



CITY OF SAN JOSÉ, CALIFORNIA

MINUTES OF THE SAN JOSÉ FINANCING AUTHORITY

SAN JOSÉ, CALIFORNIA

TUESDAY, APRIL 12, 2005

The Council of the City of San José convened in joint session at 3:13 p.m. with the San José Financing Authority, in City Council Chambers at City Hall.

Present: Council Members - Campos, Chavez, Chirco, Cortese, LeZotte, Pyle, Reed, Williams, Yeager.

Absent: Council Members - Gonzales. (Excused)

2. (a) **Adoption of a resolution by the City of San José Financing Authority (the "Authority") authorizing the Treasurer or the Treasurer's designee to procure an increased Surety Bond for the debt service reserve fund for the Authority's \$42,500,000 Taxable Lease Revenue Bonds, Series 2001B and Series 2001C, to pay the required premium, to negotiate and execute an amendment to the existing Guaranty Agreement dated as of February 14, 2001 by and between Ambac Assurance Corporation and the Authority required to increase the amount of the existing Surety Bond, and authorizing the Treasurer or the Treasurer's designee to execute documents and to provide any necessary direction to the Trustee related to the release of funds from the debt service reserve fund.**
- (b) **Adoption of a resolution by the City Council approving the use of the excess monies in the debt service reserve fund for the purpose of repaying a portion of the outstanding balance on the Comerica Line of Credit and authorizing the Director of Finance or the Director's designee to take any necessary actions related to the repayment of the Comerica Line of Credit and the Authority's procurement of the increased Surety Bond.**
- (c) **Adoption of the following Appropriation Ordinance and Funding Sources Resolution amendments in the Community Facilities Revenue Fund:**
 - (1) **Establish a Transfer from the Hayes Mansion Phase III Debt Service Reserve Fund in the amount of \$2,061,250 to reflect the transfer of funds released as a result of increasing the Surety Bond.**
 - (2) **Establish an appropriation for Hayes Mansion Line of Credit Repayment in the amount of \$2,061,250 to reflect a partial repayment of amounts drawn on the Hayes Mansion Line of Credit with Comerica Bank.**

CEQA: Not a Project. (Finance/City Manager's Office)

2 (Cont'd.)

Documents Filed: Memorandum from Director of Finance Scott Johnson, and Budget Director Larry Lisenbee, dated March 24, 2005, recommending adoption of resolutions, appropriation ordinance and funding source resolution.

Action: Upon motion by Council Member Williams, seconded by Council Member Campos, and carried unanimously, San José Financing Authority Resolution No. 69 , entitled: “A Resolution of the Council of the City of San José Financing Authority Authorizing the Treasurer or the Treasurer’s Designee to Procure an Increased Surety Bond for the Debt Service Reserve Fund for the Authority’s \$42,500,000 Taxable Lease Revenue Bonds, Series 2001B and Series 2001C (Hayes Mansion Phase III Improvement and Refunding Project)”; Resolution No. 72618, entitled: “A Resolution of the Council of the City of San José Approving the Use of Excess Monies in the Debt Service Reserve Fund for the City of San José Financing Authority’s \$42,500,000 Taxable Lease Revenue Bonds, Series 2001B and Series 2001C, to Repay a Portion of the Outstanding Balance on the Comerica Line of Credit for Hayes Mansion”; Ordinance No. 27404, entitled: “An Ordinance of the City of San José Amending Ordinance No. 27196 to Appropriate Monies in the Community Facilities Revenue Fund for the Hayes Mansion Line of Credit; and Providing that this Ordinance Shall Become Effective Immediately Upon Adoption”, and Resolution No. 72619, entitled: “A Resolution of the Council of the City of San José Amending Resolution No. 72189 Setting Forth the Estimated Sources of Funds for the Fiscal Year 2004-2005 to Adjust Revenues in the Community Facilities Revenue Fund”, were adopted. (9-0-1. Absent: Gonzales.)

ADJOURNMENT

The Joint City Council/San José Financing Authority meeting was adjourned at 3:14 p.m.

CINDY CHAVEZ, VICE MAYOR

ATTEST:

LEE PRICE, CMC, CITY CLERK

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