



County of Sonoma

State of California

Date: July 16, 2024

Item Number: _____

Resolution Number: _____

4/5 Vote Required

**Resolution Of The Board Of Supervisors Of The County Of Sonoma, State Of California,
Authorizing the Issuance and Sale of a Note in the Principal Amount Not to Exceed \$5,000,000
for the purpose of supporting the Airport's fund balance pending the receipt of funds from the FAA**

Whereas, the County of Sonoma ("County") is in need of a cash advance for costs incurred for the Airport Airline Apron Project pending the receipt of reimbursement from the Federal Aviation Administration by the Sonoma County Airport; and

Whereas, those reimbursement requests have been made and are currently pending issuance; and

Whereas, Airport staff in collaboration with Auditor-Controller Treasurer-Tax Collector (ACTTC), and Legal Counsel has developed a comprehensive funding plan including issuing of this Note; and

Whereas, The County Debt Advisory Committee reviewed and approved the funding plan on June 7, 2024.

Whereas, the County is authorized pursuant to Government Code Section 53850 and following to borrow money on a temporary basis, provided such borrowed amount does not exceed eighty-five percent (85%) of the estimated amount of anticipated revenues that will be used to pay back the loan; and

Whereas, the Treasurer for the County is authorized pursuant to Government Code Section 53601(d) to invest in a note and desires to loan such funds to the County.

Now, Therefore, Be It Resolved that this Board hereby finds, determines, declares, and orders as follows:

1. The Note. The \$5,000,000 Note authorized by the Resolution shall be designated "Sonoma County Public Infrastructure Department, Airport Series 2024-1 Note" (hereinafter "The Note") and is being issued pursuant to the provisions of Government Code Section 53850 et seq. The amount of the Note is less than eighty-five (85%) of the estimated revenue the County anticipates receiving in this fiscal year from certain revenues that will be used to pay back the Note.

2. Security. The account receivable constituting the security on which the Note is being issued is the anticipated revenue from the Airport Enterprise Fund, including reimbursement anticipated from the Federal Aviation Administration. In addition, the County pledges to pay the Note from any and all revenue lawfully available to the County for repayment.

3. Authorization to Borrow and Issue Note. Pursuant to the provisions of Section 53850 and following Government Code, the County shall borrow the principal sum not to exceed \$5,000,000 and shall issue a single principal amount Note to evidence said indebtedness, which Note is hereby authorized to be issued for the purpose hereinabove set forth. The Board delegates to the Sonoma County Public Infrastructure Department the authority to sell and deliver the Note to the County Treasurer in exchange for the principal sum not to exceed \$5,000,000. The Note shall be issued in registered form, shall be dated on or after July 16, 2024, and shall mature on June 17, 2025. The Note shall bear an interest rate of the matched maturity US Treasury plus a spread of 25 basis points, rounded up to the nearest 10th of a percentage point. The one-year Treasury maturing 6/15/2025 was utilized for indicative pricing as of May 31, 2024, and including the spread of 25 basis points yields 5.417%, which rounds up to 5.50%. Pricing will be set prior to the actual issuance of the Note. The interest on principal of the Note shall be payable in lawful money of the United States of America at the office of the County Treasurer of Sonoma County, California.

4. Note to be Callable and redeemable. The Note shall be callable and redeemable in whole or in part at any time following its issuance and before maturity by the Board giving the registered owner of the Note thirty (30) days' prior written notice. The price of redemption shall be the prorated unpaid balance of principal and accrues interest at the date of redemption without penalty or premium.

5. Form of Note: The Note shall be substantially the following form:

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF SONOMA
SONOMA COUNTY PUBLIC INFRASTRUCTURE DEPARTMENT
AIRPORT SERIES 2024-1 SONOMA COUNTY
(SUBJECT TO CALL AND REDEMPTION)

NOTE

No. 2024-1

\$5,000,000

The County of Sonoma, duly organized and existing under and pursuant to the Constitution and laws of the State of California, for value received hereby promises to pay to the registered owner the principal sum not to exceed of \$5,000,000 on July 16, 2024, and to pay interest on such principal sum from the date hereof at an interest rate of the matched maturity US Treasury plus a spread of 25 basis points, rounded up to the nearest 10th of a percentage point. The interest rate will be set based upon the period ending June 15, 2025. The principal of this Note and

accumulated interest due shall be payable to the registered owner only upon presentation of this Note at maturity. Both the principal of and interest on this Note are payable in lawful money of the United States of America at the Office of the Sonoma County Treasurer.

This Note, in the principal amount not to exceed \$5,000,000, represents the entire Note issue of the Series 2024-1 Note issue, and is issued under and pursuant to the laws of the State of California, including the provisions of Section 53850 and following, of the California Government Code (the "Law"), and pursuant to a resolution (the "Resolution") adopted by the Board of Supervisors of the County of Sonoma. Reference is hereby made to the Resolution for a specific description of the security therein provided for the payment of the principal of and interest on this Note, to all of the provisions of which the registered owner hereof by his acceptance of this Note hereby consents and agrees, and each subsequent registered owner of this Note has recourse to all of the provisions of the Resolution and the Law and is bound thereby.

The Board hereby covenants and warrants that it will pay promptly, when due, the principal of this Note and interest accruing hereon, all in accordance with the terms hereof and the terms and provisions set forth in the Resolution and the applicable Law.

It is hereby certified that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note do exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Note, together with all indebtedness and obligations of the County, does not exceed any limit prescribed by the Resolution or the laws of the State of California.

This Note is subject to call and redemption in whole or in part at any time prior to maturity without penalty or premium by the Department giving the registered owner thirty (30) days' prior written notice thereof.

IN WITNESS WHEREOF, the County of Sonoma has caused this Note to be signed in its name by the Chair of the Board of Supervisors and countersigned by the Clerk of the Board, and has caused this Note to be dated July 16, 2024.

Chair, Board of Supervisors

ATTEST:

Clerk of the Board

6. Authority to Execute Note. The Chair of the Board of Supervisors who may be in office at the date of the Note or at any time thereafter prior to the delivery of the Note to the signature the note and the Clerk of the Board who may be in office at the date of the note are any time there after prior to such delivery of the Note is hereby authorized and directed as such officer to countersign by use of her manual signature the Note. If any officer whose signature or countersignature appears upon the Note ceases to be an officer of the Board before the delivery

of the Note to the purchasers, his or her signature or countersignature shall nevertheless be valid and of the same force and effect as if her or she had remained such officer.

7. Proceeds of Sale of the note Dedicated to the Project. The purchase price of the Note (except for the accrued interest received thereon) shall be deposited forthwith upon receipt in a special fund designated to be "Airport Airline Apron Project" fund which has been established and is being administered by the County Auditor. All monies in said fund shall be applied to the payment of costs and expenses of the construction of the Project described in the recital paragraphs of this Resolution, including costs of issuance of the Note.

Supervisors:

Gorin:

Coursey:

Gore:

Hopkins:

Rabbitt:

Ayes:

Noes:

Absent:

Abstain:

So Ordered.