



Meeting Date: 04/24/07

ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input checked="" type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s). _____	<input type="checkbox"/> Report
<input type="checkbox"/> Res. No(s). _____	<input type="checkbox"/> Public Hearing (Info/consent)
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____

Prepared By: Michael More / Beth Vo *mm* Agenda Item No. I-4

Reviewed By: City Manager *[Signature]* City Attorney *[Signature]* Finance SW Other (Specify) \_\_\_\_\_

**DATE:** April 17, 2007

**TO:** City Council  
City of Oxnard Financing Authority

**FROM:** Michael More, Financial Services Manager *[Signature]*  
Finance Department

**SUBJECT:** Special Budget Appropriation for Bond and Disclosure Counsel Fees for the Remarketing of the City of Oxnard Financing Authority Variable Rate Demand Lease Bonds, 2003 Series B

**RECOMMENDATION**

That City Council approve a Special Budget Appropriation in the amount of \$86,250 from Financial Resources Miscellaneous Income / Other Reimbursement for the cost of Bond and Disclosure Counsel Fees associated with the remarketing of the City of Oxnard Financing Authority Variable Rate Demand Lease Revenue Bonds, 2003 Series B, in Fiscal Year 2006-07.

**DISCUSSION**

On December 4, 2003, the City of Oxnard Financing Authority (COFA) issued \$14,750,000 in aggregate principal amount of City of Oxnard Financing Authority Variable Rate Demand Lease Revenue Bonds, 2003 Series B (the "2003 Bonds"). Proceeds from the 2003 Bonds were used to finance the construction of the downtown parking structure and the South Oxnard Branch Library. The 2003 Bonds were issued as variable rate debt, and as a result, required the backing of a liquidity facility (in the form of a standby bond purchase agreement, or "SBPA") from a commercial bank. Wachovia Bank, N.A., provided the liquidity facility at a rate of 37 basis points, and the agreement expires on December 1, 2007. Since the liquidity provider is changing from Wachovia Bank to Dexia, the backup credit of the bonds changes and the 2003 Bonds must be reissued.

On March 13, 2007, the City Council adopted Resolution No. 13,202 authorizing the provision of a substitute liquidity facility and remarketing for the 2003 Bonds. Resolution No. 13,202 also appointed Goodwin Procter LLP as bond counsel ("Bond Counsel") and disclosure counsel ("Disclosure Counsel") to prepare proceedings with the remarketing of the 2003 Bonds. Staff recommends an appropriation to cover the cost of bond counsel and disclosure counsel fees in connection with the remarketing of the 2003 Bonds.

**Special Budget Appropriation for Bond and Disclosure Counsel Fees for the Remarketing of the City of Oxnard Financing Authority Variable Rate Demand Lease Bonds, 2003 Series B**

April 17, 2007

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The approval of the remarketing reduced liquidity costs by nearly two-thirds through 2018. This will more than offset the expenses associated with the remarketing fees. For Fiscal Year 2007-08, estimated savings for the 2003 Bonds (budgeted in the General Fund) is \$30,000.

**FINANCIAL IMPACT**

For Fiscal Year 2006-07, an appropriation of \$86,250 in the Contracts and Services / Services Other Professional City Account No. 101-1003-801-8209 will be offset against previously unrecognized revenue in the Financial Resources Miscellaneous Income / Other Reimbursement City Account No. 101-1603-581-7519, resulting in no net financial impact. The appropriation will cover the cost of Bond and Disclosure Counsel Fees associated with the remarketing of the 2003 Bonds.

MJM / BV

Attachment

#1 –Special Budget Appropriation

000034

# CITY OF OXNARD

## REQUEST FOR SPECIAL BUDGET APPROPRIATION

To the City Manager:

April 24, 2007

Request is hereby made for an appropriation of total . . . . .

\$ 86,250

Reason for appropriation:

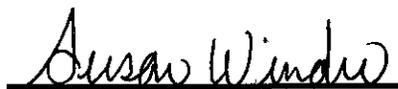
Appropriation for cost of bond and disclosure counsel services in connection with the remarketing of the City of Oxnard Financing Authority Variable Lease Revenue Bonds, 2003 Series B.

<u>FUND</u>	<u>DESCRIPTION/ACCOUNT</u>	<u>AMOUNT</u>
General Fund (101)	General Fund - Finance 101-1603-581 7519 - Misc Income / Other Reimb.	(86,250)
	General Fund - Non Departmental 101-1003-801 8209 - Svcs. Other Prof. / Contract	<u>86,250</u>
	Net Estimated Change to General Fund Balance	<u>0</u>

  
\_\_\_\_\_  
Program Leader

REQUIRES CITY COUNCIL APPROVAL

DIRECTOR OF FINANCE

  
\_\_\_\_\_  
Susan Windsor

Disposition \_\_\_\_\_

Approved \_\_\_\_\_

Rejected \_\_\_\_\_

Transfer by Journal Voucher \_\_\_\_\_

\_\_\_\_\_  
City Manager

**000035**

ATTACHMENT NO. \_\_\_\_\_

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