

BURBANK PUBLIC FINANCING AUTHORITY
AUGUST 19, 2003

A regular meeting of the Burbank Public Financing Authority was held in the Council Chamber of the City Hall, 275 East Olive Avenue, on the above date. The meeting was called to order at 6:37 p.m., by Mrs. Ramos, Vice Chair.

Invocation The invocation was given by Chaplain Jon Arnold, Providence Saint Joseph Medical Center.

Pledge of Allegiance The pledge of allegiance to the flag was led by Police Captain Skvarna.

ROLL CALL

Present - - - - - Directors Campbell, Golonski, Ramos and Vander Borght.

Absent - - - - - Director Murphy.

Also Present - - Ms. Alvord, Executive Director; Mr. Barlow, City Attorney; Mrs. Georgino, Assistant Executive Director; and Mrs. Campos, Secretary.

7:27 P.M. Vice Chair Ramos stated that "this is the time and place for the Jt. Hearing with the joint public hearing of the Burbank Public Financing Authority, the Council and Redevelopment Agency and the Council of the City of Burbank regarding: (1) the issuance of up to \$24 million in Burbank Public Redevelopment Agency Finance Authority Revenue Bonds 2003 Series C (City Centre FA2 Project Area), to purchase in-lieu of redemption City Center FA3 Revenue Bonds \$21,285 million of the 1993 Series A Bonds and (2) the issuance of 2003 Series C up to \$11 million in Burbank Public Financing Authority Revenue Bonds (City Centre) Bonds 2003 Series D (Golden State Redevelopment Project Area), to and purchase in-lieu of redemption Golden State Redevelopment \$8.53 Series D (Golden State) million of the 1993 Series A Tax Allocation Bonds."

Notice Given The Secretary was asked if notices had been given as required by law. She replied in the affirmative and advised that no written communications had been received.

Staff Report Mr. Hanway, Financial Services Director, stated the Tax Allocation Bonds for the Golden State Project Area were most recently issued in 2003 in the amount of \$87.265 million, in-part to purchase in lieu of redemption \$50.24 million of the 1993 Tax Allocation Bonds. He added for tax reasons, \$8.53 million remains outstanding and is eligible to be refunded no earlier than September 1, 2003.

Mr. Hanway explained that due to prevailing financial market conditions, it was in the best interests of the Agency to realize interest rate savings by refinancing a portion of the Golden State Bonds, and to refinance all of the City Centre Bonds. In connection therewith, he stated the proposal that the Authority purchase the

applicable bonds in lieu of redemption and added in order for the Authority to raise funds necessary to provide for such purchase, refinancing and financing, the Authority would have to authorize the issuance of its revenue bonds. He added the proceeds of the Authority bonds would be used to purchase the outstanding City Centre Agency Bonds in lieu of redemption, and a portion of the Golden State Agency Bonds in lieu of redemption.

Regarding the City Centre bond structure, Mr. Hanway stated current market conditions have been deteriorating; however, staff believed it was prudent to authorize the refinancing in the event the municipal bond market will yield a minimum net present value savings related to the refinancing of 3 percent. He further stated current market conditions generate a 3.1percent net present value savings which represents net present value savings of \$678,000 and equates to an average annual debt service savings of \$51,700. He added the first payment date would be December 1, 2003 with final maturity scheduled for December 1, 2023. He informed the Authority Standard and Poor's and Moody's Investor Services had been requested to provide a bond rating and bond insurance was expected to be obtained from AMBAC Insurance or XL Capital.

With regard to the Golden State Bond Structure, Mr. Hanway reported current market conditions generate a 3.7 percent net present value savings which represents net present value savings of \$315,000 and equates to an average annual debt service savings of \$92,700. He added the first payment date would be December 1, 2003 with final maturity scheduled for December 1, 2008 and that Standard and Poor's and Moody's Investor Services had been requested to provide a bond rating, with bond insurance expected to be obtained from AMBAC Insurance. He concluded current market conditions would dictate the time in which the bonds would be priced as well as the ultimate savings related to the bonds. He added that should the market conditions not generate a minimum of 3 percent net present value savings, the bonds would not be issued.

Mr. Campbell inquired if the market condition at any point ever reflected the three percent the Authority was trying to achieve and Mr. Hanway responded in the affirmative.

Hearing
Closed

There being no response to the Vice Chair's invitation for oral comment, the hearing was declared closed.

Motion

It was moved by Mr. Vander Borgh and seconded by Mr. Campbell that "the following resolutions be passed and adopted:"

8/19/03

FA2
FA3
Issuance of
Bonds for City
Centre Project
Area

RESOLUTION NO. F-9:
A RESOLUTION OF THE BURBANK PUBLIC FINANCING AUTHORITY AUTHORIZING ISSUANCE OF REVENUE BONDS, APPROVING, AND AUTHORIZING AND DIRECTING EXECUTION OF CERTAIN FINANCING DOCUMENTS AND AUTHORIZING AND DIRECTING EXECUTION OF CERTAIN FINANCING DOCUMENTS AND AUTHORIZING AND DIRECTING ACTIONS WITH RESPECT THERETO (CITY CENTRE PROJECT AREA).

Redev. Agency
Reso. Adopted

Redevelopment Agency Resolution No. R-2080 Approving, and Authorizing and Directing Execution of Certain Bond Financing Documents Related to the Refinancing of Redevelopment Activities within its City Centre Redevelopment Project Area and Authorizing and Directing Actions with Respect Thereto (City Centre Project Area).

Council Reso.
Adopted

Council Resolution No. 26,541 Making Findings with Respect to and Approving the Issuance of Bonds by the Burbank Public Financing Authority (City Centre Project Area).

FA2
FA3
Issuance of
Bonds for
Golden State
Project
Area

RESOLUTION NO. F-10:
A RESOLUTION OF THE BURBANK PUBLIC FINANCING AUTHORITY AUTHORIZING ISSUANCE OF REVENUE BONDS, APPROVING, AND AUTHORIZING AND DIRECTING EXECUTION OF CERTAIN FINANCING DOCUMENTS AND AUTHORIZING AND DIRECTING ACTIONS WITH RESPECT THERETO (GOLDEN STATE PROJECT AREA).

Redev. Agency
Reso. Adopted

Redevelopment Agency Resolution No. R-2081 Approving and Authorizing and Directing Execution of Certain Bond Financing Documents Related to the Refinancing of Redevelopment Activities within the Agency's Golden State Redevelopment Project Area and Authorizing and Directing Actions with Respect Thereto (Golden State Project Area) was adopted.

Council Reso.
Adopted

Council Resolution No. 26,542 Making Findings with Respect to and Approving the Issuance of Bonds by the Burbank Public Financing Authority, Approving the Issuance of Bonds by the Burbank Public Financing Authority (Golden State Project Area) was adopted.

Adopted

The resolutions were adopted by the following vote:

Ayes: Directors Campbell, Golonski, Ramos, and Vander Borght.
Noes: Directors None.

- Motion Absent: Director Murphy.
It was moved by Mr. Golonski and seconded by Mr. Vander Borght that "the following items on the consent calendar be approved as recommended:"
- Minutes
Approved The minutes for the regular meetings of January 14 and March 18, 2003 were approved as submitted.
- FA 2
Treasurer's
Report The City Treasurer's report on investment and reinvestment of temporarily idle funds for the quarter ending June 30, 2003 was noted and ordered filed.
- Adopted The consent calendar was adopted by the following vote:

Ayes: Directors Campbell, Golonski, Ramos and Vander Borght.
Noes: Directors None.
Absent: Director Murphy.
- 8:29 P.M.
Recess The Authority recessed at this time to permit the Council to continue its meeting. The Authority reconvened at 10:42 p.m. for public comment with the same members present.
- 10:48 P.M.
Adjournment There being no further business to come before the Authority, the meeting was adjourned at 10:48 p.m.

Secretary