRACY

Dated: _____

Mayor

ATTEST:

City Clerk

SOUTH COUNTY FIRE AUTHORITY

Dated: _____

Chairperson

ATTEST:

Secretary

SCFA RESOLUTION

A RESOLUTION OF THE SOUTH COUNTY FIRE AUTHORITY AUTHORIZING THE EXECUTION OF A JOINT EXERCISE OF POWERS AGREEMENT WITH THE CITY OF TRACY, ESTABLISHING THE TRACY PUBLIC FINANCING AUTHORITY

WHEREAS, The South County Fire Authority ("SCFA") is a joint exercise of power authority duly organized and existing under Article 1 of Chapter 5 of Division 7 of Title I of the Government Code of the State of California (the "Joint Powers Law") and a Joint Exercise of Powers Agreement for the South County Fire Authority dated September 7, 1999, as amended; and

WHEREAS, SCFA and the City have proposed forming a joint powers authority under the Joint Powers Law, for the purpose of creating a public agency which can provide financial assistance to SCFA and the City; and

WHEREAS, SCFA wishes to approve the execution and delivery of a Joint Exercise of Powers Agreement between SCFA and the City, establishing the Tracy Public Financing Authority as a joint powers authority under the Joint Powers Law;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SOUTH COUNTY FIRE AUTHORITY RESOLVES AS FOLLOWS:

1. Establishment of Tracy Public Financing Authority. SCFA hereby approves the establishment of the Tracy Public Financing Authority (the "Financing Authority") under the Joint Powers Law, pursuant to the Joint Exercise of Powers Agreement dated as of May 7, 2013, between SCFA and the City, in the form attached hereto as Exhibit A and by this reference incorporated herein. The appropriate officers of SCFA and members of the Board of Directors, including the Chairperson, are hereby authorized and directed to execute, and the Secretary of SCFA is hereby authorized and directed to attest and affix the seal of SCFA (if any) to, said Joint Exercise of Powers Agreement in the name and on behalf of SCFA.

2. Authorization to Make Necessary Filings. The firm of Jones Hall, A Professional Law Corporation, as bond counsel to the City, is hereby authorized and directed to cause to be prepared, executed and filed any and all reports, statements and other documents as may be required in order to implement the establishment of the Financing Authority, including such forms as may be required by Government Code Sections 6503.5 and 6503.7.

3. Effective Date. This Resolution shall take effect immediately upon its passage and adoption.

The foregoing Resolution _____ was passed and adopted by the Board of Directors on the ____ day of _____, 2013, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ABSTAIN: Board Members:

Chairperson

ATTEST:

Secretary