

CITY OF SEBASTOPOL  
CITY COUNCIL  
AGENDA ITEM

Meeting Date: April 19, 2022

To: Honorable Mayor and City Councilmembers

From: Ana Kwong – Administrative Services Director

Subject: A Resolution of the City Council of the City of Sebastopol Rescinding Resolution No. 6393-2021 which Authorized the Issuance of One or More Series of Pension Obligation Bonds to Refinance Outstanding Obligations of the City to the California Public Employees’ Retirement System, and Related Matters

Recommendation: Review staff’s recommendation to adopt City Resolution which would:

1) Rescind the Council’s actions pursuant to Resolution No. 6393-2021, which authorized pension obligation bonds

Funding: Currently Budgeted:  Yes  No  N/A

Account Code/Costs authorized in City Approved Budget AK (verified by Administrative Services Department)

**INTRODUCTION/PURPOSE:**

This item is for City Council to review staff’s recommendation to adopt a resolution to cease the City’s potential issuance of a pension obligation bond to deal with its unfunded accrued liability (“UAL”) for its CalPERS Miscellaneous and Safety Plans.

**BACKGROUND:**

On December 21, 2021, the City Council adopted a resolution to issue one or more series of pension obligation bonds and to work with bond counsel to the City (Jones Hall) to judicially validate the issuance of those bonds. Staff now recommends ceasing those activities and finding alternative ways to address the City’s UAL.

**DISCUSSION:**

City staff recommends adoption of the resolution rescinding Resolution No. 6393-2021, which authorized the issuance of one or more series of pension obligation bonds to refinance outstanding obligations of the City to CalPERS, and related matters. In conclusion, staff recommends the City Council approve this resolution, so staff can focus on alternatives for addressing the UAL.

**GOALS:**

This action supports the following City Council Goals and General Plan Actions:

- Operate City government in a fiscally responsible and responsive manner
- Develop and Implement Sound Financial Management Policies and Procedures

**PUBLIC COMMENT:**

As of the writing of this staff report, the City has not received public comment. If staff receives additional public comment from interested parties following the publication and distribution of this staff report, such comments will be provided to the City Council as supplemental materials before or at the meeting. In addition, public comments may be offered during the public comment portion of this item.

**PUBLIC NOTICE:**

This item was noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to schedule meeting date.

**FISCAL IMPACT**

The judicial validation process authorized by Resolution No. 6393-2021 has resulted in a fee of \$10,000 for Jones Hall, A Professional Law Corporation. The funding was absorbed in the Administrative Services (Finance) Department from account code 100-14-01-4210. No additional costs are incurred as a result of adoption of the new Resolution.

**RECOMMENDATION:**

Review staff's recommendation to adopt a Resolution which would:

- 1) Rescind the Council's actions pursuant to Resolution No. 6393-2021, which authorized pension obligation bonds

**ATTACHMENT:**

- City Council Resolution

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEBASTOPOL  
RESCINDING RESOLUTION NO. 6393-2021 WHICH AUTHORIZED THE  
ISSUANCE OF ONE OR MORE SERIES OF PENSION OBLIGATION BONDS  
TO REFINANCE OUTSTANDING OBLIGATIONS OF THE CITY TO THE  
CALIFORNIA PUBLIC EMPLOYEES’ RETIREMENT SYSTEM AND RELATED  
MATTERS**

**WHEREAS**, the City of Sebastopol (the “City”) is a contracting member of the California Public Employees’ Retirement System (“PERS”), and as such the City is obligated by Sections 20000 *et seq.* of the California Government Code, to make payments to PERS relating to pension benefits accruing to current and former City employees who are PERS members, including retired employees (the “PERS Obligations”); and

**WHEREAS**, pursuant to Resolution No. 6393-2021 adopted by the Council on December 21, 2021 (the “Prior Resolution”), the Council authorized the issuance of one or more series of pension obligation bonds of the City from time to time for the purpose of refinancing the PERS Obligations in whole or in part, and the filing of a judicial validation action in the Superior Court of California for the County of Sonoma related thereto; and

**WHEREAS**, the City Attorney, working with Jones Hall, A Professional Law Corporation as bond counsel to the City, has moved to dismiss the judicial validation action.

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Sebastopol as follows:

**Section 1. Rescission of Prior Resolution.** The Council hereby rescinds, in full, the Prior Resolution. The authorities granted in the Prior Resolution shall no longer be effective, from and after the date of approval and adoption of this Resolution.

**Section 2. Official Actions.** The City Manager, the City Attorney (working with bond counsel to the City), and any and all other officers of the City are hereby authorized and directed, for and in the name and on behalf of the City, to execute such documents and to take such actions, which they, or any of them, may deem necessary or advisable to effectuate this Resolution. Whenever in this Resolution any officer of the City is directed to execute any document or take any action, such execution or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

\* \* \* \* \*

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Sebastopol on the \_\_\_\_\_ day of \_\_\_\_\_, 2022, by the following called vote:

VOTE:  
Ayes:  
Noes:  
Absent:  
Abstain:

APPROVED:

\_\_\_\_\_  
Mayor Patrick Slayter

ATTEST:

\_\_\_\_\_  
Mary Gourley, MMC, Assistant City Manager / City Clerk

Approved as to Form:

\_\_\_\_\_  
Larry McLaughlin, City Manager/Attorney