

**CITY OF SELMA
WORKSHOP/PRE-COUNCIL MEETING
April 17, 2017**

The Workshop/ pre-Council meeting of the Selma City Council was called to order at 5:00 p.m. in the Council Chambers. Council members answering roll call were: Franco, Montijo, Robertson, Mayor Pro Tem Avalos, and Mayor Derr.

Also present were City Manager Elias, City Attorney Costanzo, and interested citizens.

The agenda for this meeting was duly posted in a location visible at all times by the general public seventy-two hours prior to this meeting.

EXECUTIVE SESSION: At 5:01 p.m., Mayor Derr recessed the meeting into Executive Session to discuss one item of Public Employment pursuant to Government Code 54957 Title: City Manager; and one item of pending litigationz: Shane Frandsen v. City of Selma Case No. 1:16-CV-00564 SMS.

The meeting reconvened at 5:23 p.m., with City Attorney Costanzo reporting the following: Council approved by a four-one vote, with Council member Franco voting no, an amended City Manager Employment Contract with David Elias reflecting changes to health insurance benefits.

BREAK: At 5:24 p.m., Mayor Derr called for a short break in the meeting. The meeting then reconvened at 5:45 p.m.

CALIFORNIA MUNICIPAL FINANCE AUTHORITY – PACE PROGRAM

PRESENTATION: City Manager Elias introduced Ms. Taylor Libolt who stepped forward to discuss the California Municipal Finance Authority PACE program which provides another option for citizens in Selma. She stated that PACE is an innovative way to finance energy efficiency, water efficiency, and renewable energy upgrades for residential and commercial buildings, and that property owners who participate in the program repay the loans through a voluntary contractual assessment collected together with their property taxes.

After much discussion, Ms. Libolt was thanked for the information.

ADJOURNMENT: There being no further business, the meeting was adjourned at 5:55 p.m.

Respectfully submitted,

Reyna Rivera
City Clerk

Michael Derr
Mayor of the City of Selma

agenda item 1.b.

**CITY OF SELMA
REGULAR COUNCIL MEETING
April 17, 2017**

The regular meeting of the Selma City Council was called to order at 6:00 p.m. in the Council Chambers. Council members answering roll call were: Franco, Montijo, Robertson, Mayor Pro Tem Avalos, and Mayor Derr.

Also present were City Manager Elias, City Attorney Costanzo, Community Services Director Kirchner, Finance Manager Moreno, Fire Chief Kain, Police Chief Garner, Public Works Director Shiplee, the press and interested citizens.

The agenda for this meeting was duly posted in a location visible at all times by the general public seventy-two hours prior to this meeting.

INVOCATION: Chaplain Dale Leamon of Adventist Medical Center led the invocation.

CONSENT CALENDAR: Council member Robertson requested that agenda items 1.b. and 1.g. be pulled for discussion. Motion to approve the remainder of the Consent Calendar was made by Council member Robertson and seconded by Council member Franco. Motion carried with the following vote:

AYES: Robertson, Franco, Montijo, Avalos, Derr
NOES: None
ABSTAIN: None
ABSENT: None

- a. RESOLUTION NO. 2017-22R, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SELMA CONSENTING TO THE INCLUSION OF PROPERTIES IN SELMA IN THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY OPEN PROPERTY ASSESSED CLEAN ENERGY PROGRAM; AND AUTHORIZING RELATED ACTIONS. Resolution approved by standard motion.
- b. Pulled for separate discussion.
- c. RESOLUTION NO. 2017 -24R, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SELMA AUTHORIZING AND DESIGNATING AUTHORIZED PERSONS TO ESTABLISH AND WITHDRAW FROM BANK ACCOUNTS AT UNION BANK OF CALIFORNIA- Checking Account. Resolution approved by standard motion.
- d. RESOLUTION NO. 2017 -25R, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SELMA AUTHORIZING AND DESIGNATING AUTHORIZED PERSONS TO ESTABLISH AND WITHDRAW FROM BANK ACCOUNTS AT UNION BANK OF CALIFORNIA- Payroll Account. Resolution approved by standard motion.

- e. RESOLUTION NO. 2016 –26R, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SELMA AUTHORIZING AND DESIGNATING AUTHORIZED PERSONS TO ESTABLISH AND WITHDRAW FROM BANK ACCOUNTS AT UNION BANK OF CALIFORNIA- PIOC Account. Resolution approved by standard motion.
- f. RESOLUTION NO. 2017 –27R, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SELMA AUTHORIZING AND DESIGNATING AUTHORIZED INVESTMENT OF CITY OF SELMA MONIES IN THE LOCAL AGENCY INVESTMENT FUND- CITY LAIF ACCOUNT. Resolution approved by standard motion.
- g. Pulled for separate discussion.

AGENDA ITEMS 1.b. CONSIDERATION AND NECESSARY ACTION ON RESOLUTION AUTHORIZING SUBMITTAL OF APPLICATIONS FOR PAYMENT FOR WHICH THE CITY OF SELMA IS ELIGIBLE, AS WELL AS DESIGNATE CITY MANAGER AS AUTHORIZED SIGNATORY: After much discussion, motion was made by Council member Robertson and seconded by Mayor Pro Tem Avalos to approve RESOLUTION NO. 2017 – 23R, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SELMA AUTHORIZING SUBMITTAL OF APPLICATIONS FOR PAYMENT FOR WHICH THE CITY OF SELMA IS ELIGIBLE, AS WELL AS DESIGNATE CITY MANAGER AS AUTHORIZED SIGNATORY. Motion carried with the following vote:

AYES: Robertson, Avalos, Franco, Montijo, Derr
NOES: None
ABSTAIN: None
ABSENT: None

AGENDA ITEM 1.g. CONSIDERATION AND NECESSARY ACTION ON CHECK REGISTER DATED APRIL 11, 2017: After much discussion, motion to approve CHECK REGISTER DATED APRIL 11, 2017 was made by Council member Robertson and seconded by Mayor Pro Tem Avalos. Motion carried with the following vote:

AYES: Robertson, Avalos, Franco, Montijo, Derr
NOES: None
ABSTAIN: None
ABSENT: None

CONSIDERATION AND NECESSARY ACTION ON REQUEST FROM SELMA CHAMBER OF COMMERCE TO WAIVE FEES FOR THE ANNUAL RAISIN FESTIVAL: Community Services Director Kirchner reported on the request received from the Selma District Chamber of Commerce to waive fees for the annual Raisin Festival. He stated that Ms. Char Tucker was available to answer any questions on behalf of the Chamber of Commerce.

Motion to approve the fee waiver for the Raisin Festival on an annual basis was made by Council member Montijo and seconded by Council member Robertson. After discussion, motion carried with the following vote:

AYES: Montijo, Robertson, Franco, Avalos, Derr
NOES: None
ABSTAIN: None
ABSENT: None

DEPARTMENTAL REPORTS: City Manager Elias reported on attending the following: City Facilities tour, Industrial Park Business Owner meetings, LAFCo meeting, Chamber Ribbon Cutting, monthly Project's meeting, Selma Kingsburg Fowler County Sanitation Joint PAC/Board meeting, meeting with American Legion representatives, and Sikh Parade. He also discussed the General Obligation Bond for the Police Station, and becoming acclimated with Selma.

Finance Manager Moreno discussed and distributed a power point presentation regarding the PERS Discount rate and the upcoming changes and impacts associated with them. He also reported that the process has begun to develop a new Community Facility District (CFD) for services on all new development.

Public Works Director Shiplee reported that weed abatement letters were just mailed out, and that staff has been working on street potholes.

Fire Chief Kain reported that his department is preparing for an active fire season and updated Council on the recent changes to the training center.

Police Chief Garner reported on a recent tragic event and stated that it is a pending investigation.

Community Services Director Kirchner discussed two options available for an upcoming parks grant. After much discussion, Council consensus was to direct staff to focus the grant application priorities on the bonus formula currently available for submittal. He also discussed current legislation for grant funding, and requested a letter of support for Assembly Bill 18. Council directed staff to issue a letter of support.

COUNCIL REPORTS: Council member Franco inquired on the status of restrooms for Lincoln Park, and requested a workshop to set goals and policy for Council.

Council member Montijo reported on attending the Selma Kingsburg Fowler County Sanitation District meeting. She stated that there would be a presentation on the rate increase at an upcoming Council meeting.

Council member Robertson reported on attending the following: Chamber Ribbon Cutting, Maria Madrigal Event, Faith and Family meeting, Boys and Girls Club event, League membership meeting, and Sikh Parade. He also discussed an upcoming meeting with

California Consulting, a change to the voicemail for Second Chance Animal Shelter, reported that Waste Management would provide assistance for seniors during the cleanup week, and he also thanked Mayor Pro Tem Avalos for the basketball nets at Salazar Center.

Mayor Pro Tem Avalos reported on attending an event at the Boys and Girls Club, Sikh Parade, and the League membership meeting. He thanked Finance Manager Moreno for the presentation and discussed the recent tragic event that occurred.

Mayor Derr reported on attending the Lions Club breakfast, Chamber Ribbon Cutting, and Boys and Girls Club event.

ADJOURNMENT: There being no further business, the meeting was adjourned at 7:31 p.m.

Respectfully submitted,

Reyna Rivera
City Clerk

Michael Derr
Mayor of the City of Selma

agenda item 1.c.

**CITY OF SELMA
WORKSHOP/PRE-COUNCIL MEETING
May 1, 2017**

The Workshop/ pre-Council meeting of the Selma City Council was called to order at 5:01 p.m. in the Council Chambers. Council members answering roll call were: Franco, Montijo, Robertson, Mayor Pro Tem Avalos, and Mayor Derr.

Also present were City Manager Elias, City Attorney Costanzo, and interested citizens.

The agenda for this meeting was duly posted in a location visible at all times by the general public seventy-two hours prior to this meeting.

EXECUTIVE SESSION: At 5:02 p.m., Mayor Derr recessed the meeting into Executive Session to discuss one item of potential litigation pursuant to Government Code 54956.9.

The meeting reconvened at 5:33 p.m., with City Attorney Costanzo stating that there was no reportable action.

NEW POLICE STATION PROGRESS REPORT PRESENTATION: Police Chief Garner and Mr. Art Dyson stepped forward to discuss the progress on the police station. They also provided a power point presentation for Council to view the floor plans and elevations for the proposed station.

ADJOURNMENT: There being no further business, the meeting was adjourned at 6:04 p.m.

Respectfully submitted,

Reyna Rivera
City Clerk

Michael Derr
Mayor of the City of Selma

agenda item 1.d.

**CITY OF SELMA
REGULAR COUNCIL MEETING
May 1, 2017**

The regular meeting of the Selma City Council was called to order at 6:01 p.m. in the Council Chambers. Council members answering roll call were: Franco, Montijo, Robertson, Mayor Pro Tem Avalos, and Mayor Derr.

Also present were City Manager Elias, City Attorney Costanzo, Community Services Director Kirchner, Finance Manager Moreno, Fire Chief Kain, Police Chief Garner, Public Works Director Shiplee, and interested citizens.

The agenda for this meeting was duly posted in a location visible at all times by the general public seventy-two hours prior to this meeting.

INVOCATION: Pastor Seth Pankratz of Selma First Baptist led the invocation.

FIREWORKS STAND LOTTERY DRAWING: City Clerk Rivera explained that two organizations did not reapply as of the deadline, and that four organizations had submitted interest cards and had been placed into the drawing. The four groups submitting interest cards were: Selma Galaxy Youth Soccer, First Friendship Baptist Church, the Meeting Place, and First Southern Baptist Church. Selma Kingsburg Fowler County Sanitation District Engineer Cazares assisted in the lottery drawing and pulled the Meeting Place and First Friendship Baptist Church interest cards (both of which were not in attendance).

SELMA KINGSBURG FOWLER COUNTY SANITATION DISTRICT

PRESENTATION: District Manager Ben Munoz and Engineer Veronica Cazares stepped forward and provided power point presentations regarding the District Wastewater Financial Plan and Rates as well as the Capital Improvement Plans. They discussed the proposed rate increase and the Board policies.

After much discussion, they were thanked for the information.

CONSENT CALENDAR: Council member Montijo requested agenda items 1.a. and 1.b., and Council member Robertson requested agenda item 1.f. be pulled for discussion. Motion to approve the remainder of the Consent Calendar was made by Council member Robertson and seconded by Mayor Pro Tem Avalos. Motion carried with the following vote:

AYES:	Robertson, Avalos, Franco, Montijo, Derr
NOES:	None
ABSTAIN:	None
ABSENT:	None

- a. Pulled for separate discussion.
- b. Pulled for separate discussion.

- c. Agreement with the County of Fresno to provide Emergency Dispatch Services for the Selma Fire Department, approved by standard motion.
- d. Agreement with County of Fresno Emergency Medical Service (EMS) to provide ambulance service in Zone G, approved by standard motion.
- e. RESOLUTION NO. 2017 – 28R, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SELMA, ACCEPTING THE DEDICATION OF REAL PROPERTY. Resolution approved by standard motion.
- f. Pulled for separate discussion.

AGENDA ITEMS 1.a. & 1.b. CONSIDERATION AND NECESSARY ACTION ON MINUTES OF THE APRIL 3, 2017 COUNCIL MEETINGS: After clarification on the minutes, motion was made by Council member Montijo and seconded by Council member Robertson to approve as written, agenda items 1.a. & 1.b. MINUTES OF THE APRIL 3, 2017 WORKSHOP/PRE-COUNCIL AND REGULAR MEETING. Motion carried with the following vote:

AYES: Montijo, Robertson, Franco, Avalos, Derr
NOES: None
ABSTAIN: None
ABSENT: None

AGENDA ITEM 1.f. CONSIDERATION AND NECESSARY ACTION ON CHECK REGISTER DATED APRIL 26, 2017: After much discussion, motion to approve CHECK REGISTER DATED APRIL 26, 2017 was made by Council member Robertson and seconded by Mayor Pro Tem Avalos. Motion carried with the following vote:

AYES: Robertson, Avalos, Franco, Montijo, Derr
NOES: None
ABSTAIN: None
ABSENT: None

CONSIDERATION AND NECESSARY ACTION ON RESOLUTION APPROVING THE NEW DEBT MANAGEMENT POLICY: Finance Manager Moreno discussed the Debt Management Policy for Council. He also introduced Mr. Eric Scriven, of NHA Advisors.

Mr. Scriven stepped forward to further discuss the Policy that had been written to include all elements required by California Debt and Investment Advisory Commission (CDIAC) as well as best management practices expected by the pertinent credit markets and municipal bond industry. This policy will assist the City in pursuing and maintaining quality credit ratings in addition to providing guidance to decision makers.

After much discussion, motion to approve RESOLUTION NO. 2017 – 29R, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SELMA, ADOPTING THE CITY OF SELMA DEBT MANAGEMENT POLICY was made by Council member

Franco and seconded by Council member Montijo. After discussion, motion carried with the following vote:

AYES:	Franco, Montijo, Robertson, Avalos, Derr
NOES:	None
ABSTAIN:	None
ABSENT:	None

DEPARTMENTAL REPORTS: City Manager Elias reported on the population notification received from the Department of Finance, Housing Authority complex update, the Veterans and Government Plaza's flag poles, and an upcoming League of Cities event. He also discussed a request for non-profit car washes and asked for Council consensus to update the watering Resolution. After discussion, the consensus was to keep the current Resolution that does not allow for non-profit car washes. He reported on a request received from The Meeting Place on deferment or waiver of fees required for a Conditional Use Permit.

Finance Manager Moreno provided a power point presentation regarding the third quarter budget review. He discussed the projected fiscal year budget revenues and expenditures versus actual, as well as key factors for revenues and expenditures. He stated revenues are over by one percent and expenditures are down by two percent with a net positive gain of \$294,023. After much discussion, Council thanked Finance Manager Moreno for the information.

Public Works Director Shiplee updated Council on current projects.

Fire Chief Kain reported that he would be attending a Fire Station Design conference next week.

Police Chief Garner reported on the recent Bringing Broken Neighborhoods Back to Life event and the Raisin Carnival.

Community Services Director Kirchner invited everyone to the current play at the Art's Center.

COUNCIL REPORTS: Council member Franco discussed the importance of investing in city infrastructure and requested a Council workshop to set goals and policy. He also discussed the Selma Public Education Foundation fundraiser event.

Council member Montijo reported on attending the Selma Public Education Foundation fundraiser event. She also inquired on the department reports submitted to Council.

Council member Robertson reported on attending the Chamber Meet and Greet event for City Manager Elias and the Boys and Girls Birthday event. He encouraged everyone to celebrate National Adoption week by adopting a dog.

Mayor Pro Tem Avalos reported on his recent trip to Sacramento. He also thanked the residents and staff of the City of Selma.

Mayor Derr reported on attending the Chamber mixer, Chamber Meet and Greet event for City Manager Elias, Burl Walters memorial, recent meeting with Steve Samuelian, COG meeting, Boys and Girls Birthday event, Arts Center play, and the 102nd Armenian Genocide commemoration event.

ADJOURNMENT: There being no further business, the meeting was adjourned at 8:11 p.m.

Respectfully submitted,

Reyna Rivera
City Clerk

Michael Derr
Mayor of the City of Selma

ITEM NO: 1.e.

SUBJECT: Resolution awarding consultant agreement to Gateway Engineering for the engineering for Community Development Block Grant (CDBG) Project for fiscal year 2016-2017, Project 16651.

BACKGROUND: A Request for Proposals for the engineering for Community Development Block Grant (CDBG) Projects for various street and alley improvements for three consecutive years, 2014-2015, 2015-2016 and 2016-2017, was distributed to five consultants by the Public Works/Engineering Department.

On May 30, 2014, three proposals were received and opened. The consultant agreement for the engineering for all three consecutive fiscal years was awarded to Gateway Engineering on December 1, 2014.

DISCUSSION: The current fiscal year 2016-2017 project consists of:

Ringo Park Improvements

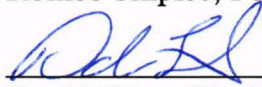
Improvements to the existing restroom
Lighting and electrical improvements
Installation of security cameras

The consultant fee for the current fiscal year 2016-2017 project is \$7,600.00.

The CDBG application for this project was approved by the City Council on September 21, 2015.

<u>COST:</u> <i>(Enter cost of item to be purchased)</i>		<u>BUDGET IMPACT:</u> <i>(Enter amount this non-budgeted item will impact this years' budget – if budgeted, enter NONE).</i>
\$7,600.00		None
<u>FUNDING:</u> <i>(Enter the funding source for this item – if fund exists, enter the balance in the fund).</i>		<u>ON-GOING COST:</u> <i>(Enter the amount that will need to be budgeted each year – if one-time cost, enter NONE).</i>
Funding Source: CDBG Fund Balance:		None

RECOMMENDATION: Approve Resolution awarding consultant agreement to Gateway Engineering for the engineering for the 2016-2017 CDBG Project 16651.

 /S/ Romeo Shiplee
 Romeo Shiplee, Public Works Director


 David Elias, City Manager

 05/12/2017
 Date

 5-12-17
 Date

We _____ and _____
 David Elias, City Manager Isaac Moreno, Finance Manager

do hereby agree that the funding for the above is correct and that enough funds exist to cover the expenditure.

RESOLUTION NO. 2017- R

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SELMA
APPROVING THE CONSULTANT AGREEMENT WITH GATEWAY ENGINEERING
FOR ENGINEERING FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT
(CDBG) PROJECT NO. 16651 IN THE CITY OF SELMA FOR
FISCAL YEAR 2016-2017**

WHEREAS, the City of Selma has requested proposals for the engineering for the reconstruction of various streets and alleyways in the City of Selma from five engineering firms; and

WHEREAS, the City of Selma has received funding from Community Development Block Grant (CDBG); and

WHEREAS, the proposals were opened on May 30, 2014; and

WHEREAS, Gateway Engineering was the most qualified consulting firm.

NOW THEREFORE BE IT RESOLVED, that the City Council of the City of Selma does hereby resolve as follows:

1. That the contract for engineering for the current fiscal year 2016-2017 project is hereby awarded to Gateway Engineering in the amount of \$7,600.00.
2. That the consultant agreement for the engineering for the said project is hereby approved.
3. That the City Manager is hereby authorized and directed to execute the same on behalf of the City of Selma.

The foregoing Resolution was duly adopted at a regular meeting of the Selma City Council on May 15th, 2017 by the following vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST:

Michael Derr
Mayor of the City of Selma

Reyna Rivera
City Clerk for the City of Selma

ITEM NO:

1.f.

SUBJECT: Consideration and Necessary Action on Resolutions Consenting to Inclusion of the City of Selma Properties in the California Home Finance Authority PACE Programs and Associate Membership in California Home Finance Authority

BACKGROUND

California Home Finance Authority ("CHF"), which has changed its name to Golden State Finance Authority, is a joint exercise of powers authority established pursuant to Chapter 5 of Division 7, Title 1 of the Government Code of the State of California (Section 6500 and following) (the "Act") and the Joint Power Agreement entered into on July 1, 1993, as amended from time to time (the "Authority JPA").

CHF has established two Property Assessed Clean Energy ("PACE") financing programs for residential, commercial, industrial and agricultural properties to address high up-front costs for property owners who wish to improve their properties through installation of measures that will generate renewable energy or reduce their energy and water use. By offering low cost financing, CHF's PACE programs allow construction of these projects to proceed and, in the process, stimulate building activity and the overall local economy, reduce peak energy demand, increase property values, and generate savings on utility bills for property owners.

CHF contracts with Ygrene Energy Fund CA LLC (Ygrene) to serve as the program administrator and to operate the Ygrene Works for California PACE financing program.

PACE Financing Programs

CHF has established two PACE programs under the legislative authority of two separate California PACE laws:

SB 555 PACE Community Facilities District: Senate Bill 555 amended the Mello-Roos Community Facilities Act, set forth in sections 53311 through 53368.3 of the California Government Code and particularly in accordance with sections 53313.5(l) and 53328.1(a) ("Mello-Roos Act"), to allow for the creation of Community Facilities Districts ("CFDs") for the purpose of financing or refinancing the acquisition, installation, and improvement of energy efficiency, water conservation, renewable energy and electric vehicle charging infrastructure improvements permanently affixed to private or publicly-owned real property. Individual properties can be annexed into the district and be subject to the special tax that is imposed to repay project financing only if (i) the Council adopts a resolution consenting to the inclusion of parcels in the incorporated areas of the City within the CFD and (ii) each

participating owner provides its unanimous written approval for annexation of its property into the PACE CFD.

AB 811 PACE Contractual Assessment Program: By the passage of Assembly Bill 811, the California State Legislature added Chapter 29 to the Improvement Bond Act of 1911, being Division 7 of the California Streets and Highways Code. This legislation authorized cities and counties to establish voluntary contractual assessment programs for the purpose financing private property improvements that promote renewable energy generation, energy and water efficiency and electric vehicle charging infrastructure.

As with the SB 555 CFD, properties can be annexed into the AB 811 PACE program and be subject to the property tax assessment that is imposed to repay project financing only if (i) the Council adopts a resolution consenting to the inclusion of parcels in the incorporated areas of the City within the program and (ii) each participating owner consents in writing to the annexation of its property into the PACE program.

[PARTICIPATION IN OTHER PACE PROGRAMS (to be included in the event the jurisdiction has approved one or more other PACE programs)]

The City of Selma has previously approved participation in another PACE program. Adding the CHF PACE programs, to be administered by Ygrene, provides more options for City property owners. It will not add to or require any additional responsibilities for the City.

JPA ASSOCIATE MEMBERSHIP

To participate in the PACE programs, the City must become an Associate Member of CHF (JPA Agreement attached). Associate membership requires no dues or other costs to the City, but permits participation in all CHF programs including the PACE program. The attached resolutions approve joining the JPA as an Associate Member. Pursuant to the JPA Agreement and CHF Board Resolution 15-01, the Executive Director has the authority to approve the addition of new Associate Members to the JPA.

PROGRAM AUTHORIZATION BEING SOUGHT

CHF sought and has completed the process of validation for both the SB 555 and the AB 811 programs in the Superior Court for the County of Sacramento. As of August 25, 2015, the CHF SB 555 PACE program is fully operational. Although CHF is implementing only the SB 555 PACE program at this time, CHF chose to form, validate and maintain both the SB 555 and AB 811 programs offerings to ensure that the "Ygrene Works for California" program remains the most innovative, cost effective and most secure PACE program in the state.

Should market conditions, consumer demand and/or legislative changes affect one PACE program more than another, CHF has the flexibility to offer the program that best supports CHF's vision of service without any interruption to participating counties and cities and their property owners. CHF intends to maximize the benefits of both program offerings.

In support of CHF's approach, the Council is being asked to pass two resolutions that would approve the following actions:

The first resolution authorizes the City to join the JPA as an Associate Member and permits property owners within the incorporated areas of the City to participate in the CHF SB 555 Community Facilities District.

The second resolution authorizes the City to join the JPA as an Associate Member and permits property owners within the incorporated areas of the City to participate in the CHF AB 811 Authority PACE Program.

RECOMMENDED ACTION

Staff recommends that the City Council take the following actions:

1. Review and adopt Resolution _____ consenting to Inclusion of Properties within the City's Incorporated Area in CHF Community Facilities District No. 2014-1 (Clean Energy) to Finance Renewable Energy Generation, Energy Efficiency, Water Conservation and Electric Vehicle Charging Infrastructure Improvements and approving associate membership in CHF.
2. Review and adopt Resolution _____ consenting to Inclusion of Properties within the City's Incorporated Area in the CHF PACE Program to Finance Renewable Energy Generation, Energy and Water Efficiency Improvements and Electric Vehicle Charging Infrastructure and approving associate membership in CHF.

Each resolution also authorizes CHF (1) to accept applications from property owners within the City's incorporated area to finance authorized improvements; and (2) to conduct proceedings and levy special taxes or contractual assessments, as applicable, on the property of participating owners.

Cities and counties that have approved the Ygrene Works program to date have adopted both resolutions. Authorizing both programs ensures that no matter the market or legislative environment for PACE, the Ygrene Works program will be established and able to operate successfully in your city without the need for additional review or the need for the City Council to consider approving another resolution thereby saving valuable staff time and resources.

Following are additional PACE program considerations:

- Supports development of renewable energy sources, installation of energy and water efficiency improvements, reduction of greenhouse gases, and protection of the environment.
- Only property owners who voluntary choose to participate in the program will be subject either to assessments or special taxes, depending on which program CHF decides to implement.

- Program financing provides for an affordable method for many property owners to reduce their energy costs and improve their properties.
- Because program financing can be readily transferred upon sale, even owners who are planning to sell have the ability to make responsible and beneficial improvements to their property.
- While early payment premiums may apply in some circumstances, property owners can choose to pay off the program financing at any time.
- The City incurs no financial obligations as a result of program participation.
- Once the Council passes the resolutions, the City will incur no costs, and no staff time is required for administration or funding of the PACE program.

FISCAL IMPACT

There are no fiscal impacts associated with the recommended actions. There is no cost to the City to become an associate member of the JPA or by opting into the PACE programs described in this report. The City will have no administrative responsibilities, marketing obligations, or financial obligations associated with the PACE program.

RECOMMENDATION: Staff recommends that the City Council take the following actions:

3. Review and adopt Resolution consenting to Inclusion of Properties within the City's Incorporated Area in CHF Community Facilities District No. 2014-1 (Clean Energy) to Finance Renewable Energy Generation, Energy Efficiency, Water Conservation and Electric Vehicle Charging Infrastructure Improvements and approving associate membership in CHF.
4. Review and adopt Resolution consenting to Inclusion of Properties within the City's Incorporated Area in the CHF PACE Program to Finance Renewable Energy Generation, Energy and Water Efficiency Improvements and Electric Vehicle Charging Infrastructure and approving associate membership in CHF.

/s/ David Elias

David Elias, City Manager

05/12/17

Date

RESOLUTION NO. 2017 - R

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SELMA CALIFORNIA, CONSENTING TO INCLUSION OF PROPERTIES WITHIN THE CITY AND COUNTY'S JURISDICTION IN THE GOLDEN STATE FINANCE AUTHORITY PACE PROGRAM TO FINANCE RENEWABLE ENERGY GENERATION, ENERGY AND WATER EFFICIENCY IMPROVEMENTS, ELECTRIC VEHICLE CHARGING INFRASTRUCTURE, AND OTHER AUTHORIZED IMPROVEMENTS

WHEREAS, the Golden State Finance Authority ("Authority") is a joint exercise of powers authority established pursuant to Chapter 5 of Division 7, Title 1 of the Government Code of the State of California (Section 6500 and following) (the "Act") and the Joint Power Agreement entered into on July 1, 1993, as amended from time to time (the "Authority JPA"); and

WHEREAS, the Authority has amended the Authority JPA to formally change its name from California Home Finance Authority to Golden State Finance Authority; and

WHEREAS, Authority has established a property-assessed clean energy ("PACE") Program (the "Authority PACE Program") to provide for the financing of renewable energy generation, energy and water efficiency improvements, electric vehicle charging infrastructure, and such other improvements as may be authorized by law from time to time (the "Improvements") pursuant to Chapter 29 of the Improvement Bond Act of 1911, being Division 7 of the California Streets and Highways Code ("Chapter 29") within counties and cities throughout the State of California that elect to participate in such program; and

WHEREAS, the City of Selma (the "City") is committed to development of renewable energy generation and energy and water efficiency improvements, reduction of greenhouse gases, and protection of the environment; and

WHEREAS, in Chapter 29, the Legislature has authorized cities and counties to assist property owners in financing the cost of installing Improvements through a voluntary contractual assessment program; and

WHEREAS, installation of such Improvements by property owners within the jurisdictional boundaries of the counties and cities that are participating in the Authority PACE Program would promote the purposes cited above; and

WHEREAS, the City wishes to provide innovative solutions to its property owners to achieve energy and water efficiency, and in doing so cooperate with Authority in order to efficiently and economically assist property owners within the territory of the City in financing such Improvements; and

WHEREAS, Authority has established the Authority PACE Program, which is such a voluntary contractual assessment program, as permitted by the Act and the Authority JPA originally made and entered into July 1, 1993, as amended to date; the City is an Associate Member of the JPA and desires to participate in the Authority PACE Program and to assist

property owners within the territory of the City in financing the cost of installing Improvements;
and

WHEREAS, the City will not be responsible for the conduct of any assessment proceedings; the levy and collection of assessments or any required remedial action in the case of delinquencies in the payment of any assessments or the issuance, sale or administration of any bonds issued in connection with the Authority PACE Program.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. This City Council finds and declares that properties in the City's territory will be benefited by the availability of the Authority PACE Program to finance the installation of the Improvements.

2. This City Council consents to inclusion in the Authority PACE Program of all of the properties in the territory within the City and to the Improvements, upon the request by and voluntary agreement of owners of such properties, in compliance with the laws, rules and regulations applicable to such program; and to the assumption of jurisdiction thereover by Authority for the purposes thereof.

3. The consent of this City Council constitutes assent to the assumption of jurisdiction by Authority for all purposes of the Authority PACE Program and authorizes Authority, upon satisfaction of the conditions imposed in this resolution, to take each and every step required for or suitable for financing the Improvements; provided, however, that the City shall assist in the levying, collecting and enforcement of the contractual assessments and the issuance and enforcement of bonds to finance the Improvements.

4. City staff is authorized and directed to coordinate with Authority staff to facilitate operation of the Authority PACE Program within the City, and report back periodically to this City Council on the success of such program.

5. This Resolution shall take effect immediately upon its adoption. The Clerk is directed to send a certified copy of this resolution to the Secretary of the Authority.

The foregoing Resolution was duly approved by the City Council of the City of Selma, State of California, at a regular meeting by the following vote, to wit:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTAIN:	COUNCIL MEMBERS:

Attest:

Michael Derr
Mayor of the City of Selma

Reyna Rivera
City Clerk

RESOLUTION NO. 2017 - R

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SELMA CONSENTING TO INCLUSION OF PROPERTIES WITHIN THE CITY'S JURISDICTION IN THE GOLDEN STATE FINANCE AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2014-1 (CLEAN ENERGY) TO FINANCE RENEWABLE ENERGY IMPROVEMENTS, ENERGY EFFICIENCY AND WATER CONSERVATION IMPROVEMENTS, ELECTRIC VEHICLE CHARGING INFRASTRUCTURE, AND OTHER AUTHORIZED IMPROVEMENTS

Recitals

WHEREAS, the Golden State Finance Authority, a joint powers authority (the "Authority") has established the Community Facilities District, CFD No. 2014-1 (Clean Energy) in accordance with the Mello-Roos Community Facilities District Act, set forth in section 53311 through 53368.3 of the California Government Code (the "Act") and particularly in accordance with sections 53313.5(1) and 53328.1(a) (the "District"); and

WHEREAS, the Authority amended the Authority JPA to formally change its name from California Home Finance Authority to Golden State Finance Authority; and

WHEREAS, the purpose of the District is to finance or refinance (including the payment of interest) the acquisition, installation, and improvement of energy efficiency, water conservation, renewable energy and electric vehicle charging infrastructure, and such other improvements as may be authorized by law from time to time, permanently affixed to private or publicly-owned real property (the "Authorized Improvements"); and

WHEREAS, the City of Selma (the "City") is committed to development of renewable energy generation and energy efficiency improvements, reduction of greenhouse gases, and protection of the environment;

WHEREAS, in the Act, the Legislature has authorized a parcel within the territory of the District to annex to the District and be subject to the special tax levy of the District only (i) if the city or county within which the parcel is located has consented, by the adoption of a resolution by the applicable city council or county board of supervisors, to the inclusion of parcels within its boundaries in the District and (ii) with the unanimous written approval of the owner or owners of the parcel when it is annexed (the "Unanimous Approval Agreement"), which, as provided in section 53329.6 of the Act, shall constitute the election required by the California Constitution;

WHEREAS, the City wishes to provide innovative solutions to its property owners to achieve energy efficiency and water conservation and in doing so cooperate with Authority in order to efficiently and economically assist property owners within the City in financing such Authorized Improvements;

WHEREAS, the Authority has established the District, as permitted by the Act and the Authority JPA, originally made and entered into July 1, 1993, as amended to date; the City is an Associate Member of the JPA and desires to participate in the programs of the JPA and to assist property owners within the territory of the City in financing the cost of installing Authorized Improvements; and

WHEREAS, the City will not be responsible for the conduct of any special tax proceedings; the levy and collection of special taxes or any required remedial action in the case of delinquencies in the payment of any special taxes in connection with the District.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. That the City Council finds and declares that properties in the territory of the City will be benefited by the availability of the Authority CFD No. 2014-1 (Clean Energy) to finance the installation of the Authorized Improvements.

2. This City Council consents to inclusion in the Authority CFD No. 2014-1 (Clean Energy) of all of the properties in the territory of the City to the Authorized Improvements, upon the request of and execution of the Unanimous Approval Agreement by the owners of such properties when such properties are annexed, in compliance with the laws, rules and regulations applicable to such program; and to the assumption of jurisdiction thereover by Authority for the purposes thereof.

3. The consent of the City Council constitutes assent to the assumption of jurisdiction by Authority for all purposes of the Authority CFD No. 2014-1 (Clean Energy) and authorizes Authority, upon satisfaction of the conditions imposed in this resolution, to take each and every step required for or suitable for financing the Authorized Improvements.

4. City staff is authorized and directed to coordinate with Authority staff to facilitate operation of the Authority CFD No. 2014-1 (Clean Energy) within the City, and report back periodically to this City Council on the success of such program.

5. This Resolution shall take effect immediately upon its adoption. The Clerk is directed to send a certified copy of this resolution to the Secretary of the Authority.

The foregoing Resolution was duly approved by the City Council of the City of Selma, State of California, at a regular meeting by the following vote, to wit:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTAIN:	COUNCIL MEMBERS:

Attest:

Michael Derr
Mayor of the City of Selma

Reyna Rivera
City Clerk

CALIFORNIA HOME FINANCE AUTHORITY

AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT

(Original date July 1, 1993 and as last amended and restated December 10, 2014)

THIS AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT ("Agreement") is entered into by and among the counties listed on Attachment 1 hereof and incorporated herein by reference. All such counties are referred to herein as "Members" with the respective powers, privileges and restrictions provided herein.

RECITALS

A. WHEREAS, the California Rural Home Mortgage Finance Authority ("CRHMFA") was created by a Joint Exercise of Powers Agreement dated July 1, 1993 pursuant to the Joint Exercise of Powers Act (commencing with Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"). By Resolution 2003-02, adopted on January 15, 2003, the name of the authority was changed to CRHMFA Homebuyers Fund. The most recent amendment to the Joint Exercise of Powers Agreement was on January 28, 2004.

B. WHEREAS, the Members of CRHMFA Homebuyers Fund desire to update, reaffirm, clarify and revise certain provisions of the joint powers agreement, including the renaming of the joint powers authority, as set forth herein.

C. WHEREAS, the Members are each empowered by law to finance the construction, acquisition, improvement and rehabilitation of real property.

D. WHEREAS, by this Agreement, the Members desire to create and establish a joint powers authority to exercise their respective powers for the purpose of financing the construction, acquisition, improvement and rehabilitation of real property within the jurisdiction of the Authority as authorized by the Act.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Members individually and collectively agree as follows:

1. Definitions

Unless the context otherwise requires, the following terms shall for purposes of this Agreement have the meanings specified below:

"Act" means the Joint Exercise of Powers Act, commencing with Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, including the Marks-Roos Local Bond Pooling Act of 1985, as amended.

"Agreement" means this Joint Exercise of Powers Agreement, as the same now exists or as it may from time to time be amended as provided herein.

"Associate Member" means a county, city or other public agency which is not a voting member of the Rural County Representatives of California, a California nonprofit corporation ("RCRC"), with legal power and authority similar to that of the Members, admitted pursuant to paragraph 4.d. below to associate membership herein by vote of the Board.

"Audit Committee" means a committee made up of the nine-member Executive Committee.

"Authority" means California Home Finance Authority ("CHF"), formerly known as CRHMFA Homebuyers Fund or California Rural Home Mortgage Finance Authority.

"Board" means the governing board of the Authority as described in Section 7 below.

"Bonds" means bonds, notes, warrants, leases, certificates of participation, installment purchase agreements, loan agreements and other securities or obligations issued by the Authority, or financing agreements entered into by the Authority pursuant to the Act and any other obligation within the meaning of the term "Bonds" under the Act.

"Delegate" means the Supervisor designated by the governing board of each Member to serve on the Board of the Authority.

"Executive Committee" means the nine-member Executive Committee of the Board established pursuant to Section 10 hereof.

"Member" means any county which is a member of RCRC, has executed this Agreement and has become a member of the Authority.

"Obligations" means bonds, notes, warrants, leases, certificates of participation, installment purchase agreements, loan agreements and other securities or obligations issued by the Authority, or financing agreements entered into by the Authority pursuant to the Act and any other financial or legal obligation of the Authority under the Act.

"Program" or "Project" means any work, improvement, program, project or service undertaken by the Authority.

"Rural County Representatives of California" or "RCRC" means the nonprofit entity incorporated under that name in the State of California.

"Supervisor" means an elected County Supervisor from an RCRC member county.

2. Purpose

The purpose of the Authority is to provide financing for the acquisition, construction, , improvement and rehabilitation of real property in accordance with applicable provisions of law for the benefit of residents and communities. In pursuit of this purpose, this Agreement provides for the joint exercise of powers common to any of its Members and Associate Members as provided herein, or otherwise authorized by the Act and other applicable laws, including assisting

in financing as authorized herein, jointly exercised in the manner set forth herein.

3. Principal Place of Business

The principal office of the Authority shall be 1215 K Street, Suite 1650, Sacramento, California 95814.

4. Creation of Authority; Addition of Members or Associate Members

a. The Authority is hereby created pursuant to the Act. As provided in the Act, the Authority shall be a public entity separate and distinct from the Members or Associate Members.

b. The Authority will cause a notice of this Agreement or any amendment hereto to be prepared and filed with the office of the Secretary of State of California in a timely fashion in the manner set forth in Section 6503.3 of the Act.

c. A county that is a member of RCRC may petition to become a member of the Authority by submitting to the Board a resolution or evidence of other formal action taken by its governing body adopting this Agreement. The Board shall review the petition for membership and shall vote to approve or disapprove the petition. If the petition is approved by a majority of the Board, such county shall immediately become a Member of the Authority.

d. An Associate Member may be added to the Authority upon the affirmative approval of its respective governing board and pursuant to action by the Authority Board upon such terms and conditions, and with such rights, privileges and responsibilities, as may be established from time to time by the Board. Such terms and conditions, and rights, privileges and responsibilities may vary among the Associate Members. Associate Members shall be entitled to participate in one or more programs of the Authority as determined by the Board, but shall not be voting members of the Board. The Executive Director of the Authority shall enforce the terms and conditions for prospective Associate Members to the Authority as provided by resolution of the Board and as amended from time to time by the Board. Changes in the terms and conditions for Associate Membership by the Board will not constitute an amendment of this Agreement.

5. Term and Termination of Powers

This Agreement shall become effective from the date hereof until the earlier of the time when all Bonds and any interest thereon shall have been paid in full, or provision for such payment shall have been made, or when the Authority shall no longer own or hold any interest in a public capital improvement or program. The Authority shall continue to exercise the powers herein conferred upon it until termination of this Agreement, except that if any Bonds are issued and delivered, in no event shall the exercise of the powers herein granted be terminated until all Bonds so issued and delivered and the interest thereon shall have been paid or provision for such payment shall have been made and any other debt incurred with respect to any other financing program established or administered by the Authority has been repaid in full and is no longer outstanding.

6. Powers; Restriction upon Exercise

a. To effectuate its purpose, the Authority shall have the power to exercise any and all powers of the Members or of a joint powers authority under the Act and other applicable provisions of law, subject, however, to the conditions and restrictions herein contained. Each Member or Associate Member may also separately exercise any and all such powers. The powers of the Authority are limited to those of a general law county.

b. The Authority may adopt, from time to time, such resolutions, guidelines, rules and regulations for the conduct of its meetings and the activities of the Authority as it deems necessary or desirable to accomplish its purpose.

c. The Authority shall have the power to finance the construction, acquisition, improvement and rehabilitation of real property, including the power to purchase, with the amounts received or to be received by it pursuant to a bond purchase agreement, bonds issued by any of its Members or Associate Members and other local agencies at public or negotiated sale, for the purpose set forth herein and in accordance with the Act. All or any part of such bonds so purchased may be held by the Authority or resold to public or private purchasers at public or negotiated sale. The Authority shall set any other terms and conditions of any purchase or sale contemplated herein as it deems necessary or convenient and in furtherance of the Act. The Authority may issue or cause to be issued Bonds or other indebtedness, and pledge any of its property or revenues as security to the extent permitted by resolution of the Board under any applicable provision of law. The Authority may issue Bonds in accordance with the Act in order to raise funds necessary to effectuate its purpose hereunder and may enter into agreements to secure such Bonds. The Authority may issue other forms of indebtedness authorized by the Act, and to secure such debt, to further such purpose. The Authority may utilize other forms of capital, including, but not limited to, the Authority's internal resources, capital markets and other forms of private capital investment authorized by the Act..

d. The Authority is hereby authorized to do all acts necessary for the exercise of its powers, including, but not limited to:

- (1) executing contracts,
- (2) employing agents, consultants and employees,
- (3) acquiring, constructing or providing for maintenance and operation of any building, work or improvement,
- (4) acquiring, holding or disposing of real or personal property wherever located, including property subject to mortgage,
- (5) incurring debts, liabilities or obligations,
- (6) receiving gifts, contributions and donations of property, funds, services and any other forms of assistance from persons, firms, corporations or governmental entities,
- (7) suing and being sued in its own name, and litigating or settling any suits or claims,
- (8) doing any and all things necessary or convenient to the exercise of its specific powers and to accomplishing its purpose
- (9) establishing and/or administering districts to finance and refinance the acquisition, installation and improvement of energy efficiency, water

conservation and renewable energy improvements to or on real property and in buildings. The Authority may enter into one or more agreements, including without limitation, participation agreements and implementation agreements to implement such programs.

e. Subject to the applicable provisions of any indenture or resolution providing for the investment of monies held thereunder, the Authority shall have the power to invest any of its funds as the Board deems advisable, in the same manner and upon the same conditions as local agencies pursuant to Section 53601 of the Government Code of the State of California.

f. All property, equipment, supplies, funds and records of the Authority shall be owned by the Authority, except as may be provided otherwise herein or by resolution of the Board.

g. Pursuant to the provisions of Section 6508.1 of the Act, the debts, liabilities and obligations of the Authority shall not be debts, liabilities and obligations of the Members or Associate Members. Any Bonds, together with any interest and premium thereon, shall not constitute debts, liabilities or obligations of any Member. The Members or Associate Members hereby agree that any such Bonds issued by the Authority shall not constitute general obligations of the Authority but shall be payable solely from the moneys pledged to the repayment of principal or interest on such Bonds under the terms of the resolution, indenture, trust, agreement or other instrument pursuant to which such Bonds are issued. Neither the Members or Associate Members nor the Authority shall be obligated to pay the principal of or premium, if any, or interest on the Bonds, or other costs incidental thereto, except from the revenues and funds pledged therefor, and neither the faith and credit nor the taxing power of the Members or Associate Members or the Authority shall be pledged to the payment of the principal of or premium, if any, or interest on the Bonds, nor shall the Members or Associate Members of the Authority be obligated in any manner to make any appropriation for such payment. No covenant or agreement contained in any Bond shall be deemed to be a covenant or agreement of any Delegate, or any officer, agent or employee of the Authority in an individual capacity, and neither the Board nor any officer thereof executing the Bonds or any document related thereto shall be liable personally on any Bond or be subject to any personal liability or accountability by reason of the issuance of any Bonds.

7. Governing Board

a. The Board shall consist of the number of Delegates equal to one representative from each Member.

b. The governing body of each Member shall appoint one of its Supervisors to serve as a Delegate on the Board. A Member's appointment of its Delegate shall be delivered in writing (which may be by electronic mail) to the Authority and shall be effective until he or she is replaced by such governing body or no longer a Supervisor; any vacancy shall be filled by the governing body of the Member in the same manner provided in this paragraph b..

c. The governing body of each Member of the Board shall appoint a Supervisor as an alternate to serve on the Board in the absence of the Delegate; the alternate may exercise all the

rights and privileges of the Delegate, including the right to be counted in constituting a quorum, to participate in the proceedings of the Board, and to vote upon any and all matters. No alternate may have more than one vote at any meeting of the Board, and any Member's designation of an alternate shall be delivered in writing (which may be by electronic mail) to the Authority and shall be effective until such alternate is replaced by his or her governing body or is no longer a Supervisor, unless otherwise specified in such appointment. Any vacancy shall be filled by the governing body of the Member in the same manner provided in this paragraph c..

d. Any person who is not a member of the governing body of a Member and who attends a meeting on behalf of such Member may not vote or be counted toward a quorum but may, at the discretion of the Chair, participate in open meetings he or she attends.

e. Each Associate Member may designate a non-voting representative to the Board who may not be counted toward a quorum but who may attend open meetings, propose agenda items and otherwise participate in Board Meetings.

f. Delegates shall not receive compensation for serving as Delegates, but may claim and receive reimbursement for expenses actually incurred in connection with such service pursuant to rules approved by the Board and subject to the availability of funds.

g. The Board shall have the power, by resolution, to the extent permitted by the Act or any other applicable law, to exercise any powers of the Authority and to delegate any of its functions to the Executive Committee or one or more Delegates, officers or agents of the Authority, and to cause any authorized Delegate, officer or agent to take any actions and execute any documents for and in the name and on behalf of the Board or the Authority.

h. The Board may establish such committees as it deems necessary for any lawful purpose; such committees are advisory only and may not act or purport to act on behalf of the Board or the Authority.

i. The Board shall develop, or cause to be developed, and review, modify as necessary, and adopt each Program.

8. Meetings of the Board

a. The Board shall meet at least once annually, but may meet more frequently upon call of any officer or as provided by resolution of the Board.

b. Meetings of the Board shall be called, noticed, held and conducted pursuant to the provisions of the Ralph M. Brown Act, Chapter 9 (commencing with Section 54950) of Part I of Division 2 of Title 5 of the Government Code of the State of California.

c. The Secretary of the Authority shall cause minutes of all meetings of the Board to be taken and distributed to each Member as soon as possible after each meeting.

d. The lesser of twelve (12) Delegates or a majority of the number of current Delegates shall constitute a quorum for transacting business at any meeting of the Board, except

that less than a quorum may act to adjourn a meeting. Each Delegate shall have one vote.

e. Meetings may be held at any location designated in notice properly given for a meeting and may be conducted by telephonic or similar means in any manner otherwise allowed by law.

9. Officers; Duties; Official Bonds

a. The Board shall elect a chair and vice chair from among the Delegates at the Board's annual meeting who shall serve a term of one (1) year or until their respective successor is elected. The chair shall conduct the meetings of the Board and perform such other duties as may be specified by resolution of the Board. The vice chair shall perform such duties in the absence or in the event of the unavailability of the chair.

b. The Board shall contract annually with RCRC to administer the Agreement and to provide administrative services to the Authority, and the President and Chief Executive Officer of RCRC shall serve *ex officio* as Executive Director, Secretary, Treasurer, and Auditor of the Authority. As chief executive of the Authority, the Executive Director is authorized to execute contracts and other obligations of the Authority, unless prior Board approval is required by a third party, by law or by Board specification, and to perform other duties specified by the Board. The Executive Director may appoint such other officers as may be required for the orderly conduct of the Authority's business and affairs who shall serve at the pleasure of the Executive Director. Subject to the applicable provisions of any indenture or resolution providing for a trustee or other fiscal agent, the Executive Director, as Treasurer, is designated as the custodian of the Authority's funds, from whatever source, and, as such, shall have the powers, duties and responsibilities specified in Section 6505.5 of the Act. The Executive Director, as Auditor, shall have the powers, duties and responsibilities specified in Section 6505.5 of the Act.

c. The Legislative Advocate for the Authority shall be the Rural County Representatives of California.

d. The Treasurer and Auditor are public officers who have charge of, handle, or have access to all property of the Authority, and a bond for such officer in the amount of at least one hundred thousand dollars (\$100,000.00) shall be obtained at the expense of the Authority and filed with the Executive Director. Such bond may secure the faithful performance of such officer's duties with respect to another public office if such bond in at least the same amount specifically mentions the office of the Authority as required herein. The Treasurer and Auditor shall cause periodic independent audits to be made of the Authority's books by a certified public accountant, or public accountant, in compliance with Section 6505 of the Act.

e. The business of the Authority shall be conducted under the supervision of the Executive Director by RCRC personnel.

10. Executive Committee of the Authority

a. Composition

The Authority shall appoint nine (9) members of its Board to serve on an Executive Committee.

b. Powers and Limitations

The Executive Committee shall act in an advisory capacity and make recommendations to the Authority Board. Duties will include, but not be limited to, review of the quarterly and annual budgets, service as the Audit Committee for the Authority, periodically review this Agreement; and complete any other tasks as may be assigned by the Board. The Executive Committee shall be subject to all limitations imposed by this Agreement, other applicable law, and resolutions of the Board.

c. Quorum

A majority of the Executive Committee shall constitute a quorum for transacting business of the Executive Committee.

11. Disposition of Assets

Upon termination of this Agreement, all remaining assets and liabilities of the Authority shall be distributed to the respective Members in such manner as shall be determined by the Board and in accordance with the law.

12. Agreement Not Exclusive; Operation in Jurisdiction of Member

This Agreement shall not be exclusive, and each Member expressly reserves its rights to carry out other public capital improvements and programs as provided for by law and to issue other obligations for those purposes. This Agreement shall not be deemed to amend or alter the terms of other agreements among the Members or Associate Members.

13. Conflict of Interest Code

The Authority shall by resolution adopt a Conflict of Interest Code as required by law.

14. Contributions and Advances

Contributions or advances of public funds and of personnel, equipment or property may be made to the Authority by any Member, Associate Member or any other public agency to further the purpose of this Agreement. Payment of public funds may be made to defray the cost of any contribution. Any advance may be made subject to repayment, and in that case shall be repaid in the manner agreed upon by the advancing Member, Associate Member or other public agency and the Authority at the time of making the advance.

15. Fiscal Year; Accounts; Reports; Annual Budget; Administrative Expenses

a. The fiscal year of the Authority shall be the period from January 1 of each year to and including the following December 31, except for any partial fiscal year resulting from a change

in accounting based on a different fiscal year previously.

b. Prior to the beginning of each fiscal year, the Board shall adopt a budget for the succeeding fiscal year.

c. The Authority shall establish and maintain such funds and accounts as may be required by generally accepted accounting principles. The books and records of the Authority are public records and shall be open to inspection at all reasonable times by each Member and its representatives.

d. The Auditor shall either make, or contract with a certified public accountant or public accountant to make, an annual audit of the accounts and records of the Authority. The minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code of the State of California, and shall conform to generally accepted auditing standards. When an audit of accounts and records is made by a certified public accountant or public accountant, a report thereof shall be filed as a public record with each Member (and also with the auditor of Sacramento County as the county in which the Authority's office is located) within 12 months after the end of the fiscal year.

e. In any year in which the annual budget of the Authority does not exceed five thousand dollars (\$5,000.00), the Board may, upon unanimous approval of the Board, replace the annual audit with an ensuing one-year period, but in no event for a period longer than two fiscal years.

16. Duties of Members or Associate Members; Breach

If any Member or Associate Member shall default in performing any covenant contained herein, such default shall not excuse that Member or Associate Member from fulfilling its other obligations hereunder, and such defaulting Member or Associate Member shall remain liable for the performance of all covenants hereof. Each Member or Associate Member hereby declares that this Agreement is entered into for the benefit of the Authority created hereby, and each Member or Associate Member hereby grants to the Authority the right to enforce, by whatever lawful means the Authority deems appropriate, all of the obligations of each of the parties hereunder. Each and all of the remedies given to the Authority hereunder or by any law now or hereafter enacted are cumulative, and the exercise of one right or remedy shall not impair the right of the Authority to any or all other remedies.

17. Indemnification

To the full extent permitted by law, the Board may authorize indemnification by the Authority of any person who is or was a Board Delegate, alternate, officer, consultant, employee or other agent of the Authority, and who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such person is or was such a Delegate, alternate, officer, consultant, employee or other agent of the Authority. Such indemnification may be made against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Authority and, in the case of a criminal

proceeding, had no reasonable cause to believe his or her conduct was unlawful and, in the case of an action by or in the right of the Authority, acted with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

18. Immunities

All of the privileges and immunities from liabilities, exemptions from law, ordinances and rules, all pension, relief, disability, workers' compensation and other benefits which apply to the activity of officers, agents or employees of any of the Members or Associate Members when performing their respective functions, shall apply to them to the same degree and extent while engaged as Delegates or otherwise as an officer, agent or other representative of the Authority or while engaged in the performance of any of their functions or duties under the provisions of this Agreement.

19. Amendment

This Agreement may be amended by the adoption of the amendment by the governing bodies of a majority of the Members. The amendment shall become effective on the first day of the month following the last required member agency approval. An amendment may be initiated by the Board, upon approval by a majority of the Board. Any proposed amendment, including the text of the proposed change, shall be given by the Board to each Member's Delegate for presentation and action by each Member's board within 60 days, which time may be extended by the Board.

The list of Members, Attachment 1, may be updated to reflect new and/or withdrawn Members without requiring formal amendment of the Agreement by the Authority Board of Directors.

20. Withdrawal of Member or Associate Member

If a Member withdraws as member of RCRC, its membership in the Authority shall automatically terminate. A Member or Associate Member may withdraw from this Agreement upon written notice to the Board; provided however, that no such withdrawal shall result in the dissolution of the Authority as long as any Bonds or other obligations of the Authority remain outstanding. Any such withdrawal shall become effective thirty (30) days after a resolution adopted by the Member's governing body which authorizes withdrawal is received by the Authority. Notwithstanding the foregoing, any termination of membership or withdrawal from the Authority shall not operate to relieve any terminated or withdrawing Member or Associate Member from Obligations incurred by such terminated or withdrawing Member or Associate Member prior to the time of its termination or withdrawal.

20. Miscellaneous

a. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

b. **Construction.** The section headings herein are for convenience only and are not to

be construed as modifying or governing the language in the section referred to.

c. **Approvals.** Wherever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

d. **Jurisdiction; Venue.** This Agreement is made in the State of California, under the Constitution and laws of such State and is to be so construed; any action to enforce or interpret its terms shall be brought in Sacramento County, California.

e. **Integration.** This Agreement is the complete and exclusive statement of the agreement among the parties hereto, and it supersedes and merges all prior proposals, understandings, and other agreements, whether oral, written, or implied in conduct, between and among the parties relating to the subject matter of this Agreement.

f. **Successors; Assignment.** This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties hereto. Except to the extent expressly provided herein, no Member may assign any right or obligation hereunder without the consent of the Board.

g. **Severability.** Should any part, term or provision of this Agreement be decided by the courts 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 parts, terms or provisions hereof shall not be affected thereby.

The parties hereto have caused this Agreement to be executed and attested by their properly authorized officers.

AS ADOPTED BY THE MEMBERS:

Originally dated July 1, 1993
Amended and restated December 10, 1998
Amended and restated February 18, 1999
Amended and restated September 18, 2002
Amended and restated January 28, 2004
Amended and restated December 10, 2014

[SIGNATURES ON FOLLOWING PAGES]

SIGNATURE PAGE FOR NEW ASSOCIATE MEMBERS

NAME OF COUNTY OR CITY:

Dated: _____

By: _____

Name: _____

Title: _____

Attest:

By _____
[Clerk of the Board Supervisors or City Clerk]

AFTER EXECUTION, PLEASE SEND TO:

YGRENE ENERGY FUND
ATTN: LEGAL DEPARTMENT
815 5TH STREET
SANTA ROSA CA 95404

ATTACHMENT 1
CALIFORNIA HOME FINANCE AUTHORITY MEMBERS

As of December 10, 2014

Alpine County
Amador County
Butte County
Calaveras County
Colusa County
Del Norte County
El Dorado County
Glenn County
Humboldt County
Imperial County
Inyo County
Lake County
Lassen County
Madera County
Mariposa County
Mendocino County
Merced County
Modoc County
Mono County
Napa County
Nevada County
Placer County
Plumas County
San Benito County
Shasta County
Sierra County
Siskiyou County
Sutter County
Tehama County
Trinity County
Tuolumne County
Yolo County
Yuba County

Check Register Report

l.g.

Date: 05/10/2017

Time: 4:45 pm

Page: 1

City of Selma

BANK: UNION BANK

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
UNION BANK Checks							
68759	04/27/2017	Printed		10174.295	AIRGAS USA LLC	OXYGEN CYLINDER RENTAL	165.29
68760	04/27/2017	Printed		10190.063	AMERICAN AMBULANCE	MAY 2017 PAYMENT	92,500.00
68761	04/27/2017	Printed		10100.510	AT&T	TELEPHONE SERVICE	19.23
68762	04/27/2017	Printed		10100.515	AT&T	TELEPHONE SERVICE	56.92
68763	04/27/2017	Printed		10340.385	AT&T MOBILITY	TELEPHONE-MDT'S	895.74
68764	04/27/2017	Printed		10199.037	AVERY ASSOCIATES INC	CITY MANAGER RECRUITMENT EXP	5,500.00
68765	04/27/2017	Printed		10210.255	BANNER PEST CONTROL INC	PEST CONTROL	441.00
68766	04/27/2017	Printed		10310.455	CALIFORNIA WATER SERVICE	WATER SERVICE-ADJUSTMENT	475.64
68767	04/27/2017	Printed		10327.199	CHRISTOPHER B CARLSON	PHLEBOTOMY SERVICE 17-1505	50.00
68768	04/27/2017	Printed		10300.334	CDCE INCORPORATED	MDT MONTHLY LEASE-FD	5,860.00
68769	04/27/2017	Printed		10330.283	CENTRAL VALLEY TOXICOLOGY INC.	DRUG TESTING CS# 17-0915	203.00
68770	04/27/2017	Printed		10234.189	CISCO SYSTEMS CAPTIAL CRP	LEASE-PHONE SYSTEM/BACKUP	3,280.05
68771	04/27/2017	Printed		10370.375	COMCAST	INTERNET SERVICE	1,060.00
68772	04/27/2017	Printed		10370.953	COOL AIR SPECIALTY	SPRING SERVICE	2,156.00
68773	04/27/2017	Printed		10370.969	CORELOGIC SOLUTIONS LLC	REALQUEST SERVICE	481.25
68774	04/27/2017	Printed		10310.964	CPCA	LEGISLATIVE DAY REGISTRATION	150.00
68775	04/27/2017	Printed		10410.093	DAVID KNOTT INCORPORATED	DEMO A ST FIRE STATION	5,500.00
68776	04/27/2017	Printed		10430.071	DEPARTMENT OF JUSTICE	BLOOD ALCOHOL ANALYSIS	1,043.00
68777	04/27/2017	Printed		10430.095	DEPARTMENT OF MOTOR VEHICLES	NEW VEHICLE CODE BOOKS	201.48
68778	04/27/2017	Printed		10430.150	DEPARTMENT OF TRANSPORTATION	SHARED SIGNAL/STREET MAINT	2,552.32
68779	04/27/2017	Printed		10440.072	DINUBA FIRE DEPARTMENT	FIRE MED PROGRAM	382.28
68780	04/27/2017	Void	05/09/2017	10580.676	DAVID JOSEPH ESQUIVEL	LIGHTING TECH WORK	0.00
68781	04/27/2017	Printed		10620.180	FEDEX	DISPATCHER TEST ANSWER SHEET	35.44
68782	04/27/2017	Printed		10624.900	RICHARD FIGUEROA	TASER INST COURSE PER DIEM	160.00
68783	04/27/2017	Printed		10670.292	FRESNO COUNTY AUDITOR'S OFFICE	COUNTY PARKING	50.00
68784	04/27/2017	Printed		10670.583	FRUSA EMS LLC	AMBULANCE BILLING	10,672.72
68785	04/27/2017	Printed		11040.176	MAGNOLIA S. JIMENEZ GALLARDO	PHLEBOTOMY SERVICE 17-1587	50.00
68786	04/27/2017	Printed		10720.010	GATEWAY ENGINEERING, INC.	RINGO PARK ENGINEERING SERV	5,612.50
68787	04/27/2017	Printed		10754.039	DOMINIC GRIJALVA	HONK! GRAPHIC ARTWORK	400.00
68788	04/27/2017	Printed		10810.166	KATHERINE L. HALE	HONK! CHORIOGRAPHY	200.00
68789	04/27/2017	Printed		10820.020	HEALTHEDGE ADMINISTRATORS INC.	DENTAL 4/12/17	2,135.07
68790	04/27/2017	Printed		10820.020	HEALTHEDGE ADMINISTRATORS INC.	DENTAL 4/5/17	3,298.61
68791	04/27/2017	Printed		10820.020	HEALTHEDGE ADMINISTRATORS INC.	ADMINISTRATIVE FEES	678.70
68792	04/27/2017	Printed		10820.020	HEALTHEDGE ADMINISTRATORS INC.	DENTAL 4/19/17	1,364.00
68793	04/27/2017	Printed		10820.702	HEWLETT-PACKARD FINANCIAL	LEASES	4,366.40
68794	04/27/2017	Printed		10900.362	INDUSTRIAL HEALTH CARE	PRE EMPLOYMENT PHYSICAL	431.00
68795	04/27/2017	Printed		11040.385	JOSHUA JOHNSON	TASER INST COURSE PER DIEM	160.00
68796	04/27/2017	Printed		11040.710	JORGENSEN & COMPANY	HAZMAT EQUIPMENT REPAIR	120.00
68797	04/27/2017	Printed		11120.510	JEFF KESTLY	MEDICAL PREMIUM REIMB MAY 17	156.87
68798	04/27/2017	Printed		11180.230	KRAZAN & ASSOCIATES, INC.	STORM WATER RUNOFF SAMPLING	4,550.00
68799	04/27/2017	Printed		11230.180	LIEBERT, CASSIDY, WHITMORE INC	FLSA CLAIM	7,501.35
68800	04/27/2017	Printed		11270.393	CEASAR LUNA	PV RENTAL REIMBURSEMENT	60.00
68801	04/27/2017	Printed		11330.050	STEVEN MCINTIRE	MEDICAL PREMIUM REIMB MAY 17	676.05
68802	04/27/2017	Printed		11340.800	METRO UNIFORM	POLICE REVOLVING ACCT	87.76
68803	04/27/2017	Printed		11360.100	ALLAN MONGE	DECORATIVE LIGHTS	682.82
68804	04/27/2017	Printed		11420.363	NEW IMAGE POOL INTERIORS	POOL DRAINAGE PERMIT REIMB	43.00
68805	04/27/2017	Printed		11400.032	NGLIC CO SUPERIOR VISION	VISION INSURANCE PREMIUM	1,683.11
68806	04/27/2017	Printed		11530.100	OFFICE DEPOT, INC.	OFFICE SUPPLIES	324.54

Check Register Report

l.g.

Date: 05/10/2017

Time: 4:45 pm

Page: 2

City of Selma

BANK: UNION BANK

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
UNION BANK Checks							
68807	04/27/2017	Printed		11620.715	MATTHEW PETERS	HOTEL & FUEL-LAS VEGAS CONF	568.88
68808	04/27/2017	Printed		11610.155	PG&E	UTILITIES	39,470.92
68809	04/27/2017	Printed		11610.156	PG&E	WHITSON/THOMPSON 5096(031)	9,144.97
68810	04/27/2017	Printed		11630.500	PHYSIO-CONTROL, INC	QTRLY BILLING LIFE PACK MAINT	1,536.21
68811	04/27/2017	Printed		11640.810	PITNEY BOWES PURCHASE	POSTAGE REFILL	947.45
					POWER		
68812	04/27/2017	Printed		12160.136	POSTMASTER -USPS	BULK MAILING PERMIT	225.00
68813	04/27/2017	Printed		11750.320	QUILL CORPORATION	OFFICE SUPPLIES	70.50
68814	04/27/2017	Printed		11833.210	R.J. BERRY JR. INC.	CLEAN OUT & REPAIRS	38,895.50
68815	04/27/2017	Printed		11810.361	RAY MORGAN COMPANY INC	FINANCE PRINTER ESTIMATE	45.00
						FEE	
68816	04/27/2017	Printed		11820.818	RENT-A-RITA	SENIOR CENTER DRINK RENTAL	188.73
68817	04/27/2017	Printed		11909.009	GEORGE E SALDATE	SENIOR DANCE DJ 5/5/17	300.00
68818	04/27/2017	Printed		11922.150	SCOTT'S PPE RECON, INC.	TURNOUT REPAIRS	840.00
68819	04/27/2017	Printed		11926.843	SECOND CHANCE ANIMAL	MONTHLY SUPPORT PAYMENT	6,433.33
					SHELTER		
68820	04/27/2017	Printed		11945.290	SELMA COMMUNITY	CLEAR OUT DONATION	3,371.92
						ACCOUNTS	
68821	04/27/2017	Printed		11946.230	SEQUOIA SAFETY COUNCIL, INC.	FIREMED PATIENT-OWE	916.67
						DIFFERENCE	
68822	04/27/2017	Printed		11960.345	DAKOTA WALLACE SIMPSON	HONK! MUSIC DIRECTION	700.00
68823	04/27/2017	Printed		11965.110	SOUTH COUNTY VETERINARY	MONTHLY FREEZER USE	350.00
68824	04/27/2017	Printed		11985.138	SUN LIFE	EMPLOYEE INSURANCE	1,126.82
68825	04/27/2017	Printed		10310.963	THE CALIFORNIA PEACE	LSP FOR REID	1,850.00
					OFFICERS'		
68826	04/27/2017	Printed		12040.064	FRANCES TIGER	REFUND SENIOR TRIP	134.00
68827	04/27/2017	Printed		12050.117	TOP DOG TRAINING CENTER	MONTHLY MAINTENANCE	360.00
68828	04/27/2017	Printed		12060.210	TRANS UNION CORPORATION	PRE EMPLOYMENT CREDIT	13.54
						CHECK	
68829	04/27/2017	Printed		11530.115	U.S. BANCORP EQUIPMENT	LEASE PAYMENT	1,063.70
					FINANCE		
68830	04/27/2017	Printed		12100.050	U.S. BANK CORPORATE PMT	CALCARD CHARGES 3/23-4/24/17	89,701.73
					SYSTEM		
68831	04/27/2017	Printed		12160.186	UNITY IT	GETAC COMPUTER SET UP	4,518.55
68832	04/27/2017	Printed		12220.210	VALLEY NETWORK SOLUTIONS	PD PHONE AND PRINTER ISSUES	239.58
					INC.		
68833	04/27/2017	Printed		12250.147	JUSTIN VASQUEZ	GYM MEMBERSHIP	200.00
						REIMBURSEMENT	
68834	04/27/2017	Printed		12310.250	WASTE MANAGEMENT	2016/2017 TRASH REFUND	88.25
68835	04/27/2017	Printed		12350.489	WILLDAN FINANCIAL SERVICES	FISCAL IMPACT REPORT & CFD	3,255.00
68836	04/27/2017	Printed		12350.455	WILLEMS COMMERCIAL	HONK! POSTERS & POSTCARDS	246.27
					PRINTING		
68837	05/01/2017	Printed		10125.145	ADAMS, FERRONE & FERRONE	FLSA CLAIM	14,913.40
68838	05/01/2017	Printed		10660.110	SHANE FRANDSEN	LIQUIDATED DAMAGES	3,918.30
68839	05/03/2017	Printed		11210.320	FRESNO LAFCO	2016-0003 FAHRNEY ANNEXATION	750.00

Total Checks: 81

Checks Total (excluding void checks): 394,857.36

Total Payments: 81

Bank Total (excluding void checks): 394,857.36

Total Payments: 81

Grand Total (excluding void checks): 394,857.36

US BANK INVOICE FOR CALCARD CHARGES: 3/23/17-4/24/17

EMPLOYEE NAME	TRANSACTION DATE	VENDOR NAME	1.g.	DESCRIPTION OF PURCHASE	ACCOUNT NUMBER	AMOUNT
CALEB GARCIA	3/28/2017	AUTOZONE, SELMA CA	VEHICLE SUPPLIES		100-2100-600.250.000	14.08
CALEB GARCIA	4/5/2017	BAD BUDS, FRESNO CA	FUEL		701-9200-600.257.000	42.03
CALEB GARCIA	4/13/2017	76, FRESNO CA	FUEL		701-9200-600.257.000	45.91
CASSY FAIN	3/28/2017	CHURRASCO GRILL	TRAINING LUNCH		100-2100-610.910.000	23.55
CASSY FAIN	3/29/2017	MARISCOS	TRAINING LUNCH		100-2100-610.910.000	18.32
CASSY FAIN	3/30/2017	STAPLES	SORNA GRANT ITEMS		100-2100-600.250.000	3837.82
CHRISTIE MOORADIAN	3/29/2017	SELMA TROPHY SHOP	EMBROIDER BAG FOR CHAMBER		100-2100-600.250.000	2.71
CHRISTIE MOORADIAN	4/13/2017	BPS TACTICAL INC	TACTICAL BALLISTIC VESTS		111-2200-600.250.000	1,600.00
CHRISTIE MOORADIAN	4/13/2017	BPS TACTICAL INC	TACTICAL BALLISTIC VESTS		100-0000-123.010.000	1,594.94
CHRISTIE MOORADIAN	4/13/2017	BPS TACTICAL INC	TACTICAL BALLISTIC VESTS		800-0000-121.000.000	337.00
DAVID ELIAS	4/19/2017	WYNDHAM VISALIA	CITY MANAGERS LEAGUE MEETING		100-1300-910.920.000	22.38
DAVID LEWIS	4/13/2017	DISCOUNT RUBBER STAMPS	2 CUSTOM STAMPS FOR BUILDING DEPT		100-3200-600.100.000	77.76
DEBBIE GOMEZ	4/13/2017	BATTERY JUNCTION	BATTERIES FOR PATROL		100-2200-600.250.000	104.54
DEBBIE GOMEZ	4/19/2017	BEST BUY	CAMERA FOR MONTESINOS		100-2200-600.250.000	162.69
DEBBIE GOMEZ	4/19/2017	OFFICE DEPOT	FEDEX GROUND FOR SE03		100-2100-600.120.000	22.08
FRANK SANTILLAN	3/25/2017	WISH	SANTILLAN REVOLVING ACCT		100-0000-123.010.000	4.61
FRANK SANTILLAN	3/25/2017	WISH	SANTILLAN REVOLVING ACCT		100-0000-123.010.000	2.90
FRANK SANTILLAN	3/25/2017	WISH	SANTILLAN REVOLVING ACCT		100-0000-123.010.000	2.90
FRANK SANTILLAN	3/28/2017	METRO UNIFORMS	POLICE SUPPLIES		100-2200-600.250.000	21.54
FRANK SANTILLAN	3/28/2017	USPS	POSTAGE		100-2100-600.120.000	3.39
FRANK SANTILLAN	3/28/2017	UNIFORMS AND ACCESSORIES	FRANDSEN REVOLVING ACCT		100-0000-123.010.000	22.54
FRANK SANTILLAN	3/29/2017	UNIFORMS AND ACCESSORIES	SANTILLAN REVOLVING ACCT		100-0000-123.010.000	51.47
FRANK SANTILLAN	4/1/2017	AUTOZONE	PD UNIT CLEANING SUPPLIES		100-2200-600.250.000	34.67
FRANK SANTILLAN	4/3/2017	UNIFORMS AND ACCESSORIES	SANTILLAN REVOLVING ACCT		100-0000-123.010.000	53.65
FRANK SANTILLAN	4/7/2017	WALMART	SANTILLAN REVOLVING ACCT		100-0000-123.010.000	43.35
FRANK SANTILLAN	4/10/2017	WISH	SANTILLAN REVOLVING ACCT		100-0000-123.010.000	13.30
FRANK SANTILLAN	4/11/2017	WISH	SANTILLAN REVOLVING ACCT		100-0000-123.010.000	20.00
FRANK SANTILLAN	4/14/2017	WALMART	CREDIT-SANTILLAN REVOLVING ACCT		100-0000-123.010.000	(43.35)
FRANK SANTILLAN	4/16/2017	TACTICAL GEAR	MOTOR OFFICER SAFETY GEAR		100-2100-600.250.000	110.98
FRANK SANTILLAN	4/18/2017	USPS	POSTAGE		100-2100-600.120.000	2.67
FRANK SANTILLAN	4/18/2017	LITTLE CAESARS PIZZA	PIZZA FOR VIPS AND EXPLORERS		100-2100-600.250.000	45.48
FRANK SANTILLAN	4/19/2017	CALIF PEACE OFFICER ASSOC. LSP	LSP COVERAGE PER MOU		100-2200-600.400.000	370.00
FRANKIE OLIVARES	3/21/2017	PETRO GAS STATION	FUEL		701-9200-600.257.000	21.00
FRANKIE OLIVARES	3/23/2017	CHEVRON RIVERSIDE	FUEL		701-9200-600.257.000	27.00
FRANKIE OLIVARES	3/23/2017	WYNDHAM HOTELS	HOTEL ROOM CHARGE -CALED CONFERENCE		100-1550-610.920.000	462.20
GILBERT CANTU	5/24/2017	METRO UNIFORMS, FRESNO	SGT. STRIPES		100-2200-600.300.000	11.26
GILBERT CANTU	5/24/2017	METRO UNIFORMS, FRESNO	UNIFORM SHIRTS, REVOLVING ACCT		100-0000-123.010.000	283.31
GREG GARNER	4/14/2017	POROLA HOTEL	LODGING CPCA ANNUAL CONFERENCE		100-2300-610.915.000	640.62
JACOB PUMAREJO	3/21/2017	SHELL	FUEL		269-2200-600.257.000	58.12
JACOB PUMAREJO	3/22/2017	CHEVRON	FUEL		269-2200-600.257.000	47.34
JACOB PUMAREJO	3/23/2017	7-ELEVEN	FUEL		269-2200-600.257.000	55.80
JACOB PUMAREJO	3/23/2017	CNOA LEGAL UPDATE	TRAINING		269-2200-610.915.000	80.00
JACOB PUMAREJO	3/28/2017	CHEVRON	FUEL		269-2200-600.257.000	76.81
JACOB PUMAREJO	3/29/2017	CHEVRON	FUEL		269-2200-600.257.000	72.75
JACOB PUMAREJO	3/31/2017	METRO UNIFORM	UNIFORM		100-0000-123.010.000	269.34
JACOB PUMAREJO	3/30/2017	CHEVRON	FUEL		269-2200-600.257.000	51.16
JACOB PUMAREJO	4/4/2017	76	FUEL		269-2200-600.257.000	47.24

US BANK INVOICE FOR CALCARD CHARGES: 3/23/17-4/24/17

EMPLOYEE NAME	TRANSACTION DATE	VENDOR NAME	1.g.	DESCRIPTION OF PURCHASE	ACCOUNT NUMBER	AMOUNT
JACOB PUMAREJO	4/6/2017	VALERO	FUEL		269-2200-600.257.000	44.70
JACOB PUMAREJO	4/10/2017	CHEVRON	FUEL		269-2200-600.257.000	68.91
JACOB PUMAREJO	4/20/2017	CHEVRON	FUEL		269-2200-600.257.000	74.44
JACOB PUMAREJO	4/21/2017	CHEVRON	FUEL		269-2200-600.257.000	57.68
KELLI TELLEZ	3/28/17	WALMART	CLEANING SUPPLIES		100-2525-600.250.000	63.29
MIKAL KIRCHNER	3/22/2017	BIG 5 SPORTING GOODS	T-BALL EQUIPMENT		100-4700-600.250.000	101.91
MIKAL KIRCHNER	3/22/2017	NELSONS ACE HARDWARE	SHAHER PARK STORAGE ROOM		100-4700-600.250.000	6.49
MIKAL KIRCHNER	3/22/2017	CENTRAL VALLEY LOCK	ALARM KEY REPLACEMENT		100-4700-600.250.000	21.75
MIKAL KIRCHNER	3/23/2017	ALLIED ELECTRIC MOTOR SHOP	LIGHTING PIONEER VILLAGE		601-4100-600.250.000	2,248.12
MIKAL KIRCHNER	3/28/2017	NELSONS ACE HARDWARE	BRENTLINGER RESTROOM		100-4700-600.250.000	8.75
MIKAL KIRCHNER	3/30/2017	NELSONS ACE HARDWARE	ARTS CENTER FIRE SIGN		100-4300-600.250.000	7.58
MIKAL KIRCHNER	3/31/2017	FIRST STRING SPORTS	T-BALL EQUIPMENT		100-4700-600.250.000	77.74
MIKAL KIRCHNER	4/4/2017	FOX DRUGS	FIRST AID SUPPLIES SR. CENTER		100-4200-600.250.000	33.78
MIKAL KIRCHNER	4/3/2017	UNIQUELY YOURS	T-BALL UNIFORMS DEPOSIT		100-4700-600.250.000	660.00
MIKAL KIRCHNER	4/4/2017	FRESNO STATE	PARK WORKSHOP KIRCHNER		100-4700-610.900.000	25.00
MIKAL KIRCHNER	4/17/2017	UNIQUELY YOURS	T-BALL UNIFORMS FINAL PAYMENT		100-4700-600.250.000	660.25
MIKE KAIN	4/20/17	ALLIED STORAGE	STORAGE CONTAINER-TRAINING CENTER		111-2500-600.250.000	2,939.67
MYRON DYCK	3/31/2017	STAPLES	SORNA PC 290 GRANT		111-2200-600.250.000	1,828.30
MYRON DYCK	3/31/2017	GDW	SORNA PC 290 GRANT		100-2200-600.250.000	238.95
MYRON DYCK	4/6/2017	LIND ELECTRONICS	POWER SUPPLY FOR PANASONIC MDT		100-2200-600.250.000	101.37
MYRON DYCK	4/12/2017	VINO & BLING	AWARD PLAQUES FOR DISPATCHERS		100-2100-600.250.000	347.61
MYRON DYCK	4/13/2017	SPIKE & RAIL	LUNCH FOR DISPATCH ORAL BOARD		100-1400-610.920.000	85.09
MYRON DYCK	4/20/2017	J'S COMMUNICATIONS	LAPEL MICS FOR PORTABLE RADIOS		100-2200-600.350.000	214.60
MYRON DYCK	4/21/2017	J'S COMMUNICATIONS	RADIO REPAIR		100-2200-600.350.000	69.03
MYRON DYCK	4/21/2017	OFFICEMAX/ OFFICE DEPOT	FLASH DRIVES FOR PHONE DOWNLOADS		100-2100-600.250.000	191.92
NICOLETTE ANDERSEN	3/23/2017	WALMART	GYPSY SNACK BAR SUPPLIES		605-4300-656.540.013	40.76
NICOLETTE ANDERSEN	3/25/2017	SAVEMART	GYPSY SNACK BAR SUPPLIES		605-4300-656.540.013	12.38
NICOLETTE ANDERSEN	3/23/2017	OFFICE MAX/ OFFICE DEPOT	13 SCRIPT RETURN FEDEX		605-4300-656.540.012	86.43
NICOLETTE ANDERSEN	3/27/2017	THE UPS STORE	GYPSY COSTUME RETURN		605-4300-656.540.013	427.40
NICOLETTE ANDERSEN	4/12/2017	OFFICE MAX/ OFFICE DEPOT	GYPSY SCRIPT RETURN		605-4300-656.540.013	70.71
PD1	4/4/2017	FARMER BOYS- CLOVIS	FOOD FOR TRAINING		100-2100-610.910.000	15.53
PD1	4/5/2017	RED ROBIN- CLOVIS	FOOD FOR TRAINING		100-2100-610.910.000	21.65
PD1	4/6/2017	SHELL	FOOD FOR TRAINING		100-2100-610.910.000	4.24
PD1	4/7/2017	MICHELANGELO'S PIZZERIA	FOOD FOR TRAINING		100-2100-610.910.000	19.00
PD1	4/10/2017	76 STATION-POMONA	FUEL FOR TRAINING		100-2200-610.910.000	50.97
PD1	4/13/2017	CHEVRON RIVERSIDE	FUEL FOR TRAINING		100-2200-610.910.000	19.94
PD1	4/13/2017	CHEVRON RIVERSIDE	PERSONAL EXPENSE-REIMB THE CITY		800-0000-220.000.000	3.00
PD1	4/13/2017	LA QUINTA INN-MORENO VALLEY	LODGING FOR TRAINING		100-2200-610.910.000	335.58
PD1	4/13/2017	LA QUINTA INN-MORENO VALLEY	LODGING FOR TRAINING		100-2200-610.910.000	335.58
QRT MASTER	4/13/17	HOME DEPOT	ST 1 AND 2 WATER FILTER		100-2525-600.250.000	60.70
RECREATION	3/30/2017	WALMART	COFFEE CREAMER/PASTRIES		805-0000-226.200.000	92.28
RECREATION	3/30/2017	MID VALLEY PACKAGING&SUPPLY	COFFEE STIR STICKS		805-0000-226.200.000	9.20
RECREATION	4/12/2017	WALMART	FLOWER POTS AND FLOWERS/SEEDS		805-0000-226.200.000	103.12
RECREATION	3/28/2017	KEITH SELLERS	CERAMICS		805-0000-226.200.000	140.00
RECREATION	4/4/2017	WALMART	BINGO SUPPLIES		805-0000-226.400.000	184.66
RECREATION	4/5/2017	OFFICE MAX	INK FOR PRINTER/SUPPLIES		805-0000-226.200.000	140.17
RECREATION	4/17/2017	WALMART	EASTER EVENT FOR SENIORS		805-0000-226.200.000	84.27

US BANK INVOICE FOR CALCARD CHARGES: 3/23/17-4/24/17

1.g.					
EMPLOYEE NAME	TRANSACTION DATE	VENDOR NAME	DESCRIPTION OF PURCHASE	ACCOUNT NUMBER	AMOUNT
RECREATION	4/17/2017	OFFICE MAX	CANDY FOR SENIORS	805-0000-226.200.000	34.48
REYNA RIVERA	4/3/2017	PORT OF SUBS	COUNCIL MEETING SUPPLIES	100-1100-610.920.000	26.98
REYNA RIVERA	4/3/2017	SELMA FOOD FOR LESS	COUNCIL MEETING SUPPLIES	100-1100-610.920.000	6.09
REYNA RIVERA	4/17/2017	SELMA WM SUPERCENTER	COUNCIL MEETING SUPPLIES	100-1100-610.920.000	14.32
REYNA RIVERA	4/17/2017	SELMA WM SUPERCENTER	CITY MANAGER SUPPLIES	100-1300-600.250.000	4.21
REYNA RIVERA	4/17/2017	SELMA SAVEMART	COUNCIL MEETING SUPPLIES	100-1100-610.920.000	15.95
RICHARD FIGUEROA	4/3/2017	BOBBY SALAZAR'S	WIRE TAP CLASS (DET FAIN & FIGUEROA)	100-2100-610.915.000	23.61
ROMEO SHIPLEE	3/22/2017	NELSON'S POWER CENTER	SPRAYER - STREETS	210-5400-600.305.000	216.94
ROMEO SHIPLEE	3/23/2017	EWING IRRIGATION PRODUCTS	MISC IRRIGATION SUPPLIES - PARKS	100-5300-600.250.000	570.93
ROMEO SHIPLEE	3/23/2017	GRAINGER	GLOVES & SAFETY GLASSES - STREETS	210-5400-600.300.000	205.43
ROMEO SHIPLEE	3/23/2017	GRAINGER	GLOVES & SAFETY GLASSES - PARKS	100-5300-600.300.000	205.43
ROMEO SHIPLEE	3/23/2017	AMAZON.COM	SAFETY VESTS - PARKS	100-5300-600.300.000	72.74
ROMEO SHIPLEE	3/23/2017	AMAZON.COM	SAFETY VESTS - STREETS	210-5400-600.300.000	72.74
ROMEO SHIPLEE	3/26/2017	AMAZON.COM	SAFETY VESTS - PARKS	100-5300-600.300.000	189.90
ROMEO SHIPLEE	3/26/2017	AMAZON.COM	SAFETY VESTS - STREETS	210-5400-600.300.000	189.90
ROMEO SHIPLEE	3/27/2017	AMAZON.COM	GLOVES - PARKS	100-5300-600.300.000	288.45
ROMEO SHIPLEE	3/27/2017	AMAZON.COM	GLOVES - STREETS	210-5400-600.300.000	288.45
ROMEO SHIPLEE	3/28/2017	AMAZON.COM	RAIN GEAR - PARKS	100-5300-600.300.000	71.79
ROMEO SHIPLEE	3/28/2017	AMAZON.COM	RAIN GEAR - STREETS	210-5400-600.300.000	71.79
ROMEO SHIPLEE	3/28/2017	AMAZON.COM	RAIN GEAR - BUILDING	702-9300-600.300.000	110.80
ROMEO SHIPLEE	3/30/2017	NELSON'S ACE HARDWARE	SPECIAL SUPPLIES - STREETS	210-5400-600.250.000	16.58
ROMEO SHIPLEE	3/30/2017	NELSON'S ACE HARDWARE	SPECIAL SUPPLIES - PARKS	100-5300-600.250.000	18.50
ROMEO SHIPLEE	3/30/2017	NELSON'S ACE HARDWARE	SMALL TOOLS & MINOR EQUIPMENT - PARKS	100-5300-600.305.000	126.91
ROMEO SHIPLEE	3/30/2017	AMAZON.COM	SURGE PROTECTORS FOR TRAFFIC COUNTERS - STREETS	210-5400-600.250.000	49.88
ROMEO SHIPLEE	3/30/2017	ZUMAR INDUSTRIES	STOP SIGNS - MEASURE C FLEX	214-5400-600.250.000	2,308.51
ROMEO SHIPLEE	3/31/2017	HOME DEPOT	SMALL TOOLS & MINOR EQUIPMENT - STREETS	210-5400-600.305.000	139.93
ROMEO SHIPLEE	4/4/2017	CENTRAL SANITARY SUPPLY	TOILET PAPER FOR PARKS	100-5300-600.250.000	113.19
ROMEO SHIPLEE	4/4/2017	CENTRAL SANITARY SUPPLY	MISC JANITORIAL SUPPLIES	702-9300-600.250.000	667.94
ROMEO SHIPLEE	4/4/2017	EWING IRRIGATION PRODUCTS	MISC IRRIGATION SUPPLIES - PARKS	100-5300-600.250.000	243.89
ROMEO SHIPLEE	4/4/2017	EWING IRRIGATION PRODUCTS	MISC IRRIGATION SUPPLIES - PARKS	100-5300-600.250.000	611.32
ROMEO SHIPLEE	4/5/2017	NELSON'S ACE HARDWARE	SPECIAL SUPPLIES - BUILDING	702-9300-600.250.000	2.92
ROMEO SHIPLEE	4/5/2017	GRAINGER	LAMPS FOR BALLFIELDS	456-4100-600.250.000	2,217.23
ROMEO SHIPLEE	4/6/2017	NELSON'S ACE HARDWARE	SPECIAL SUPPLIES - BUILDING	702-9300-600.250.000	15.61
ROMEO SHIPLEE	4/10/2017	HOME DEPOT	LANDSCAPING - MEASURE C FLEX	214-5400-600.250.000	71.35
ROMEO SHIPLEE	4/10/2017	MITY-LITE	TABLES & CHAIRS	702-9300-600.250.000	3,669.21
ROMEO SHIPLEE	4/13/2017	ZUMAR INDUSTRIES	LETTERS FOR STREET SIGNS - MEASURE C FLEX	214-5400-600.250.000	1,100.27
ROMEO SHIPLEE	4/14/2017	EWING IRRIGATION PRODUCTS	MISC IRRIGATION SUPPLIES - PARKS	100-5300-600.250.000	812.84
ROMEO SHIPLEE	4/17/2017	AMAZON.COM	RAIN GEAR - PARKS	100-5300-600.300.000	67.24
ROMEO SHIPLEE	4/17/2017	AMAZON.COM	RAIN GEAR - STREETS	210-5400-600.300.000	67.25
ROMEO SHIPLEE	4/17/2017	AMAZON.COM	RAIN GEAR - STREETS	210-5400-600.300.000	199.21
ROMEO SHIPLEE	4/17/2017	AMAZON.COM	RAIN GEAR - PARKS	100-5300-600.300.000	199.21
ROMEO SHIPLEE	4/19/2017	AMAZON.COM	RAIN GEAR - PARKS	100-5300-600.300.000	21.00
ROMEO SHIPLEE	4/19/2017	AMAZON.COM	RAIN GEAR - STREETS	210-5400-600.300.000	21.00
ROMEO SHIPLEE	4/19/2017	VULCAN MATERIALS	COLD MIX - MEASURE C FLEX	214-5400-600.250.000	352.32
RUDY ALCARAZ	4/15/2017	FOOD 4 LESS	PRISONER MEALS	100-2100-600.250.000	11.76
SHANE FERRELL	3/22/2017	NELSON'S ACE HARDWARE	SPECIAL SUPPLIES - SENIOR CENTER	702-9300-600.250.000	13.65
SHANE FERRELL	3/22/2017	NELSON'S ACE HARDWARE	MISC JANITORIAL SUPPLIES - BUILDING	702-9300-600.250.000	18.12

US BANK INVOICE FOR CALCARD CHARGES: 3/23/17-4/24/17

TRANSACTION

1.g.

EMPLOYEE NAME	DATE	VENDOR NAME	DESCRIPTION OF PURCHASE	ACCOUNT NUMBER	AMOUNT
SHANE FERRELL	3/27/2017	NELSON'S ACE HARDWARE	PARTS FOR STORM DRAIN PUMP - STREETS	210-5400-600.250.000	21.47
SHANE FERRELL	3/28/2017	NELSON'S POWER CENTER	CONCRETE FOR SIDEWALK REPAIR ON HIGH - MEASURE C FLEX	214-5400-600.250.000	112.27
SHANE FERRELL	3/30/2017	NELSON'S ACE HARDWARE	SIDEWALK REPAIR SUPPLIES - MEASURE C FLEX	214-5400-600.250.000	17.35
SHANE FERRELL	3/30/2017	NELSON'S POWER CENTER	SIDEWALK REPAIR ON OLIVE - MEASURE C FLEX	214-5400-600.250.000	135.59
SHANE FERRELL	4/3/2017	NELSON'S ACE HARDWARE	STREET LIGHT REPAIR - MEASURE C FLEX	214-5400-600.250.000	7.11
SHANE FERRELL	4/4/2017	NELSON'S ACE HARDWARE	GRAFFITI ABATEMENT SUPPLIES	210-5400-600.250.000	118.74
SHANE FERRELL	4/4/2017	NELSON'S ACE HARDWARE	BERRY PARK RESTROOM DOOR REPAIR	100-5300-600.250.000	156.19
SHANE FERRELL	4/5/2017	NELSON'S ACE HARDWARE	HARDWARE & SUPPLIES FOR PARK BBQ INSTALLATION	100-5300-600.250.000	83.03
SHANE FERRELL	4/10/2017	NELSON'S ACE HARDWARE	SUPPLIES FOR CURB PAINTING - MEASURE C FLEX	214-5400-600.250.000	14.60
SHANE FERRELL	4/10/2017	NELSON'S ACE HARDWARE	SUPPLIES FOR BUILDING REPAIR - CITY HALL	702-9300-600.370.000	29.27
SHANE FERRELL	4/10/2017	NELSON'S POWER CENTER	SIDEWALK REPAIR ON SECOND ST - MEASURE C FLEX	214-5400-600.250.000	86.78
SHANE FERRELL	4/11/2017	NELSON'S ACE HARDWARE	RETURN HARDWARE FOR PARK BBQ INSTALLATION	100-5300-600.250.000	(14.97)
SHANE FERRELL	4/11/2017	NELSON'S ACE HARDWARE	HARDWARE FOR PARK BBQ INSTALLATION	100-5300-600.250.000	8.55
STATION 1	3/28/17	NELSONS HARDWARE	ROUND UP WEED KILLER	100-2525-600.250.000	68.33
STEVE GIBBS	3/21/2017	NAPA AUTO PARTS	SMALL TOOLS & MINOR EQUIPMENT - SHOP	701-9200-600.305.000	37.97
STEVE GIBBS	3/22/2017	O'REILLY AUTO SUPPLY	AUTO PARTS	701-9200-600.256.000	181.59
STEVE GIBBS	3/22/2017	BLI INTERNATIONAL	AUTO PARTS	701-9200-600.256.000	387.80
STEVE GIBBS	3/23/2017	SWANSON FAHRNEY FORD	AUTO PARTS - #172	701-9200-600.256.000	189.02
STEVE GIBBS	3/23/2017	NELSON'S POWER CENTER	AUTO PARTS - #4403 & STOCK	701-9200-600.256.000	96.33
STEVE GIBBS	3/24/2017	O'REILLY AUTO SUPPLY	SMALL TOOLS & MINOR EQUIPMENT - SHOP	701-9200-600.305.000	260.33
STEVE GIBBS	3/27/2017	NAPA AUTO PARTS	AUTO PARTS - SHOP	701-9200-600.256.000	13.00
STEVE GIBBS	3/27/2017	SWANSON FAHRNEY FORD	AUTO SERVICE REPAIR - #716	701-9200-600.457.000	150.00
STEVE GIBBS	3/27/2017	GOODYEAR TIRE & RUBBER COMPANY	AUTO PARTS - STOCK	701-9200-600.256.000	1,423.84
STEVE GIBBS	3/27/2017	LES SCHWAB	AUTO SERVICE REPAIR - #183	701-9200-600.457.000	622.10
STEVE GIBBS	3/27/2017	TRANSMISSION'S	REFUND OVERCHARGED AMOUNT FROM 03/22/17	701-9200-600.457.000	(14.14)
STEVE GIBBS	3/28/2017	O'REILLY AUTO SUPPLY	AUTO PARTS - #721	701-9200-600.256.000	140.10
STEVE GIBBS	3/28/2017	STEVE & JOHN'S MOBILE GLASS	AUTO SERVICE REPAIR - # 164	701-9200-600.457.000	265.00
STEVE GIBBS	3/29/2017	SELMA AUTO SUPPLY	AUTO PARTS - SHOP	701-9200-600.256.000	10.27
STEVE GIBBS	3/29/2017	SWANSON FAHRNEY FORD	AUTO PARTS - #716	701-9200-600.256.000	136.49
STEVE GIBBS	3/29/2017	NORTHERN TOOL & EQUIPMENT	SKID-MOUNTED WEED SPRAYER	100-5300-600.305.000	2,359.63
STEVE GIBBS	3/29/2017	L.C. ACTION POLICE SUPPLY, LTD	AUTO PARTS - STOCK	701-9200-600.256.000	251.15
STEVE GIBBS	3/29/2017	L.C. ACTION POLICE SUPPLY, LTD	AUTO PARTS - STOCK	701-9200-600.256.000	364.48
STEVE GIBBS	3/29/2017	CONSOLIDATED METAL FABRICATING,	AUTO PARTS	701-9200-600.256.000	221.35
STEVE GIBBS	3/30/2017	NAPA AUTO PARTS	SMALL TOOLS & MINOR EQUIPMENT - SHOP	701-9200-600.305.000	23.25
STEVE GIBBS	3/30/2017	NAPA AUTO PARTS	SMALL TOOLS & MINOR EQUIPMENT	701-9200-600.305.000	298.30
STEVE GIBBS	3/30/2017	SELMA AUTO SUPPLY	SMALL TOOLS & MINOR EQUIPMENT - SHOP	701-9200-600.305.000	12.02
STEVE GIBBS	3/30/2017	BATTERY SYSTEMS	AUTO PARTS - STOCK	701-9200-600.256.000	390.52
STEVE GIBBS	4/3/2017	NAPA AUTO PARTS	AUTO PARTS - STOCK	701-9200-600.256.000	32.48
STEVE GIBBS	4/3/2017	TIFCO	AUTO PARTS	701-9200-600.256.000	426.50
STEVE GIBBS	4/3/2017	O'REILLY AUTO SUPPLY	AUTO PARTS - SHOP	701-9200-600.256.000	4.51
STEVE GIBBS	4/3/2017	LES SCHWAB	AUTO SERVICE REPAIR - #181	701-9200-600.457.000	408.89
STEVE GIBBS	4/3/2017	CONSOLIDATED METAL FABRICATING,	AUTO PARTS	701-9200-600.256.000	107.98
STEVE GIBBS	4/4/2017	SWANSON FAHRNEY FORD	AUTO PARTS - #165	701-9200-600.256.000	19.32
STEVE GIBBS	4/5/2017	NAPA AUTO PARTS	SMALL TOOLS & MINOR EQUIPMENT - SHOP	701-9200-600.305.000	41.18
STEVE GIBBS	4/5/2017	NAPA AUTO PARTS	SMALL TOOLS & MINOR EQUIPMENT - SHOP	701-9200-600.305.000	55.06
STEVE GIBBS	4/5/2017	O'REILLY AUTO SUPPLY	AUTO PARTS - STOCK	701-9200-600.256.000	50.96
STEVE GIBBS	4/5/2017	PBM SUPPLY & MFG	AUTO PARTS - #2738	701-9200-600.256.000	16.24

US BANK INVOICE FOR CALCARD CHARGES: 3/23/17-4/24/17

EMPLOYEE NAME	TRANSACTION DATE	VENDOR NAME	1.g.	ACCOUNT NUMBER	AMOUNT
			DESCRIPTION OF PURCHASE		
STEVE GIBBS	4/5/2017	A OKAY BODY SHOP	AUTO SERVICE REPAIR - #716	701-9200-600.457.000	900.00
STEVE GIBBS	4/5/2017	COOK'S COMMUNICATION	INVOICE 132054 DATED 03/08/17 - AUTO SERVICE REPAIR	701-9200-600.457.000	50.00
STEVE GIBBS	4/5/2017	COOK'S COMMUNICATION	INVOICE 132221 DATED 03/24/17 - AUTO SERVICE REPAIR #227	701-9200-600.457.000	176.61
STEVE GIBBS	4/5/2017	COOK'S COMMUNICATION	INVOICE 131982 DATED 03/01/17 - AUTO SERVICE REPAIR	701-9200-600.457.000	331.07
STEVE GIBBS	4/6/2017	NAPA AUTO PARTS	SPECIAL SUPPLIES - SHOP	701-9200-600.250.000	8.67
STEVE GIBBS	4/6/2017	NAPA AUTO PARTS	SMALL TOOLS & MINOR EQUIPMENT - SHOP	701-9200-600.305.000	29.46
STEVE GIBBS	4/6/2017	O'REILLY AUTO SUPPLY	SPECIAL SUPPLIES - SHOP	701-9200-600.250.000	17.33
STEVE GIBBS	4/6/2017	BATTERY SYSTEMS	AUTO PARTS - #224	701-9200-600.256.000	98.63
STEVE GIBBS	4/6/2017	CUMMINS PACIFIC	AUTO SERVICE REPAIR - #8509	701-9200-600.457.000	14,225.00
STEVE GIBBS	4/6/2017	DAVE'S TOWING	INVOICE 17612 DATED 03/07/17 - TOWING SERVICE #171	701-9200-600.458.000	75.00
STEVE GIBBS	4/6/2017	DAVE'S TOWING	INVOICE 17619 DATED 03/14/17 - TOWING SERVICE #160	701-9200-600.458.000	75.00
STEVE GIBBS	4/6/2017	COPELAND ENGINEERING, INC.	AUTO PARTS - STOCK	701-9200-600.256.000	203.02
STEVE GIBBS	4/7/2017	NAPA AUTO PARTS	SPECIAL SUPPLIES - SHOP	701-9200-600.250.000	51.94
STEVE GIBBS	4/10/2017	GOODYEAR TIRE & RUBBER COMPANY	AUTO PARTS	701-9200-600.256.000	4,632.16
STEVE GIBBS	4/11/2017	NELSON'S ACE HARDWARE	AUTO PARTS - #2120	701-9200-600.256.000	9.33
STEVE GIBBS	4/11/2017	O'REILLY AUTO SUPPLY	AUTO PARTS - #717	701-9200-600.256.000	137.72
STEVE GIBBS	4/11/2017	NELSON'S POWER CENTER	AUTO PARTS - STOCK	701-9200-600.256.000	202.80
STEVE GIBBS	4/11/2017	TECH SUPPLY	SMALL TOOLS & MINOR EQUIPMENT - SHOP	701-9200-600.305.000	745.21
STEVE GIBBS	4/11/2017	GCS ENVIRONMENTAL EQUIPMENT	AUTO PARTS - #1315	701-9200-600.256.000	733.76
STEVE GIBBS	4/13/2017	NELSON'S ACE HARDWARE	AUTO PARTS - #2120	701-9200-600.256.000	6.78
STEVE GIBBS	4/13/2017	NAPA AUTO PARTS	SMALL TOOLS & MINOR EQUIPMENT - SHOP	701-9200-600.305.000	35.76
STEVE GIBBS	4/13/2017	SWANSON FAHRNEY FORD	AUTO PARTS - #724	701-9200-600.256.000	37.47
STEVE GIBBS	4/13/2017	LES SCHWAB	AUTO SERVICE REPAIR - #178	701-9200-600.457.000	103.98
STEVE GIBBS	4/13/2017	LES SCHWAB	AUTO SERVICE REPAIR - #724	701-9200-600.457.000	105.05
STEVE GIBBS	4/14/2017	NELSON'S POWER CENTER	AUTO PARTS	701-9200-600.256.000	41.76
STEVE GIBBS	4/14/2017	TERMINAL AIR BRAKE SUPPLY	AUTO SERVICE REPAIR - #1315 & 8653	701-9200-600.457.000	349.75
STEVE GIBBS	4/14/2017	PLASTIX PLUS LLC	AUTO PARTS	701-9200-600.256.000	757.22
STEVE GIBBS	4/17/2017	NELSON'S POWER CENTER	AUTO SERVICE REPAIR	701-9200-600.457.000	42.50
STEVE GIBBS	4/18/2017	NAPA AUTO PARTS	AUTO PARTS - #172	701-9200-600.256.000	20.37
STEVE GIBBS	4/18/2017	NAPA AUTO PARTS	AUTO PARTS - STOCK	701-9200-600.256.000	130.17
STEVE GIBBS	4/18/2017	NAPA AUTO PARTS	AUTO PARTS - #713	701-9200-600.256.000	187.65
STEVE GIBBS	4/18/2017	O'REILLY AUTO SUPPLY	AUTO PARTS - #713	701-9200-600.256.000	140.88
STEVE GIBBS	4/19/2017	NAPA AUTO PARTS	AUTO PARTS	701-9200-600.256.000	16.92
STEVE GIBBS	4/20/2017	NAPA AUTO PARTS	AUTO PARTS - #221	701-9200-600.256.000	5.63
STEVE GIBBS	4/20/2017	NAPA AUTO PARTS	AUTO PARTS - #221	701-9200-600.256.000	51.81
STEVE GIBBS	4/20/2017	NAPA AUTO PARTS	SMALL TOOLS & MINOR EQUIPMENT - STREETS	210-5400-600.305.000	101.93
STEVE GIBBS	4/20/2017	ALTEC INDUSTRIES	AUTO SERVICE REPAIR - #2600	701-9200-600.457.000	12,828.36
STEVEN MARES	3/30/2017	UNIQUELY YOURS	PATCHES	100-2100-600.250.000	6.00
STEVEN MARES	4/1/2017	HOME DEPOT	REPAIR PRESSURE WASHER	100-2100-600.250.000	18.95
STEVEN MARES	4/5/2017	HOME DEPOT	REPAIR PRESSURE WASHER	100-2100-600.250.000	25.00
STEVEN MARES	4/5/2017	HOME DEPOT	REPAIR PRESSURE WASHER	100-2100-600.250.000	14.12
STEVEN MARES	4/6/2017	NELSON ACE HARDWARE	KEYS	100-2100-600.250.000	9.73
STEVEN MARES	4/15/2017	NELSON ACE HARDWARE	AIR BLOW GUN	100-2100-600.250.000	8.67
TERRY REID	4/5/2017	UNIFORM & ACCESSORIES	EXPLORER UNIFORMS	100-0000-270.091.000	47.12
TERRY REID	4/10/2017	FOOD 4 LESS	JAIL & DEPT CLEANING SUPPLIES	100-2100-600.250.000	5.38
TERRY REID	4/17/2017	UNIFORM & ACCESSORIES	EXPLORER UNIFORMS	100-0000-270.091.000	78.01
TESLA NASON	4/6/2017	FS TYPING MASTER	TYPING TEST-DISPATCHER CANDIDATES	100-1400-600.400.000	49.00

US BANK INVOICE FOR CALCARD CHARGES: 3/23/17-4/24/17

EMPLOYEE NAME	TRANSACTION DATE	VENDOR NAME	1.g.	DESCRIPTION OF PURCHASE	ACCOUNT NUMBER	AMOUNT
TESLA NASON	4/12/2017	SAVE MART		SNACKS FOR DISPATCHER INTERVIEWS	100-1400-610.920.000	33.01
TESLA NASON	4/12/2017	BLOOMIES		FLOWERS FOR INJURED EMPLOYEE	100-2200-600.250.000	39.17
TIM CANNON	3/21/2017	TRAINING FOR SAFETY		COURSE REGISTRATION FEES	100-2100-610.910.000	296.00
TIM CANNON	3/28/2017	HITS K9 TRAINING		COURSE REGISTRATION FEES	100-2200-610.915.000	957.00
TIM CANNON	3/29/2017	RITE AID		BATTERY FOR PD FRONT DOOR	100-2100-600.370.000	5.74
TIM CANNON	3/30/2017	LAERDAL MEDICAL		CPR MANUALS, POST REQ	100-2200-610.910.000	40.63
TIM CANNON	3/30/2017	GOVX		EQUIP, CANNON REVOLVING ACCOUNT	100-0000-123.010.000	186.95
TIM CANNON	4/4/2017	RAY ALLEN		K9 EQUIP -SCEC K9 FUND	800-0000-121.000.000	77.59
TIM CANNON	4/7/2017	POLICE ONE		TASER INSTRUCTOR TRAINING FEES	100-2200-610.915.000	870.00
TIM CANNON	4/20/2017	EMBASSY CONSULTANTS		CIT TRAINING COURSE	100-2200-610.910.000	99.00
TIM CANNON	4/20/2017	EMBASSY CONSULTANTS		CIT TRAINING COURSE	100-2200-610.910.000	99.00
TIM CANNON	4/21/2017	EMBASSY CONSULTANTS		CIT TRAINING COURSE	100-2200-610.910.000	99.00
						<u>89,701.73</u>

**CITY MANAGERS'S STAFF'S REPORT
CITY COUNCIL MEETING DATE:**

May 15, 2017

ITEM NO: 2.

SUBJECT: Consideration and necessary action on Resolution Authorizing the Issuance and Sale of General Obligation Bonds, Authorizing and Directing the Execution of a Paying Agent Agreement and certain other Related Documents, and Authorizing Related Actions

DISCUSSION: The City received authorization from the voters of the City in November 2016 to issue \$4 million in general obligation bonds (Measure P) to finance the acquisition and construction of a police station and associated improvements (the "Police Station Improvements"). On August 1, 2016, the City adopted Ordinance No. 2016-4, which, among other things, (i) called for an election on November 8, 2016 (the "Election") on the question of incurring a bonded indebtedness for the purpose of acquiring and constructing the Police Station Improvements, and (ii) provided for the legal ability to issue and sell of City of Selma, General Obligation Bonds (the Bonds") to finance the Police Station Improvements.

The Subject Resolution officially authorizes the issuance of the Bonds, in the amount of not to exceed \$4,000,000 at a maximum interest rate of 6% (although the anticipated interest rate is well below this amount). The Bonds will be general obligations of the City payable from and secured by taxes levied and collected in the manner prescribed by laws of the State of California. All of the Bonds are to be equally and ratably secured without priority, by the taxing power of the City.

The Bond proceeds will be deposited into a separate account the called Police Station Construction Designated Fund (the "Project Fund"), which is restricted for Police Station Improvements as outlined in the bond documents. With this funding, when combined with the grant funding from the State of California in the amount of \$4,000,000, the City will be able to complete the Police Station Improvements currently under design.

In order to proceed with the financing, it is necessary that the City Council approve the execution of certain legal documents, including the Paying Agent Agreement with US Bank, the Preliminary Official Statement describing the Bonds, the Continuing Disclosure Certificate, and the Bond Purchase Contract (collectively, the "Financing Documents"). These documents are on file with the City Clerk and are described in more detail below.

Financing Documents:

Pursuant to the subject Resolution, the City Council will approve the form of the Financing Documents on file with the City Clerk:

1. **Paying Agent Agreement.** The Paying Agent Agreement (the “Agreement”) is between the City and U.S. Bank National Association (the “Paying Agent”) and contains the terms and conditions regarding the Bonds. Pursuant to the Agreement, the Paying Agent is given the authority to receive, hold, invest and disburse the monies paid to it for credit to the various funds and accounts established under the Agreement; to execute the Bonds; and to apply and disburse debt service payments to Bond Owners.

2. **Preliminary Official Statement.** As a necessary prerequisite to the public marketing and selling of the Bonds, a preliminary official statement (the “Preliminary Official Statement”) has been prepared by The Weist Law Firm, as Disclosure Counsel to the City, with the help of the Municipal Advisor, Underwriter and City staff. This document describes the City, the financing program, the Police Station Improvements, the Bonds, the Financing Documents, and the risk factors associated with an investment in the Bonds. The Preliminary Official Statement is the central source of information to potential bond buyers, and as such it is essential that the information be accurate and complete. Once the Bond Purchase Contract (described below) is executed, the final pricing detail will be used to fill in the blanks of the Preliminary Official Statement, which will then be used as the basis for the final Official Statement.

Important Information about Securities Disclosure: The Preliminary Official Statement has been reviewed and approved for transmittal to the City Council by staff and the financing team. The Preliminary Official Statement must include all facts that would be material to an investor in the Bonds. Material information is information that there is a substantial likelihood would have actual significance in the deliberations of the reasonable investor when deciding whether to buy or sell the Bonds. Members of the City Council are encouraged to review the Preliminary Official Statement and/or question staff and consultants to make sure they feel comfortable that it includes all material facts.

3. **Continuing Disclosure Certificate** (attached as an appendix to the Preliminary Official Statement). The City is required to provide investors certain information on an annual basis related to the Bonds, the City audit, and the assessed values of properties within the City. The Continuing Disclosure Certificate sets forth the continuing disclosure obligations of the City.

4. **Bond Purchase Contract:** This is an agreement between the City and Hilltop Securities Inc., the underwriter of the Bonds (the “Underwriter”), which provides the terms and conditions for the sale of the Bonds by the City to the Underwriter, and once signed, locks in the final terms and interest rates.

Please note that the Bond Documents are being presented to the City Council as form documents, as they cannot be fully completed at this time because certain critical components such as interest rates, credit enhancement provisions, if any, call features and annual debt service payments will depend on the state of the market at the time the transaction is actually priced,

which is expected to occur sometime in July 2017. This method of approval is the normal method of approving a municipal refunding transaction.

The City's Municipal Advisor, NHA Advisors, Underwriter, Hilltop Securities, and Bond and Disclosure Counsel, The Weist Law Firm, will be in attendance to present the details of the documents being considered by the City Council, discuss the financing features and to answer any questions the City Council may have.

RECOMMENDATION:

Adopt the subject Resolution authorizing the issuance and sale of General Obligation Bonds, authorizing and directing the execution of a Paying Agent Agreement and certain other documents, and authorizing related actions.

ATTACHMENTS:

- A. Resolution No. _____
- B. Form of Paying Agent Agreement
- C. Form of Preliminary Official Statement
- D. Continuing Disclosure Certificate (attached as an appendix to the Preliminary Official Statement)
- E. Form of Bond Purchase Contract

/s/ Neal E. Costanzo

05/12/17

Neal E. Costanzo, City Attorney

/s/ David Elias

05/12/17

David Elias, City Manager

Date

RESOLUTION NO. _____

**A RESOLUTION OF CITY COUNCIL OF THE CITY OF SELMA
AUTHORIZING THE ISSUANCE AND SALE OF ITS GENERAL
OBLIGATION BONDS, AUTHORIZING AND DIRECTING THE EXECUTION
OF A PAYING AGENT AGREEMENT AND CERTAIN OTHER RELATED
DOCUMENTS, AND AUTHORIZING ACTIONS RELATED THERETO**

WHEREAS, more than two-thirds of the qualified voters in the City of Selma (the “City”), voting at a municipal election on November 8, 2016, approved the issuance of up to \$4,000,000 of general obligation bonds to finance the costs of acquiring and constructing police station and associated improvements (the "Police Station Improvements") within the City; and

WHEREAS, pursuant to the authorization received at such election, and the authorization contained in Chapter 4 (commencing with section 43600) of Division 4 of Title 4 of the California Government Code (the “Act”), the City intends to issue Series 2017 General Obligation Bonds pursuant to the Act, this Resolution and the Paying Agent Agreement (defined below) in a principal amount of not to exceed \$4,000,000 (the “Bonds”); and

WHEREAS, in order to efficiently accomplish the preparation, execution and delivery of the Bonds (the “Financing”), the City has heretofore retained the services of NHA Advisors as the City’s Municipal Advisor, and pursuant to this resolution desires to appoint Hilltop Securities, Inc. as Underwriter and The Weist Law Firm as Bond Counsel and Disclosure Counsel to provide the necessary underwriting and professional services in connection therewith; and

WHEREAS, the City Council desires to designate the Bonds for purposes of Paragraph (3) of Section 265(b) of the Internal Revenue Code of 1986 (the “Code”) as a “Qualified Tax-Exempt Obligation;” and

WHEREAS, the City Council wishes at this time to authorize all proceedings relating to the Financing and the execution and delivery of Financing Documents and all other agreements and documents relating thereto; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of such financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the City is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing for the purpose, in the manner and upon the terms herein provided.

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

Section 1. Findings and Determinations. The City Council hereby finds that the above recitals are true and correct. The City Council determines that it is necessary and desirable

to provide for the Financing and that the actions authorized hereby constitute, and are in furtherance of, authorized public purposes of the City and will result in public benefits to the City and its constituents.

Section 2. Authorized Representatives. The Mayor, City Manager, Finance Manager, City Clerk and any other person authorized by the City Council to act on behalf of the City shall each be an “Authorized Representative” of the City for the purposes of structuring and providing for the execution of the Financing Documents, and are hereby authorized, jointly and severally, for and in the name of and on behalf of the City, to execute and deliver any and all documents and certificates that may be required to be executed in connection with the Financing, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions and transactions contemplated by this Resolution and the Financing Documents.

Section 3. Approval of Paying Agent Agreement. The City Council hereby authorizes and approves the paying agent agreement (the “Paying Agent Agreement”) dated as of July 1, 2017, by and between the City and U.S. Bank National Association (the “Paying Agent”), in substantially the form on file with the City Clerk, and consents to such revisions, amendments and completions as shall be approved by an Authorized Representative. Any Authorized Representative of the City is hereby authorized and directed to execute, and the City Clerk is hereby authorized and directed to attest and affix the seal of the City to, the final form of the Lease Agreement for and in the name and on behalf of the City and the execution thereof shall be conclusive evidence of the City Council’s approval of any such additions and changes. The City Council hereby authorizes the performance by the City of its obligations under the Paying Agent Agreement. The selection of U.S. Bank National Association, as Paying Agent is hereby approved and ratified.

Section 4. Approval of Form of Bonds. The form of Bonds set forth in the form of Exhibit A to the Paying Agent Agreement is hereby approved, and the Mayor and the City Manager are hereby authorized and directed to execute the Bonds, and the City Clerk to countersign in the name and on behalf of the City and under its seal and to cause the delivery thereof as provided for below.

Section 5. Sale of Bonds; Approval of Form of Bond Purchase Contract. The Bonds shall be sold to the Underwriter pursuant to the terms and conditions of the Bond Purchase Contract, the form of which has been presented at this meeting and is hereby approved, and the Authorized Representatives, each acting alone, are hereby authorized to accept, for and in the name of the City, such Bond Purchase Contract in substantially the form hereby approved with such changes therein as the officer executing the same may approve, with such approval to be conclusively evidenced by the execution and delivery thereof; *provided that* (i) the true interest cost of the Bonds shall not exceed 6% per annum, (ii) the principal amount of the Bonds shall not exceed \$4,000,000, and (iii) the final maturity date of the Bonds shall not be later than August 1, 2047.

Section 6. Official Statement. Staff has caused a draft of the Preliminary Official Statement to be distributed to the City Council and to be placed on file with the City Clerk. The

Preliminary Official Statement is still in draft form and staff is continuing to work with the City's municipal advisor and disclosure counsel to finalize the Preliminary Official Statement. The City Council hereby authorizes and directs each Authorized Representative on behalf of the City to deem the Preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") prior to its distribution to prospective purchasers of the Bonds. The City Council hereby approves and authorizes the distribution of the Preliminary Official Statement to prospective purchasers of the Bonds.

The Authorized Representatives are authorized and directed to cause the preliminary Official Statement to be brought into the form of a final Official Statement and to execute said final Official Statement, dated as of the date of the sale of the Bonds, and a statement that the facts contained in the final Official Statement, and any supplement or amendment thereto (which shall be deemed an original part thereof for the purpose of such statement) were, at the time of sale of the Bonds, true and correct in all material respects and that the final Official Statement did not, on the date of sale of the Bonds, and does not, as of the date of delivery of the Bonds, contain any untrue statement of a material fact with respect to the City or omit to state material facts with respect to the City required to be stated where necessary to make any statement made therein not misleading in the light of the circumstances under which it was made. The Authorized Representatives shall take such further actions prior to the signing of the final Official Statement as are deemed necessary or appropriate to verify the accuracy thereof. The execution of the final Official Statement, which shall be in substantially the form of the Preliminary Official Statement and which shall include such changes and additions thereto deemed advisable by the Authorized Representatives and such information permitted to be excluded from the Preliminary Official Statement pursuant to the Rule, shall be conclusive evidence of the approval of the final Official Statement by the City.

The final Official Statement, when prepared, is approved for distribution in connection with the offering and sale of the Bonds.

Section 7. Continuing Disclosure. The City Council hereby approves the Continuing Disclosure Certificate, in substantially the form on file with the City Clerk and attached to the Preliminary Official Statement, together with any changes therein or additions thereto deemed advisable by the Authorized Representatives, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Representatives are hereby separately authorized and directed to execute, and the City Clerk is hereby authorized and directed to attest the final form of the Continuing Disclosure Certificate, for and in the name and on behalf of the City. The City Council hereby authorizes the delivery and performance of the Continuing Disclosure Certificate.

Section 8. Professional Services. The City Council hereby appoints The Weist Law Firm as Bond Counsel and Disclosure counsel and Hilltop Securities, Inc. as Underwriter in connection with the issuance of the Bonds described in this Resolution. The City Manager is authorized and directed to execute an agreement with each of such firms in the respective forms on file with the City Clerk.

Section 9. Bank Qualification. The City Council hereby designates the Bonds for purposes of paragraph (3) of section 265(b) of the Code and represents that not more than \$10,000,000 aggregate principal amount of obligations the interest on which is excludable (under section 103(a) of the Code) from gross income for federal income tax purposes (excluding (i) private activity bonds, as defined in section 141 of the Code, except qualified 501(c)(3) bonds as defined in section 145 of the Code and (ii) current refunding obligations to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation), including the Bonds, has been or will be issued by the City, including all subordinate entities of the City, during the calendar year 2017.

Section 10. Confirmation and Direction to Proceed with the Financing. All actions heretofore taken by the officers and agents of the City with respect to the Financing are hereby approved, confirmed and ratified. The Mayor, City Manager, Finance Manager, City Clerk and all other officers of the City are each authorized and directed in the name and on behalf of the City to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents which they or any of them might deem necessary or appropriate in order to consummate any of the actions and transactions contemplated by this Resolution and the Financing Documents. Whenever any officer of the City is authorized to execute or countersign any document or take any action contemplated by this Resolution and the Financing Documents, such execution, countersigning 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.

Section 11. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

The foregoing Resolution was duly approved by the City Council of the City of Selma at regular meeting held on May 15, 2017, by the following vote, to wit:

AYES: COUNCIL MEMBERS
NOES: COUNCIL MEMBERS
ABSENT: COUNCIL MEMBERS
ABSTAIN: COUNCIL MEMBERS

Michael Derr,
Mayor of the City of Selma

ATTEST:

Reyna Rivera,
City Clerk

NEW ISSUE—BOOK-ENTRY ONLY**RATINGS**

Moody's: "___"

(See "RATINGS" herein)

In the opinion of The Weist Law Firm, Scotts Valley, California, Bond Counsel, subject however to certain qualifications described herein, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest is taken into account in determining certain income and earnings, and the Bonds are "qualified tax-exempt obligations" within the meaning of section 265(b)(3) of the Internal Revenue Code of 1986, as amended. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS" herein.

\$(Par Amount)***CITY OF SELMA****(Fresno County, California)****SERIES 2017 GENERAL OBLIGATION BONDS****(SELMA POLICE STATION CONSTRUCTION PROJECT)****(Bank Qualified)****Dated: Date of Delivery****Due: August 1, as shown on the inside cover**

The general obligation bonds captioned above (the "Bonds") are being issued by the City of Selma (the "City") under provisions of California Government Code, under a Resolution adopted by the City Council of the City (the "City Council") on May __, 2017, and under a paying agent agreement dated as of July 1, 2017, by and between the City and U.S. Bank National Association, as paying agent (the "Paying Agent"). The Bonds were authorized at an election of the registered voters of the City held on November 8, 2016, at which more than two-thirds of the persons voting on the proposition voted to authorize the issuance and sale of not to exceed \$4,000,000 principal amount of general obligation bonds. See "THE BONDS – Authority for Issuance" herein.

The Bonds are being issued to finance the costs of acquiring and constructing a new police station and associated improvements in the City, and to pay the costs of issuing the Bonds. See "PLAN OF FINANCE - Purpose of Issue" herein.

The Bonds are general obligations of the City, payable solely from ad valorem property taxes levied by the City and collected by Contra Costa County (the "County"). The City Council is empowered and is obligated to levy ad valorem taxes for the payment of interest on, and principal of, the Bonds upon all property subject to taxation by the City, without limitation of rate or amount (except certain personal property which is taxable at limited rates). See "SECURITY FOR THE BONDS" herein.

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). The Bonds are issuable as fully registered securities in denominations of \$5,000 or any integral multiple of \$5,000. Purchasers of the Bonds (the "Beneficial Owners") will not receive physical certificates representing their interest in the Bonds. See "THE BONDS" and "APPENDIX F – DTC AND THE BOOK-ENTRY ONLY SYSTEM" herein.

Interest on the Bonds accrues from the date of delivery and is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2018. Payments of principal and interest on the Bonds will be paid by the Paying Agent to DTC for subsequent disbursement to DTC Participants, which will remit such payments to the Beneficial Owners of the Bonds. See "THE BONDS – Description of the Bonds" herein.

The Bonds are subject to optional and mandatory redemption prior to maturity as described herein. See "THE BONDS – Redemption." See "THE BONDS – Redemption" herein.

MATURITY SCHEDULE*(See Inside Cover Page)*

This cover page contains certain information for general reference only. It is not intended to be a summary of all factors relating to an investment in the Bonds. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds will be offered, when, as and if issued and accepted by the Underwriter, subject to the approval as to legality by The Weist Law Firm, Scotts Valley, California, Bond Counsel to the City, and subject to certain other conditions. Certain legal matters will be passed upon for the City by The Weist Law Firm, Scotts Valley, California, Disclosure Counsel. Certain other legal matters are being passed upon for the City by the City Attorney. Certain legal matters will be passed upon for the Underwriter by Nixon Peabody LLP, Los Angeles, California. It is anticipated that the Bonds in book-entry form will be available for delivery to DTC on or about July __, 2017.

Hilltop Securities Inc. [Logo]

Dated: July __, 2017

* Preliminary, subject to change.

MATURITY SCHEDULE

**\$(Par Amount)
CITY OF SELMA
(Fresno County, California)
SERIES 2017 GENERAL OBLIGATION BONDS
(SELMA POLICE STATION CONSTRUCTION PROJECT)
(Bank Qualified)**

(Base CUSIP[†] No.: _____)

<u>Maturity</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP[†]</u>
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In making an investment decision investors must rely on their own examination of the terms of the offering, including the merits and risks involved. These securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, neither the foregoing authorities nor Bond Counsel or Disclosure Counsel have confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.

No dealer, broker, salesperson or other person has been authorized by the City or the Underwriter to give any information or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale. This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of facts.

The information set forth herein has been obtained from the City and other sources believed to be reliable, but the accuracy or completeness of such information is not guaranteed by, and should not be construed as a representation by, the Underwriter. The information and expressions of opinions herein are subject to change without notice and neither delivery of the Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. All summaries contained herein of the Paying Agent Agreement or other documents are made subject to the provisions of such documents and do not purport to be complete statements of any or all of such provisions. All statements made herein are made as of the date of this document by the City except statistical information or other statements where some other date is indicated in the text.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL ON THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE COVER PAGE HEREOF AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly described herein, are intended solely as such and are not to be construed as representations of fact. Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget," "project," "forecast" or other similar words.

The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The City does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based, occur.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

CITY OF SELMA
Fresno County, California

CITY COUNCIL

Michael Derr, *Mayor*
Jim Avalos, *Mayor Pro Tempore*
Louis Franco, *Council Member*
Yvette Montijo, *Council Member*
Scott Robertson, *Council Member*

CITY STAFF

David Elias, *City Manager*
Isaac Moreno, *Finance Manager*
Reyna Rivera, *City Clerk*
Neil Costanzo, Esq., *City Attorney*

PROFESSIONAL SERVICES

Bond and Disclosure Counsel

The Weist Law Firm
Scotts Valley, California

Municipal Advisor

NHA Advisors LLC
San Rafael, California

Bond Registrar, Transfer Agent, and Paying Agent

U.S. Bank National Association
San Francisco, California

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OFFICIAL STATEMENT

**[\$Par Amount]
CITY OF SELMA
(Fresno County, California)
SERIES 2017 GENERAL OBLIGATION BONDS
(SELMA POLICE STATION CONSTRUCTION PROJECT)
(Bank Qualified)**

The purpose of this Official Statement, which includes the cover page and attached appendices, is to set forth certain information concerning the sale and delivery of the City of Selma, Series 2017 General Obligation Bonds (Selma Police Station Construction Project) (the “Bonds”) by the City of Selma, California (the “City”).

The following introduction is not a summary of this Official Statement, but rather is only a brief description of and guide to, and is qualified in its entirety by, more complete and detailed information contained in the entire Official Statement, the appendices hereto and the actual documents summarized or described herein. Potential investors are encouraged to read the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement. All capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Paying Agent Agreement (as defined below).

INTRODUCTION

Purpose for Issuance

The Bonds are being issued to finance the costs of acquiring and constructing a new police station and associated improvements within the City, and to pay the costs of issuing the Bonds. See “PLAN OF FINANCE – Purpose of Issue” herein.

Authority for Issuance

The Bonds represent a sale of bonds approved by more than two-thirds of the qualified voters in the City, voting at a municipal election on November 8, 2016, approving the issuance of up to \$4,000,000 of general obligation bonds.

The Bonds are being issued under the provisions of Chapter 4 (commencing with section 43600) of Division 4 of Title 4 of the California Government Code, pursuant to a Resolution adopted by the City Council of the City (the “City Council”) on May 15, 2017 (the “Bond Resolution”), and a Paying Agent Agreement (the “Paying Agent Agreement”) dated as of July 1, 2017, by and between the City and U.S. Bank National Association, as paying agent (the “Paying Agent”). See “THE BONDS – Authority for Issuance” herein.

The City

The City is located in Fresno County (the “County”), California (the “State”), approximately 16 miles southeast of the City of Fresno, approximately 200 miles south of San Francisco and approximately 200 miles north of Los Angeles. The City was established in 1893 and is a general law city with an estimated population of 25,156 persons as of January 2017. See “THE CITY” herein.

*Preliminary, subject to change.

For certain demographic and financial information pertaining to the City, see “APPENDIX A – GENERAL DEMOGRAPHIC AND FINANCIAL INFORMATION REGARDING THE CITY AND THE COUNTY OF FRESNO,” and “APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE CITY OF SELMA FOR THE FISCAL YEAR ENDED JUNE 30, 2016” herein.

Security and Sources of Payment for the Bonds

The Bonds are general obligations of the City payable solely from ad valorem property taxes levied by the City and collected by the County. The City Council is empowered and is obligated to annually levy ad valorem taxes for the payment of the Bonds and the interest thereon upon all property within the City subject to taxation by the City, without limitation of rate or amount (except with respect to certain personal property which is taxable at limited rates). See “SECURITY FOR THE BONDS” herein.

THE BONDS ARE GENERAL OBLIGATION BONDS OF THE CITY AND DO NOT CONSTITUTE A DEBT, LIABILITY OR OBLIGATION OF THE COUNTY. NO PART OF ANY FUND OF THE COUNTY IS PLEDGED OR OBLIGATED TO THE PAYMENT OF THE BONDS.

Description of the Bonds

Maturity Dates. The Bonds will mature on August 1 in the years and in the principal amounts set forth on the inside cover page hereof.

Payment Dates. The Bonds will be dated their date of original issuance and delivery (the “Dated Date”). Interest on the Bonds accrues from their dated date at the rates set forth on the inside cover page of this Official Statement, and is payable semiannually on each February 1 and August 1, commencing February 1, 2018. The principal amount of the Bonds is payable at maturity or at earlier redemption upon surrender of the applicable Bond for payment. See “THE BONDS - Description of the Bonds” herein.

Registration. The Bonds will be issued in fully registered form only, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”), and will be available to actual purchasers of the Bonds (the “Beneficial Owners”) in authorized denominations, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. In the event that the book-entry-only system described below is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Paying Agent Agreement described herein. See “THE BONDS” and “APPENDIX E - DTC AND THE BOOK-ENTRY ONLY SYSTEM” herein.

Denominations. The Bonds will be issued and beneficial ownership interests may be purchased by Beneficial Owners in denomination of \$5,000 or any integral multiple thereof.

Redemption. The Bonds are subject to redemption prior to maturity. See “THE BONDS – Redemption of Bonds” herein.

Continuing Disclosure

In connection with the sale of the Bonds, the City will execute and deliver a Continuing Disclosure Certificate, covenanting to prepare and file an annual report and certain other notices with the Municipal Securities Rulemaking Board. See “CONTINUING DISCLOSURE” and “APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE” herein.

Forward Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “budget” or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information regarding the City herein.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

Bank Qualified

The City has designated the Bonds as “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986. Such section provides an exception to the prohibition against the ability of a “financial institution” (as defined in the Internal Revenue Code of 1986) to deduct its interest expense allocable to tax-exempt interest. See “TAX MATTERS” herein.

Professionals Involved in the Offering

The City has retained NHA Advisors LLC, San Rafael, California, as municipal advisor (the “Municipal Advisor”) in connection with the issuance of the Bonds. The proceedings of the City in connection with the issuance of the Bonds are subject to the approval as to their legality of The Weist Law Firm, Scotts Valley, California, Bond Counsel to the City. Certain legal matters will be passed upon for the City by The Weist Law Firm, Scotts Valley, California, Disclosure Counsel, and by Costanzo & Associates, Fresno, California, as City Attorney, and for the Underwriter by its counsel, Nixon Peabody LLP, Los Angeles, California.

Further Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change. All terms used herein and not otherwise defined shall have the meanings given such terms in the Paying Agent Agreement. Brief descriptions of the Bonds, the Paying Agent Agreement, the City and certain other information relevant to the issuance of the Bonds are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Bonds, the Paying Agent Agreement, the Act, the Constitution and the laws of the State, and the proceedings of the City, are qualified in their entirety by reference to each such document, law or to the Constitution. References herein to the Bonds are qualified in their entirety by reference to the form thereof included in the Paying Agent Agreement. Copies of documents referred to herein and information concerning the Bonds are available from the City of Selma, 1710 Tucker Street, Selma, California 93662. A charge will be made to cover the City’s reasonable costs of duplication and delivery. In addition, documents are available for inspection during business hours at the address above, or at the principal corporate trust office of the Paying Agent in San Francisco, California.

PLAN OF FINANCE

Purpose of Issue

The net proceeds of the Bonds will be used to finance the costs of acquiring and constructing a new police station and associated improvements within the City (the “Project”).

Sources and Uses of Funds

The following table sets forth a summary of the estimated sources and uses of funds associated with the issuance and sale of the Bonds.

Sources of Funds

Par Amount of Bonds	\$
[Plus] [Less]: Net Original Issue [Premium][Discount]	
Total Sources	<u>\$</u>

Uses of Funds

Deposit to Project Fund	\$
Underwriter’s Discount	
Costs of Issuance ⁽¹⁾	
Total Uses	<u>\$</u>

⁽¹⁾ Includes rating agency fees, fees and expenses of the Municipal Advisor, Bond Counsel, Disclosure Counsel, City’s Counsel, and Paying Agent, printing expenses and other costs of issuance with respect to the issuance of the Bonds.

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Debt Service Schedule

The following table sets forth the annualized debt service for the Bonds, assuming no prior redemption of the Bonds.

Bond Year Ending <u>August 1</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
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Totals	\$	\$	\$
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THE BONDS

Authority for Issuance

The Bonds are being issued under Chapter 4 (commencing with section 43600) of Division 4 of Title 4 of the California Government Code (the “Act”) and other applicable law; under a resolution adopted by the City Council on May __, 2017; and under the Paying Agent Agreement.

Pursuant to the provisions of the Act, as amended, and pursuant to Ordinance No. 2016-4 adopted by the City Council of the City on August 1, 2016 (the “Ordinance”), a special election was held on November 8, 2016 in the City at which there was submitted to the voters a proposition to incur indebtedness to finance the Project.

More than two-thirds of the votes cast at the election were in favor of the incurring of such indebtedness (the “Authorization”). The Bonds will be issued in the total aggregate principal amount of \$4,000,000. The Bonds are payable as to principal and interest from ad valorem taxes levied exclusively upon the taxable property within the City, as permitted by law. See the caption “SECURITY FOR THE BONDS.”

The Bonds will be the only bonds issued and sold under the Authorization. Following the issuance of the Bonds, the City will not issue additional bonds under the Authorization.

Description of the Bonds

Paying Agent. U.S. Bank National Association, San Francisco, California, will act as the registrar, transfer agent, and Paying Agent for the Bonds.

Book-Entry Form. The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”). Purchasers of the Bonds (the “Beneficial Owners”) will not receive physical certificates representing their interest in the Bonds. Payments of principal of and interest on the Bonds will be paid by the Paying Agent to DTC for subsequent disbursement to DTC Participants which will remit such payments to the Beneficial Owners of the Bonds.

As long as DTC’s book-entry system is used for the Bonds, the Paying Agent will send any notice of redemption or other notices to owners only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity or sufficiency of the proceedings relating to the prepayment of the Bonds called for prepayment or of any other action premised on such notice.

The Paying Agent, the City, and the Underwriter of the Bonds have no responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership, of interests in the Bonds.

In the event that either: (i) DTC determines not to continue to act as securities depository for the Bonds; or (ii) the City determines to terminate DTC as a securities depository for the Bonds, then the City will discontinue the book-entry system with DTC. If the City fails to identify another securities depository to replace DTC, then the Bonds will no longer be required to be registered in the registration books maintained by the Paying Agent in the name of DTC, but will be registered in whatever name or names the

owners transferring or exchanging Bonds shall designate, in accordance with the provisions of the Paying Agent Agreement.

See “APPENDIX E – BOOK-ENTRY ONLY SYSTEM” herein for further information with respect to DTC and the book-entry system.

Payment of Principal and Interest. The Bonds will be dated the Dated Date, will bear interest from the Dated Date, payable on February 1 and August 1 of each year, commencing February 1, 2018 (each, an “Interest Payment Date”), and will mature on August 1 in each of the designated years and in the principal amounts shown on the inside front cover page of this Official Statement. Interest on the Bonds will be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Each Bond will bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is registered and authenticated prior to an Interest Payment Date, in which event it will bear interest from such date, or (ii) it is registered and authenticated prior to a Interest Payment Date and after the close of business on the fifteenth day of the month preceding such Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or (iii) it is registered and authenticated prior to January 15, 2018, in which event it will bear interest from the date of original issuance and authentication of the Bonds; provided, however, that if at the time of authentication of a Bond, interest is in default thereon, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Interest on the Bonds (including the final interest payment upon maturity or early redemption) is payable by check of the Paying Agent mailed on the Interest Payment Date to the owner thereof at such owner’s address as it appears on the Bond Register maintained by the Paying Agent at the close of business on the 15th day of the month preceding the Interest Payment Date, or at such other address as the owner may have filed with the Paying Agent for that purpose; provided that an owner of \$1,000,000 or more aggregate principal amount of Bonds, or the owner of all of the Bonds at the time outstanding, will, at his or her option, receive payment of interest by wire transfer to an account in the United States of America designated by such owner to the Paying Agent no later than the 15th day of the month immediately preceding the applicable Interest Payment Date.

Principal of the Bonds is payable in lawful money of the United States of America at the principal office of the Paying Agent.

Denominations and Maturity. The Bonds will be issued in fully registered form, without coupons, in the denomination of \$5,000 each or any integral multiple of \$5,000. The Bonds mature on August 1 in the years and amounts set forth on the inside front cover page of this Official Statement. See the caption “PLAN OF FINANCE – Debt Service Schedule” herein.

Redemption Provisions

Optional Redemption. The Bonds maturing before August 1, 202_ are not subject to redemption prior to maturity. The Bonds maturing on and after August 1, 202_, are subject to redemption, at the option of the City on any date on or after August 1, 202_, as a whole or in part, by such maturities as shall be determined by the City, and by lot within a maturity, from any available source of funds, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The Term Bonds maturing on August 1, 20__, and August 1, 20__ are subject to mandatory sinking fund redemption prior to their stated maturity date, without a redemption premium, in part by lot, from mandatory sinking fund payments on each August 1, on and after August 1, 20__, and August 1, 20__, respectively in the principal amounts as set forth in the following tables:

Term Bond Due August 1, 20__

<u>Mandatory Sinking Fund Payment Date (August 1)</u>	<u>Mandatory Sinking Fund Payment</u>
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* Maturity.

Term Bond Due August 1, 20__

<u>Mandatory Sinking Fund Payment Date (August 1)</u>	<u>Mandatory Sinking Fund Payment</u>
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* Maturity.

Redemption Procedure. The Paying Agent will cause notice of any redemption to be mailed, first class mail, postage prepaid, at least 30 days but not more than 60 days prior to the date fixed for redemption, to the respective Owners of any Bonds designated for redemption, at their addresses appearing on the bond registration books maintained by the Paying Agent and to the Securities Depositories (as such term is defined in the Paying Agent Agreement); but such mailing will not be a condition precedent to such redemption and failure to mail or to receive any such notice will not affect the validity of the proceedings for the redemption of such Bonds.

The Paying Agent will not mail any notice of redemption until it has sufficient moneys on deposit to pay the redemption price of all Bonds to be redeemed; *provided*, however, that such restriction will not apply when the Bonds are redeemed with the proceeds of another obligation of the City; and provided further that in the event the Bonds are being redeemed with such proceeds, the City will have the right to cancel the notice of redemption by providing written notice of such cancellation to the Paying Agent at least seven business days prior to the date set for redemption.

Such notice will state the redemption date and the redemption price and, if less than all of the then outstanding Bonds are to be called for redemption, will designate the serial numbers of the Bonds to be redeemed by giving the individual number of each Bond or by stating that all Bonds between two stated numbers, both inclusive, or by stating that all of the Bonds of one or more maturities have been called for redemption, and will require that such Bonds be then surrendered at the principal office of the Paying Agent

for redemption at the said redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

As long as DTC's book-entry method is used for the Bonds, the Paying Agent will send any notice of redemption or other notices to owners only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity or sufficiency of the proceedings relating to the redemption of the Bonds called for redemption or of any other action premised on such notice.

Partial Redemption. Upon surrender of Bonds redeemed in part only, the City will execute and the Paying Agent will authenticate and deliver to the owner, at the expense of the City, a new Bond or Bonds, of the same maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond or Bonds.

Effect of Redemption. From and after the date fixed for redemption, if notice of such redemption has been duly given as provided in the Paying Agent Agreement and funds available for the payment of the principal of and interest (and premium, if any) on the Bonds so called for redemption will has been duly provided, such Bonds so called will cease to be entitled to any benefit under the Paying Agent Agreement other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in such notice. All Bonds redeemed will be cancelled forthwith by the Paying Agent and will not be reissued. The City will establish a separate account in the Debt Service Fund to hold funds available for payment of called Bonds after the redemption date.

Registration, Transfer and Exchange of Bonds

The following provisions regarding the registration, transfer and exchange of the Bonds apply only during any period in which the Bonds are not subject to DTC's book-entry system. While the Bonds are subject to DTC's book-entry system, their exchange and transfer will be effected through DTC and the DTC Participants and will be subject to the procedures, rules and requirements established by DTC. See "APPENDIX E – BOOK-ENTRY ONLY SYSTEM" herein.

Bond Register. The Paying Agent will keep or cause to be kept sufficient books for the registration and transfer of the Bonds (the "Bond Register"), which will at all times be open to inspection by the City upon reasonable notice; and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, the Bonds.

Transfer. Any Bond may, in accordance with its terms, be transferred, upon the books required to be kept by the Paying Agent, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the principal office at the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. The Paying Agent will require the payment by the owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Bond or Bonds are surrendered for transfer, the City will execute and the Paying Agent will authenticate and deliver a new Bond or Bonds, for like aggregate principal amount.

No transfers of Bonds will be required to be made (a) 15 days prior to the date established by the Paying Agent for selection of Bonds for redemption or (b) with respect to a Bond after such Bond has been selected for redemption (except with respect to the unredeemed portion thereof).

Exchange. Bonds may be exchanged at the principal office of the Paying Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. The Paying Agent will require the payment by the owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

No exchanges of Bonds will be required to be made (a) 15 days prior to the date established by the Paying Agent for selection of Bonds for redemption or (b) with respect to a Bond after such Bond has been selected for redemption (except with respect to the unredeemed portion thereof).

Defeasance

The City has the option to pay and discharge the entire indebtedness on all or any portion of the outstanding Bonds in any one or more of the following ways:

(a) by paying or causing to be paid the principal of, and interest and any premium on, such outstanding Bonds, as and when they become due and payable;

(b) by depositing with the Paying Agent, in trust, at or before maturity, money which, together with, in the event of a discharge of all of the Bonds, the amounts then on deposit in the funds and accounts provided for in the Paying Agent Agreement is fully sufficient to pay such outstanding Bonds, including all principal, interest and redemption premiums; or

(c) by irrevocably depositing with the Paying Agent or other agent designated by the City, in trust, cash and Federal Securities (as defined below) in such amount as the City will determine as confirmed by an independent certified public accountant will, together with the interest to accrue thereon and, in the event of a discharge of all of the Bonds, moneys then on deposit in the fund and accounts provided for in the Paying Agent Agreement, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates.

If the City has taken any of the actions specified in (a), (b) or (c) above, and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption will have been given as in the Paying Agent Agreement provided or provision satisfactory to the Paying Agent will have been made for the giving of such notice, then, at the election of the City, and notwithstanding that any Bonds will not have been surrendered for payment, the pledge of the funds and moneys provided for in the Paying Agent Agreement and all other obligations of the City under the Paying Agent Agreement with respect to such outstanding Bonds will cease and terminate.

Notice of such election will be filed with the Paying Agent. Notwithstanding the foregoing, the obligation of the City to pay or cause to be paid to the owners of the Bonds not so surrendered and paid all sums due thereon and all amounts owing to the Paying Agent pursuant to the Paying Agent Agreement will continue in any event.

Upon compliance by the City with the foregoing with respect to all bonds outstanding, any funds held by the Paying Agent after payment of all fees and expenses of the Paying Agent, which are not required for the purposes of the preceding paragraph, will be paid over to the City.

“Federal Securities” means Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

Events of Defaults and Remedies

Events of Default. The following constitute Events of Default under the Paying Agent Agreement:

- (a) if default shall be made by the City in the due and punctual payment of the principal of or redemption premium, if any, on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed or by declaration or otherwise;
- (b) if default shall be made by the City in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable;
- (c) if default shall be made by the City in the observance of any of the covenants, agreements or conditions on its part in the Paying Agent Agreement or in the Bonds contained, and such default shall have continued for a period of thirty (30) days after written notice thereof to the City Representative; or
- (d) if the City shall file a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, seeking reorganization of the City under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the City or of the whole or any substantial part of its property.

Upon the occurrence of an Event of Default, and in each and every event of default and upon written request of the Owners of not less than sixty percent (60%) in aggregate principal amount of the Bonds at the time Outstanding, the principal of all of the Bonds then Outstanding, and the interest accrued thereon, shall be declared to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in the Paying Agent Agreement or in the Bonds contained to the contrary notwithstanding.

Such declaration may be rescinded by the Owners of not less than sixty percent (60%) in aggregate principal amount of the Bonds at the time Outstanding provided the City cures such default or defaults, including the deposit with the Paying Agent of a sum sufficient to pay all principal on the respective Bonds matured prior to such declaration and all matured installments of interest (if any) on the Bonds, with interest at the rate of twelve percent (12%) per annum on such overdue installments of principal and, to the extent such payment of interest is lawful at that time, on such overdue installments of interest, so that the City is currently in compliance with all payment, deposit and transfer provisions of this Agreement, and a sum sufficient to pay any expenses incurred by the Paying Agent in connection with such default.

Application of Funds. All of the sums in the funds and accounts provided for in the Paying Agent Agreement, upon the date of an Event of Default, and all sums thereafter received by the Paying Agent hereunder, shall be applied by the Paying Agent in the following order upon presentation of the Bonds, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of the costs and expenses of the Paying Agent and of Bondowners in declaring such event of default, including reasonable compensation to her or their agents, attorneys and counsel;

Second, in case the principal of the Bonds shall not have become due and payable, to the payment of the interest in default in the order of the seniority of the installments of such interest, with interest on the overdue installments at the rate of twelve percent (12%) per annum (to the extent that such interest on

overdue installments shall have been collected), such payments to be made ratably to the persons entitled thereto without discrimination or preference; and

Third, in case the principal of the Bonds shall have become and shall be then due and payable, all such sums shall be applied to the payment of the whole amount then owing and unpaid upon the Bonds for principal and interest, with interest on the overdue principal and installments of interest at the rate of twelve percent (12%) per annum (to the extent that such interest on overdue installments of interest shall have been collected), and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such principal and interest without preference or priority of principal over interest, or interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest.

Remedies of Bondowners. Any Bondowner shall have the right, for the equal benefit and protection of all Bondowners similarly situated:

- (a) by mandamus, suit, action or proceeding, to compel the City and its members, officers, agents or employees to perform each and every term, provision and covenant contained in the Paying Agent Agreement and in the Bonds, and to require the carrying out of any or all such covenants and agreements of the City and the fulfillment of all duties imposed upon it;
- (b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Bondowners' rights; or
- (c) upon the happening of any Event of Default, by suit, action or proceeding in any court of competent jurisdiction, to require the City and its members and employees to account as if it and they were the Paying Agents of an express trust.

No remedy conferred upon the Owners of Bonds shall be exclusive of any other remedy and that each and every remedy shall be cumulative and shall be in addition to every other remedy given under the Paying Agent Agreement or thereafter conferred on the Bondowners.

A waiver of any default by any Bondowner shall not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of any Owner of any of the Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Bondowners by the Paying Agent Agreement may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners of the Bonds.

NOTHING IN THE PAYING AGENT AGREEMENT, OR IN THE BONDS, SHALL AFFECT OR IMPAIR THE OBLIGATION OF THE CITY, WHICH IS ABSOLUTE AND UNCONDITIONAL, TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS TO THE RESPECTIVE OWNERS OF THE BONDS AT THE RESPECTIVE DATES OF MATURITY, OR AFFECT OR IMPAIR THE RIGHT OF ACTION, WHICH IS ALSO ABSOLUTE AND UNCONDITIONAL, OF SUCH BONDOWNERS TO INSTITUTE SUIT TO ENFORCE SUCH PAYMENT BY VIRTUE OF THE CONTRACT EMBODIED IN THE BONDS.

Amendments to Paying Agent Agreement

The Paying Agent Agreement and the rights and obligations of the City and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Agreement pursuant to the affirmative vote at a meeting of Owners, or with the written consent without a meeting, of the Owners of at least sixty

percent (60%) in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in the Paying Agent Agreement. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, or (ii) permit the creation by the City of any pledge or lien upon the ad valorem taxes of the taxes superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by the Act, the laws of the State of California or the Paying Agent Agreement), or reduce the percentage of Bonds required for the amendment of the Paying Agent Agreement. Any such amendment may not modify any of the rights or obligations of the Paying Agent without its written consent.

The Paying Agent Agreement and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Agreement, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

- (a) to add to the covenants and agreements of the City in the Paying Agent Agreement contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the City;
- (b) to make modifications not adversely affecting any outstanding series of Bonds of the City in any material respect;
- (c) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Paying Agent Agreement, or in regard to questions arising under the Paying Agent Agreement, as the City and the Paying Agent may deem necessary or desirable and not inconsistent with this Agreement, and which shall not adversely affect the rights of the Owners of the Bonds; and
- (d) to make such additions, deletions or modifications as may be necessary or desirable to assure compliance with Section 148 of the Code relating to required rebate of Excess Investment Earnings to the United States or otherwise as may be necessary to assure exclusion from gross income for federal income tax purposes of interest on the Bonds or to conform with the Regulations.

SECURITY FOR THE BONDS

Ad Valorem Taxes

Bonds Payable from Ad Valorem Property Taxes. The Bonds are general obligations of the City, payable solely from ad valorem property taxes levied by the City and collected by the County. The City is empowered and is obligated to annually levy ad valorem taxes for the payment of the Bonds and the interest thereon upon all property within the City subject to taxation by the City, without limitation of rate or amount (except certain personal property which is taxable at limited rates).

Levy and Collection. The City will levy and the County will collect such ad valorem taxes in such amounts and at such times as is necessary to ensure the timely payment of debt service. Such taxes, when collected, will be deposited into a debt service fund for the Bonds, which is maintained by the City and which is irrevocably pledged for the payment of principal of and interest on the Bonds when due. If and to the extent the amount of such ad valorem taxes collected is insufficient to pay debt service on the Bonds, the City is obligated under the Paying Agent Agreement to use any other moneys lawfully available therefore to pay debt service on the Bonds.

City property taxes are assessed and collected by the County in the same manner and at the same time, and in the same installments as other ad valorem taxes on real property, and will have the same priority, become delinquent at the same times and in the same proportionate amounts, and bear the same proportionate penalties and interest after delinquency, as do the other ad valorem taxes on real property.

Annual Tax Rates. The amount of the annual ad valorem tax levied by the County to repay the Bonds will be determined by the relationship between the assessed valuation of taxable property in the City and the amount of debt service due on the Bonds. Fluctuations in the annual debt service on the Bonds and the assessed value of taxable property in the City may cause the annual tax rate to fluctuate.

Economic and other factors beyond the City's control, such as economic recession, deflation of land values, a relocation out of the City or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, earthquake, flood or other natural disaster, could cause a reduction in the assessed value within the City and necessitate a corresponding increase in the annual tax rate.

Debt Service Fund

The City will establish the Debt Service Fund (the "Debt Service Fund"), which will be established as a separate fund to be maintained distinct from all other funds of the City. Into the Debt Service Fund will be deposited: (1) the proceeds of ad valorem taxes levied to pay debt service on the Bonds; and (2) if any, other moneys lawfully available to pay debt service on the Bonds as provided in the Paying Agent Agreement.

All moneys in the Debt Service Fund will be used and withdrawn by the City solely for the purpose of paying the principal of and interest on the Bonds as they become due and payable. At least five Business Days prior to each Interest Payment Date, the City will transfer to the Paying Agent moneys on deposit in the Debt Service Fund for application by the Paying Agent on the next succeeding Interest Payment Date to the payment of principal of and interest on the Bonds.

Bond Service Fund

The Paying Agent Agreement establishes, as a separate fund, the Bond Service Fund, to be held by the Paying Agent. All moneys received by the Paying Agent from the City from the Debt Service Fund will be deposited into the Bond Service Fund. The moneys on deposit in the Bond Service Fund will be used solely to pay principal and interest on the Bonds when due.

Limited Obligation

The Bonds are payable solely from the proceeds of an ad valorem tax levied by the City, and collected by the County, for the payment of principal and interest on the Bonds. Although the County is obligated to levy and collect the ad valorem tax for the payment of the Bonds, the Bonds are not a debt of the County.

PROPERTY TAXATION

Property Tax Collection Procedures

In California, property which is subject to ad valorem taxes is classified as “secured” or “unsecured.” The “secured roll” is that part of the assessment roll containing state assessed public utilities’ property and property, the taxes on which are a lien on real property sufficient, in the opinion of the county assessor, to secure payment of the taxes. A tax levied on unsecured property does not become a lien against such unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens arising pursuant to State law on such secured property, regardless of the time of the creation of the other liens. Secured and unsecured property are entered separately on the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property.

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. In addition, property on the secured roll with respect to which taxes are delinquent is declared tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of 1-1/2% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the County.

Property taxes are levied for each fiscal year on taxable real and personal property situated in the taxing jurisdiction as of the preceding January 1. A bill enacted in 1983, SB813 (Statutes of 1983, Chapter 498), however, provided for the supplemental assessment and taxation of property as of the occurrence of a change of ownership or completion of new construction. Thus, this legislation eliminated delays in the realization of increased property taxes from new assessments. As amended, SB813 provided increased revenue to taxing jurisdictions to the extent that supplemental assessments of new construction or changes of ownership occur subsequent to the January 1 lien date and result in increased assessed value.

Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent, if unpaid on the following August 31. A 10% penalty is also attached to delinquent taxes in respect of property on the unsecured roll, and further, an additional penalty of 1-1/2% per month accrues with respect to such taxes beginning the first day of the third month following the delinquency date. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the county recorder’s office, in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent taxes in respect of property on the secured roll is the sale of the property securing the taxes for the amount of taxes which are delinquent.

Taxation of State-Assessed Utility Property

The State Constitution provides that most classes of property owned or used by regulated utilities be assessed by the State Board of Equalization (“SBE”) and taxed locally. Property valued by the SBE as an operating unit in a primary function of the utility taxpayer is known as “unitary property”, a concept designed to permit assessment of the utility as a going concern rather than assessment of each individual element of real and personal property owned by the utility taxpayer. State-assessed unitary and “operating nonunitary” property (which excludes nonunitary property of regulated railways) is allocated to the counties based on the situs of the various components of the unitary property. Except for unitary property of

regulated railways and certain other excepted property, all unitary and operating nonunitary property is taxed at special county-wide rates and tax proceeds are distributed to taxing jurisdictions according to statutory formulae generally based on the distribution of taxes in the prior year.

Alternative Method of Tax Apportionment - Teeter Plan

The Board of Supervisors of the County has approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “Teeter Plan”), as provided for in Section 4701 et seq. of the California Revenue and Taxation Code. Under the Teeter Plan, the County apportions secured property taxes on an accrual basis when due (irrespective of actual collections) to local political subdivisions, including the City, for which the County acts as the tax-levying or tax-collecting agency.

The Teeter Plan is applicable to all tax levies on secured property for which the County acts as the tax-levying or tax-collecting agency, or for which the County treasury is the legal depository of the tax collections.

The ad valorem property tax to be levied to pay the interest on and principal of the Bonds is subject to the Teeter Plan. The City will receive 100% of the ad valorem property tax on secured property levied to pay the Bonds irrespective of actual delinquencies in the collection of the tax by the County.

The Teeter Plan is to remain in effect unless the Board of Supervisors of the County orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors receives a petition for its discontinuance joined in by resolutions adopted by at least two-thirds of the participating revenue districts in the County, in which event the Board of Supervisors is to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year. If the Teeter Plan is discontinued subsequent to its implementation, only those secured property taxes actually collected would be allocated to political subdivisions (including the City) for which the County acts as the tax-levying or tax-collecting agency.

Assessed Valuation

Assessed Valuation History. Table 1 below shows a five-year history of the assessed valuation of taxable property in the City from fiscal year 2012-13 through fiscal year 2016-17.

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Table 1
CITY OF SELMA
(Fiscal Years 2012-2013 Through 2016-17)

ASSESSED VALUATIONS OF TAXABLE PROPERTY				
Fiscal Year	Local Secured	Utility	Unsecured	Total
2012-13	\$853,540,146	\$458,140	\$36,945,467	\$890,943,753
2013-14	890,680,190	458,140	29,356,420	920,494,750
2014-15	922,813,369	458,140	28,594,857	951,866,366
2015-16	962,993,915	806,979	31,332,371	995,133,265
2016-17	999,368,369	806,979	41,853,483	1,042,028,831

Source: California Municipal Statistics Inc.

Assessed Valuation by Land Use. The following Table 2 shows the land use of parcels in the City, according to assessed valuation. As shown, the majority of land in the City is used for residential purposes.

Table 2
CITY OF SELMA
(Fiscal Year 2016-17)

ASSESSED VALUATION AND PARCELS BY LAND USE				
Land Use	2016-17 Assessed Valuation⁽¹⁾	% of Total	No. of Parcels	% of Total
Non-Residential:				
Agricultural/Rural	\$501,926	0.05%	3	0.05%
Commercial/Office/Hospital	200,775,968	20.09	356	5.69
Vacant Commercial	15,673,920	1.57	62	0.99
Industrial	52,090,831	5.21	92	1.47
Vacant Industrial	6,326,709	0.63	57	0.91
Government/Social/Institutional	<u>870,474</u>	<u>0.09</u>	<u>23</u>	<u>0.37</u>
Subtotal Non-Residential	\$276,239,828	27.64%	593	9.48%
Residential:				
Single Family Residence	\$662,026,879	66.24%	4,881	78.00%
Condominium	6,286,444	0.63	132	2.11
Mobile Home	5,980,780	0.60	261	4.17
Mobile Home Park	4,001,190	0.40	6	0.10
2-4 Residential Units	11,078,267	1.11	85	1.36
5+ Residential Units/Apartments	21,678,616	2.17	41	0.66
Vacant Residential	<u>12,076,365</u>	<u>1.21</u>	<u>259</u>	<u>4.14</u>
Subtotal Residential	<u>\$723,128,541</u>	<u>72.36%</u>	<u>5,665</u>	<u>90.52%</u>
Total	\$999,368,369	100.00%	6,258	100.00%

(1) Local secured assessed valuation; excludes tax-exempt and utility property.

Source: California Municipal Statistics, Inc.

Assessed Valuation of Single Family Residential Parcels. The following Table 3 shows a breakdown of the assessed valuations of Single Family Residential parcels in the City, according to assessed valuation.

**Table 3
CITY OF SELMA
(Fiscal Year 2016-17)**

ASSESSED VALUATION OF SINGLE FAMILY HOMES						
2016-17 Assessed Valuation	No. of Parcels⁽¹⁾	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
\$0 - \$24,999	86	1.762%	1.762%	\$1,622,975	0.245%	0.245%
\$25,000 - \$49,999	375	7.683	9.445	14,859,817	2.245	2.490
\$50,000 - \$74,999	451	9.240	18.685	28,079,957	4.242	6.731
\$75,000 - \$99,999	538	11.022	29.707	47,199,462	7.130	13.861
\$100,000 - \$124,999	727	14.894	44.602	82,508,933	12.463	26.324
\$125,000 - \$149,999	869	17.804	62.405	118,711,789	17.932	44.255
\$150,000 - \$174,999	701	14.362	76.767	113,114,753	17.086	61.342
\$175,000 - \$199,999	462	9.465	86.232	85,304,583	12.885	74.227
\$200,000 - \$224,999	277	5.675	91.907	58,003,269	8.761	82.988
\$225,000 - \$249,999	141	2.889	94.796	33,303,765	5.031	88.019
\$250,000 - \$274,999	104	2.131	96.927	27,039,529	4.084	92.103
\$275,000 - \$299,999	31	0.635	97.562	8,885,253	1.342	93.445
\$300,000 - \$324,999	32	0.656	98.218	9,984,123	1.508	94.954
\$325,000 - \$349,999	13	0.266	98.484	4,345,283	0.656	95.610
\$350,000 - \$374,999	26	0.533	99.017	9,398,895	1.420	97.030
\$375,000 - \$399,999	19	0.389	99.406	7,243,486	1.094	98.124
\$400,000 - \$424,999	16	0.328	99.734	6,470,387	0.977	99.101
\$425,000 - \$449,999	6	0.123	99.857	2,573,780	0.389	99.490
\$450,000 - \$474,999	1	0.020	99.877	457,252	0.069	99.559
\$475,000 - \$499,999	5	0.102	99.980	2,394,588	0.362	99.921
\$500,000 and greater	<u>1</u>	<u>0.020</u>	<u>100.000</u>	<u>525,000</u>	<u>0.079</u>	<u>100.000</u>
Total	4,881	100.000%	100.000%	\$662,026,879	100.000%	100.000%

(1) Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics, Inc.

Tax Rates

Table 4 below summarizes the total ad valorem tax rates levied by all taxing entities in Tax Rate Area 11-1 for each \$100 of assessed valuation during the fiscal years 2012-13 through 2016-17.

Table 4
CITY OF SELMA
TYPICAL TAX RATES PER \$100 OF ASSESSED VALUATION (TRA 11-1)⁽¹⁾
(Fiscal Years 2012-13 Through 2016-17)

SUMMARY OF AD VALOREM TAX RATES					
<u>Ad Valorem Tax</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
General Tax Rate	1.000000	1.000000	1.000000	1.000000	1.000000
Selma Unified School District	.102700	.103210	.102970	.099128	.057970
State Center Community College District	.009358	.009602	.009308	.008064	.008480
Total	1.112058	1.112812	1.112278	1.107192	1.066450

(1) 2016-17 assessed valuation of TRA 11-1 is \$370,843,655.

Source: California Municipal Statistics, Inc.

Tax Levies and Delinquencies

The following Table 5 is a five-year summary of ad valorem property tax levies, dollars delinquent and delinquency rates on property within the City.

Because the City currently participates in the Teeter Plan, the amount of ad valorem property taxes received by the City is equal to the amount levied rather than the amount collected by the County. See “– Alternative Method of Apportionment – Teeter Plan,” above.

Table 5
CITY OF SELMA
(Fiscal Years 2012-13 Through 2015-16)

TOTAL TAX LEVIES AND DELINQUENCIES			
	<u>Secured Tax Charge⁽¹⁾</u>	<u>Amt. Del. June 30</u>	<u>% Del. June 30</u>
2011-12	\$9,419,400.52	\$232,931.43	2.47%
2012-13	9,296,013.56	238,994.62	2.57
2013-14	14,401,983.50	327,513.27	2.27
2014-15	14,742,491.06	327,467.34	2.22
2015-16	15,468,090.24	388,454.22	2.51

(1) All taxes collected within the City by the County.

Source: California Municipal Statistics, Inc.

Major Taxpayers

The following Table 6 shows the ten largest taxpayers in the City as determined by their secured assessed valuations for Fiscal Year 2016-17.

Table 6
CITY OF SELMA
(Fiscal Year 2016-17)

TOP TEN LOCAL SECURED TAXPAYERS				
<u>No.</u>	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2016-17 Assessed Valuation</u>	<u>% of Total⁽¹⁾</u>
1.	Selma Community Hospital Inc.	Hospital	\$ 15,792,666	1.58%
2.	Dwight Grant Nelson, Trustee	Auto Dealership	14,211,699	1.42
3.	Selma-Veto LLC	Shopping Center	12,719,329	1.27
4.	California Water Service Company	Water Company	11,125,800	1.11
5.	Home Depot USA Inc.	Commercial Store	10,515,400	1.05
6.	Wal-Mart Real Estate Business Trust	Commercial Store	10,184,600	1.02
7.	Magellan Central Valley I LLC	Warehouse	8,665,000	0.87
8.	Quinn Company	Industrial	8,361,556	0.84
9.	Kaiser Foundation Health Plan Inc.	Medical Buildings	6,415,713	0.64
10.	Kragen Properties LLC	Shopping Center	<u>5,530,565</u>	0.55
Totals			\$103,522,328	10.36%

(1) 2016-17 Local Secured Assessed Valuation: \$999,368,369.
Source: California Municipal Statistics, Inc.

Direct and Overlapping Debt

Set forth in Table 7 below is a direct and overlapping debt report (the “Debt Report”) prepared by California Municipal Statistics, Inc. and effective as of May 1, 2017. The Debt Report is included for general information purposes only. The City has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the City in whole or in part. Such long-term obligations generally are not payable from revenues of the City (except as indicated) nor are they necessarily obligations secured by land within the City. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

The contents of the Debt Report are as follows: (1) the first column indicates the public agencies which have outstanding debt as of the date of the Debt Report and whose territory overlaps the City; (2) the second column is the total dollar amount of obligations outstanding of each public agency identified in column 1; (3) the third column shows the percentage that the City’s assessed valuation represents of the total assessed valuation of each public agency identified in column 1; and (4) the fourth column is an apportionment of the dollar amount of each public agency’s outstanding debt to property in the City, as determined by multiplying the total outstanding debt of each agency by the percentage of the City’s assessed valuation represented in column 3.

Table 7
CITY OF SELMA
(as of May 1, 2017)

STATEMENT OF DIRECT AND OVERLAPPING DEBT		
<u>2016-17 Assessed Valuation:</u> \$1,042,028,831		
<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 5/1/17</u>
State Center Community College District	1.347%	\$ 1,201,457
Selma Unified School District	64.308	16,999,525
City of Selma	100.000	- ⁽¹⁾
City of Selma 1915 Act Bonds	100.000	725,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$18,925,982
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
Fresno County General Fund Obligations	1.471%	\$ 682,544
Fresno County Pension Obligation Bonds	1.471	4,856,106
Selma Unified School District Certificates of Participation and QZABs	64.308	9,971,766
City of Selma General Fund Obligations	100.000	4,011,762
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$19,522,178
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>		\$2,610,000
COMBINED TOTAL DEBT		\$41,058,160 ⁽²⁾
<u>Ratios to 2016-17 Assessed Valuation:</u>		
Total Direct and Overlapping Tax and Assessment Debt.....	1.82%	
Combined Direct Debt (\$4,011,762).....	0.38%	
Combined Total Debt	3.94%	
<u>Ratios to Redevelopment Incremental Valuation (\$147,982,518):</u>		
Total Overlapping Tax Increment Debt.....	1.76%	
(1) Excludes Bonds to be sold.		
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.		
Source: California Municipal Statistics, Inc.		

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING CITY REVENUES AND APPROPRIATIONS

Principal of and interest on the Bonds are payable from the proceeds of an ad valorem tax levied by the City for the payment thereof. See the caption "SECURITY FOR THE BONDS." Articles XIII A, XIII B, XIII C and XIII D of the State Constitution, Propositions 62, 111, 218, 1A and 22, and certain other provisions of law discussed below are included in this Official Statement to describe the potential effect of these Constitutional and statutory measures on the ability of the City to levy taxes and spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the City to levy taxes for payment of the Bonds. The tax levied by the City for payment of the Bonds was approved by the City's voters in compliance with Article XIII A, the Law and all other applicable laws.

Article XIII A of the State Constitution

On June 6, 1978, State voters approved Proposition 13, which added Article XIII A to the State Constitution. Article XIII A, as amended, limits the amount of any ad valorem tax on real property to 1% of the full cash value thereof, except that additional ad valorem taxes may be levied to pay debt service: (i) on indebtedness approved by the voters prior to December 1, 1978; (ii) on bonded indebtedness approved by a two-thirds vote on or after December 1, 1978, for the acquisition or improvement of real property; or (iii) bonded indebtedness incurred by a school district, community college district or county office of education for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters voting on the proposition. Article XIII A defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under "full cash value," or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIII A has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, including a general economic downturn, to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster, and in other minor or technical ways.

Legislation Implementing Article XIII A

Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by counties and distributed according to a formula among taxing agencies.

Increases in assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 2% annual adjustment are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

All taxable property is shown at full cash value on the tax rolls. Consequently, the tax rate is expressed as \$1 per \$100 of taxable value. All taxable property value included in this Official Statement is shown at 100 percent of taxable value (unless noted differently) and all tax rates reflect the \$1 per \$100 of taxable value.

Article XIII B of the State Constitution

In addition to the limits that Article XIII A imposes on property taxes that may be collected by local governments, certain other revenues of the State and most local governments are subject to an annual “appropriations limit” imposed by Article XIII B which effectively limits the amount of such revenues that such entities are permitted to spend. Article XIII B, approved by the voters in June 1979, was modified substantially by Proposition 111 in 1990. The appropriations limit of each government entity applies to “proceeds of taxes,” which consist of tax revenues and the investment proceeds thereof, State subventions and certain other funds, including proceeds from regulatory licenses, user charges or other fees to the extent that such proceeds exceed “the cost reasonably borne by such entity in providing the regulation, product or service.” “Proceeds of taxes” excludes tax refunds and some benefit payments such as unemployment insurance. No limit is imposed on the appropriation of funds which are not “proceeds of taxes,” such as reasonable user charges or fees, and certain other non-tax funds. Article XIII B also does not limit appropriation of local revenues to pay debt service on bonds existing or authorized as of October 1, 1979, or subsequently authorized by the voters (such as the Bonds), appropriations required to comply with mandates of courts or the federal government, appropriations for qualified capital outlay projects, and appropriation by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990 levels. The appropriations limit may also be exceeded in case of emergency; however, the appropriations limit for the next three years following such emergency appropriation must be reduced to the extent by which it was exceeded, unless the emergency arises from civil disturbance or natural disaster declared by the Governor, and the expenditure is approved by two-thirds of the legislative body of the local government.

The State and each local government entity has its own appropriations limit. Each year, the limit is adjusted to allow for changes, if any, in the cost of living, the population of the jurisdiction, and any transfer to or from another government entity of financial responsibility for providing services. Proposition 111 requires that each local government’s actual appropriations be tested against its limit every two years.

If the aggregate “proceeds of taxes” for the preceding two-year period exceeds the aggregate limit, the excess must be returned to the agency’s taxpayers through tax rate or fee reductions over the following two years.

The City’s appropriations have never exceeded the limitation on appropriations under Article XIII B.

Articles XIII C and XIII D of the State Constitution

On November 5, 1996, State voters approved Proposition 218, known as the “Right to Vote on Taxes Act.” Proposition 218 adds Articles XIII C and XIII D to the State Constitution and contains a number of interrelated provisions affecting the ability of the City to levy and collect both existing and future taxes, assessments and property-related fees and charges. The interpretation and application of Proposition 218 will ultimately be determined by the courts with respect to a number of the matters discussed below, and it is not possible at this time to predict with certainty the outcome of such determination.

Article XIII C requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes of the City require a majority vote and taxes for specific purposes, even if deposited in the City’s General Fund, require a two-thirds vote. The voter approval requirements of Proposition 218 reduce the flexibility of the City to raise revenues for the General Fund, and no assurance can be given that the City will be able to impose, extend or increase such taxes in the future to meet increased expenditure needs.

Article XIID also adds several provisions making it generally more difficult for local agencies to levy and maintain property-related fees, charges, and assessments for municipal services and programs, such as hearings and stricter and more individualized benefit requirements and findings. These provisions include, among other things: (i) a prohibition against assessments which exceed the reasonable cost of the proportional special benefit conferred on a parcel; (ii) a requirement that assessments must confer a “special benefit,” as defined in Article XIID, over and above any general benefits conferred; (iii) a majority protest procedure for assessments which involves the mailing of notice and a ballot to the record owner of each affected parcel, a public hearing and the tabulation of ballots weighted according to the proportional financial obligation of the affected party; and (iv) a prohibition against fees and charges which are used for general governmental services, including police, fire or library services, where the service is available to the public at large in substantially the same manner as it is to property owners.

Article XIIC also removes limitations on the initiative power in matters of reducing or repealing local taxes, assessments, fees or charges. This extension of the initiative power is not limited to taxes imposed on or after November 6, 1996, the effective date of Proposition 218, and could result in retroactive repeal or reduction in any existing taxes, assessments, fees and charges, subject to overriding federal constitutional principles relating to the impairments of contracts. Legislation implementing Proposition 218 provides that the initiative power provided for in Proposition 218 “shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after (the effective date of Proposition 218) assumes the risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights” protected by the United States Constitution. However, no assurance can be given that the voters of the City will not, in the future, approve an initiative or initiatives which reduce or repeal local taxes, assessments, fees or charges currently comprising a substantial part of the City’s General Fund. The approval requirements of Articles XIIC and XIID reduce the flexibility of the City to raise revenues for the General Fund, and no assurance can be given that the City will be able to impose, extend or increase the taxes, fees, charges or taxes in the future that it may need to meet increased expenditure needs.

Proposition 62

Proposition 62 was adopted by the voters at the November 4, 1986, general election and: (a) requires that any new or higher taxes for general governmental purposes imposed by local governmental entities such as the City be approved by a two-thirds vote of the governmental entity’s legislative body and by a majority vote of the voters of the governmental entity voting in an election on the tax; (b) requires that any special tax (defined as taxes levied for other than general governmental purposes) imposed by a local governmental entity be approved by a two-thirds vote of the voters of the governmental entity voting in an election on the tax; (c) restricts the use of revenues from a special tax to the purposes or for the service for which the special tax was imposed; (d) prohibits the imposition of ad valorem taxes on real property by local governmental entities except as permitted by Article XIII A; (e) prohibits the imposition of transaction taxes and sales taxes on the sale of real property by local governmental entities; and (f) requires that any tax imposed by a local governmental entity on or after July 1, 1985, be ratified by a majority vote of the voters voting in an election on the tax within two years of the adoption of the initiative or be terminated by November 15, 1988.

California appellate court cases have overturned the provisions of Proposition 62 pertaining to the imposition of taxes for general government purposes. However, the California Supreme Court upheld Proposition 62 in its decision on August 28, 1995 in Fresno County Transportation Authority v. Guardino. This decision reaffirmed the constitutionality of Proposition 62. Certain matters regarding Proposition 62 were not addressed in the Court’s decision, such as what remedies exist for taxpayers subject to a tax not in compliance with Proposition 62, and whether the decision applies to charter cities. The City has not experienced any substantive adverse financial impact as a result of the passage of Proposition 62.

Proposition 1A

Proposition 1A, proposed by the State Legislature in connection with the State's fiscal year 2004-05 budget, approved by the voters in November 2004 and generally effective in State fiscal year 2006-07, provides that the State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions. Proposition 1A generally prohibits the State from shifting to schools or community colleges any share of property tax revenues allocated to local governments for any fiscal year, as set forth under the laws in effect as of November 3, 2004. Any change in the allocation of property tax revenues among local governments within a county must be approved by two-thirds of both houses of the Legislature.

Proposition 1A provides, however, that beginning in State fiscal year 2008-09, the State may shift to schools and community colleges up to 8% of local government property tax revenues, which amount must be repaid, with interest, within three years, if the Governor proclaims that the shift is needed due to a severe state financial hardship, the shift is approved by two-thirds of both houses and certain other conditions are met. The State also will not be able to borrow from local property tax revenues for more than two fiscal years within a period of ten fiscal years. In addition, the State cannot reduce the local sales tax rate or restrict the authority of local governments to impose or change the distribution of the State-wide local sales tax. The State may also approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county.

Proposition 1A also provides that if the State reduces the motor vehicle license fee rate currently in effect, the State must provide local governments with equal replacement revenues. Further, Proposition 1A requires the State, beginning July 1, 2005, to suspend State mandates affecting cities, counties and special districts, excepting mandates relating to employee rights, schools or community colleges, in any year that the State does not fully reimburse local governments for their costs to comply with such mandates.

Proposition 1A may result in increased and more stable City revenues. The magnitude of such increase and stability is unknown and would depend on future actions by the State. However, Proposition 1A could also result in decreased resources being available for State programs. This reduction, in turn, could affect actions taken by the State to resolve budget difficulties. Such actions could include increasing State taxes, decreasing spending on other State programs or other action, some of which could be adverse to the City.

Proposition 22

Proposition 22, entitled "The Local Taxpayer, Public Safety and Transportation Protection Act," was approved by the voters of the State on November 2, 2010. Proposition 22 eliminates or reduces the State's authority: (i) to temporarily shift property taxes from cities, counties and special districts to schools; (ii) to use vehicle license fee revenues to reimburse local governments for State-mandated costs (the State will have to use other revenues to reimburse local governments); (iii) to redirect property tax increment from redevelopment agencies to any other local government; (iv) to use State fuel tax revenues to pay debt service on State transportation bonds; or (v) to borrow or change the distribution of State fuel tax revenues. The City expects Proposition 22 to result in more stable revenues for the City.

Proposition 26

On November 2, 2010, State voters also approved Proposition 26. Proposition 26 amends Article XIII C of the State Constitution to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (a) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and

which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (b) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (c) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (d) a charge imposed for entrance to or use of local government property, or the purchase, rental or lease of local government property; (e) a fine, penalty or other monetary charge imposed by the judicial branch of government or a local government as a result of a violation of law; (f) a charge imposed as a condition of property development; and (g) assessments and property-related fees imposed in accordance with the provisions of Article XIID.

Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity. The City does not believe that Proposition 26 will adversely affect its General Fund revenues.

Possible Future Initiatives

Articles XIII A, XIII B, XIII C and XIID and Propositions 218, 111, 62, 1A 22 and 26 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted, further affecting revenues of the City or the City's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the City.

CITY FINANCES

The information in this section concerning the operations of the City and the City's general fund finances is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the City. The Bonds are payable solely from the proceeds of an ad valorem tax levied by the City in an amount sufficient for the payment thereof. See "SECURITY FOR THE BONDS" herein.

The following selected financial information provides a brief overview of the City's finances. This financial information has been extracted from the City's audited financial statements for the Fiscal Year ended June 30, 2016 (the "Financial Statements"), from audited financial statements for prior Fiscal Years and, in some cases, from unaudited information provided by the City's Finance Department. The Financial Statements, together with an unqualified opinion of Sampson, Sampson & Patterson, LLP, Clovis, California (the "Auditor") are included as Appendix B. The Auditor has not performed any post-audit analysis of the financial condition of the City. In addition, the Auditor has not reviewed this Official Statement.

Accounting Practices

The City maintains its accounting records in accordance with Generally Accepted Accounting Principles ("GAAP") and the standards established by the Governmental Accounting Standards Board ("GASB"). On a semiannual basis, a report is prepared for the City Council and City staff which reviews fiscal performance to date against the budget. Combined financial statements are produced following the close of each Fiscal Year. The City's Fiscal Year begins on July 1 and ends on June 30.

The City Council employs an independent certified public accountant (currently, the Auditor) who examines at least annually the financial statements of the City in accordance with GAAP, including tests of the accounting records and other auditing procedures as such accountant considers necessary. As soon as practicable, after the end of the Fiscal Year, a final audit and report is submitted by the independent accountant (currently, the Auditor) to the City Council.

Financial statements are reported using the “economic resources” measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

The accounts of the City are organized on the basis of funds and account groups, which is the basic fiscal and accounting entity in governmental accounting. The three broad fund categories include governmental, proprietary and fiduciary funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The basis of accounting for all funds is more fully explained in the notes to the Financial Statements.

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The tables set forth below under the captions “Budgetary Process,” “Change in Fund Balance of the City General Fund” and “General Fund Balance Sheets of the City” include certain historical and current Fiscal Year budget information for the General Fund. Information on the remaining governmental funds of the City as of June 30, 2016 is set forth in Appendix B.

General Fund Historical Financial Data

The City’s general fund finances the legally authorized activities of the City for which restricted funds are not provided. General fund revenues are derived from such sources as taxes, fees, use of money and property, and aid from other governmental agencies.

The City’s most recent audited financial statements for the fiscal year ending June 30, 2016, are attached as “APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE CITY OF SELMA FOR THE FISCAL YEAR ENDED JUNE 30, 2016” to this Official Statement.

The following Tables 8 and 9 provide a five-year history of (i) the City’s General Fund Statement Revenues, Expenditures, and Changes in Fund Balances for fiscal years 2011-12 through 2015-16, and (ii) the City’s Comparative Balance Sheet for fiscal years 2011-12 through 2015-16.

Table 8
CITY OF SELMA
HISTORICAL GENERAL FUND DATA
(Fiscal Years 2011-2012 Through 2015-16)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE					
	Fiscal Year 2011-12	Fiscal Year 2012-13	Fiscal Year 2013-14	Fiscal Year 2014-15	Fiscal Year 2015-16
Revenues:					
Taxes	\$6,409,756	\$7,024,447	7,341,078	\$7,718,696	\$8,436,134
Licenses and Permits	367,356	328,035	292,195	412,700	511,496
Intergovernmental	114,377	99,800	70,500	139,675	254,861
Charges for Services	261,533	241,789	281,912	391,664	717,940
Fines and Forfeitures	3,968	43,403	15,114	13,576	5,692
Franchise Fees	722,205	718,388	711,258	752,149	787,262
Revenue for use of money and property	14,179	46,526	31,093	30,823	41,018
Miscellaneous	128,949	117,420	353,397	244,819	110,759
Total Revenue	8,022,323	8,619,808	9,096,547	9,704,102	\$10,865,162
Expenditures:					
General Government	1,429,566	1,628,735	1,923,137	1,971,574	2,058,599
Public Safety	5,355,950	6,232,327	7,233,351	7,427,070	8,230,324
Public Works	289,433	492,298	546,560	520,359	597,234
Community Development	189,679	279,375	330,733	340,105	493,710
Recreation	295,686	243,984	312,212	290,702	337,061
Capital Outlay	93,962	35,175	81,518	103,968	95,441
Debt Service:					
Principal	159,274	148,458	132,415	23,007	75,000
Interest	61,791	25,307	12,904	8,519	69,657
Total Expenditures	7,875,341	9,085,659	10,572,830	10,685,304	11,957,026
Excess of Revenue Over Expenditures	146,982	(465,851)	(1,476,283)	(981,202)	(1,091,864)
Other Financing Sources (Uses):					
Proceeds from bond refunding	--	--	--	--	1,109,640
Payment to refunded bond escrow agent	--	--	--	--	(591,000)
Bond issuance costs	--	--	--	--	(34,807)
Transfers in	885,076	1,639,562	1,734,561	1,369,480	2,065,483
Transfers out	--	(377,114)	(188,268)	(1,751)	(1,090,895)
Net Other Financing Sources (Uses)	885,076	1,262,448	1,546,293	1,367,729	1,458,421
Net Change in Fund Balances	1,032,058	796,597	70,010	386,527	366,557
Fund Balance Beginning of Fiscal Year	(987,227)	44,831	841,428	911,438	1,297,965
Fund Balance End of Fiscal Year	\$44,831	\$841,428	\$911,438	\$1,297,965	\$1,664,522

Source: City's Audited Financial Statements

Table 9
CITY OF SELMA
HISTORICAL GENERAL FUND DATA
(Fiscal Years 2011-2012 Through 2015-16)

BALANCE SHEET					
	Fiscal Year 2011-12	Fiscal Year 2012-13	Fiscal Year 2013-14	Fiscal Year 2014-15	Fiscal Year 2015-16
Assets:					
Cash and Cash Investments	\$52,157	\$758,358	\$818,823	\$1,012,701	\$554,203
Accounts Receivable	120,847	193,350	151,608	270,411	243,766
Interest receivable	--	3,110	2,176	--	--
Interfund Receivable	309,033	81,402	116,576	222,656	529,680
Prepays	1,400	475	--	42,182	--
Inventories	3,166	2,557	--	--	--
Due from Other Agencies	165,356	206,793	257,875	260,744	902,219
Total Assets	\$651,959	\$1,246,045	\$1,347,058	\$1,808,694	\$2,229,868
Liabilities:					
Accounts Payable	\$116,522	\$90,157	\$139,908	\$95,339	\$152,942
Accrued Liabilities	215,991	247,030	266,168	340,040	377,244
Interfund Payable	200,000	--	--	--	--
Other Liabilities	74,615	67,430	29,544	75,350	35,160
Total Liabilities	\$607,128	\$404,617	\$435,620	\$510,729	\$565,346
Fund Balance:					
Nonspendable	4,566	3,032	--	--	--
Unassigned ⁽¹⁾	40,265	838,396	911,438	1,297,965	1,664,522
Total Fund Balances	44,831	841,428	911,438	1,297,965	1,664,522
Total Liabilities and Fund Balance	\$651,959	\$1,246,046	\$1,347,058	\$1,808,694	\$2,229,868

(1) The Unassigned Fund Balance are funds available for any lawful purpose, as budgeted by the City Council.

Source: City's Audited Financial Statements

General Fund Revenues and Expenditure

The City's General Fund is its primary operating fund, and is where the City accounts for all its general-purpose revenues. It is distinguished from the City's other governmental funds that are used to account for special purpose revenues, capital projects, debt service activities, and monies held for the benefit of others.

The General City Budget includes programs which are provided on a largely city-wide basis. The programs and services are financed primarily by the City's share of sales tax, property tax, revenues from the State and/or federal government, and charges for services provided.

The two major or general fund revenue sources of the City, which together accounted in Fiscal Year 2015-16 for about 75% of the general fund revenues (collectively, the “Key Tax Sources”), are the Sales Tax Revenues (45.6%) and the Property Tax Revenues (29.4%). See “APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE CITY FOR FISCAL YEAR 2015-16” herein.

The following Table 10 sets forth the audited revenues received by the City for each of the Key Revenue Sources for Fiscal Years 2011-2012 through 2015-16, which have been totaled and compared to the prior Fiscal Year to illustrate the amount and percent of change.

Table 10
CITY OF SELMA
(Fiscal Years 2011-2012 Through 2015-16)

GENERAL FUND KEY REVENUE SOURCES AND CHANGE FROM PRIOR YEAR					
Fiscal Year	Property Taxes	Sales Taxes	Total of Key Tax Sources	Change From Prior Year	
				Amount	Percent
2012	\$2,587,919	\$3,561,954	\$6,149,873	--	--
2013	2,560,644	4,096,848	6,657,492	507,619	8.3%
2014	2,927,154	4,231,279	7,158,433	500,941	7.5%
2015	3,042,482	4,411,770	7,454,259	295,826	4.1%
2016	3,191,489	4,943,842	8,135,331	681,072	9.1%

Source: The City

The following Table 11 sets forth the audited revenues received by the City for the total of Key Revenue Sources and total of Other General Fund Revenue Sources for Fiscal Years 2007-2008 through 2015-16, which have been totaled and compared to the prior Fiscal Year to illustrate the amount and percent of change.

Table 11
CITY OF SELMA
(Fiscal Years 2011-2012 Through 2015-16)

SUMMARY OF GENERAL REVENUES AND CHANGE FROM PRIOR YEAR					
Fiscal Year	Total of Key Tax Sources ⁽¹⁾	Other General Fund Revenues	Total General Fund Revenues	Change From Prior Year	
				Amount	Percent
2012	\$6,149,873	\$1,872,450	\$8,022,323	--	--
2013	6,657,492	1,962,316	8,619,808	\$597,485	7.5%
2014	7,158,433	1,938,114	9,096,547	476,739	5.5%
2015	7,454,259	2,249,843	9,704,102	607,555	6.7%
2016	8,135,331	2,729,831	10,865,162	1,161,060	12%

(1) Comprised of the Sales Tax and Property Tax totals set forth in Table 10, above.

Source: The City

Sales Taxes

As demonstrated in Table 10 above, Sales Taxes have been the largest category of revenue source to the City. In fiscal year 2015-16, the Sales Tax generated \$4,943,842 in General Fund revenues, or approximately 46% of the City's total General Fund revenue for that period. Sales Tax receipts have trended upward in each of the years shown in Table 10 above. The City's sales tax revenue represents the City's share of the sales and use tax, imposed on taxable transactions occurring within the City's boundaries.

Sales Tax Rates. The City collects a percentage of taxable sales in the City (minus certain administrative costs imposed by the State Board of Equalization) pursuant to the Bradley-Burns Uniform Local Sales and Use Tax (the "Sales and Use Tax Law"). As part of the State's fiscal year 2003-04 Budget, the State Legislature authorized, and the voters of the State approved, a redirection to the State from local jurisdictions (including the City) of sales revenues in the amount of 0.25% of the basic 1.0% local sales tax rate, starting July 1, 2004. The State uses such revenues to pay the State's economic recovery bonds. Under the California Economic Recovery Act, which includes legislation commonly referred to as the "Triple Flip", the State redirected certain property taxes in the Education Augmentation Revenue Fund to local governments, including the City, to compensate for this redirection of sales taxes on a "dollar for dollar" basis. The "Triple Flip" ended in fiscal year 2015-16.

Sales and use taxes are complementary taxes; when one applies, the other does not. In general, the statewide sales tax applies to gross receipts of retailers from the sale of tangible personal property in the State. The use tax is imposed on the purchase, for storage, use or other consumption in the State of tangible personal property from any retailer. The use tax generally applies to purchases of personal property from a retailer outside the State where the use will occur within the State. The Sales Tax is imposed upon the same transactions and items as the statewide sales tax and the statewide use tax.

Certain transactions are exempt from the State sales tax, including sales of the following products:

- food products for home consumption;
- prescription medicine;
- newspapers and periodicals;
- edible livestock and their feed;
- seed and fertilizer used in raising food for human consumption; and
- gas, electricity and water when delivered to consumers through mains, lines and pipes.

This is not an exhaustive list of exempt transactions. A comprehensive list can be found in the State Board of Equalization's July 2014 Publication No. 61 entitled "Sales and Use Taxes: Exemptions and Exclusions," which can be found on the State Board of Equalization's website at <http://www.boe.ca.gov/>. The City does not take any responsibility for the continued accuracy of the foregoing internet address or for the accuracy, completeness or timeliness of information on such website, and such information is not incorporated herein by this reference.

Sales Tax Collection Procedures. Collection of the sales and use tax is administered by the California State Board of Equalization. According to the State Board of Equalization, it distributes quarterly tax revenues to cities, counties and special districts using the following method:

Using the prior year's like quarterly tax allocation as a starting point, the State Board of Equalization first eliminates nonrecurring transactions such as fund transfers, audit payments and refunds, and then adjusts for growth, in order to establish the estimated base amount. The State Board of Equalization disburses 90% to each local jurisdiction in three monthly installments (advances) prior to the final

computation of the quarter's actual receipts. Ten percent is withheld as a reserve against unexpected occurrences that can affect tax collections (such as earthquakes, fire or other natural disaster) or distributions of revenue such as unusually large refunds or negative fund transfers. The first and second advances each represent 30% of the 90% distribution, while the third advance represents 40%. One advance payment is made each month, and the quarterly reconciliation payment (clean-up) is distributed in conjunction with the first advance for the subsequent quarter. Statements showing total collections, administrative costs, prior advances and the current advance are provided with each quarterly clean-up payment.

Under the Sales and Use Tax Law, all sales and use taxes collected by the State Board of Equalization under a contract with any city, city and county, or county are required to be transmitted by the State Board of Equalization to such city, city and county, or county periodically as promptly as feasible. These transmittals are required to be made at least twice in each calendar quarter.

Under its procedures, the State Board of Equalization projects receipts of the sales and use tax on a quarterly basis and remits an advance of the receipts of the sales and use tax to the City on a monthly basis. The amount of each monthly advance is based upon the State Board of Equalization's quarterly projection. During the last month of each quarter, the State Board of Equalization adjusts the amount remitted to reflect the actual receipts of the sales and use tax for the previous quarter.

The Board of Equalization receives an administrative fee based on the cost of services provided by the Board to the City in administering the City's sales tax, which is deducted from revenue generated by the sales and use tax before it is distributed to the City.

Relevant Fiscal Policies

The City has adopted a comprehensive set of fiscal policies to provide guidance for all fiscal activities and resource allocation decisions as defined in the Adopted Budget. The policies set forth guidelines for both current activities and long range planning. In addition, the City Council approved or adopted other fiscal policies, including:

- City's Investment Policy, adopted most recently in 2004.
- Debt Management Policy adopted May 1, 2017.

The following are certain highlighted aspects of the adopted policies.

General Fund Reserve: Goal is to establish and maintain a General Fund reserve of 20% of budgeted expenditures in the General Fund. For Fiscal Year 2015-16 the City maintained a General Fund reserve of \$1.6 million which equates to approximately 14% of budgeted Fiscal Year 2016-17 operating expenditures.

Debt Management Policy. The City's Debt Management Policy sets forth parameters for issuing debt and managing the City's debt portfolio and generally sets forth the following: (i) the purposes for which the debt proceeds may be used, (ii) the types of debt that may be issued, (iii) the relationship of the debt to, and integration with, the issuer's capital improvement program or budget, if applicable, (iv) policy goals related to the City's planning goals and objectives, and (v) the internal control procedures that the City has implemented, or will implement, to ensure that the proceeds of the proposed debt issuance will be directed to the intended use. This policy will also assist the City in pursuing and maintaining quality credit ratings in addition to providing guidance to decision makers.

Infrastructure: All capital projects planned and budgeted for any given fiscal year will have funding contributed from the General Fund annually for the improvement of City infrastructure.

Economic Development: The City seeks to promote and achieve organized, sustainable community development for the citizens of the City by providing a diverse economic base while preserving scenic beauty, small town charm, and historical assets.

City Investment Policy. The City invests its funds in accordance with the City's Investment Policy and Section 53600 et seq. of the State Government Code. The Investment Policy sets forth the policies and procedures applicable to the investment of City funds and designates eligible investments. The Investment Policy's stated overarching purpose is to (i) ensure that public funds are invested in such a manner as to comply with state and local laws; (ii) ensure prudent money management; (iii) provide for daily cash flow requirements; and (iv) meet the objectives of the Investment Policy (per California Government Code Section 53600.5) in the following order of priority:

1. *Safety of Principal:* Safety of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the City will diversify its investments by investing funds among a variety of securities with independent returns.

2. *Liquidity:* The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.

3. *Return on Investments:* The City's investment portfolio shall have the objective of attaining a comparative performance measurement or an acceptable rate of return throughout budgetary and economic cycles. These measurements should be commensurate with the City's investment risk constraints identified in the Investment Policy and the cash flow characteristics of the portfolio.

At June 30, 2016, the City had the following cash and investments:

Cash on hand	\$1,450
Deposits with financial institutions	2,736,807
Investments	9,028,047
	<hr/>
Total cash and investments	\$11,766,304

See Note 3 to the audited financial statements set forth in Appendix B for further information with respect to the City's investment policies and investments as of June 30, 2016.

Risk Management

The City participates with other public entities in a joint venture under a joint powers agreement which established the Central San Joaquin Valley Risk Management Authority (CSJVRMA). The relationship between the City and CSJVRMA is such that CSJVRMA is not a component unit of the City for financial reporting purposes.

The City is covered for the first \$1,000,000 of each general liability claim and \$500,000 of each workers' compensation claim through the CSJVRMA. The City has the right to receive dividends or the obligation to pay assessments based on a formula which among other expenses, charges the City's account for liability losses under \$50,000 and workers' compensation losses under \$50,000. The SCJVRMA

participates in an excess pool which provides general liability coverages from \$1,000,000 to \$29,000,000. The CSJVRMA participates in an excess pool which provides workers' compensation coverage from \$500,000 to \$5,000,000 and purchases excess reinsurance above \$5,000,000 to the statutory limit.

The CSJVRMA is a consortium of fifty-five (55) cities in the San Joaquin Valley, California. It was established under the provisions of California Government Code Section 6500 et seq. The CSJVRMA is governed by a Board of Directors which meets three times per year, consisting of one member appointed by each member city. The day-to-day business is handled by a management group employed by the CSJVRMA.

At the termination of the joint powers agreement and after all claims have been settled, any excess or deficit will be divided among the cities in accordance with its governing documents.

The most recent condensed financial information of CSJVRMA is as follows:

	As of and for the Year Ended June 30, 2016
Total Assets	<u>\$92,743,162</u>
Total Liabilities	\$77,308,330
Total Net Position	<u>15,434,832</u>
Total Liabilities and Net Position	<u>\$92,743,162</u>
Total Revenues for the Year	\$40,680,321
Total Expenses for the Year	<u>38,202,139</u>
Change in Net Position	<u>\$ 2,478,182</u>

Source: City's 2015-16 Audited Financial Statements.

Employee Retirement System; CalPERS

The following information relating to the California Public Employees Retirement System ("CalPERS") is primarily derived from information produced by CalPERS, its independent accountants and actuaries, as interpreted by the City and its Auditor. The City has not independently verified the information provided by CalPERS and make no representations nor express any opinion as to the accuracy of the information provided by CalPERS. The comprehensive annual financial reports of CalPERS are available on its Internet website at www.calpers.ca.gov. The CalPERS website also contains CalPERS' most recent actuarial valuation reports and other information concerning benefits and other matters. Such information is not incorporated by reference herein. Neither the City nor the Underwriter can guarantee the accuracy of such information.

Actuarial assessments are forward-looking statements that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or be changed in the future. Actuarial assessments will change with the future experience of the pension plans.

Plan Description. The City contributes to the California Public Employees' Retirement System, a cost sharing multiple-employer public employee defined benefit pension plan. All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police and fire) and Miscellaneous (all other) Employee Pension Plans (the "Pension Plans").

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State, including the City. Benefit provisions under the Pension Plans are established pursuant to State statute and City ordinance. CalPERS issues publicly available financial reports that include the financial statements and required supplementary information for the CalPERS. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. Copies of CalPERS' annual financial report may be obtained from its executive office located at 400 Q Street, Sacramento, California 95811, or via <http://www.calpers.ca.gov>.

The City participates in the Safety and Miscellaneous CalPERS cost sharing multiple-employer plans. The Safety plans consists of Fire Classic and Fire PEPRAs; and Police Classic and Police PEPRAs. The Miscellaneous plans consist of Miscellaneous Classic and Miscellaneous PEPRAs.

Benefits Provided. CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 to 52 years with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

Effective January 1, 2013, CalPERS instituted a new pension plan as a result of the Public Employee Pension Reform Act (PEPRA). Employees hired from that date on are subject to the new 2% at 62 benefit formula. The 2.5% at 55 benefit formula has been closed to new hires from January 1, 2013 on, unless they meet the rules for a CalPERS Classic employee. A Classic employee is already CalPERS member through prior employment and was employed by a CalPERS member within the last 6 months. See the CalPERS website for more information.

The Pension Plans' provisions and benefits of each Pension Plan that in effect at June 30, 2016, are summarized as follows:

Hire Date	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5 years' service	5 years' service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	8%	6.25%
Required employer contribution rates	25.70%	6.25%

Source: City's 2015-16 Audited Financial Statements.

Hire Date	Safety	
	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5 years' service	5 years' service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	8%	6.25%
Required employer contribution rates	25.70%	6.25%

Source: City's 2015-16 Audited Financial Statements.

Contributions. Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Pension Plans are determined annually on an actuarial basis as of June 30 by CalPERS.

The City is required to contribute at an actuarially determined rate of annual covered payroll, plus a fixed payment of unfunded liability. The actuarially determined rates and amounts for each Pension Plan for the fiscal years ended June 30, 2017 and June 30, 2018, are as follows:

Pension Plan	CITY'S REQUIRED EMPLOYER CONTRIBUTION RATES & PAYMENTS					
	Fiscal Year 2016-17			Fiscal Year 2017-18		
	Employer Normal Cost Rate	Employer Normal Cost Payment	Employer Payment of Unfunded Liability	Employer Normal Cost Rate	Employer Normal Cost Payment	Employer Payment of Unfunded Liability
Miscellaneous	11.008%	\$396,736	\$411,344	11.049%	\$442,437	\$458,728
Safety	14.785%	254,375	263,741	14.971%	320,054	331,839
Miscellaneous - PEPRA	6.555%	16	17	6.533%	79	82
Safety (Police) - PEPRA	12.082%	30	31	11.990%	117	121
Safety (Fire) - PEPRA	12.082%	26	27	11.990%	61	63
Totals		\$651,183	\$675,160		\$762,748	\$790,833

Source: CalPERS Annual Valuation Report as of June 30, 2015.

Funding History. The funding history for the Miscellaneous Tier 1 Pension Plan, the Safety (Police) Tier 1 Pension Plan and the Safety (Fire) Tier 1 Pension Plan is shown in the tables below, listing for each plan the actuarial accrued liability, share of the pool's market value of assets, share of the pool's unfunded liability, funded ratio, and annual covered payroll.

MISCELLANEOUS PLAN

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Share of Pool's Unfunded Liability	Funded Ratio	Annual Covered Payroll
06/30/11	\$15,968,472	\$11,066,256	\$4,902,216	69.3%	\$1,457,691
06/30/12	16,389,572	10,777,524	5,612,048	65.8%	1,357,183
06/30/13	17,186,592	12,060,435	5,126,157	70.2%	1,427,636
06/30/14	18,179,024	13,260,479	4,918,545	72.9%	1,419,495
06/30/15	18,678,000	13,020,273	5,657,727	69.7%	1,230,521

Source: CalPERS Annual Valuation Report as of June 30, 2015.

SAFETY

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Share of Pool's Unfunded Liability	Funded Ratio	Annual Covered Payroll
06/30/11	\$20,703,591	\$16,223,208	\$4,480,383	78.4%	\$3,119,655
06/30/12	21,313,159	15,874,287	5,438,872	74.5%	2,981,691
06/30/13	22,946,075	18,091,899	4,854,176	78.8%	3,280,909
06/30/14	25,292,765	20,853,823	4,438,942	82.5%	3,317,118
06/30/15	26,512,502	20,762,767	5,749,735	78.3%	2,980,439

Source: CalPERS Annual Valuation Report as of June 30, 2015.

Actuarial Assumptions. Actuarial calculations are based on a number of assumptions about long-term demographic and economic behavior. Unless these assumptions (terminations, deaths, disabilities, retirements, salary growth, and investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

	All Pension Plans
Valuation Date	June 30, 2014
Measurement Date	June 30, 2015
Actuarial Cost Method	Entry-Age Normal Cost Method
Discount Rate	7.65%
Inflation	2.75%
	Varies by Entry Age and Service
Salary Increases	(1)
Post Retirement Benefit Increase	(2)
Mortality	(3)
(1) Depending on age, service, and type of employment	
(2) Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter	
(3) Derived using CalPERS' Membership Data for all Funds	

The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. All other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. More information on this table and assumptions can be found in the Experience Study report on CalPERS' website under Forms and Publications.

Change in Assumptions. According to Paragraph 68 of GASB 68, the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

Discount Rate. The discount rate used to measure the total pension liability was 7.65% for each Pension Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would mostly likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans ran out of assets. Therefore, the current 7.65% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.65% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1-10(a)	Real Return Years 11+(b)
Global Equity	50.0%	5.25%	5.71%
Global Fixed Income	17.0%	0.99%	2.43%
Inflation Sensitive	5.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	100%		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

Discount Rate Being Lowered Over Next 3 Years. At the December 21, 2016, meeting, the CalPERS Board of Administration approved lowering the CalPERS discount rate assumption, the long-term rate of return, from 7.50 percent to 7.00 percent over the next three years. This will increase public agency employer contribution costs beginning in Fiscal Year 2018-19. The phase-in of the discount rate change approved by the CalPERS Board for the next three Fiscal Years is as follows:

Valuation Date	Fiscal Year for Required Contribution	Discount Rate
June 30, 2016	2018-19	7.375%
June 30, 2017	2019-20	7.25%
June 30, 2018	2020-21	7.00%

Lowering the discount rate means plans will see increases in both the normal costs and the accrued liabilities. These increases will result in higher required employer contributions. In addition, active members hired after January 1, 2013, under the Public Employees' Pension Reform Act (PEPRA) may also see their contribution rates rise.

Employer contribution increases as a result of the discount rate changes are estimated below by Normal Cost and required Unfunded Accrued Liability (UAL) payment. The Total Employer Contribution is the sum of the Normal Cost Rate applied to reported payroll plus the UAL payment. The Normal Cost portion of the Employer Contribution is expected to increase by the listed percentages of payroll. Increases to the UAL payments are provided as relative increases to be applied to the projected UAL payments in the June 30, 2015, valuation report.

The changes to the UAL due to changes of actuarial assumptions are amortized over a fixed 20-year period with a 5-year ramp up at the beginning and a 5-year ramp down at the end of the amortization period. The 5-year ramp up means that the payments in the first four years of the amortization schedule are 20 percent, 40 percent, 60 percent and 80 percent of the ultimate payment, which begins in year five. The 5-year ramp down means that the reverse is true and the payments in the final four years are ramped down by the above percentages. A new ramp is established with each change to the discount rate. There will be three ramps established in the first three years. As a result of the 5-year ramp up and effective date of the increase, it will be seven years until the full impact of the discount rate change is completely phased in.

CalPERS discount rate change from 7.5 % to 7.0% impacts the City beginning in FY 2019. After considering both of these changes (reducing the City's Side Fund obligation and the reduction of the CalPERS discount rate), the net fiscal impact to the City's General Fund is estimated to be an additional \$50 thousand in FY 2019, a net reduction of \$187 thousand in FY 2020, an additional \$386 thousand in FY 2021, and an additional \$224 thousand in FY 2022, for an average additional cost of \$113 per year for the next 4 years. Staff prepares a 5-year budget projection and anticipates that these costs and other budgeted expenditures can be managed to be supported by current ongoing revenues with no drastic changes in operations.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the City's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were

calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	6.65%	6.65%
Net Pension Liability	\$9,150,444	\$8,264,563
Current Discount Rate	7.65%	7.65%
Net Pension Liability	\$5,456,437	\$5,154,264
1% Increase	8.65%	8.65%
Net Pension Liability	\$3,050,132	\$2,548,644

Source: City's 2015-16 Audited Financial Statements.

Asset Volatility Ratio (AVR). Plans that have higher asset-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an asset-to-payroll ratio of 8 may experience twice the contribution volatility due to investment return volatility, than a plan with an asset-to-payroll ratio of 4. Shown below is the asset volatility ratio for the Miscellaneous Plan and the Safety Plan, which a measure of each plan's current contribution volatility. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as the plan matures.

Liability Volatility Ratio (LVR). Plans that have higher liability-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to investment return and changes in liability. For example, a plan with a liability-to-payroll ratio of 8 is expected to have twice the contribution volatility of a plan with a liability-to-payroll ratio of 4. The liability volatility ratio for the Miscellaneous Plan and the Safety Plan is also shown in the table below. It should be noted that this ratio indicates a longer-term potential for contribution volatility. The asset volatility ratio, described above, will tend to move closer to the liability volatility ratio as the plan matures.

<u>Rate Volatility</u>	<u>Miscellaneous Plan*</u>	<u>Safety Plan*</u>
1. Market Value of Assets	\$13,020,273	\$20,762,767
2. Payroll	1,230,521	2,980,439
3. Asset Volatility Ratio (AVR) [(1) / (2)]	10.6	7.0
4. Accrued Liability	\$18,678,000	26,512,502
5. Liability Volatility Ratio (LVR) [(4) / (2)]	15.2	8.9

Source: CalPERS Annual Valuation Report as of June 30, 2015.

*As of June 30, 2015

Post-Employment Health Care Benefits

Plan Description. The City participates in the CalPERS medical program under the Public Employees' Medical and Hospital and Care Act (PEMHCA). This coverage requires the employee to satisfy the requirements for retirement under CalPERS, which requires (1) attainment of age 50 (age 52, if a new miscellaneous member to PERS on or after January 1, 2013) with 5 years of State or public agency service or (2) an approved disability retirement.

The City is obligated to contribute toward the cost of retiree medical coverage for the retiree's lifetime or until coverage is discontinued. The City has an "unequal contribution" resolution with CalPERS, executed in 2001. This resolution defines the City's contribution toward active employee medical premiums to be the PEMHCA minimum employer contribution (MEC). The MEC was \$122 per month in 2016.

The amount payable by the City for each retirees was \$90.63 per month in 2016. The City's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015, and in particular Note 12 thereto, includes information about the City's postemployment healthcare liabilities and funding.

Funding Policy and Actuarial Assumptions. Currently, the City funds retiree health care benefits on a pay-as-you-go basis. For the 2015/2016 year, the City paid \$31,599 for healthcare benefits for 30 retirees or their beneficiaries receiving benefits.

The annual required contribution (ARC) was determined as part of a January 1, 2015 actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included (a) 4.0% discount rate for pay-as-you-go funding, (b) 3.25% projected annual salary increase, (c) wage inflation 3.00% and (d) 4.5% - 7.5% premium increases. The City's OPEB unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll using a closed 30 year amortization period..

Funding Progress and Funding Status. The City's annual OPEB cost (expense) is calculated based on the ARC, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

The following table shows components of the City's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the City's net OPEB obligation:

Annual required contributions (ARC)	<u>\$235,347</u>
Annual required contribution annual OPEB cost	235,347
Less: Employer contribution	<u>(31,599)</u>
Change in net OPEB obligations	203,748
Net OPEB obligations, beginning of year	<u>193,443</u>
Net OPEB obligations, end of year	<u><u>\$397,191</u></u>

Source: City's 2015-16 Audited Financial Statements.

The City's annual OPEB cost, the percentage of the annual OPEB cost contributed to the Plan, and the net OPEB obligation (asset) for the last three years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contribution</u>	<u>Net OPEB Obligation</u>
06/30/2015	\$221,359	12.61%	\$193,443
06/30/2016	\$235,347	13.43%	\$397,191

Source: City's 2015-16 Audited Financial Statements.

Actuarial valuations of an ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Funding Status and Funding Progress. The funded status of the Plan as of June 30, 2016, the Plan's most recent actuarial valuation, was as follows:

Actuarial accrued liability	\$2,495,858
Actuarial value of plan assets	<u>-0-</u>
Unfunded Actuarial accrued liability (UAAL)	\$2,495,858
Funded ratio	0%
Covered payroll (active plan members)	\$5,089,712
UAAL as a percentage of covered payroll	49.04%

Source: City's 2015-16 Audited Financial Statements.

CERTAIN LEGAL MATTERS

The Weist Law Firm, Scotts Valley, California, Bond Counsel, will render an opinion with respect to the validity of the Bonds. A copy of the form of such approving opinion is attached hereto as Appendix C. Certain legal matters will be passed upon for the City by The Weist Law Firm, Scotts Valley, California, Disclosure Counsel, and by Costanzo & Associates, Fresno, California acting as City Attorney, and for the Underwriter by its counsel, Nixon Peabody LLP, Los Angeles, California. Payment of the fees and expenses of Bond Counsel and Disclosure Counsel is contingent upon the delivery of the Bonds.

ABSENCE OF MATERIAL LITIGATION

To the best knowledge of the City, there is no action, suit or proceeding pending or threatened either restraining or enjoining the issuance or repayment of the Bonds or the adoption of the Resolution, executing the Paying Agent Agreement, contesting the City's ability to receive ad valorem taxes or in any way contesting or affecting the validity of the foregoing or any proceedings of the City taken with respect to any of the foregoing. There are a number of lawsuits and claims from time to time pending against the City. In the opinion of the City Attorney, and taking into account likely insurance coverage and litigation reserves, there are no lawsuits or claims pending against the City which will materially affect the City's finances so as to impair its ability to pay principal of and interest on the Bonds when due.

FINANCIAL STATEMENTS

The City's financial statements for the Fiscal Year ended June 30, 2016, included in Appendix B hereto, have been audited by Sampson, Sampson & Patterson, LLP, Clovis, California ("Auditor"). The Auditor has not undertaken to update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in the Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report.

TAX MATTERS

In the opinion of The Weist Law Firm, Scotts Valley, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, provided, however, that, for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining certain income and earnings, and the Bonds are “qualified tax-exempt obligations” within the meaning of section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Tax Code”), such that, in the case of certain financial institutions (within the meaning of section 265(b)(5) of the Tax Code), a deduction for federal income tax purposes is allowed for 80% of that portion of such financial institution’s interest expense allocable to interest payable on the Bonds.

The opinions set forth in the preceding paragraph are subject to the condition that the City comply with all requirements of the Tax Code that must be satisfied subsequent to the issuance of the Bonds. The City has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of such interest in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds, or may cause the Bonds to not be “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Tax Code.

If the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes “original issue discount” for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes “original issue premium” for purposes of federal income taxes and State of California personal income taxes. *De minimis* original issue discount and original issue premium are disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Bonds who purchase the Bonds after the initial offering of a substantial amount of such maturity. Owners of such Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Bonds under federal individual and corporate alternative minimum taxes.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the Bond (said term being the shorter of the Bond’s maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Bond is amortized each year over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Bond premium is not deductible for federal income tax purposes. Owners

of premium Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Bonds.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel's engagement with respect to the Bonds terminates upon their issuance and Bond Counsel disclaims any obligation to update the matters set forth in its opinion. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution, Paying Agent Agreement and the Tax Certificate permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income for federal income tax purposes of interest (and original issue discount) due with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than The Weist Law Firm.

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar securities). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Bonds to the extent that it adversely affects the exclusion from gross income of interest on the Bonds or their market value.

Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes.

Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. Bond Counsel expresses no opinion regarding any federal or state tax consequences arising with respect to the Bonds other than as expressly described above. Should the interest (and original issue discount) on the Bonds become includable in gross income for federal income tax purposes, the Bonds are not subject to early redemption as a result of such occurrence and will remain outstanding until maturity or until otherwise redeemed in accordance with the Paying Agent Agreement.

The form of Bond Counsel's proposed opinion with respect to the Bonds is attached hereto in Appendix C.

MUNICIPAL ADVISOR

The City has retained NHA Advisors LLC (the "Municipal Advisor") in connection with the issuance of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement.

RATINGS

The Bonds are expected to be assigned an insured rating of “___” (_____ outlook) by Moody’s Investors Service, a subsidiary of Moody’s Corporation (“Moody’s”). This rating reflects only the view of Moody’s, and an explanation of the significance of this rating, and any outlook assigned to or associated with this rating, should be obtained from Moody’s.

The City furnished such rating agency with certain information and materials relating to the Bonds that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions by rating agencies. There is no assurance that the rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by Moody’s, if in the judgment of Moody’s, circumstances so warrant. The City has not undertaken any responsibility to bring to the attention of the owners of the Bonds any proposed revision or withdrawal of a rating of the Bonds or to oppose any such proposed revision or withdrawal. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price or marketability of the Bonds.

CONTINUING DISCLOSURE

Pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”), the City has undertaken for the benefit of holders of the Bonds to provide certain financial information and operating data relating to the City by not later than nine months after the end of the City’s fiscal year (which is currently June 30), resulting in a deadline of March 31 of each year, beginning with an initial deadline of March 31, 2018, for the Fiscal Year ended June 30, 2017 (the “Annual Report”), and to provide notices of the occurrence of certain enumerated events. The Annual Report will be filed by or on behalf of the City with the Municipal Securities Rulemaking Board (the “MSRB”) through the Electronic Municipal Marketplace Access (EMMA) website of the MSRB, in an electronic format prescribed by MSRB. Notices of enumerated events will be filed by or on behalf of the City with the MSRB. The nature of the information to be provided in the Annual Report and the notices of certain enumerated events is set forth in “APPENDIX E – FORM OF CONTINUING DISCLOSURE CERTIFICATE” herein.

The City and its related governmental entities – specifically those entities (such as the City and its public financing authority and former redevelopment agency) for whom City staff is responsible for undertaking compliance with continuing disclosure undertaking – have previously entered into disclosure undertakings under the Rule in connection with the issuance of long-term obligations.

In the previous five years, specific instances of non-compliance include: (i) the Fiscal Year 2011-2 Annual Report and audited financial statements, and the associated late filing notification were not timely filed, (ii) the Fiscal Year 2012-13 Annual Report was not timely filed, (iii) the Fiscal Year 2013-14 Annual Report and audited financial statements, and the associated late filing notification were not timely filed, and (iv) a notice of redemption was not filed.

The City has made remedial filings covering the prior five-year period and has taken steps, which include the hiring of NHA Advisors LLC as its dissemination agent, intended to ensure compliance with its continuing disclosure undertakings going forward.

The City was a participant in the Municipalities Continuing Disclosure Cooperation (“MCDC”) initiative of the U.S. Securities Exchange Commission (“SEC”). MCDC was a program allowing issuers and underwriters municipal securities to voluntarily report non-compliance with disclosure obligations. The

SEC has concluded its MCDC review for such period, and the City received notice from SEC that it does not intend to recommend enforcement action against the City.

A failure by the City to comply with the provisions of the Continuing Disclosure Certificate is not an event of default under the Indenture (although the holders and beneficial owners of the Bonds do have remedies at law and in equity). However, a failure to comply with the provisions of the Continuing Disclosure Certificate must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds. Therefore, a failure by the City to comply with the provisions of the Continuing Disclosure Certificate may adversely affect the marketability of the Bonds on the secondary market.

UNDERWRITING

The Underwriter has agreed to purchase the Bonds from the City at the purchase price of \$ _____ (representing the \$ _____ principal amount of the Bonds [plus net original issue premium of \$ _____], less Underwriter's discount of \$ _____), at the rates and yields shown on the inside cover hereof.

The Underwriter intends to offer the Bonds to the public at the offering prices set forth on the inside cover page of this Official Statement. The Underwriter may, however, offer and sell Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page of this Official Statement. The offering prices may be changed from time to time by the Underwriter.

MISCELLANEOUS

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations from, and summaries and explanations of the Bonds, the Paying Agent Agreement providing for issuance of the Bonds, and the constitutional provisions, statutes and other documents referenced herein, do not purport to be complete, and reference is made to said documents, constitutional provisions and statutes for full and complete statements of their provisions.

Some of the data contained herein has been taken or constructed from City records. Appropriate City officials, acting in their official capacities, have reviewed this Official Statement and have determined that, as of the date hereof, the information contained herein is, to the best of their knowledge and belief, true and correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading.

Any statement in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or registered owners of any of the Bonds.

This Official Statement, as well as its execution and delivery, has been approved by the City Council.

CITY OF SELMA, CALIFORNIA

By _____/s/_____

City Manager

APPENDIX A

GENERAL DEMOGRAPHIC AND FINANCIAL INFORMATION REGARDING THE CITY AND THE COUNTY OF FRESNO

The following information concerning the City of Selma and the County of Fresno is presented as general background data. The Bonds are not an obligation of the City, the County, the State or any of its political subdivisions, and none of the City of Selma, the County of Fresno, the State of California nor any of its political subdivisions is liable therefor. This material has been prepared by or excerpted from the sources as noted herein and has not been reviewed for accuracy by the City or Bond Counsel.

General Description and Background of the City

The City of Selma, California (the “City”), is located in the County of Fresno (the “County”) which is in the Central Valley, approximately half-way between the cities of Los Angeles and San Francisco and ten (10) miles south of the City of Fresno. The City covers approximately 5.3 square miles and its sphere of influence and potential growth limits extend to approximately 10.15 square miles. The City provides a wide range of services to its residents, including police protection, fire protection, public works, library services, road maintenance, and parks and recreation services.

Yosemite, Kings Canyon and Sequoia National Parks are an hour and a half drive away while the Monterey Bay and Pismo Beach are approximately a three (3) hour drive away. The City’s location on California State Highway 99 and State Highway 43 provides easy access from the neighboring counties of Tulare and Kings.

The City traces its origins to 1878, when it was originally founded as the Valley View School District. In 1880 four ranchers laid out the town, and asked the Central Pacific Railroad for a siding and depot. A post office was established on August 12, 1880, and the City was then incorporated in 1883. The City was named after Selma Michelsen Kingsbury, the wife of one of the assistants of the general superintendent of the Central Pacific Railroad.

General Description and Background of the County.

The County is California’s fifth-largest county, covering approximately 6,000 square miles. It is located in the geographic center of the State and is the nation’s leading crop-producing county.

Within the County, there are roughly four different agricultural areas. East and south of the City of Fresno, grapes and other fruit and nut crops are grown, harvested and processed for shipment; west of the City of Fresno is a melon-producing area, which lies within the Mendota Unified School District. Also to the west, large crops of cotton, alfalfa, barley, rice, wheat and vegetables are produced. In the southwest are oil wells, extensive cattle and sheep ranches.

The County is the trade, financial and commercial center for many surrounding counties in Central California and is a hub of transportation facilities connecting Central California to all parts of the country. Two major north-south highways, State Highway 99 and Interstate Highway 5, pass through the County. State Routes 180 and 145 run east and west. Railroads, major airlines, bus lines and numerous trucking companies also serve the area.

City Government

The City is a general law city, incorporated in 1883, and is operated under a Council-City Manager structure of government. Policy making and legislative authority are vested in the City Council, which is responsible, among other matters, for passing resolutions and ordinances, adopting the City budget, appointing committees, and hiring the City Manager. The City Council is comprised of five members elected by the voters citywide, serving in staggered 4-year terms. The Mayor and Mayor Pro Tempore are rotated among members of the City Council each year, and the Council is elected to four year staggered terms, with two members elected every two years.

The City Council of the City currently consists of the following persons:

<u>Council Member</u>	<u>Position</u>	<u>Expiration of Term</u>
Michael Derr	Mayor	November 2018
Jim Avalos	Mayor Pro Tempore	November 2020
Louis Franco	Council Member	November 2020
Yvette Montijo	Council Member	November 2018
Scott Robertson	Council Member	November 2020

Key Personnel

The City Council hires a City Manager to run the City's day-to-day operations. The City Manager is responsible for management of the City's day-to-day operations and supervises the work of other employees of the City. Following are short biographies of the City Manager and certain other key City personnel:

[To come from City]

Services and Utilities

The City provides a wide range of services to its residents, including police protection, fire protection, public works, road maintenance, and parks and recreation services. The City is also serviced by Pacific Gas & Electric; Southern California Gas; California Water Service; Selma Kingsburg Fowler County Sanitation District; Comcast Cable; and U.S.A. Waste. The Adventist Health-Selma facility is a modern fifty-seven bed facility providing all types of medical services. The City has 40 places of worship, a branch of the Fresno County Library and a number of civic and fraternal organizations. The Selma Enterprise and The Fresno Bee are newspapers of general circulation within the City.

Population

The following sets forth the City, the County and the State population estimates as of January 1 for the years 2010 through 2017:

CITY AND COUNTY AND STATE Estimated Population (Calendar Years 2010 through 2017)

<u>Year (January 1)</u>	<u>City of Selma</u>	<u>Fresno County</u>	<u>State of California</u>
2010	23,219	930,450	37,253,956
2011	23,392	938,524	37,536,835
2012	23,872	947,615	37,881,357
2013	24,165	956,098	38,238,492
2014	24,295	964,757	38,572,211
2015	24,417	975,324	38,915,880
2016	24,860	985,079	39,189,035
2017	25,156	995,975	39,523,613

Source: State of California, Department of Finance, Population Estimates for Cities, Counties, and the State, 2011-2016, with 2010 Census Benchmark. May 2016.

Employment and Industry

The below table summarizes the civilian labor force, civilian employment and civilian unemployment figures over the period from 2011 through 2016 in the City, the County and the State.

CITY AND COUNTY AND STATE Civilian Labor Force, Employment and Unemployment Rate⁽¹⁾ (Calendar Years 2011 through 2016)

<u>Year</u>	<u>City</u>			<u>County</u>		<u>State</u>
	<u>Labor Force</u>	<u>Employed</u>	<u>Unemployment Rate</u>	<u>Labor Force</u>	<u>Unemployment Rate</u>	<u>Unemployment Rate</u>
2011	11,400	9,500	16.5%	443,500	16.5%	11.8%
2012	11,300	9,600	15.1%	440,000	15.1%	10.4%
2013	11,200	9,700	13.2%	437,900	13.2%	8.9%
2014	11,300	10,000	11.5%	439,100	11.6%	7.5%
2015	11,300	10,200	10.1%	441,300	10.2%	6.2%
2016	11,400	10,400	9.4%	446,200	9.4%	5.4%

(1) Data is based on annual averages, unless otherwise specified, and is not seasonally adjusted.

Source: Labor Division of the California State Employment Development Department.

The City is included in the Fresno Metropolitan Statistical Area. The distribution of employment in the Fresno Metropolitan Statistical Area is presented in the following table for the calendar years 2012 through 2016. These figures are countywide statistics and may not necessarily accurately reflect employment trends in the City.

FRESNO METROPOLITAN STATISTICAL AREA
Industry Employment & Labor Force⁽¹⁾
(Calendar Years 2012 through 2016)

<u>Type of Employment</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Agriculture	48,900	49,200	48,800	47,300	47,000
Natural Resources and Mining	12,700	13,700	14,500	15,600	16,500
Construction	12,200	13,100	13,900	15,000	15,900
Manufacturing	23,700	23,100	23,900	25,300	25,100
Wholesale Trade	12,800	13,600	13,700	13,800	14,400
Retail Trade	33,800	35,100	36,300	37,400	38,700
Transportation, Warehousing, Utilities	11,600	12,000	12,900	12,300	12,700
Information	3,800	3,800	3,900	3,900	3,800
Finance and Insurance	8,800	8,700	8,400	8,500	8,700
Real Estate and Rental and Leasing	4,000	4,200	4,400	4,600	4,600
Professional and Business Services	26,800	28,900	31,000	31,500	31,900
Educational and Health Services	53,300	55,400	57,000	60,400	64,200
Leisure and Hospitality	28,000	29,000	30,600	31,400	32,200
Other Services	10,600	10,900	11,200	11,500	11,900
Federal Government	10,200	9,900	9,800	9,600	9,800
State Government	10,500	10,600	11,400	11,900	12,100
Local Government	43,400	43,600	45,100	47,200	49,200
Total, All Industries	342,500	351,500	361,500	371,700	382,500

(1) Data is based on annual averages, unless otherwise specified.

Source: Labor Division of the California State Employment Development Department.

Commercial Activity

Total taxable sales during the calendar year 2015 in the City were reported to be \$446,239,000, a 7.1% increase over the total taxable sales of \$416,656,000 reported during the calendar year 2014. The number of establishments selling merchandise subject to sales tax and the valuation of taxable transactions in the City is presented in the following table. Annual figures are not yet available for 2016 or beyond.

CITY OF SELMA
Taxable Transactions
(dollars in thousands)

	<u>Retail Stores</u>		<u>Total All Outlets</u>	
	<u>Number of Permits</u>	<u>Taxable Transactions</u>	<u>Number of Permits</u>	<u>Taxable Transactions</u>
2011	196	289,643	290	332,036
2012	212	326,927	308	369,709
2013	222	345,165	322	390,577
2014	228	361,978	328	416,656
2015	302	378,346	420	446,239

(1) Detail may not compute to total due to rounding.

Source: "Taxable Sales in California," California State Board of Equalization.

Total taxable sales during the calendar year 2015 in the County were reported to be \$14,080,800,000, a 5.6% increase over the total taxable sales of \$13,328,511,000 reported during the calendar year 2014. The number of establishments selling merchandise subject to sales tax and the valuation of taxable transactions in the County is presented in the following table. Annual figures are not yet available for 2016 or beyond.

COUNTY OF FRESNO
Taxable Transactions
(dollars in thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2011	12,659	7,602,313	19,238	11,179,478
2012	12,670	8,164,919	19,164	12,020,630
2013	12,047	8,597,480	18,112	12,618,111
2014	12,268	8,998,182	18,304	13,328,511
2015	(2)	9,247,617	20,242	14,080,800

(1) Detail may not compute to total due to rounding.

(2) Information not yet available.

Source: "Taxable Sales in California," California State Board of Equalization.

The number of establishments selling merchandise subject to sales tax and the valuation of taxable transactions within the County is presented in the following table. Total taxable sales during the calendar year 2014 in the County were reported to be \$538,006,000, compared to total taxable sales reported during the calendar year 2013 of \$551,043,000. The number of establishments selling merchandise subject to sales tax and the valuation of taxable transactions in the County is presented in the following table. Annual figures are not yet available for 2015 or beyond.

COUNTY OF FRESNO
Taxable Retail Sales
Valuation of Taxable Transactions
(dollars in thousands)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Retail and Food Services					
Motor Vehicle and Parts Dealers	\$1,281,978	\$1,509,475	\$1,686,953	\$1,886,568	\$2,109,953
Home Furnish and Appliance Stores	176,244	195,988	210,490	218,107	485,767
Bldg. Mat'l. & Garden Equip/Supplies	622,837	658,996	722,908	755,449	835,778
Food and Beverage Stores	597,389	613,061	608,797	625,753	618,901
Gasoline Stations	1,262,498	1,344,674	1,308,492	1,274,649	1,104,257
Clothing and Accessories Stores	455,681	496,625	528,054	559,063	583,358
General Merchandise Stores	1,241,775	1,286,415	1,344,483	1,386,073	1,309,870
Food Services and Drinking Places	971,754	1,031,595	1,084,924	1,159,749	1,254,679
Other Retail Group	992,157	1,028,090	1,102,378	1,132,772	945,053
Total Retail and Food Services	\$7,602,313	\$8,164,919	\$8,597,480	\$8,998,182	\$9,247,616
All Other Outlets	3,577,165	3,855,710	4,020,631	4,330,329	4,833,183
Total All Outlets	\$11,179,478	\$12,020,630	\$12,618,111	\$13,328,511	\$14,080,799
Permits – All Outlets	19,238	19,164	18,112	18,304	20,242

(1) Detail may not compute to total due to rounding.

Source: "Taxable Sales in California," California State Board of Equalization.

Major Employers

The following tables list the largest manufacturing and non-manufacturing employers within the County as of October 2016:

FRESNO COUNTY Major Employers (Listed Alphabetically)

Employer Name	Location	Industry
Aetna	Fresno	Insurance
California Teaching Fellows	Fresno	Employment Service-Govt
Cargill	Fresno	Meat Packers (Mfrs)
Cargill Meat Solutions	Fresno	Locker Plants
Community Regional Medical Ctr	Fresno	Hospitals
Foster Farms	Fresno	Poultry Farms
Fresno County Economic Comm	Fresno	Pre-Schools
Fresno County Sheriff's Dept	Fresno	Police Departments
Fresno Police Dept	Fresno	Police Departments
Fresno Police Dept	Fresno	Police Departments
Fresno Police-Mgmt Support	Fresno	Police Departments
Fresno State	Fresno	Universities & Colleges Academic
Fresno Unified School District	Fresno	School Districts
Kaiser Permanente Fresno Med	Fresno	Hospitals
Pelco-Schneider Electric	Clovis	Security Control Equip & Systems (Mfrs)
Phebe Conley Art Gallery	Fresno	Art Galleries & Dealers
Pitman Farms	Sanger	Farms
Pleasant Valley State Prison	Coalinga	Government Offices-State
Shehadey Pavilion At St Agnes	Fresno	Diagnostic Imaging Centers
St Agnes Medical Ctr	Fresno	Information & Referral Svcs-Hlth Prgrms
St Agnes Medical Ctr	Fresno	Hospitals
Stamoules Produce Co	Mendota	Fruits & Vegetables & Produce-Retail
State Center Community College	Fresno	Schools-Universities & Colleges Academic
US Veterans Medical Ctr	Fresno	Hospitals
Zacky Farms	Fresno	Poultry & Eggs NEC

* Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2017 2nd Edition

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Construction Activity

Provided below are the building permits and valuations for the City and the County for calendar years 2011 through 2015.

**CITY OF SELMA
Total Building Permit Valuations
(Valuations in Thousands)
Calendar Years 2011-2015**

	2011	2012	2013	2014	2015
<u>Permit Valuation</u>					
New Single-family	\$11,756.1	\$6,036.0	\$3,134.0	\$1,063.0	\$8,807.7
New Multi-family	0.0	188.8	0.0	0.0	0.0
Res. Alterations/Additions	<u>676.9</u>	<u>929.0</u>	<u>478.7</u>	<u>345.1</u>	<u>192.2</u>
Total Residential	12,433.0	7,153.8	3,612.7	1,408.1	8,999.9
New Commercial	1,311.6	1,031.5	1,590.5	1,318.8	2,500.0
New Industrial	0.0	0.0	0.0	0.0	0.0
New Other	0.0	0.0	220.5	270.6	238.7
Com. Alterations/Additions	<u>1,265.9</u>	<u>679.7</u>	<u>457.7</u>	<u>437.9</u>	<u>2,606.0</u>
Total Nonresidential	2,577.5	1,710.2	2,268.7	2,027.3	5,344.7
<u>New Dwelling Units</u>					
Single Family	81	29	12	5	60
Multiple Family	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	81	31	12	5	60

Source: Construction Industry Research Board, Building Permit Summary.

**COUNTY OF FRESNO
Total Building Permit Valuations
(Valuations in Thousands)
Calendar Years 2011-2015**

	2011	2012	2013	2014	2015
<u>Permit Valuation</u>					
New Single-family	\$206,433.7	\$304,106.2	\$622,066.8	\$388,564.8	\$580,986.1
New Multi-family	32,396.8	17,836.2	66,027.4	43,654.0	34,183.6
Res. Alterations/Additions	<u>57,450.9</u>	<u>27,063.5</u>	<u>30,063.8</u>	<u>35,354.2</u>	<u>31,800.5</u>
Total Residential	296,281.4	349,005.9	718,158.0	467,573.0	646,970.2
New Commercial	26,560.2	95,185.4	129,117.6	74,140.9	210,280.3
New Industrial	9,158.9	9,469.7	20,967.0	21,368.5	8,359.4
New Other	3,872.6	3,231.6	49,089.1	74,012.0	121,042.6
Com. Alterations/Additions	<u>98,846.8</u>	<u>77,031.1</u>	<u>77,977.8</u>	<u>70,566.8</u>	<u>88,609.5</u>
Total Nonresidential	138,438.5	184,917.8	277,151.5	240,088.2	428,291.8
<u>New Dwelling Units</u>					
Single Family	924	1,349	2,310	1,410	2,153
Multiple Family	<u>385</u>	<u>243</u>	<u>773</u>	<u>539</u>	<u>343</u>
TOTAL	1,309	1,592	3,083	1,949	2,496

Source: Construction Industry Research Board, Building Permit Summary.

APPENDIX B

**AUDITED FINANCIAL STATEMENTS OF THE CITY OF SELMA
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

APPENDIX C

FORM OF BOND COUNSEL OPINION

_____, 2017

City of Selma
1710 Tucker Street
Selma, CA 93662

OPINION: \$[Par Amount]
 City of Selma
 Series 2017 General Obligation Bonds
 (Selma Police Station Construction Project)
 (Bank Qualified)

Members of the City:

We have acted as bond counsel for the City of Selma (the “City”) in connection with the authorization and issuance of the above-referenced bonds (the “Bonds”). The Bonds are authorized pursuant to Chapter 4 (commencing with Section 43600) of Division 4 of Title 4 of the Government Code of the State of California (the “Act”) and Resolution No. _____ of the City adopted on May __, 2017 (the “Resolution”), together with that certain Paying Agent Agreement, dated as of July 1, 2017 (the “Paying Agent Agreement”), by and between the City and U.S. Bank National Association, as paying agent thereunder (the “Paying Agent”). Capitalized terms used herein and not defined shall have the meanings given such terms in the Paying Agent Agreement.

In connection therewith, we have examined originals or copies identified to our satisfaction as being true copies of the Resolution and the Paying Agent Agreement and certain other documents and records of the City. As to questions of fact material to our opinion, we have relied upon certifications of officers of the City, the initial purchasers of the Bonds and others which have been furnished to us, but we have not undertaken to verify the accuracy thereof through independent investigation.

Based upon and subject to the foregoing, and in reliance thereon, we are of the following opinions:

1. The City is validly existing as a public entity, with the power to enter into the Paying Agent Agreement, perform the agreements on its part contained therein, and issue the Bonds.
2. The Paying Agent Agreement has been duly approved by the City, and constitutes a valid and binding obligation of the City, enforceable against the City in accordance with its terms; provided, however, that we express no opinion as to the enforceability of provisions of the Paying Agent Agreement as to indemnification, penalty, contribution, choice of law, choice of forum or waiver contained therein.
3. The Bonds have been duly and validly authorized and constitute legal, valid and binding obligations of the City enforceable in accordance with their terms and the terms of the Paying Agent Agreement. The Bonds are obligations of the City but are not a debt of the City, the State of California or any other political subdivision thereof within the meaning of any constitutional or statutory limitation.

4. The Bonds are secured by the proceeds of *ad valorem* taxes levied upon all property subject to such taxes in the City, which taxes are unlimited as to rate or amount (except as to certain personal property which is taxable at limited rates) for payment of the Bonds and the interest thereon.

5. The interest (and any original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; although for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining certain income and earnings, and the Bonds are “qualified tax-exempt obligations” within the meaning of section 265(b)(3) of the Internal Revenue Code of 1986 (the “Code”) such that, in the case of certain financial institutions (within the meaning of section 265(b)(5) of the Code), a deduction for federal income tax purposes is allowed for 80 percent of that portion of such financial institution’s interest expense allocable to interest payable on the Bonds. The opinions set forth in the preceding sentence are subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The City has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest (and any original issue discount) on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

Certain agreements, requirements and procedures contained or referred to in the Paying Agent Agreement and the Tax Certificate executed by the City with respect to the Bonds may be changed and certain actions may be taken or omitted, under the circumstances and subject to the terms and conditions set forth in such documents. We express no opinion as to the effect on the exclusion from gross income for federal income tax purposes of the interest (and original any issue discount) on the Bonds if any such change occurs or action is taken or omitted upon advice or approval of bond counsel other than The Weist Law Firm.

Our opinion is limited to matters governed by the laws of the State of California and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction and express no opinion as to the enforceability of the choice of law provisions contained in the Paying Agent Agreement.

The opinions expressed herein and the exclusion of interest on the Bonds from gross income for federal income tax purposes may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Our engagement as Bond Counsel terminates upon the issuance of the Bonds and we have not undertaken to determine, or to inform any person, whether any such actions or events are taken (or not taken) or do occur (or do not occur).

The opinions expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities.

We call attention to the fact that the rights and obligations under the Paying Agent Agreement and the Bonds are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors’ rights, to the application of equitable principles if equitable remedies

are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State of California.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement relating to the Bonds or other offering material relating to the Bonds and expressly disclaim any duty to advise the purchaser or owners of the Bonds with respect to matters contained in the Official Statement.

Respectfully submitted,

APPENDIX D

FORM OF THE CONTINUING DISCLOSURE CERTIFICATE

Upon issuance of the Bonds, the City proposes to enter into a Continuing Disclosure Certificate in substantially the following form:

This Continuing Disclosure Certificate (the “Disclosure Certificate”), dated as of July __, 2017, is executed and delivered by the City of Selma (the “City”) and NHA Advisors, as dissemination agent (the “Disclosure Dissemination Agent”), for the benefit of the Beneficial Owner (hereinafter defined) of the \$[Par Amount] City of Selma, Series 2017 General Obligation Bonds (Selma Police Station Construction Project) (the “Bonds”) in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

The City and the Disclosure Dissemination Agent covenant and agree as follows:

SECTION 1. Definitions. In addition to the definitions set forth above and in the Paying Agent Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“*Annual Financial Information*” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Certificate.

“*Annual Report*” means an Annual Report described in and consistent with Section 3 of this Disclosure Certificate.

“*Annual Filing Date*” means the date, set forth in Section 2(a) and Section 2(f), by which the Annual Report is to be filed with the MSRB.

“*Audited Financial Statements*” means the financial statements (if any) of the City for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Certificate.

“*Beneficial Owner*” means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“*Bonds*” means the \$[Par Amount] City of Selma, Series 2017 General Obligation Bonds (Selma Police Station Construction Project), issued pursuant to the Paying Agent Agreement.

“*Certification*” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice,

or Failure to File Event notice delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, or Failure to File Event notice, required to be submitted to the MSRB under this Disclosure Certificate. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the City and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

“City” means the City of Selma, California.

“*Disclosure Representative*” means the Finance Director of the City or his or her designee, or such other person as the City shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“*Disclosure Dissemination Agent*” means NHA Advisors, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the City.

“*Failure to File Event*” means the City’s failure to file an Annual Report on or before the Annual Filing Date.

“*Force Majeure Event*” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Certificate.

“*Information*” means, collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices, and the Failure to File Event notices.

“*Listed Events*” means any of the events listed in Section 5(a) of this Disclosure Certificate.

“*MSRB*” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934 or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Marketplace Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“*Notice Event*” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Certificate.

“*Obligated Person*” means any person, including the City, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities). With respect to the Bonds, only the City constitutes the Obligated Person.

“*Official Statement*” means the final official statement executed by the City in connection with the issuance of the Bonds.

“*Participating Underwriter*” means Hilltop Securities Inc., the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“*Paying Agent*” means U.S. Bank National Association, as paying agent under the Paying Agent Agreement, or any successor Paying Agent designated in writing by the City.

“*Paying Agent Agreement*” means the Paying Agent Agreement, dated as of July 1, 2017 (the “Paying Agent Agreement”), by and between the City and U.S. Bank National Association, as paying agent thereunder.

“*Rule*” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“*State*” means the State of California.

SECTION 2. Provision of Annual Reports and Other Disclosures.

(a) The City shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB no later than March 1 following the end of each fiscal year, commencing with the report for Fiscal Year 2016-17. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Certificate.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the City of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the City will not be able to file the Annual Report within the time required under this Disclosure Certificate, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit A.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the City irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A without reference to the anticipated filing date for the Annual Report.

(d) If Audited Financial Statements of the City are prepared but not available prior to the Annual Filing Date, the City shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

(i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;

(ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) with the MSRB;

(iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;

(iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the City pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Certificate:

1. "Principal and interest payment delinquencies;"
2. "Non-Payment related defaults, if material;"
3. "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. "Substitution of credit or liquidity providers, or their failure to perform;"
6. "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
7. "Modifications to rights of securities holders, if material;"

8. "Bond calls, if material;"
9. "Defeasances;"
10. "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. "Rating changes;"
12. "Tender offers;"
13. "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
14. "Merger, consolidation, or acquisition of the obligated person, if material;" and
15. "Appointment of a successor or additional paying agent, or the change of name of a paying agent, if material;"

(v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Certificate, as applicable), promptly file a completed copy of Exhibit A to this Disclosure Certificate with the MSRB, identifying the filing as "Failure to provide annual financial information as required" when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Certificate;

(f) The City may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Certificate and that is accompanied by a Certification and all other information required by the terms of this Disclosure Certificate will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports. Each Annual Report shall contain or incorporate by reference the following:

(a) Updated information comparable to the assessed valuation information set forth in table 3 of Official Statement entitled "Assessed Valuations of Taxable Property."

(b) Property tax collection delinquencies for the City for the most recent Fiscal Year, but only in the event that the County of Fresno discontinues its Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “Teeter Plan”) for the City.

(c) Audited Financial Statements of the City for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles (“GAAP”) as described in the Official Statement will also be included in the Annual Report. If audited financial statements are not available, then, unaudited financial statements, prepared in accordance with GAAP as described in the Official Statement will be included in the Annual Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the City is an Obligated Person, which have been previously filed with the Securities and Exchange Commission or available to the public on the MSRB Internet website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The City will clearly identify each such document so incorporated by reference.

Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bond holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the Bonds, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person (*Note to subsection (a)(12) of this Section 4*: For the purposes of the event described in this subsection (a)(12) of Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person);

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. Appointment of a successor or additional paying agent or the change of name of a paying agent, if material.

The City shall, in a timely manner not in excess of ten business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Certificate), include the text of the disclosure that the City desires to make, contain the written authorization of the City for the Disclosure Dissemination Agent to disseminate such information, and identify the date the City desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the City or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event in a timely manner not later than the tenth business day after the occurrence of the Notice Event, if the City determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has

occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Certificate), include the text of the disclosure that the City desires to make, contain the written authorization of the City for the Disclosure Dissemination Agent to disseminate such information, and identify the date the City desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the City as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with the MSRB in accordance with Section 2(e)(iv) hereof.

SECTION 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, Notice Event notices, and Failure to File Event notices, the City shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations. The City acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the City, and that the failure of the Disclosure Dissemination Agent to so advise the City shall not constitute a breach by the Disclosure Dissemination Agent of any of its duties and responsibilities under this Disclosure Certificate. The City acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Certificate.

SECTION 7. Voluntary Filings. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Certificate or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, or Failure to File Event notice, in addition to that required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, or Failure to File Event notice in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, or Failure to File Event notice.

SECTION 8. Termination of Reporting Obligation. The obligations of the City and the Disclosure Dissemination Agent under this Disclosure Certificate shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the City is no longer an Obligated Person with respect to such Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required with respect to such Bonds.

SECTION 9. Disclosure Dissemination Agent. The City has appointed NHA Advisors as the initial Disclosure Dissemination Agent under this Disclosure Certificate. The City may, upon thirty days written notice to the Disclosure Dissemination Agent, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of the Disclosure Dissemination Agent, whether by notice of the City or the Disclosure Dissemination Agent, the City agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Certificate for the benefit of the Beneficial Owners of the Bonds. Notwithstanding any replacement or appointment of a successor, the City shall remain liable, until payment in full, for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the City.

SECTION 10. Remedies in Event of Default. In the event of a failure of the City or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Certificate, the Beneficial Owners' rights to enforce the provisions of this Disclosure Certificate shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Certificate. Any failure by a party to perform in accordance with this Disclosure Certificate shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement and the City agrees to indemnify and save the Disclosure Dissemination Agent, the Paying Agent, their officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of the disclosure of information pursuant to this Disclosure Certificate or arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Disclosure Dissemination Agent's negligence or willful misconduct. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the City has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Certificate. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the City and shall not be deemed to be acting in any fiduciary capacity for the City, the Beneficial Owners of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the City's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the City has complied with this Disclosure Certificate. The Disclosure Dissemination Agent may conclusively rely upon certifications of the City at all times.

The obligations of the City under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the City.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Certificate shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City and the Disclosure Dissemination Agent may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the City and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Beneficial Owners of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the City nor the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Certificate necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days prior written notice of the intent to do so together with a copy of the proposed amendment to the City. No such amendment shall become effective until counsel to the City of nationally recognized standing in the field of law relating to municipal bonds determines in writing that such amendments are necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission, or if the City shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Paying Agent of the Bonds, the Disclosure Dissemination Agent, the participating underwriters (as defined in the Rule), and the Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Certificate shall be governed by the laws of the State of California (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The Disclosure Dissemination Agent and the City have caused this Disclosure Certificate to be executed, on the date first written above, by their respective officers duly authorized.

CITY OF SELMA, CALIFORNIA
As Obligated Person

By: _____

NHA ADVISORS,
As Disclosure Dissemination Agent

By: _____
Authorized Signatory

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Selma

Obligated Person: City of Selma

Name of Issue: \$[Par Amount]
City of Selma
Series 2017 General Obligation Bonds
(Selma Police Station Construction Project)

Date of Issuance: July __, 2017

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate between the City and the Disclosure Dissemination Agent named therein. The City has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____.

Dated: _____

NHA ADVISORS,
as Disclosure Dissemination Agent
on behalf of the City

APPENDIX E

BOOK-ENTRY ONLY SYSTEM

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the

Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium (if any), and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Principal, premium (if any), and interest payments with respect to the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates representing the Bonds are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, representing the Bonds will be printed and delivered to DTC in accordance with the provisions of the Paying Agent Agreement.

PAYING AGENT AGREEMENT

Dated as of July 1, 2017

by and between

CITY OF SELMA

And

**U.S. BANK NATIONAL ASSOCIATION,
as Paying Agent**

Relating to the

**\$(Par Amount)
CITY OF SELMA
SERIES 2017 GENERAL OBLIGATION BONDS
(SELMA POLICE STATION CONSTRUCTION PROJECT)
(BANK QUALIFIED)**

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EXHIBIT A — FORM OF BOND

PAYING AGENT AGREEMENT

This Paying Agent Agreement (the “Agreement”) is made and entered into as of July 1, 2017, by and between the City of Selma, a general law city organized and existing under the laws of the State of California (the “City”) and U.S. Bank National Association, a national banking association duly organized and existing under the laws of the United States, as Paying Agent (the “Paying Agent”);

W I T N E S S E T H:

WHEREAS, an election was duly and regularly held in the City on November 8, 2016 for the purpose of submitting to the qualified electors of said City the question whether bonds should be issued in the principal amount of not to exceed \$4,000,000 to finance the acquisition and construction of a police station and associated improvements within the City (the Project”); and

WHEREAS, more than two-thirds of the votes cast at said election were in favor of the issuance of said bonds; and

WHEREAS, pursuant to the authorization received at such election, and the authorization contained in Chapter 4 (commencing with section 43600) of Division 4 of Title 4 of the California Government Code (the “Act”), the City intends to issue Series 2017 General Obligation Bonds pursuant to the Act, a resolution adopted on May 15, 2017 (the “City Resolution”) and this Agreement in a principal amount of not to exceed \$4,000,000 (the “Bonds”); and

NOW THEREFORE, the City and the Paying Agent agree as follows:

ARTICLE I

DEFINITIONS; AUTHORITY

SECTION 1.01. Definitions.

Unless the context otherwise requires, the terms defined in this Section 1.01, as used and capitalized herein, shall, for all purposes of this Agreement, have the meanings ascribed to them below, unless the context clearly requires some other meaning.

“**Act**” means, collectively, Chapter 4 (commencing with section 43600) of Division 4 of Title 4 of the California Government Code, as in effect on the date of adoption hereof and as amended hereafter.

“**Articles**,” “**Sections**” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement, and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof.

“**Beneficial Owner**” means any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds, including persons holding Bonds through nominees or depositories including, but not limited to, through the Nominee.

“Bond Counsel” means (a) The Weist Law Firm, and (b) any other attorney or firm of attorneys of nationally recognized expertise with respect to legal matters relating to obligations the interest on which is excludable from gross income pursuant to Section 103 of the Code.

“Bond Service Fund” means the Bond Service Fund established pursuant to Section 4.04 hereof.

“Bonds” means the City of Selma, Series 2017 General Obligation Bonds (Selma Police Station Construction Project), Outstanding pursuant to this Agreement.

“Business Day” means a day which is not a Saturday or Sunday or a day on which banks in San Francisco and Los Angeles, California, and New York, New York, are not required or permitted to be closed.

“City Manager” means the City Manager of the City, or any other person authorized by resolution of the City Council to act on behalf of the City with respect to this Agreement.

“City Representative” means the Mayor, City Manager, Finance Director, and any other person authorized by resolution of the City Council of the City to act on behalf of the City with respect to this Agreement.

“City Resolution” has the meaning given to said term in the recitals hereto.

“Closing Date” means the date upon which there is an exchange of Bonds for the proceeds representing the purchase price of the Bonds by the Purchaser.

“Code” or **“Tax Code”** means the Internal Revenue Code of 1986, as amended. Any reference herein to a provision of the Tax Code shall include all applicable Regulations promulgated with respect to such provision.

“Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate dated the Closing Date and executed by the City, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Contractor” means the contractor(s) or vendor(s) from whom the City has ordered or caused to be ordered or with whom the City has contracted or caused to be contracted with respect to the construction of the Project, or any portion of the Project.

“County” means the county of Fresno, California.

“Costs of Issuance Account” means the account of that name established and held by the Paying Agent as provided in Section 4.05.

“Debt Service” means the scheduled amount of interest and principal, including principal paid pursuant to mandatory sinking fund redemption, payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

“Debt Service Fund” means the Debt Service Fund established pursuant to Section 4.02 hereof.

“Depository” means any securities depository appointed to act as Depository under Section 2.13 hereof.

“Depository System Participant” means any participant in the Depository’s book-entry system.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns. References in this Agreement to DTC shall include any Nominee of DTC in whose name any Bond is registered.

“Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the City and related parties do not own more than a ten percent (10%) beneficial interest if the return paid by the fund is without regard to the source of investment.

“Federal Securities” means Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

“Finance Director” means the Finance Director of the City, or any other person authorized by resolution of the City Council to act on behalf of the City with respect to this Agreement.

“Fitch” means Fitch Ratings, a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency selected by the City.

“Information Services” means the Electronic Municipal Market Access System (referred to as “EMMA”), a facility of the Municipal Securities Rulemaking Board, at <http://emma.msrb.org>; provided, however, in accordance with then current guidelines of the Securities and Exchange Commission, Information Services shall mean such other organizations providing information with respect to called Bonds as the City may designate in writing to the Paying Agent.

“Issuance Expenses” means all items of expense directly or indirectly reimbursable to the City relating to the execution and delivery of the Bonds, including but not limited to, filing and recording costs, settlement costs, printing costs, reproduction and binding costs, legal fees and charges, bond insurance premiums, fees and expenses of the Paying Agent, financial and other professional consultant fees, and costs of obtaining credit ratings.

“Moody’s” means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency for any reason, the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the City.

“Nominee” means the nominee of the Depository as determined from time to time in accordance with Section 2.13.

“Outstanding,” when used as of any particular time with reference to Bonds, means all Bonds except:

- (a) Bonds theretofore canceled by the Paying Agent or surrendered to the Paying Agent for cancellation;
- (b) Bonds paid or deemed to have been paid within the meaning of Section 9.03 hereof; and
- (c) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the City pursuant to the Agreement.

“Owner” or “Bondowner” means any person who shall be the registered owner of any Outstanding Bond.

“Participant” means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds Bonds as a securities depository.

“Participating Underwriter” has the meaning assigned to such term in the Continuing Disclosure Certificate.

“Paying Agent” means U.S. Bank National Association, a national banking association duly organized and existing under the laws of the United States, or any successor thereto as Paying Agent hereunder, appointed as provided herein.

“Person” means an individual, corporation, firm, association, partnership, trust or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“Principal Office” means, with respect to the Paying Agent, the corporate trust office of the Paying Agent at One California Street, Suite 2100, San Francisco, California, Attention: Corporate Trust Offices (except with respect to the payment of the principal or prepayment price of the Bonds, in which case Principal Office means Corporate Trust Offices of the Paying Agent, 60 Livingston Avenue, St. Paul, Minnesota, or such other location as designated by the Paying Agent.

“Project” means the acquisition, construction and completion of certain public improvements, consisting of a police station and associated improvements, as provided in Ordinance No. 2016-4, adopted by the City Council on August 1, 2016.

“Project Costs” means all costs of designing, constructing, installing and/or acquiring the Project, including but not limited to:

(a) all costs of payment of, or reimbursement for, acquisition, construction, installation and equipping of the Project including, but not limited to, architect and engineering fees, Contractor payments, costs of feasibility and other reports, inspection costs, performance bond premiums, and permit fees, provided that any such costs are directly related to the acquisition or improvement of real property;

(b) Issuance Expenses; and

(c) costs directly related to the administration of the funds and accounts created under this Agreement.

“Project Fund” means the Project Fund established pursuant to Section 4.01 hereof.

“Purchaser” means Hilltop Securities Inc. .

“Regulations” means temporary and permanent regulations promulgated under the Code.

“S&P” means S&P Global Ratings, a Standard & Poor’s Financial Services LLC business, New York, New York, or its successors.

“Securities Depositories” means DTC and its successors and assigns or if (a) the then Securities Depository resigns from its functions as securities depository of the Bonds, or (b) the City discontinues use of the Securities Depository, any other securities depository which agrees to follow the procedures requested to be followed by a securities depository in connection with the Bonds and which is selected by the City.

“Supplemental Agreement” means any agreement supplemental to or amendatory of this Agreement entered into in accordance with Article VIII hereof.

“Tax Certificate” means that certain certificate of such name executed by the City on the Closing Date to establish certain facts and expectations and which contains certain covenants relevant to compliance with the Code.

“Written Request of the City” means an instrument in writing signed by the City Representative.

SECTION 1.02. Authority for this Agreement. This Agreement is being entered into pursuant to the authority set forth in the Act and the City Resolution, constitutes a continuing agreement with the Owners of all of the Bonds issued or to be issued hereunder and then Outstanding, to secure the full and final payment of principal of and premiums, if any, and the interest on the Bonds, all pursuant to the provisions of the Act.

SECTION 1.03. Rules of Construction. All references in this Agreement to “Articles,” “Sections,” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement; and the words “herein,” “hereof” “hereunder,” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II
THE BONDS

SECTION 2.01. Authorization.

Bonds in the aggregate principal amount of four million dollars (\$4,000,000) are hereby authorized to be issued by the City under and subject to the terms of the Act and which may from time to time be executed and delivered hereunder, subject to the covenants, agreements, provisions and conditions herein contained. The Bonds shall be designated the “City of Selma, Series 2017 General Obligation Bonds (Selma Police Station Construction Project).”

SECTION 2.02. Terms of Bonds.

(a) **Form; Numbering.** The Bonds shall be issued as fully registered Bonds, without coupons, in the denomination of \$5,000 each or any integral multiple of \$5,000, but in an amount not to exceed the aggregate principal amount of Bonds maturing in the year of maturity of the Bond for which the denomination is specified. Bonds shall be lettered and numbered as the Paying Agent shall prescribe.

(b) **Date of Bonds.** The Bonds shall be dated the Closing Date.

(c) **CUSIP Identification Numbers.** “CUSIP” identification numbers shall be imprinted on the Bonds, but such numbers shall not constitute a part of the contract evidenced by the Bonds and any error or omission with respect thereto shall not constitute cause for refusal of the Purchaser to accept delivery of and pay for the Bonds. In addition, failure on the part of the City to use such CUSIP numbers in any notice to Owners of the Bonds shall not constitute an event of default or any violation of the City’s contract with such Owners and shall not impair the effectiveness of any such notice.

(d) **Maturities; Interest.** The Bonds shall bear interest at the rate or rates set forth below, payable on February 1 and August 1 of each year, commencing February 1, 2018 (each an “Interest Payment Date”), and shall mature and become payable as to principal on August 1 of the years and in the amounts as set forth below:

Maturity Date <u>(August 1)</u>	Principal <u>Amount</u>	Interest <u>Rate</u>
------------------------------------	----------------------------	-------------------------

Each Bond shall bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is registered and authenticated as of an Interest Payment Date, in which event it shall bear interest from such date, or (ii) it is registered and authenticated prior to an Interest Payment Date and after the close of business on the fifteenth day of the month preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (iii) it is registered and authenticated on or prior to January 15, 2018, in which event it shall bear interest from the date of original issuance and authentication of the Bonds; provided, however, that if at the time of registration and authentication of a Bond, interest is in default thereon, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Interest on the Bonds shall be calculated on the basis of a 360-day year composed of twelve 30-day months.

(e) **Payment.** Interest on the Bonds (including the final interest payment upon maturity or earlier redemption) is payable by check mailed on the applicable Interest Payment Date to the Owner thereof at his or her address as it appears on the registration books maintained by the Paying Agent at the close of business on the fifteenth (15th) day of the month preceding the Interest Payment Date, or at such other address as the Owner may have filed with the Paying Agent for that purpose; provided that an Owner of \$1,000,000 or more aggregate principal amount of Bonds, or the Owner of all of the Bonds at the time Outstanding, shall, at his or her option, receive payment of interest by wire transfer to an account in the United States of America designated by such Owner to the Paying Agent no later than the fifteenth (15) day of the month immediately preceding the applicable Interest Payment Date. Principal of the Bonds is payable in lawful money of the United States of America at the Principal Office of the Paying Agent.

SECTION 2.03. Redemption of Bonds.

(a) **Optional Redemption.** Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their respective maturity dates. Bonds maturing on or after August 1, 20__, shall be subject to redemption prior to their respective maturity dates, at the option of the City, on any date on and after August 1, 20__, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption, without premium.

(b) **Mandatory Sinking Fund Redemption.** The Bonds maturing August 1, 20__ are subject to mandatory sinking fund redemption in part, by lot, prior to their stated maturity date, on each August 1 on and after August 1, 20__, at a redemption price equal to 100% of the principal amount thereof called for redemption, plus accrued interest to the redemption date, without premium, as follows:

Redemption Date (August 1)	Principal Amount To be Redeemed
_____	_____

* Maturity

The Bonds maturing August 1, 20__ are subject to mandatory sinking fund redemption in part, by lot, prior to their stated maturity date, on each August 1 on and after August 1, 20__, at a redemption price equal to 100% of the principal amount thereof called for redemption, plus accrued interest to the redemption date, without premium, as follows:

Redemption Date (August 1)	Principal Amount To be Redeemed
_____	_____

* Maturity

(d) **Redemption Procedure.** The Paying Agent shall cause notice of any redemption to be mailed, first class mail, postage prepaid, at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption, to the respective Owners of any Bonds designated for redemption, at their addresses appearing on the Bond registration books maintained by the Paying Agent and to the Securities Depositories; but such mailing shall not be a condition precedent to such redemption and failure to mail or to receive any such notice shall not affect the validity of the proceedings for the redemption of such Bonds. The Paying Agent shall not mail any notice of redemption until it has sufficient moneys on deposit to pay the redemption price of all Bonds to be redeemed; provided, however, that such restriction shall not apply when the Bonds are redeemed with the proceeds of another obligation of the City; and provided further that in the event the Bonds are being redeemed with such proceeds, the City shall have the right to cancel the notice of redemption by providing written notice of such cancellation to the Paying Agent at least seven (7) Business Days prior to the date set for redemption.

Such notice shall state the redemption date and the redemption price and, if less than all of the then Outstanding Bonds are to be called for redemption, shall designate the serial numbers of the Bonds to be redeemed by giving the individual number of each Bond or by stating that all Bonds between two stated numbers, both inclusive, or by stating that all of the Bonds of one or more maturities have been called for redemption, and shall require that such Bonds be then surrendered at the Principal Office of the Paying Agent for redemption at the said redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

Upon surrender of Bonds redeemed in part only, the City shall execute and the Paying Agent shall authenticate and deliver to the Owner, at the expense of the City, a new Bond or Bonds, of the same maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond or Bonds.

From and after the date fixed for redemption, if notice of such redemption shall have been duly given and funds available for the payment of the principal of and interest (and premium, if any) on the Bonds so called for redemption shall have been duly provided, such Bonds so called shall cease to be entitled to any benefit under this Agreement other than the right to receive payment of the redemption price, and no interest shall accrue thereon on or after the redemption date specified in such notice.

All Bonds redeemed pursuant to this Section 2.03 shall be canceled by the Paying Agent, and a certificate of cancellation shall be submitted by the Paying Agent to the City.

SECTION 2.04. Form of Bonds.

The Bonds, the form of the Paying Agent's certificate of authentication and registration and the form of assignment to appear thereon shall be substantially in the forms, respectively, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Agreement, as are set forth in Exhibit A attached hereto.

SECTION 2.05. Execution of Bonds.

The Bonds shall be executed on behalf of the City by the manual or facsimile signature of either the Mayor, City Manager and/or Finance Director, and attested by the manual or facsimile signature of the City Clerk, who are in office on the date of execution of this Agreement or at any time thereafter, and the seal of the City shall be impressed, imprinted or reproduced by facsimile thereon. If any officer whose signature appears on any Bond ceases to be such officer before delivery of the Bonds to the Purchaser, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Bonds to the Purchaser.

Any Bond may be signed and attested on behalf of the City by such persons as at the actual date of the execution of such Bond shall be the proper officers of the City although at the nominal date of such Bond any such person shall not have been such officer of the City.

Only such Bonds as shall bear thereon a certificate of authentication and registration in the form set forth in Exhibit A attached hereto, executed and dated by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Agreement, and such certificate of the Paying Agent shall be conclusive evidence that the Bonds so registered have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of this Agreement.

SECTION 2.06. Transfer of Bonds.

Any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.08 hereof, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the Principal Office at the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. The Paying Agent shall require the payment by the Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Bond or Bonds shall be surrendered for transfer, the City shall execute and the Paying Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount.

No transfers of Bonds shall be required to be made (a) fifteen days prior to the date established for selection of Bonds for redemption or (b) with respect to a Bond after such Bond has been selected for redemption (except with respect to the unredeemed portion thereof).

SECTION 2.07. Exchange of Bonds.

Bonds may be exchanged at the Principal Office of the Paying Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. The Paying Agent shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. No exchanges of Bonds shall be required to be made (a) fifteen days prior to the date established for selection of Bonds for redemption or (b) with respect to a Bond after such Bond has been selected for redemption (except with respect to the unredeemed portion thereof).

SECTION 2.08. Bond Register.

The Paying Agent shall keep or cause to be kept sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the City upon reasonable notice; and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Bonds as herein before provided.

SECTION 2.09. Temporary Bonds.

The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the City, and may contain such reference to any of the provisions of this Agreement as may be appropriate. Every temporary Bond shall be executed by the City upon the same conditions and in substantially the same manner as the definitive Bonds. If the City issues temporary Bonds it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Principal Office of the Paying Agent and the Paying Agent shall deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits pursuant to this Agreement as definitive Bonds executed and delivered hereunder.

SECTION 2.10. Bonds Mutilated, Lost, Destroyed or Stolen.

If any Bond shall become mutilated the City, at the expense of the Owner of said Bond, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like maturity and principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Paying Agent of the Bond so mutilated. Every mutilated Bond so surrendered to the Paying Agent shall be canceled by it and delivered to, or upon the order of, the City. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the City and, if such evidence be satisfactory to the City and indemnity satisfactory to it shall be given, the City, at the expense of the Owner, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like maturity and principal amount in lieu of and in substitution for the Bond so lost, destroyed or stolen. The City may require payment of a sum not exceeding the actual cost of preparing each new Bond issued under this Section and of the expenses which may be incurred by the City and the Paying Agent in the premises. Any Bond issued under the provisions of this Section 2.10 in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the City whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Agreement with all other Bonds issued pursuant to this Agreement.

SECTION 2.11. Book-Entry System; Limited Obligation.

The Bonds may be issued in the form of a separate single fully registered Bond (which may be typewritten) for each maturity. The ownership of such Bond shall be registered in the registration books kept by the Paying Agent in the name of the Nominee as nominee of the Depository.

With respect to Bonds registered in the registration books kept by the Paying Agent in the name of the Nominee, the City and the Paying Agent shall have no responsibility or obligation to such Participant or to any Person on behalf of which such a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other Person, other than as shown in the registration books kept by the Paying Agent, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in the Bonds to be redeemed in the event the Bonds are redeemed in part, or (iv) the payment to any Participant or any other Person, other than a Nominee as shown in the registration books kept by the Paying Agent, of any principal of, premium, if any, or interest on the Bonds. The City and the Paying Agent may treat and consider the Person in whose name each Bond is registered in the registration books kept by the Paying Agent as the owner and absolute Owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on such Bond, for the purpose of giving notices of prepayment and other matters with respect to such Bond, for the purposes of registering transfers with respect to such Bond, and for all other purposes whatsoever.

The Paying Agent shall pay all principal, premium, if any, and interest with respect to the Bonds, only to or upon the order of the respective Owners, as shown in the registration books kept by the Paying Agent, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the registration books kept by the Paying Agent, shall receive a Bond evidencing the obligation of the City to make payments of principal, premium, if any, and interest pursuant to this Paying Agent Agreement. Upon delivery by the Depository to the Nominee, the Paying Agent and the City of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions regarding the payment of the principal of and interest on the Bonds set forth in Section 2.02(e), the word Nominee in this Agreement shall refer to such new nominee of the Depository.

SECTION 2.12. Representation Letter.

In order to qualify the Bonds for the Depository's book-entry system, the City shall execute, seal, countersign and deliver to such Depository a letter from the City representing such matters as shall be necessary to so qualify the Bonds (the "Representation Letter"). The execution and delivery of the Representation Letter shall not in any way limit the provisions of Section 2.12 hereof or in any other way impose upon the City or the Paying Agent any obligation whatsoever with respect to Persons having interests in the Bonds other than the Owners, as shown on the registration books kept by the Paying Agent. In the written acceptance of the Paying Agent, such Paying Agent shall agree to take all actions necessary for all representations of the City in the Representation Letter with respect to the Paying Agent to at all times be complied with. In addition to the execution and delivery of the Representation Letter, the City shall take any other actions, not inconsistent with this Agreement, to qualify the Bonds for the Depository's book-entry system.

SECTION 2.13. Transfers Outside Book-Entry System.

The City may, by written request, at any time or for any reason, remove the Depository and appoint a successor or successors thereto. In the event (i) the Depository determines not to continue to act as securities depository for any series of Bonds, or (ii) the City determines that the Depository shall no longer so act, then the City will discontinue the book-entry system with the Depository. If the City fails to identify another qualified securities depository to replace the Depository then the Bonds shall no longer be restricted to being registered in the registration books kept by the Paying Agent in the name of the Nominee, but shall be registered in whatever name or names Owners of such Bonds transferring or exchanging such Bonds shall designate, in accordance with the provisions of Section 2.06.

SECTION 2.14. Payments and Notices to the Nominee.

Notwithstanding any other provision of this Agreement to the contrary, so long as any Bond is registered in the name of the Nominee, all payments of principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed in writing by the Depository.

SECTION 2.15. Initial Depository and Nominee.

The initial Depository under this Agreement shall be DTC. The initial Nominee shall be Cede & Co., as nominee of DTC.

ARTICLE III

ISSUANCE OF BONDS; APPLICATION OF PROCEEDS; SECURITY FOR THE BONDS

SECTION 3.01. Issuance and Delivery of Bonds.

At any time after the execution of this Agreement the City may issue and deliver Bonds in the aggregate principal amount of four million dollars (\$4,000,000).

The Bonds, substantially in the form attached hereto as Exhibit A, shall be printed, signed and sealed, and delivered to the Purchaser through the Depository on receipt of the purchase price therefor and upon performance of the conditions contained in the purchase contract relating to the Bonds. The appropriate officials of the City are hereby authorized to take any and all action any of them deem reasonable in order to enable the City to execute and deliver the Bonds.

The Paying Agent is hereby authorized to deliver the Bonds to the Purchaser, upon receipt of a Written Request of the City.

SECTION 3.02. Application of Proceeds of Sale of Bonds.

Upon the receipt of payment for the Bonds, being \$_____, the proceeds thereof shall be paid to the Paying Agent, to be deposited as follows:

(a) The Paying Agent shall transfer to the City, for deposit in the Debt Service Fund, an amount representing a portion of the premium paid with respect to the Bonds, being \$ _____;

(b) The Paying Agent shall deposit \$ _____ into the Costs of Issuance Account; and

(c) The Paying Agent shall transfer to the City, for deposit in the Project Fund, the remainder of the proceeds of the Bonds, being \$ _____.

For record keeping purposes the Paying Agent may establish such funds and accounts as may be necessary to reflect such deposits.

SECTION 3.03. Validity of Bonds.

The validity of the authorization and issuance of the Bonds shall not be dependent upon the completion of the Project or upon the performance by any person of his or her obligation with respect to such Project.

SECTION 3.04. Security for the Bonds.

The Bonds are general obligations of the City and the City has the power, is obligated and hereby covenants to levy ad valorem taxes upon all property within the City subject to taxation by the City, without limitation of rate or amount (except with respect to certain personal property which is taxed at limited rates), for the payment of the Bonds and the interest thereon, in accordance with all relevant provisions of law. The City hereby covenants to direct the Board of Supervisors of Fresno County to levy and collect such ad valorem taxes in such amounts and at such times as is necessary to ensure the timely payment of Debt Service.

ARTICLE IV FUNDS AND ACCOUNTS

SECTION 4.01. Project Fund.

(a) There is hereby established with the City as a separate fund, to be maintained distinct from all other funds of the City or the Paying Agent, the Project Fund, to the credit of which a deposit shall be made as required by clause (b) of Section 3.02. Money in the Project Fund shall be held by the City and disbursed for the payment of Project Costs (or to reimburse the City for payment of Project Costs). The City shall maintain accurate records showing the timing, the amount and the payee relating to all disbursements from the Project Fund.

(b) If, upon completion of the Project, amounts remain in the Project Fund, the City shall, at its election, either: (i) transfer such amounts to the Debt Service Fund; or (ii) transfer such amounts to another project fund dedicated to the payment of Project Costs. At such time that no amounts remain on deposit in the Project Fund, the City shall close the Project Fund.

SECTION 4.02. Debt Service Fund.

There is hereby established with the City as a separate fund, to be maintained distinct from all other

funds of the City, the Debt Service Fund. Upon the receipt thereof, the City shall deposit the proceeds of the ad valorem property taxes levied to pay Debt Service in the Debt Service Fund and, if any, other moneys lawfully available to pay debt service on the Bonds as provided in Section 3.04. The City shall also deposit in the Debt Service Fund the amount required by Section 3.02(a) and any other amounts required by Section 3.04 hereof.

The Debt Service Fund shall be administered and disbursements made in the manner and in the order set forth in Section 4.03 hereof.

SECTION 4.03. Administration and Disbursements from Debt Service Fund.

All moneys in the Debt Service Fund shall be used and withdrawn by the City solely for the purpose of paying the principal of and interest on the Bonds as the same shall become due and payable. At least five (5) Business Days prior to each Interest Payment Date, commencing not later than January 27, 2017, the City shall transfer to the Paying Agent moneys on deposit in the Debt Service Fund for application by the Paying Agent on the next succeeding Interest Payment Date to the payment of principal of and interest on the Bonds.

SECTION 4.04. Bond Service Fund.

There is hereby established as a separate fund the Bond Service Fund, to be held by the Paying Agent. All moneys received by the Paying Agent from the City pursuant to Section 4.03 shall be deposited into the Bond Service Fund. The moneys on deposit in the Bond Service Fund shall be used solely to pay principal and interest on the Bonds when due.

SECTION 4.05. Costs of Issuance Account.

There is hereby established as a separate account the Costs of Issuance Account, to be held by the Paying Agent. There shall be deposited into the Costs of Issuance Account the amount specified in Section 3.02(b). The moneys in the Cost of Issuance Account shall be used solely for the purpose of the payment of Issuance Expenses upon receipt by the Paying Agent of invoices approved by the City, on or after the Closing Date. Any funds remaining in the Cost of Issuance Account on _____ 1, 2017, shall be transferred by the Paying Agent to the City, for deposit to the Debt Service Fund.

SECTION 4.06. Investment of Moneys.

(a) Subject to the provisions of Section 5.08 hereof, amounts on deposit in the Project Fund, the Debt Service Fund and the Costs of Issuance Account may be invested by the City in generally approved qualifying investment instruments for City funds, as further limited by the City's investment policy, including: (i) United States Treasury Bills, Bonds, and Notes, or those for which the full faith and credit of the United States are pledged for payment of principal and interest; (ii) Obligations issued by the United States Government Agencies such as the Government National Mortgage Association (GNMA), Federal Farm Credit Bank System (FFCB), the Federal Home Loan Bank Board (FHLB), the Federal Home Loan Mortgage Corporation (FHLMC), Fannie Mae, and the Student Loan Marketing Association (SLMA); (iii) Bills of exchange or time drafts drawn on and accepted by a commercial bank otherwise known as banker's acceptances. Purchases of banker's acceptances may not exceed 180 days to maturity; (iv) Commercial paper ranked P1 by Moody's Investor Services and A1 by Standard and Poor's, and issued by a domestic corporation having assets in excess of \$500 million and having an A or better rating on its long-term debentures as

provided by Moody's or Standard and Poor's; (v) Local Agency Investment Fund (LAIF); and Money market funds rated in the highest category of Moody's or Standard and Poor's, or administered by a domestic bank with long-term debt rated in one of the top two categories of Moody's or Standard and Poor's. Such investments shall be purchased at their Fair Market Value.

(b) Subject to the provisions of Section 5.08 hereof, amounts on deposit in the Bond Service Fund and the Costs of Issuance Account may only be invested by the Paying Agent in a money market fund registered under the Federal Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, comprised of investments described in Federal Securities or of repurchase agreements comprised of such investments, and having a rating of "AAAm-G" or "AAAm" by S&P or "AAA" by Moody's, which fund may include a fund for which the Paying Agent, its affiliates or subsidiaries provide investment, advisory or other services, and earnings on such investments shall remain in the Bond Service Fund.

(c) The City acknowledges that to the extent that regulations of the Comptroller of the Currency or other applicable regulatory agency grant the City the right to receive brokerage confirmations of security transactions, the City waives receipt of such confirmations. The Paying Agent shall furnish to the City periodic statements of account which shall include detail of all investment transactions made by the Paying Agent.

ARTICLE V

OTHER COVENANTS OF THE CITY

SECTION 5.01. Punctual Payment.

The City will punctually pay, or cause to be paid, the principal of and interest on the Bonds, in strict conformity with the terms of the Bonds and of this Agreement, and it will faithfully observe and perform all of the conditions, covenants and requirements of this Agreement and of the Bonds. Nothing herein contained shall prevent the City from making advances of its own moneys, howsoever derived, to any of the uses or purposes permitted by law.

SECTION 5.02. Extension of Time for Payment.

In order to prevent any accumulation of claims for interest after maturity, the City will not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Bonds and will not, directly or indirectly, approve any such arrangement by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the City, such claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Agreement, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have so extended or funded.

SECTION 5.03. Payment of Claims.

The City will pay and discharge, or cause to be paid and discharged, any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the project financed with

the proceeds of the Bonds which might impair the security of the Bonds. Nothing herein contained shall require the City to make any such payment so long as the City in good faith shall contest the validity of said claims.

SECTION 5.04. Books and Accounts.

The City will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the City in which complete and correct entries shall be made of all transactions relating to the project financed with proceeds of the Bonds. Such books of record and accounts shall at all times during business hours be subject to inspection by the Owners of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding, or their representatives authorized in writing.

SECTION 5.05. Protection of Security and Rights of Bondowners.

The City will preserve and protect the security of the Bonds and the rights of the Bondowners, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Bonds by the City, the Bonds shall be incontestable by the City.

SECTION 5.06. Continuing Disclosure.

The City hereby covenants and agrees that it will comply with and carry out all of the terms of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Agreement, failure of the City to comply with the Continuing Disclosure Agreement shall not be an Event of Default under Section 7.01 hereof; provided, however, any Participating Underwriter, any Owner or any Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section 5.06 and the Continuing Disclosure Certificate.

SECTION 5.07. Further Assurances.

The City will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Agreement, and for the better assuring and confirming unto the Owners of the Bonds of the rights and benefits provided in this Agreement.

SECTION 5.08. No Arbitrage.

The City shall not take, or permit or suffer to be taken by the Paying Agent or otherwise, any action with respect to the proceeds of the Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Bonds would have caused the Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code.

SECTION 5.09. Federal Guarantee Prohibition.

The City shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code.

SECTION 5.10. Private Activity Bond Limitation.

The City shall assure that the proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

SECTION 5.11. Maintenance of Tax-Exemption.

The City shall take all actions necessary to assure the exclusion of interest on the Bonds from the gross income of the Owners of the Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Bonds.

SECTION 5.12. Rebate Requirement.

The City shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of Excess Investment Earnings, if any, to the federal government, to the extent that such section is applicable to the Bonds.

SECTION 5.13. Information Report.

The Finance Director is hereby directed to assure the filing of an information report for the Bonds in compliance with Section 149(e) of the Code.

ARTICLE VI

THE PAYING AGENT

SECTION 6.01. Appointment of Paying Agent.

U.S. Bank National Association, at its Principal Office in St. Paul, Minnesota, or in such other location as approved by the City, is hereby appointed Paying Agent for the Bonds. The Paying Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Agreement, and, even during the continuance of an Event of Default, no implied covenants or obligations shall be read into this Agreement against the Paying Agent. The Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Agreement by executing and delivering to the City this Agreement.

The City may remove the Paying Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank or trust company doing business in the State of California, having (or, if such bank or trust company is a member of a bank holding company, its parent holding company has) a combined capital (exclusive of borrowed capital) and surplus of at least fifty million dollars (\$50,000,000), and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 6.01 the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Paying Agent may at any time resign by giving written notice to the City and the Bondowners

of such resignation. Upon receiving notice of such resignation, the City shall promptly appoint a successor Paying Agent by an instrument in writing. Any resignation or removal of the Paying Agent and appointment of a successor Paying Agent shall become effective upon acceptance of appointment by the successor Paying Agent.

SECTION 6.02. Paying Agent May Hold Bonds.

The Paying Agent may become the owner of any of the Bonds in its own or any other capacity with the same rights it would have if it were not Paying Agent.

SECTION 6.03. Liability of Agents.

The recitals of facts, covenants and agreements herein and in the Bonds contained shall be taken as statements, covenants and agreements of the City, and the Paying Agent assumes no responsibility for the correctness of the same, nor makes any representations as to the validity or sufficiency of this Agreement or of the Bonds, nor shall incur any responsibility in respect thereof, other than as set forth in this Agreement. The Paying Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default.

In the absence of bad faith, the Paying Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Paying Agent and conforming to the requirements of this Agreement; but in the case of any such certificates or opinions by which any provision hereof are specifically required to be furnished to the Paying Agent, the Paying Agent shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement.

The Paying Agent shall not be liable for any error of judgment made in good faith by a responsible officer unless it shall be proved that the Paying Agent was negligent in ascertaining the pertinent facts.

No provision of this Agreement shall require the Paying Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Paying Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Paying Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

SECTION 6.04. Notice to Agents.

The Paying Agent may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The Paying Agent may consult with counsel, who may be of counsel to the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its duties under this Agreement the Paying Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Paying Agent, be deemed to be conclusively proved and established by a certificate of the City, and such certificate shall be full warrant to the Paying Agent for any action taken or suffered under the provisions of this Agreement upon the faith thereof, but in its discretion the Paying Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

SECTION 6.05. Compensation, Indemnification.

The City shall pay to the Paying Agent from time to time reasonable compensation for all services rendered under this Agreement, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Agreement. A City Representative is hereby authorized to execute an agreement or agreements with the Paying Agent in connection with such fees and expenses. The City further agrees to indemnify and save the Paying Agent harmless against any liabilities, costs, claims and expenses of any kind which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or bad faith.

SECTION 6.06. Funds and Accounts.

The Paying Agent may establish such funds and accounts as it reasonably deems necessary or appropriate to perform its obligations under this Agreement.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES OF BONDOWNERS

SECTION 7.01. Events of Default.

If one or more of the following events (“Events of Default”) shall happen, that is to say:

- (a) if default shall be made by the City in the due and punctual payment of the principal of or redemption premium, if any, on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed or by declaration or otherwise;
- (b) if default shall be made by the City in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable;
- (c) if default shall be made by the City in the observance of any of the covenants, agreements or conditions on its part in this Agreement or in the Bonds contained, and such default shall have continued for a period of thirty (30) days after written notice thereof to the City Representative; or
- (d) if the City shall file a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, seeking reorganization of the City under the federal bankruptcy laws or

any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the City or of the whole or any substantial part of its property;

then, and in each and every event of default and upon written request of the Owners of not less than sixty percent (60%) in aggregate principal amount of the Bonds at the time Outstanding, the principal of all of the Bonds then Outstanding, and the interest accrued thereon, shall be declared to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Agreement or in the Bonds contained to the contrary notwithstanding.

Such declaration may be rescinded by the Owners of not less than sixty percent (60%) in aggregate principal amount of the Bonds at the time Outstanding provided the City cures such default or defaults, including the deposit with the Paying Agent of a sum sufficient to pay all principal on the respective Bonds matured prior to such declaration and all matured installments of interest (if any) on the Bonds, with interest at the rate of twelve percent (12%) per annum on such overdue installments of principal and, to the extent such payment of interest is lawful at that time, on such overdue installments of interest, so that the City is currently in compliance with all payment, deposit and transfer provisions of this Agreement, and a sum sufficient to pay any expenses incurred by the Paying Agent in connection with such default.

SECTION 7.02. Application of Funds.

All of the sums in the funds and accounts provided for in Sections 4.02 and 4.03 hereof, upon the date of the Event of Default as provided in Section 7.01 hereof, and all sums thereafter received by the Paying Agent hereunder, shall be applied by the Paying Agent in the following order upon presentation of the Bonds, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of the costs and expenses of the Paying Agent hereunder and of the costs and expenses of Bondowners in declaring such event of default, including reasonable compensation to her or their agents, attorneys and counsel;

Second, in case the principal of the Bonds shall not have become due and payable, to the payment of the interest in default in the order of the seniority of the installments of such interest, with interest on the overdue installments at the rate of twelve percent (12%) per annum (to the extent that such interest on overdue installments shall have been collected), such payments to be made ratably to the persons entitled thereto without discrimination or preference;

Third, in case the principal of the Bonds shall have become and shall be then due and payable, all such sums shall be applied to the payment of the whole amount then owing and unpaid upon the Bonds for principal and interest, with interest on the overdue principal and installments of interest at the rate of twelve percent (12%) per annum (to the extent that such interest on overdue installments of interest shall have been collected), and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such principal and interest without preference or priority of principal over interest, or interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest.

SECTION 7.03. Other Remedies of Bondowners.

Any Bondowner shall have the right, for the equal benefit and protection of all Bondowners similarly situated:

(a) by mandamus, suit, action or proceeding, to compel the City and its members, officers, agents or employees to perform each and every term, provision and covenant contained in this Agreement and in the Bonds, and to require the carrying out of any or all such covenants and agreements of the City and the fulfillment of all duties imposed upon it;

(b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Bondowners' rights; or

(c) upon the happening of any event of default (as defined in Section 7.01 hereon, by suit, action or proceeding in any court of competent jurisdiction, to require the City and its members and employees to account as if it and they were the Paying Agents of an express trust.

SECTION 7.04. Non-Waiver.

Nothing in this Article VII or in any other provision of this Agreement, or in the Bonds, shall affect or impair the obligation of the City, which is absolute and unconditional, to pay the principal of and interest on the Bonds to the respective Owners of the Bonds at the respective dates of maturity, as herein provided, or affect or impair the right of action, which is also absolute and unconditional, of such Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds.

A waiver of any default by any Bondowner shall not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of any Owner of any of the Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Bondowners by this Article VI may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners of the Bonds.

If a suit, action or proceeding to enforce any right or exercise any remedy be abandoned or determined adversely to the Bondowners, the City and the Bondowners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken

SECTION 7.05. Remedies Not Exclusive.

No remedy herein conferred upon the Owners of Bonds shall be exclusive of any other remedy and that each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or thereafter conferred on the Bondowners.

ARTICLE VIII

SUPPLEMENTAL AGREEMENTS

SECTION 8.01. Amendments Permitted.

This Agreement and the rights and obligations of the City and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Agreement pursuant to the affirmative vote at a meeting of Owners, or with the written consent without a meeting, of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 8.04. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, or (ii) permit the creation by the City of any pledge or lien upon the ad valorem taxes of the taxes superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by the Act, the laws of the State of California or this Agreement), or reduce the percentage of Bonds required for the amendment hereof. Any such amendment may not modify any of the rights or obligations of the Paying Agent without its written consent.

This Agreement and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Agreement, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

- (a) to add to the covenants and agreements of the City in this Agreement contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the City;
- (b) to make modifications not adversely affecting any outstanding series of Bonds of the City in any material respect;
- (c) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Agreement, or in regard to questions arising under this Agreement, as the City and the Paying Agent may deem necessary or desirable and not inconsistent with this Agreement, and which shall not adversely affect the rights of the Owners of the Bonds; and
- (d) to make such additions, deletions or modifications as may be necessary or desirable to assure compliance with Section 148 of the Code relating to required rebate of Excess Investment Earnings to the United States or otherwise as may be necessary to assure exclusion from gross income for federal income tax purposes of interest on the Bonds or to conform with the Regulations.

SECTION 8.02. Owners' Meetings.

The City may at any time call a meeting of the Owners. In such event the City is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof, and to fix and adopt rules and regulations for the conduct of said meeting.

SECTION 8.03. Procedure for Amendment with Written Consent of Owners.

The City and the Paying Agent may at any time adopt a Supplemental Agreement amending the provisions of the Bonds or of this Agreement or any Supplemental Agreement, to the extent that such amendment is permitted by Section 8.01, to take effect when and as provided in this Section. A copy of such Supplemental Agreement, together with a request to Owners for their consent thereto, shall be mailed by first class mail, by the Paying Agent to each Owner of Bonds Outstanding, but failure to mail copies of such Supplemental Agreement and request shall not affect the validity of the Supplemental Agreement when assented to as in this Section provided.

Such Supplemental Agreement shall not become effective unless there shall be filed with the Paying Agent the written consents of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding (exclusive of Bonds disqualified as provided in Section 8.04) and a notice shall have been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by Section 9.04. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Paying Agent prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Agreement, the City shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Agreement, stating in substance that the Supplemental Agreement has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Agreement or consents thereto). Proof of the mailing of such notice shall be filed with the Paying Agent. A record, consisting of the papers required by this Section 8.03 to be filed with the Paying Agent, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Agreement shall become effective upon the filing with the Paying Agent of the proof of mailing of such notice, and the Supplemental Agreement shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the City and the Owners of all Bonds at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period.

SECTION 8.04. Disqualified Bonds.

Bonds owned or held for the account of the City, excepting any pension or retirement fund, shall not be deemed Outstanding for the purpose of any vote, consent or other action or any calculation of Outstanding Bonds provided for in this Article VIII, and shall not be entitled to vote upon, consent to, or take any other action provided for in this Article VIII.

SECTION 8.05. Effect of Supplemental Agreement.

From and after the time any Supplemental Agreement becomes effective pursuant to this Article VIII, this Agreement shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations under this Agreement of the City and all owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and

amendments, and all the terms and conditions of any such Supplemental Agreement shall be deemed to be part of the terms and conditions of this Agreement for any and all purposes.

SECTION 8.06. Endorsement or Replacement of Bonds Issued After Amendments.

The City may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article VIII shall bear a notation, by endorsement or otherwise, in form approved by the City, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the Principal Office of the Paying Agent or at such other office as the City may select and designate for that purpose, a suitable notation shall be made on such Bond. The City may determine that new Bonds, so modified as in the opinion of the City is necessary to conform to such Owners' action, shall be prepared, executed and delivered. In that case, upon demand of the Owner of any Bonds then Outstanding, such new Bonds shall be exchanged at the Principal Office of the Paying Agent without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

SECTION 8.07. Amendatory Endorsement of Bonds.

The provisions of this Article VIII shall not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

ARTICLE IX MISCELLANEOUS

SECTION 9.01. Benefits of Agreement Limited to Parties.

Nothing in this Agreement, expressed or implied, is intended to give to any person other than the City, the Paying Agent and the Owners, any right, remedy, claim under or by reason of this Agreement. Any covenants, stipulations, promises or agreements in this Agreement contained by and on behalf of the City shall be for the sole and exclusive benefit of the Owners and the Paying Agent.

SECTION 9.02. Successor is Deemed Included in All References to Predecessor.

Whenever in this Agreement or any Supplemental Agreement either the City or the Paying Agent is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Agreement contained by or on behalf of the City or the Paying Agent shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

SECTION 9.03. Defeasance; Discharge of Agreement.

The City shall have the option to pay and discharge the entire indebtedness on all or any portion of the Bonds Outstanding in any one or more of the following ways:

(a) by paying or causing to be paid the principal of, and interest and any premium on, such Bonds Outstanding, as and when the same become due and payable;

(b) by depositing with the Paying Agent, in trust, at or before maturity, money which, together with, in the event of a discharge of all of the Bonds, the amounts then on deposit in the funds and accounts provided for in Sections 4.02 and 4.03 is fully sufficient to pay such Bonds Outstanding, including all principal, interest and redemption premiums; or

(c) by irrevocably depositing with the Paying Agent, in trust, cash and Federal Securities in such amount as the City shall determine as confirmed by an independent certified public accountant will, together with the interest to accrue thereon and, in the event of a discharge of all of the Bonds, moneys then on deposit in the fund and accounts provided for in Sections 4.02 and 4.03, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates.

If the City shall have taken any of the actions specified in (a), (b) or (c) above, and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption shall have been given as in this Agreement provided or provision satisfactory to the Paying Agent shall have been made for the giving of such notice, then, at the election of the City, and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of the funds and moneys provided for in this Agreement and all other obligations of the City under this Agreement with respect to such Bonds Outstanding shall cease and terminate. Notice of such election shall be filed with the Paying Agent. Notwithstanding the foregoing, the obligation of the City to pay or cause to be paid to the Owners of the Bonds not so surrendered and paid all sums due thereon and all amounts owing to the Paying Agent pursuant to Section 7.05 shall continue in any event.

Upon compliance by the City with the foregoing with respect to all Bonds Outstanding, any funds held by the Paying Agent after payment of all fees and expenses of the Paying Agent, which are not required for the purposes of the preceding paragraph, shall be paid over to the City.

SECTION 9.04. Execution of Documents and Proof of Ownership by Owners.

Any request, declaration or other instrument which this Agreement may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number and date of holding the same shall be proved by the registry books.

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the City or the Paying Agent in good faith and in accordance therewith.

SECTION 9.05. Waiver of Personal Liability.

No member, officer, agent or employee of the City shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

SECTION 9.06. Notices to and Demands on City and Paying Agent.

Any notice or demand which by any provision of this Agreement is required or permitted to be given or served by the Paying Agent to or on the City may be given or served by being deposited postage prepaid in a post office letter box addressed (until another address is filed by the City with the Paying Agent) to:

The City of Selma
1710 Tucker Street
Selma, CA 93662
Attn: Finance Manager

Any notice or demand which by any provision of this Agreement is required or permitted to be given or served by the City to or on the Paying Agent may be given or served by being deposited postage prepaid in a post office letter box addressed (until another address is filed by the Paying Agent with the City) to:

U.S. Bank National Association
One California Street, Suite 1000
San Francisco, CA 94111
Attn: Corporate Trust Services

SECTION 9.07. Partial Invalidity.

If any Section, paragraph, sentence, clause or phrase of this Agreement shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Agreement. The City hereby declares that it would have adopted this Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Agreement may be held illegal, invalid or unenforceable.

SECTION 9.08. Unclaimed Moneys.

Anything contained herein to the contrary notwithstanding, any moneys held by the Paying Agent in trust for the payment and discharge of the principal of, and the interest and any premium on, the Bonds which remains unclaimed for two (2) years after the date when the payments of such principal, interest and premium have become payable, if such moneys was held by the Paying Agent at such date, shall be repaid by the Paying Agent to the City as its absolute property free from any trust, and the Paying Agent shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the City for the payment of the principal of, and interest and any premium on, such Bonds.

SECTION 9.09. Applicable Law.

This Agreement shall be governed by and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

SECTION 9.10. Conflict with Act.

In the event of a conflict between any provision of this Agreement with any provision of the Act as in effect on the Closing Date, the provision of the Act shall prevail over the conflicting provision of this Agreement.

SECTION 9.11. Conclusive Evidence of Regularity.

Bonds issued pursuant to this Agreement shall constitute conclusive evidence of the regularity of all proceedings under the Act relative to their issuance and the levy of the *ad valorem* taxes securing the payment of the Bonds.

SECTION 9.12. Payment on Business Day.

In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to this Agreement is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next succeeding day which is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period from and after such date.

SECTION 9.13. Execution in Counterparts.

This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

[Signature page to follow on next page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective officers, all as of the day and year first above written.

CITY OF SELMA, CALIFORNIA

By _____

Attest:

By _____
City Clerk

U.S. BANK NATIONAL ASSOCIATION,
as Paying Agent

By _____
Authorized Officer

EXHIBIT A
FORM OF BOND

NO. R-

\$

**UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF FRESNO**

**CITY OF SELMA
SERIES 2017 GENERAL OBLIGATION BOND
(SELMA POLICE STATION CONSTRUCTION PROJECT)
(BANK QUALIFIED)**

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>DATED DATE:</u>	<u>CUSIP:</u>
%	August 1, 20	July __, 2017	

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT:

The CITY OF SELMA, a general law city duly organized and existing under and by virtue of the Constitution and laws of the State of California (the "City"), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns (the "Owner"), on the Maturity Date stated above (subject to any right of prior redemption hereinafter provided for), the Principal Sum stated above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the interest payment date next preceding the date of authentication of this Bond (unless (i) this Bond is authenticated on an interest payment date, in which event it shall bear interest from such date of authentication, or (ii) this Bond is authenticated prior to an interest payment date and after the close of business on the fifteenth day of the month preceding such interest payment date, in which event it shall bear interest from such interest payment date, or (iii) this Bond is authenticated on or prior to January 15, 2018, in which event it shall bear interest from the Issue Date stated above; provided however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on this Bond) until payment of such Principal Sum in full, at the rate per annum stated above, payable on February 1 and August 1 in each year, commencing February 1, 2018, calculated on the basis of 360-day year composed of twelve 30-day months. Principal hereof and premium, if any, upon early redemption hereof are payable at the corporate trust office of U.S. Bank National Association (the "Paying Agent"), in St. Paul, Minnesota, or in such other location as approved by the City. Interest hereon (including the final interest payment upon maturity or earlier redemption) is payable by check mailed on the applicable Interest Payment Date to the Owner at his or her address as it appears on the registration books maintained by the Paying Agent as of the close of business on the fifteenth day of the month next preceding such interest payment date, or at such other address as the Owner may have filed with the Paying Agent for that purpose.

This Bond is one of a duly authorized issue of bonds of the City designated as “City of Selma, Series 2017 General Obligation Bonds (Selma Police Station Construction Project)” (the “Bonds”), in an aggregate principal amount of four million dollars (\$4,000,000), all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, interest rates or redemption and other provisions) and all issued pursuant to the provisions of Chapter 4 of Division 4 of Title 4 of the California Government Code (the “Act”), pursuant to a resolution of the City adopted May 15, 2017 (the “Resolution”), authorizing the issuance of the Bonds and a Paying Agent Agreement dated as of July 1, 2017 (the “Agreement”) between the City and the Paying Agent. Reference is hereby made to the Resolution and the Agreement (copies of which are on file at the office of the Paying Agent) and the Act for a description of the terms on which the Bonds are issued and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Paying Agent and the rights and obligations of the City thereunder, to all of the provisions of which Resolution and Agreement the Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds have been issued to finance the costs of acquiring and constructing a new police station and related improvements within the City.

This Bond and the interest hereon and on all other Bonds and the interest thereon (to the extent set forth in the Agreement) are general obligations of the City and the City has the power, is obligated and has covenanted to levy ad valorem taxes for the payment of the Bonds and the interest thereon, in accordance with all relevant provisions of law. The City has covenanted in the Agreement to direct Fresno County to levy and collect such ad valorem taxes in such amounts and at such times is necessary to ensure the timely payment of debt service on the Bonds.

Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their respective maturity dates. Bonds maturing on or after August 1, 20__ shall be subject to redemption prior to their respective maturity dates on any date, as designated by the City and, absent any such designation, in pro rata among maturities and by lot within a maturity, from moneys provided at the option of the City, in each case on and after August 1, 20__, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption, without premium.

The Bonds maturing August 1, 20__ are subject to mandatory sinking fund redemption in part, by lot, prior to their stated maturity date, on each August 1 on and after August 1, 20__, at a redemption price equal to 100% of the principal amount thereof called for redemption, plus accrued interest to the redemption date, without premium, as follows:

Maturity Date (August 1)	Principal Amount	Interest Rate
-----------------------------	---------------------	------------------

As provided in the Agreement, notice of redemption shall be given by mail no less than thirty (30) nor more than sixty (60) days prior to the redemption date to the respective registered owners of any Bonds designated for redemption at their addresses appearing on the Bond registration books maintained by the Paying Agent, but neither failure to receive such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Agreement, interest shall cease to accrue hereon from and after the date fixed for redemption.

If an Event of Default, as defined in the Agreement, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Agreement, but such declaration and its consequences may be rescinded and annulled as further provided in the Agreement.

The Bonds are issuable as fully registered Bonds, without coupons, in denominations of \$5,000 and any integral multiple thereof. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Agreement, Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations and of the same maturity.

This Bond is transferable by the Owner hereof, in person or by his attorney duly authorized in writing, at said office of the Paying Agent in St. Paul, Minnesota, but only in the manner and subject to the limitations provided in the Agreement, and upon surrender and cancellation of this Bond. Upon registration of such transfer a new Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor.

The City and the Paying Agent may treat the Owner hereof as the absolute owner hereof for all purposes, and the City and the Paying Agent shall not be affected by any notice to the contrary.

The Agreement may be amended without the consent of the Owners of the Bonds to the extent set forth in the Agreement.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Agency or the Paying Agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), any transfer, pledge, or other use hereof for value or otherwise by or to any person is wrongful inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time and manner as required by the laws of the State of California, and that the amount of this Bond, together with all other indebtedness of the City, does not exceed any limit prescribed by any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Agreement.

This Bond shall not be entitled to any benefit under the Agreement or become valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Paying Agent.

IN WITNESS WHEREOF, the City of Selma has caused this Bond to be executed in its name and on its behalf with the facsimile signature of its [City Manager] [Finance Director], and attested by the facsimile signature of its City Clerk, all as of the Dated Date set forth above.

CITY OF SELMA, CALIFORNIA

By: _____

Attest:

By: _____
City Clerk

FORM OF PAYING AGENT'S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Agreement.

Authentication Date:

U.S. BANK NATIONAL ASSOCIATION,
as Paying Agent

By: _____
Authorized Signatory

FORM OF ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the bond register of the Paying Agent with full power of substitution in the premises.

Dated: _____

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

NOTE: Signature(s) must be guaranteed

CITY MANAGERS'S STAFF'S REPORT
CITY COUNCIL MEETING DATE:

May 15, 2017

ITEM NO:

3.

SUBJECT:

Consideration and Necessary Action on Resolution Approving and Authorizing the Mayor to Execute Joint Powers Authority Agreement, South Kings Groundwater Sustainability Agency.

DISCUSSION:

The Sustainable Groundwater Management Act (SGMA) provides for the creation of a Groundwater Sustainability Agency (GSA) which can be either a single governmental entity or a combination of governmental entities acting pursuant to a Joint Powers Authority Agreement authorized by Government Code §6500 et seq. Once established, a GSA has significant powers including the power to levy property taxes, fees and charges on groundwater extraction and to impose groundwater pumping restrictions on municipal and private users of groundwater. A GSA is formed by filing an election with the Department of Water Resources (DWR) together with a resolution declaring the intent to form that GSA, which needs to be adopted following a public hearing by the agency electing to act as a GSA. The Resolution must provide a map of the territory that is covered by the particular GSA.

For a significant period of time, the five cities of Fowler, Parlier, Kingsburg, Sanger and Selma, through staff, have been engaged in negotiations with Consolidated Irrigation District (CID) for an agreement that would allow CID to become the GSA but which would give the cities the ability to restrain CID from imposing any fees, taxes or water pumping restrictions or other requirements in addition to obligations each of these five cities is observing pursuant to a cooperative Agreement with CID, which are substantially similar from city to city, but not identical. CID essentially refuses to allow the cities to have any right to vote on actions being taken by the GSA or to provide any input to the GSA relative to the formulation and completion of a Groundwater Sustainability Plan (GSP) which the GSA is required to prepare, and which shows the conditions and use of the groundwater resource. The GSP dictates what, if any, action should be taken by a GSA to make the resource sustainable. As noted, those actions could include the imposition of taxes, fees and pumping restrictions in excess of those already required by the City of Selma's Cooperative Agreement with CID.

CID has filed an election to act as the GSA covering the territory which is shown on a map that is attached to the proposed Joint Powers Authority Agreement identified as "Consolidated ID GSA" which includes the Spheres of Influence of each of the five cities. If no competing election is

filed by any other local agency wishing to act as a GSA, within 90 days of CID's filing, which will occur on June 7, CID would become the presumed GSA having the powers of a GSA to impose fees or pumping restrictions on each and every one of these cities.

Staff involved in the lengthy process of attempting to negotiate an agreement with CID that would allow CID to act as the GSA, believe that it is ill-advised to allow CID to become the GSA without some form of an agreement which restricts the exercise of the powers of a GSA as they effect the cities. Staff of all five cities have determined that the only method by which CID can be precluded from becoming the GSA is to form their own GSA, which is allowed under the SGMA to be done by Joint Powers Authority Agreement authorized by Government Code §6500 et seq.

The map attached to the proposed agreement forming this Joint Powers Authority (JPA) shows the territory to be covered depicted in red. That territory is the Spheres of Influence (SOI) of the five cities. Having the JPA file that election to become the GSA for that territory will preclude CID from becoming the GSA over territory of the City of Selma (and the other four cities). CID, of course, remains bound by the terms of its Cooperative Agreements with each of these cities, including Selma. Unless CID files an amendment to its map to exclude the Spheres of Influence of each of the five cities which is depicted in red on the map attached to the JPA Agreement, the DWR will become involved and likely attempt to mediate the issues between the two competing GSA's. If CID did amend its map to exclude the SOI's of all five cities, it would become the GSA for the territory that surrounds all five cities.

The intention of forming the JPA and filing an election to act as GSA is to force a mediated resolution of the issues between CID and the five cities that precluded the making of an agreement which would allow CID to act as GSA; but, if CID does redraw the boundaries of its election to exclude the SOI's of all cities the GSA elected to be created by the JPA formed by this agreement would in fact become the GSA for that territory. As such, it would be required to prepare a Groundwater Sustainability Plan and a Coordination Plan with the neighboring GSA's. Engineers have estimated the City of Selma's share of that cost (which would be borne on a proportional basis among the five cities) at \$132,710.01 over the course of the next three years when those plans are due to be submitted to the DWR. As part of its negotiations with the cities, CID had agreed that each city could use money in the Replenishment Fund created by the Cooperative Agreements to pay their share of a plan to be prepared by CID, and each of the cities would propose to use those funds for that purpose in the event the entity created by the JPA did become the GSA. There is already more than sufficient funds in that Replenishment Fund to cover the City of Selma's cost of developing those plans.

Once the JPA is formed, the Board of Directors (which will consist of one Council person from each of the five cities) would adopt a resolution making an election to serve as the GSA for the territory depicted in red within the “Consolidated ID GSA” territory that is depicted in blue on the map attached to the JPA Agreement. The first meeting of that JPA Board is scheduled for 6:00 p.m. on May 25, 2017, in the City Council Chambers of the City of Fowler. Notice of a public hearing to adopt the required resolution making the JPA the GSA has been published so that it can be adopted on that date and filed with DWR before the June 7, 2017, deadline.

<u>COST:</u> <i>None,</i>		<u>BUDGET IMPACT:</u>
\$132,710.01 (over 3 years)		None, if the City is able to use the money in its Replenishment Fund created by the Cooperative Agreement.
<u>FUNDING:</u> <i>(Enter the funding source for this item in box below – if fund exists, enter the balance in the fund).</i>		<u>ON-GOING COST:</u> <i>(Enter the amount that will need to be budgeted each year in box below – if one-time cost, enter NONE).</i>
Funding Source: Replenishment Fund created by Cooperative Agreement Fund Balance: Approx. \$200,000		The \$132,710.01 expenditure will occur over the course of 3 years.

RECOMMENDATION: Adopt Resolution approving Joint Powers Authority Agreement creating South Kings Groundwater Sustainability Agency and designating Mayor as Board member representative of the City of Selma.

/s/ Neal E. Costanzo

05/12/17

Neal E. Costanzo, City Attorney

Date

/s/ David Elias

05/12/17

David Elias, City Manager

Date

RESOLUTON NO. 2017 - R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SELMA APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE AGREEMENT TO FORM A JOINT POWERS AUTHORITY, SOUTH KINGS GROUNDWATER SUSTAINABILITY AGENCY

WHEREAS, the Sustainable Groundwater Management Act (SGMA) was enacted on September 16, 2014 and is codified at Section 10720 et seq of the California Water Code; and

WHEREAS, the SGMA authorizes the creation of a Groundwater Sustainability Agency (GSA) which is required to occur on or before June 30, 2017 and the GSA can be a single governmental agency (including a city) or a combination of local agencies acting in concert pursuant to a duly approved Joint Powers Authority Agreement under Government Code §6500 et seq; and

WHEREAS, Consolidated Irrigation District filed with the Department of Water Resources an election to become the GSA for the territory within the County of Fresno that is generally located south of the boundaries of the City of Fresno West of the City of Reedley and East of the Caruthers Community Services District and which purports to include the territories covered by the Spheres of Influence of the five cities in the County of Fresno located in that area, including the cities of Fowler, Parlier, Kingsburg, Sanger and Selma; and

WHEREAS, the election filed by Consolidated Irrigation District would lead to the creation of a presumption that Consolidated Irrigation District is the GSA for the territory covered by its election, including the five cities referred to above, and vested with the powers of a GSA under the SGMA to, among other things, levy taxes, fees, charges for groundwater extraction and to impose groundwater pumping restrictions on both municipal and agricultural users and upon Public Utility Commission regulated water companies such as California Water Services Company, the water purveyor for the territory generally covered by the Sphere of Influence for the City of Selma; and

WHEREAS, Consolidated Irrigation District filed its election despite the absence of any agreement with any one or more of the five cities included within the territory covered by its election and attempts to negotiate an agreement with Consolidated Irrigation District concerning the manner in which they may exercise the powers of a GSA within the Spheres of Influence of the five cities have reached an impasse; and

WHEREAS, to preclude Consolidated Irrigation District from becoming the GSA, and exercising the powers of a GSA within the Spheres of Influence of the five cities it is necessary and advisable to form a Joint Powers Authority and to file an election to have the Joint Powers Authority act within the Spheres of Influence of each of the five cities as the GSA for such territory; and

WHEREAS, in exercise of their common powers, in order to elect to become the GSA and to appropriately spread the cost of preparing a Groundwater Sustainability Plan (GSP), it is necessary and advisable to create a Joint Powers Authority, comprised of the five cities, to be known as the South Kings Groundwater Sustainability Agency, for the purpose of acting as a separate and independent public agency and as a single GSA for the territory comprised of the Spheres of Influence of each of the five cities to carry out the powers and purposes of the SGMA, including the adoption of a GSP.

NOW, THEREFORE, be it resolved as follows:

1. The foregoing recitals are true and correct.
2. The City Council approves and authorizes the Mayor to execute on behalf of the City of Selma the agreement to form a Joint Powers Authority South Kings Groundwater Sustainability Agency that is substantially in the form of the “Joint Powers Authority Agreement” that is attached to this Resolution and incorporated by reference as Exhibit A. The Mayor is authorized to execute any changed or amended version of said Joint Powers Authority Agreement so long as such changes or amendments are acceptable to both the City Manager and City Attorney.
3. Pursuant to the provisions of Section 3.01 of the Agreement to form a Joint Powers Authority, South Kings Groundwater Sustainability Agency, the City Council designates and appoints the person occupying the position of Mayor of the City of Selma as the City of Selma’s representative as a member of the aforementioned Joint Powers Authority Agreement and as the City’s representative on the Board of Directors of the Joint Powers Authority created by the attached Agreement, Exhibit A. The Mayor Pro Tem shall serve as the alternate member of the Joint Powers Authority Board.
4. Staff is directed to take all necessary actions and is authorized to execute all necessary documents to complete the formation of the Joint Powers Authority, and to cause it to file an election to act as the Groundwater Sustainability Agency for the area depicted in red on the map attached to the Joint Powers Authority Agreement, Exhibit A.

The foregoing Resolution was duly approved this 15th day of May, 2017 by the following vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

Michael Derr Mayor of the City of Selma

ATTEST:

Reyna Rivera City Clerk of the City of Selma

AGREEMENT TO FORM A JOINT POWERS AUTHORITY SOUTH KINGS GROUNDWATER SUSTAINABILITY AGENCY

THIS AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 2017 ("Effective Date") between the cities of Fowler, Kingsburg, Parlier, Sanger, and Selma, hereinafter referred to individually as "Member" and collectively as "Members."

RECITALS

WHEREAS, on September 16, 2014, the Governor of the State of California signed three (3) bills (SB 1168, SB 1319, and AB 1739) into law creating the Sustainable Groundwater Management Act ("SGMA"), which is codified at section 10720, *et seq.*, of the California Water Code; and

WHEREAS, SGMA authorizes the formation of an entity called a Groundwater Sustainability Agency ("GSA"), by any local agency or combination of local agencies overlying a groundwater basin; and

WHEREAS, the Members overly the Kings Sub-Basin of the San Joaquin Valley Basin Sub-Basin; ID 5-022.08 (2016 Department of Water Recourses Bulletin 118) (the "Sub-Basin") an unadjudicated groundwater basin; and

WHEREAS, the Members desire to form a sub-basin GSA referred to herein as the South Kings Groundwater Sustainability Agency ("SKGSA") the boundaries of which are depicted on Exhibit "A" attached hereto, and incorporated by this reference herein; and

WHEREAS, each of the Members to this Agreement is a local entity with either water supply, water management, or land use responsibilities within the SKGSA and is qualified individually to serve as a GSA under the provisions of SGMA; and

WHEREAS, under the provisions of SGMA, a combination of local agencies may elect to form a GSA through a joint powers agreement; and

WHEREAS, the Joint Exercise of Powers Act (Government Code section 6500, *et seq.*) provides that two or more public agencies may by agreement jointly exercise any powers common to those agencies and may by that agreement create an entity separate from the Members to the Agreement; and

WHEREAS, each Member signing this Agreement is a public entity duly organized and operating under the laws of the State of California and/or a public agency as defined in Government Code section 6500 and Water Code section 10721; and

WHEREAS, the Members intend by this Agreement to create a joint powers authority, the SKGSA, for the purpose of acting as a separate and independent public agency and as a single GSA for this area, set forth in the Exhibit "A" to carry out the

powers and purposes of SGMA including, the adoption of a Groundwater Sustainability Plan (“GSP”).

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions herein and including the Recitals, which are a substantive part of this Agreement, the Members agree as follows:

Article I: Definitions

As used in this Agreement, unless the context requires otherwise, the meaning of the terms hereinafter set forth shall be as follows:

“Act” shall mean the Sustainable Groundwater Management Act of 2014 and all regulations adopted under the legislation (SB 1168, SB 1319, and AB 1739) which collectively comprise the Act, as that legislation and regulations are or may be amended from time to time.

“Authority”, “Agency,” or “SKGSA” shall mean the South Kings Groundwater Sustainability Agency Joint Powers Authority, which is the public and separate legal entity created by this Agreement.

“Board of Directors” or “Board” shall mean the governing body of the Authority as established by Section 3.01 of this Agreement.

“Fiscal Year” shall mean that period of twelve (12) months established as the Fiscal Year of the Authority by the Board of Directors.

“Groundwater Sustainability Agency” or “GSA” shall mean an agency enabled by the Act to regulate all or a portion of a subbasin in a coordinated manner with all other surrounding Groundwater Sustainability Agencies in compliance with the terms and provisions of the Act.

“Groundwater Sustainability Plan” or “GSP” shall mean the plan developed, adopted and implemented by the Authority in accordance with the Act.

“Member” or “Members” shall mean any of the signatories to this Agreement individually (“Member”) or collectively as (“Members”).

“Kings Sub-Basin” shall mean a sub-basin of the San Joaquin Valley Basin as described in the Department of Water Resources 2016 Bulletin 118 and identified by the Sub-Basin ID No. 5-022.08.

“South Kings Sub-Basin” shall mean the area depicted on Exhibit A.

Article II: Creation of Authority

Section 2.01 – Creation.

- A. Pursuant to Government Code section 6500, et seq., and specifically section 6503.5, the Members of this Agreement hereby create a public entity separate and independent from the Members.
- B. Pursuant to Government Code section 6509, the City of Sanger is the designated agency with respect to the Authority's exercise of power.
- C. Within thirty (30) days after the Effective Date of this Agreement and after any amendment, the Authority shall cause a notice of such Agreement or amendment to be prepared and filed with the office of the California Secretary of State containing the information required by Government Code section 6503.5.
- D. Within seventy (70) days after the Effective Date of this Agreement, the Authority shall file with the Secretary of State on a form prescribed by the Secretary of State and also with the county clerk of each county in which the Authority maintains an office, a statement of the following facts:
 - 1. The full legal name of the Authority.
 - 2. The official mailing address of the governing body of the Authority.
 - 3. The name and residence or business address of each member of the governing body of the public agency.
 - 4. The name, title, and residence or business address of the chairman, president, or other presiding officer, and clerk or secretary of the governing body of the Authority.
- E. Within ten (10) days after any change in the facts listed in section 2.01(C), the Authority shall file an amended statement as required in Government Code section 53051.
- F. The Members, pursuant to their joint exercise of powers, hereby create a public entity to be known as the "South Kings Groundwater Sustainability Agency."

Section 2.02 - Purpose

- A. To create a Joint Powers Authority ("JPA") separate from its members that will elect to be the GSA for a portion of the Kings Sub-Basin described herein as the SKGSA.
- B. To develop, adopt, and implement a GSP in order to implement the requirements of and achieve the sustainability goals set forth in SGMA.

- C. To enter into a coordination agreement or similar agreement with other GSAs within the Kings Sub-Basin in order to meet the requirements of and achieve the sustainability goals set forth in the SGMA.

Section 2.03 – Powers.

The Agency is hereby authorized, in its own name, to do all acts necessary to exercise all of the powers for a GSA authorized under SGMA and necessary to satisfy the requirements of SGMA.

Section 2.04 – Water Rights.

As provided in Water Code section 10720.5, the Authority and all of its Members confirm that that groundwater management under this Authority shall be consistent with Section 2 of Article X of the California Constitution, and that any GSP adopted by the Authority shall not determine or alter surface water rights or groundwater rights under common law or any provision of law that determines or grants surface water rights or groundwater rights.

Section 2.05 - Obligations of the Authority.

No debt, liability or obligation of the Authority shall constitute a debt, liability or obligation of any of its Members, appointed members of the Board of Directors or their alternates, or committee members.

Section 2.06 - Restrictions on Exercise of Powers.

Pursuant to Government Code §6509 *et.seq.*, the powers of the Authority shall be exercised and restricted in the same manner as those imposed upon the City of Sanger.

Section 2.07 – Member Land Use Authority

A Member's land use authority, including, without limitation, the Member's general plan, is not superseded by the authority granted the Authority under SGMA as the exclusive GSA for the GSA Management Area or by a GSP approved by the State.

Article III: Governing Body

Section 3.01 – Board of Directors.

- A. The Board of Directors. The Board shall consist of five Directors, and each Member shall appoint one Director. Directors shall be elected officials who have been appointed to serve on the Authority's Board by their respective city councils. Filling a vacancy of a Director's seat is the responsibility of the Member who is represented by that Director's seat on the Board.

- B. Term. All Board terms shall be two (2) years. For initiation of the Board, three seats shall be three (3)-year terms. The Member seats with an initial three-year term shall be those for the City of Sanger, City of Kingsburg, and the City of Selma.
- C. Alternate Directors. Each Member may identify up to two alternates to serve on the Member's behalf on the Board. Alternates need not be elected officials, but must be an authorized representative of the Member.
- D. Removal. If the Board of Directors determines that reasonable cause exists to remove a Director from the Board, it can request that the Member who appointed the Director remove the individual and appoint a new Director.

Section 3.02 – Meetings of the Board.

The Board shall provide for the calling and conducting of its regular Board Meetings and Special Meetings in accordance with Government Code section 54950, *et seq.*

Section 3.03 – Minutes.

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

Section 3.04 – Voting.

Each founding Member shall have one (1) vote on the Board.

Section 3.05 – Quorum; Required Votes; Approval.

A quorum of the Board for convening of any meeting shall consist of a majority of all Member Directors, or in the absence of a Member Director, such Directors designated alternate. A quorum of the Board must be present at the time of any vote on any matter before the Board. An affirmative vote of at least a majority of all Directors, or designated alternate Director(s) present in a quorum of the Board, shall be required for any action of the Board. Notwithstanding the forgoing, approval of the following matters will require a super-majority of the entire Board as set forth below:

1. Adoption or Amendment of GSP: Unanimous vote.
2. Annual operating budget: Four affirmative votes.
3. Imposition of any fee, charge, or rate: Unanimous vote.
4. Imposition of any cost sharing contribution on Members: Unanimous vote.
5. Bylaws: Four affirmative votes.
6. Removal of Member: Four affirmative votes.

7. Incur debt, liabilities, or obligations: Four affirmative votes.
8. Amendment of this Agreement: Unanimous vote.
9. Authorization to participate in litigation or other legal proceedings: Four affirmative votes.

Section 3.06 - Conflicts of Interest.

The Authority shall adopt a Conflict of Interest Code.

Article IV: Committees

Section 4.01 – Committee Formation

Committees may be formed by the Board in order to advise the Board on all matters that fall within the scope of the particular committee's assignment. Committees may be standing or *ad hoc* Committees. Committees shall meet as often as directed by the Board or if no such direction is given, as often as necessary, as determined by the Chair of the Committee.

Section 4.02 – Standing Committees

Two (2) Standing Committees shall be formed as soon as reasonably practical, but no event later ninety (90) days of formation of the Authority as follows:

- A. Advisory Committee. The Board shall create an Advisory Committee for the purpose of conducting community outreach and involvement to insure that the interests of all beneficial users and interested persons are considered by the Authority in the conduct of its purpose including, but not limited to, the formation and implementation of a GSP. The Advisory Committee shall make recommendations to the Board.
- B. Technical Advisory Committee. The Board shall form a Technical Advisory Committee which will be composed of one (1) person appointed by each member and any additional persons appointed by the Board.

Article V: Officers

Section 5.01 – Chair and Vice Chair.

The Board shall elect a Chair and a Vice Chair from among the Directors to serve for one year. The Chair and Vice Chair shall serve at the pleasure of the Board and shall perform the duties normally required of said Officers:

- A. The Chair shall preside at and conduct each meeting of the Board; represent the Board as directed by the Board; and perform such other duties as may be imposed by the Board; and may sign all contracts and agreements as approved by the Board.

- B. The Vice Chair shall act and perform all of the Chair's duties in the absence of the Chair.

Section 5.02 – Secretary.

The Board shall appoint a Secretary. The appointment may be from among the employees of the Authority, or if no such employees exist, a consultant. The Secretary shall serve at the pleasure of the Board. The Secretary shall act on behalf of the Authority and perform such other duties as may be imposed by the Board. The Secretary may sign agreements for the Authority when authorized by the Board.

Section 5.03 – Treasurer - Auditor; Custodian of Records.

- A. Treasurer - Depositary. The City of Sanger shall be the Depositary and custodian of all the money of the Authority from whatever source and shall have the duties and obligations of the Treasurer as set forth in Government Code sections 6505 and 6505.5.
- B. Auditor. The Board may also appoint a separate Auditor for the purpose of conducting audits of the Authority's financial records as determined by the Board.
- C. Officer in Charge of Records; Funds; and Accounts. Pursuant to Government Code section 6505.1, the City of Sanger shall have charge of, handle and have access to all accounts, funds, and money of the Authority and all records of the Authority relating thereto; and The Secretary shall have charge of, handle and have access to all of the records of the Authority.
- D. Bonding. Pursuant to Government Code sections 6505.1 and 6505.5 the Treasurer-Depositary, Custodian of Records, Secretary, or other persons having access to property shall file an Official Bond in an amount to be fixed by the Board.

Section 5.04 – Employees and Consultants.

The Board may hire Employees and Consultants including Engineers, Accountants and Attorneys, to provide services and advise to the Authority to accomplish the purposes of the Authority.

Article VI: Accounts, Reports and Funds

Section 6.01 – Accounts and Reports.

The Authority shall establish and maintain such funds and accounts as may be required by good accounting practice. The books and records of the Authority shall be open to inspection at all reasonable times by the public and representatives of Members. The Authority, within 120 days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to the Members.

Section 6.02 – Fiscal Year.

The Fiscal Year of the Authority shall be from July 1 through June 30 of each year.

Section 6.03 – Annual Budget.

The Board shall adopt a budget for the Authority on an annual basis. Members shall make contributions that are included in the budget adopted by the Board. A Director's affirmative vote to approve the budget does not constitute consent to finance or otherwise participate in any project or projects within that budget.

Sections 6.04 –Reimbursement for Expenditures

It is the intent of the Members that the advancement of monies by any Members for expenses of the operational needs of the Authority shall be reimbursed from the proceeds of grants, if grant funds are obtained and such reimbursement is allowable under the terms of any grant agreement.

Section 6.05 – Assessment of Members

The Board may vote to assess Members and/or entities within its jurisdiction for a share of the costs incurred by the Authority which are anticipated to be incurred by the Authority. The Board shall comply with all legal requirements for the imposition of such assessments. At the discretion of a majority of the Board of Directors, any Member failing to timely pay an assessment may lose its privilege to vote on any item presented to the Board, until such assessment is paid.

Section 6.06 – Other Revenue.

The Board may approve other revenue, as deemed necessary by the Board, in any form permissible by SGMA or any other provision of law.

Article VII: Separate Entity; Liabilities

Section 7.01 – Separate Entity

In accordance with California Government Code Sections 6506 and 6507, the Authority shall be a public entity separate from the Members. To the greatest extent permitted by law, unless otherwise specifically agreed herein by all Members as to a specific debt, liability and/or obligation, the debts, liabilities and obligations of the Authority shall not be debts, liabilities or obligations of the Members under Government Code section 6508.1. The Authority shall own and hold title to all funds, property and works acquired by it during the term of this Agreement.

No Member has the power to obligate any other Member hereof, and no Member debt, liability, or obligation due any third party may be asserted or collected against this Authority, the GSA, or any individual Member as a result of membership in this GSA by and among the Members.

The Authority may acquire such policies of directors and officers liability insurance and in such amounts as the Board of Directors shall deem prudent.

To the extent authorized under California law, no Director, officer or employee of the Authority shall be responsible for any action made, taken, or omitted, by any other Director, officer or employee.

Section 7.02 – Liabilities of the Authority/Indemnity.

- A. The Authority, and those persons, agencies and instrumentalities used by perform the functions authorized herein, whether by contract, employment or otherwise, shall be exclusively liable for any/all injuries, costs, claims, liabilities, damages of whatever kind arising from or related to activities of the Authority.
- B. The Authority shall indemnify, defend, and hold harmless the Members, and their officers, agents, and employees, including those appointed to the Board of Directors as Directors or Alternates, as follows: From and against any and all claims and losses whatsoever, including for damage, injury, or death, occurring in connection with the Authority's performance of its obligations under this Agreement. In so doing, the Authority shall provide the Members, and each of them, with legal defense of any and all such claims or liabilities, and shall pay reasonable attorney's fees and costs incurred in providing such defense. Nothing herein shall limit the right or ability of the Authority to purchase insurance or to create a self-insurance mechanism to provide coverage for the foregoing indemnity.
- C. Funds of the Authority may be used to defend, indemnify, and hold harmless the Authority, the Members, and any officers, agents, and employees of the Authority and/or the Members, for their actions taken within the scope of their duties while acting on behalf of the Authority.

Article VIII – Membership

Section 8.01 – Other Members.

The Board may vote to approve other entities to be a Member of the Authority. Such approval may come with or without voting rights for the new Member.

Section 8.02 – Removal of Members

The Board may vote to remove a Member, as set forth in Article III, based on a Member's breach of any material term of this Agreement, and the failure to cure that breach within sixty (60) days written notice. A terminated Member shall remain liable for any obligation under this Agreement incurred prior to the date of termination.

Article IX – Term; Termination; Withdrawal

Section 9.01 – Term.

The Members hereby agree to establish the Authority to last in perpetuity, or as long as SGMA remains the law in the State of California.

Section 9.02 – Termination.

This Agreement may be rescinded, and the Authority, terminated by unanimous written consent of all Members.

Section 9.03 – Withdrawal of Member.

A Member may terminate its membership in the Authority at any time upon giving sixty (60) days written notice of withdrawal to the Authority. Such notice shall be given to the Board of Directors. The effective date shall be the conclusion of the first Board Meeting date following the written notice. Any Member who withdraws shall remain obligated to pay share of all debts, liabilities, and obligation incurred or accrued through the effective date. Such withdrawal does not in any way impair any contracts, resolutions, indentures or other obligations of the Authority then in effect. In the event of a disagreement between the Authority and the withdrawing Member as to whether such withdrawal shall cause the impairment of any contracts, resolutions, indentures, or other obligations of the Authority, such determination shall be made by a majority vote of the Board of Directors. Any Member that withdraws and later seeks reinstatement to the Authority shall provide funds to the Authority, proportionate to their responsibility, as if the Member had never left the Authority.

A withdrawing Member shall in all events remain liable for its proportionate share of (i) its full amount of the adopted fiscal year budget; (ii) any call for funds or assessment levied by the Authority prior to the date it provides its notice of withdrawal; (iii) any contribution in existence at the time the subject act or omission occurred; and (iv) the amount of any annual budget approved prior to the date it provides its notice of withdrawal.

Should a Member choose to withdraw from the Authority in accordance with the terms of this Agreement, that Member expressly retains the right to serve as the GSA for the portion of the groundwater basin underlying its jurisdictional boundaries to the extent permitted by the Act.

Section 9.04 – Disposition of Assets.

Upon termination of the Authority, any assets shall be returned to the Members in the same proportion said Members have funded such assets, reserves or surplus, in accordance with Government Code section 6512. The disposition of assets shall be calculated by quantifying the total contribution made by the Member since the inception of the Authority, and not based on contributions received in the last calendar year prior to termination.

Article X –Miscellaneous Provisions

Section 10.01 – Amendment.

This Agreement may be amended from time to time by the unanimous vote of all of the Members.

Section 10.02 – Severability and Validity of Agreement.

Should the participation of any Member to this Agreement, or any part, term or provision of this Agreement be decided by the courts or the legislature to be illegal, in excess of that Member's authority, in conflict with any law of the State of California, or otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms or provisions of this Agreement shall not be affected thereby and each Member hereby agrees it would have entered into this Agreement upon the same terms as provided herein as if that Member had not been party to in this Agreement.

Section 10.03 – Assignment.

Except as otherwise provided in this Agreement, the rights and duties of the Members to this Agreement may not be assigned or delegated without the approval of the Board of Directors.

Section 10.04 – Execution In Parts Or Counterparts.

This Agreement may be executed in parts or counterparts, each part or counterpart being an exact duplicate of all other parts or counterparts, and all parts or counterparts shall be considered as constituting one complete original and may be attached together when executed by the Members hereto. Facsimile and electronic signatures shall be binding.

Section 10.05 – Notices.

Notices authorized or required to be given pursuant to this Agreement shall be in writing and shall be deemed to have been given when mailed, postage prepaid, or delivered during working hours to the addresses set forth for each of the Members beneath their signatures on this Agreement, or to such other changed addresses communicated to the Authority and the Members in writing.

Section 10.06 – Governing Law and Venue.

This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of California, excluding any conflict of laws rule which would apply the law of another jurisdiction. Venue for purposes of the filing of any action regarding the enforcement or interpretation of this Agreement and any rights and duties hereunder shall be Fresno County, California. The parties to this Agreement hereby expressly waive any

right to remove any action to a county other than Fresno County as permitted pursuant to California Code of Civil Procedure section 394.

Section 10.07 – Dispute Resolution.

The Members agree that any dispute regarding the enforcement or interpretation of any term, covenant or condition of this Agreement (“Dispute”) shall first, for a period of not less than thirty (30) days, be submitted to mediation before a mutually acceptable mediator prior to initiation of litigation or any other binding arbitration or adjudicative dispute resolution process. The Members shall: (i) mediate in good faith; (ii) exchange all documents which each believes to be relevant and material to the issue(s) in the Dispute; (iii) exchange written position papers stating their position on the Dispute and outlining the subject matter and substance of the anticipated testimony of persons having personal knowledge of the facts underlying the Dispute; and (iv) engage and cooperate in such further discovery as the Members agree or mediator suggests may be necessary to facilitate effective mediation. Each Member shall bear its own costs, fees and expenses of the mediation. Venue of the mediation shall be a mutually agreeable city within Fresno County, California.

Section 10.08 – Attorney Fees.

If any Member commences any proceeding or legal action to enforce or interpret any term, covenant or condition of this Agreement, the prevailing Member in such proceeding or action shall be entitled to recover from the other Member(s) its reasonable attorney’s fees and legal expenses.

Section 10.09 – Insurance.

The Authority shall obtain Insurance for all Members, appointed Members, and Committee Members, including, but not limited to, Directors and Officers liability insurance and general liability insurance containing policy limits in such amounts as the Board of Directors shall deem will be necessary to adequately insure against the risks of liability that may be incurred by the Authority.

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IN WITNESS WHEREOF, the Members hereto, pursuant to resolutions duly and regularly adopted by their respective governing boards, have caused their names to be affixed by their proper and respective officers as of the day and year first above-written.

NAME OF MEMBER:

By: _____

Its:

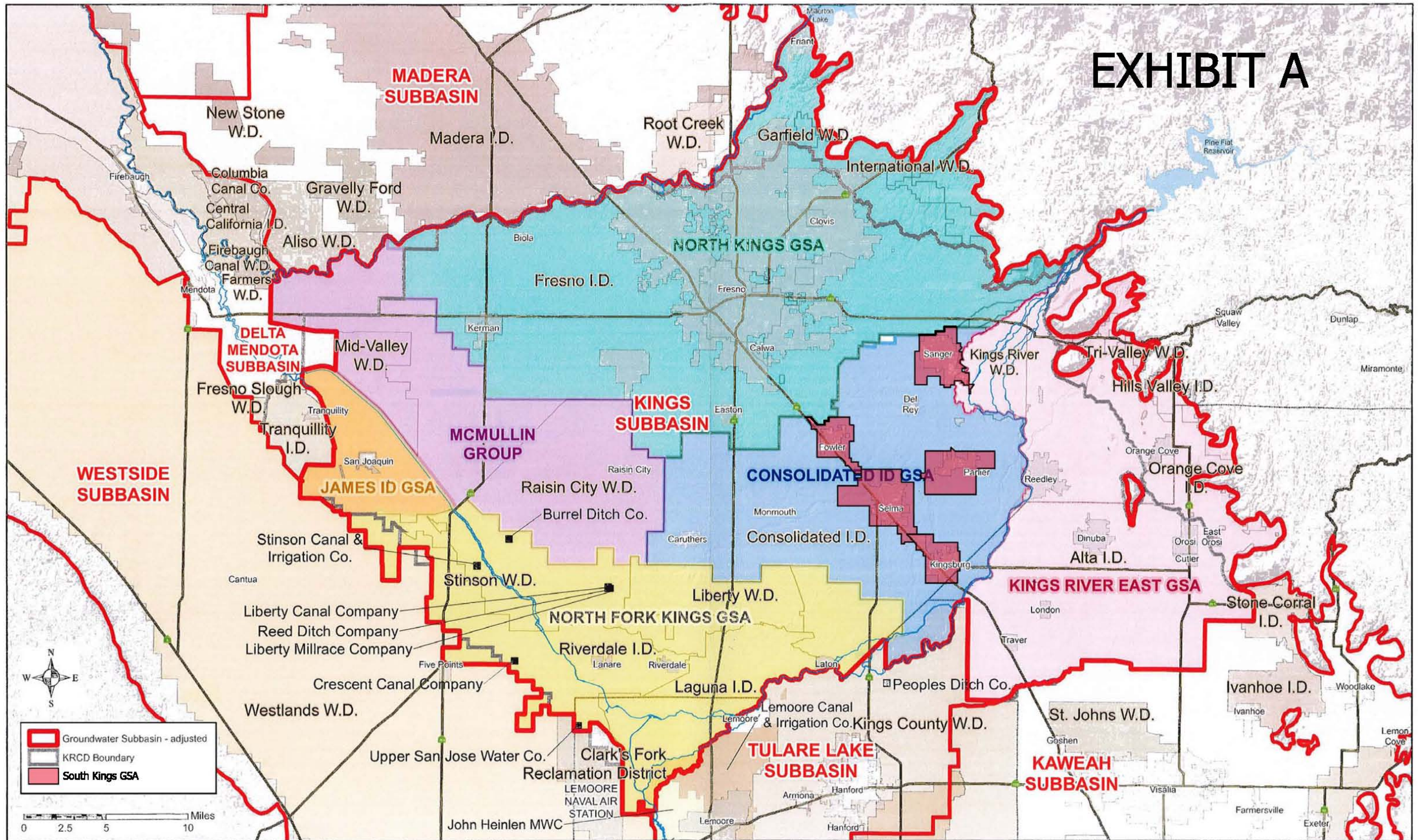
Member's Address:

Dated: _____

EXHIBIT "A"

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EXHIBIT A



**CITY MANAGER'S/STAFF'S REPORT
CITY COUNCIL MEETING:**

May 15, 2017

ITEM NO:

4.

SUBJECT:

Resolution approving the levy and collection of the annual assessment for services rendered in the Landscaping and Lighting Maintenance District (LLMD) No. 1 in the City of Selma for the 2017-2018 fiscal year.

DISCUSSION:

At the March 20, 2017 Council meeting, Resolution No. 2017-14 R, Initiating Proceedings for Levy and Resolution No. 2017-15 R, Intention to Levy & Collect were passed.

A Public Hearing has been scheduled for May 15, 2017, and noticed accordingly.

Tonight, following the Public Hearing, Staff is requesting the approval of the resolution to approve the report for levy and collection of the annual assessment for fiscal year 2017-2018.

CITY OF SELMA

1710 TUCKER STREET • SELMA, CALIFORNIA 93662

Dear Property Owner:

This notice explains the proposed Landscaping & Lighting Maintenance District assessment increase for residents within the City of Selma. The proposed assessment increase will be recommended to the Selma City Council at the date, time and location specified below in the Notice of Public Hearing.

Esta notificación describe en detalle la propuesta para aumentar la tarifa municipal la cual le da servicio a su propiedad. Favor de pedirle a alguien que se lo traduzca si usted no entiende o lee ingles.

NOTICE OF PUBLIC HEARING

Public Hearing for the proposed LLMD assessment increase will be held on:

Date: Monday, May 15, 2017

Time: 6:00 p.m., or as soon as possible thereafter

Place: City of Selma City Hall, Council Chambers, 1710 Tucker Street, Selma, CA 93662

This notice has been sent to all property owners who own property in an LLMD zone in the City of Selma. If adopted, the LLMD assessment increase will become effective July 1, 2017. This notice also describes how to file a protest against the proposed assessment increase.

WHAT IS THE PROPOSED LLMD ASSESSMENT FOR 2017-2018?

<u>Zone #</u>	<u>Zone Name</u>	<u>2016/2017 Assessment per lot</u>	<u>Proposed 2017/2018 Assessment per lot</u>	<u>Increase/Decrease per lot</u>
1	Nelson East	\$99.70	\$110.72	\$11.02
2	Nelson West	\$124.32	\$134.06	\$9.74
3	Dinuba-Thompson	\$87.00	\$104.41	\$17.41
4	Dancer Meadows	\$102.90	\$114.81	\$11.91
5	Suncrest	\$115.62	\$138.66	\$23.04
6	Blossom Ranch	\$103.10	\$102.30	(\$0.80)
7	Sundance	\$86.80	\$99.30	\$12.50
8	Rosewood Estates	\$119.76	\$139.96	\$20.20
9	Vineyard Estates	\$0.00	\$85.03	\$85.03
11	Royal Country Estates	\$116.86	\$124.52	\$7.66

WHY ARE LLMD ASSESSMENTS BEING INCREASED?

To continue the City of Selma's long tradition of providing reliable service to our citizens, assessment increases are needed to cover increasing operational costs.

NOTE TO RESIDENTIAL PROPERTY OWNERS:

In the City of Selma, the LLMD assessment is the responsibility of the property owner. The LLMD assessment is included on the Fresno County Property Tax bill as a special assessment. Owners are entitled to submit a written protest and either you or your representative may appear at the LLMD assessment protest hearing.

HOW DO I PROTEST THE PROPOSED RATE INCREASE?

Under Proposition 218, if you are the owner of record for a parcel or parcels subject to the proposed assessment change, you may submit a written protest against the proposed LLMD assessment increase to the City Clerk at or before the time set for the public hearing. If written protests are filed by a majority (51%) of the affected property owners, the applicable proposed assessment increase will not be imposed.

Written protests regarding the proposed assessment change may be mailed to: City Clerk, City of Selma, 1710 Tucker Street, Selma, CA 93662. Written protests may also be personally delivered to the City Clerk at this address. To be valid, a protest must be in writing and received by the City Clerk on or before the time of the protest hearing.

You may obtain more information on the assessment increase by contacting the City of Selma – Joan Ferrales, Administrative Assistant, Public Works Department at (559) 891-2215.

RESOLUTION NO. 2017- R

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF SELMA APPROVING THE REPORT FOR LEVY AND
COLLECTION OF THE ANNUAL ASSESSMENT FOR SERVICES RENDERED IN
THE LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT No. 1
IN THE CITY OF SELMA**

WHEREAS, the City Engineer has prepared a CITY ENGINEER'S REPORT on Landscaping and Lighting Maintenance District No.1 in the City of Selma, a copy of which is on file with the City Clerk; and

WHEREAS, the City Council of said City held a public hearing on the 15th day of May, 2017, at which time interested persons were invited to appear and be heard on the question of the levy and collection of the proposed assessments.

NOW, THEREFORE, BE IT RESOLVED, that any and all protests to the levy and collection of assessments in and to parcels in the Landscaping and Lighting Maintenance District No. 1, be and are hereby denied; and

BE IT FURTHER RESOLVED, that the assessments set forth in the said revised City Engineer's Report be and are hereby levied to and against the designated parcels in the said district as set forth in the said report; and

BE IT FURTHER RESOLVED, that the City Clerk of said City be and is hereby directed to file and record the City Engineer's Report of assessments to the appropriate offices of the County of Fresno for collection upon the tax rolls of the said County.

The foregoing Resolution was duly approved by the Selma City Council at a regular meeting on the 15th day of May, 2017, by the following vote, to wit:

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSTAIN:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:

Michael Derr
Mayor of the City of Selma

ATTEST:

By: _____
Reyna Rivera
City Clerk



Selma Police Department

POLICE DEPARTMENT BI-WEEKLY COUNCIL UPDATE (4/28/17 – 5/12/17)

CRIME TRENDS

- Over the last 14 days, the city of Selma saw a **44%** drop in overall crime, which continued a trend from the previous two (2) weeks that saw a **27%** drop in crime. Only two (2) violent crimes (1 robbery, one domestic violence offense) were reported in the city during this period, a **66%** reduction. Property crime also fell by **38%**, with significant drops in reported burglaries (**-33%**), vehicle burglaries (**-42%**), and auto theft (**-50%**). During the last month, Selma had only three (3) reported auto thefts, the lowest total in several months.

RAISIN FESTIVAL UPDATE

- From a police perspective, the recently completed Raisin Festival was extremely successful. There were no major crime-related incidents throughout the 5-day run of the event. We made two (2) arrests for subjects with outstanding warrants, one (1) arrest for public intoxication, contacted (and expelled) 51 gang members or associates (many of whom were identified as being non-Selma residents) without incident over the 5 days, and returned seven (7) lost children to their parents.

SIGNIFICANT CALLS FOR SERVICE

- On May 3rd, at 1:14pm, officers were dispatched 2734 Whitson Ave, Advance America Check Cashing Service, for a robbery that had just occurred. The suspect described as a Hispanic male wearing a black long sleeve T-shirt blue jeans and brown work boots with a ponytail and a black baseball cap. He entered the business with a 6 inch knife and jumped the counter grabbing a clerk by the hair and pushing her to the ground and demanding money. He took the clerk to the register where he opened it and removed money and placed it in his pocket, he then instructed a second clerk to empty the register at her counter. The clerk gave him the money to the suspect. The suspect then let go of the clerk and jump the counter and left the business. Video from inside the business is being reviewed and detectives will investigate the case.
- On May 8, at 7:04pm, Officers responded to a single vehicle traffic collision on the 3100 block of Whitson. Upon arrival, Officers found a black 1999 Ford Ranger pickup



Selma Police Department

on fire after it had struck one of the trees along the West side of the roadway. The truck was on fire and the driver was unable to get out of the truck. Attempts were made to put out the fire but when the gas tank ruptured the officers were forced to withdraw and the truck became fully engulfed in flames. Through witnesses it was determined that the Ford truck was traveling southbound on Whitson from Highland. The truck had just run the red light at a high rate of speed, failed to turn with the roadway, and pulled onto the dirt shoulder near the center median. As the driver tried to correct and pull the truck back onto the roadway, he lost control, veered across the roadway and struck one of the large trees along the west side of the roadway. The gas tank ruptured and the vehicle caught on fire.

Through items found inside of the truck and several remaining tattoos, the driver was identified. Family members contacted indicated the driver was diabetic and has to take daily medication. It is only suspected that he may have suffered from a diabetic issue, however, the body has been turned over to the Coroner who will conduct an autopsy and will forward their findings.

Personnel

- We have filled three (3) of the four (4) vacant full-time sworn positions, and anticipate filling the last shortly. We filled one of the vacant dispatcher positions, and the newest employee began work on Wednesday, April 12. Additionally, we will be recruiting and training reserve officers to assist in staffing and to create a “job-ready” group of candidates to fill vacancies as they occur.

Special Events

- The second event of the BBNBTL community event series is scheduled to take place on Saturday, May 20, at the SMART Center, from 10am to 2pm.
- Bringing Broken Neighborhood’s Back to Life remaining 2017 season events are:
 - SATURDAY, MAY 20, SALAZAR PARK (HOST: SMART Center)
 - SATURDAY, JUNE 24, HICKS @ WRIGHT STREET (HOST: New Hope Church)
 - SATURDAY, AUGUST 26, McCALL @ BARBARA (HOST: Valley Life Church)
 - SATURDAY, SEPTEMBER 30, RINGO PARK (HOST: Multiple Churches)

All events will be from 10am to 2pm.