

RESOLUTION NO. 74237

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE TO AUTHORIZE THE CITY MANAGER OR THE CITY MANAGER'S AUTHORIZED DESIGNEE, THROUGH MARCH 10, 2008, TO TAKE VARIOUS ACTIONS WITH RESPECT TO OUTSTANDING VARIABLE RATE DEBT OF THE CITY OR THE SAN JOSE FINANCING AUTHORITY WITHOUT FURTHER ACTION OF THE CITY COUNCIL WHEN THE CITY MANAGER DETERMINES IT WOULD BE PRUDENT TO DO SO

WHEREAS, the recent disruption in the financial markets related to the default potential of subprime mortgages has disrupted the variable rate municipal bond market; and

WHEREAS, the City Council desires to authorize the City Manager or the City Manager's authorized designee, through March 10, 2008, to take various actions with respect to the outstanding variable rate debt of both the City and the San José Financing Authority without further action of the City Council in order to respond to financial proposals related to its variable rate debt portfolio during the current period of disruption in the financial markets;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

1. For purposes of this Resolution the following definitions shall apply:
 - a. "Authorized Officials" shall mean the City Manager, the Director of Finance, the Deputy Director of Finance, Treasury, and the Debt Administrator and the person or persons designated from time to time in writing by the City Manager to execute all documents on behalf of the City Manager.
 - b. "Variable Rate Debt" shall mean the outstanding variable rate demand bonds, auction bonds, and commercial paper issued by the City or by the San José Financing Authority.

2. The Authorized Officials, each acting alone, are hereby authorized to act on behalf of the City with respect to all amendments, approvals, consents, directions, extensions, instructions, notices, orders, requests, replacements, and other actions in connection with any of the agreements or certificates governing the Variable Rate Debt including any standby bond purchase agreement, any letter of credit, any remarketing agreement, any broker-dealer agreement, any auction agreement, any policy of insurance, any reserve facility, and any investment of Variable Rate Debt proceeds, without further authorization or direction by the City Council when the Authorized Official determines with the advice of the City Attorney, that it would be prudent to do so in order to minimize financial and budgetary risks.
3. This delegation of authority to the Authorized Officials shall remain in effect for a period of time up to and including March 10, 2008, unless otherwise extended or sooner terminated by the City Council.
4. Any action taken pursuant to this delegation of authority shall be reported as soon as practicable to the City Council. Further, the City Manager will provide updates to the City Council regarding any actions taken pursuant to this delegation of authority as part of the City Manager's weekly report to the City Council.

ADOPTED this 15th day of February, 2008, by the following vote:

AYES: CHIRCO, CHU, CONSTANT, CORTESE, LICCARDO,
NGUYEN, OLIVERIO, PYLE, WILLIAMS; REED

NOES: NONE

ABSENT: CAMPOS

DISQUALIFIED: NONE

CHUCK REED
Mayor

ATTEST:

LEE PRICE, MMC
City Clerk