Written materials relating to an item on this agenda that are distributed to the legislative bodies within 72 hours before the item is to be considered at its regularly scheduled meeting will be made available for public inspection at the City Clerk's Office, 300 West Third Street 4th Floor during customary business hours. Agenda reports are also on the City of Oxnard web site at www.oxnard.org.

CITY OF OXNARD CALIFORNIA

AGENDA
OXNARD CITY COUNCIL
FINANCE AND GOVERNANCE COMMITTEE

Council Chambers, 305 West Third Street
June 24, 2025

Regular Meeting - 5:00 PM to 6:30 PM

Zoom details to call-in for public comment during a meeting:

1. Dial Phone Number: (888) 475-4499
2. Enter Meeting ID: 863 6962 0749
3. Passcode: 346819

If you wish to speak during public comments or a particular item on the agenda, please sign-on by following the zoom call-in steps listed above. Once the presiding officer calls for public speakers, press *9 to raise your hand to inform the City Clerk you would like to speak during the public speaking section for that particular item on the agenda, while in the zoom waiting room. Press *6 when asked to unmute. Listen to the instructions provided virtually on the phone while on hold in the zoom waiting room. Please note that there is a slight time delay when viewing the meeting via television.

IN ACCORDANCE WITH ASSEMBLY BILL 2449, MEMBERS OF THE LEGISLATIVE BODY MAY MEET IN-PERSON OR REMOTELY. TO PARTICIPATE REMOTELY VISIT WWW.OXNARD.ORG.

To find out how you may provide public comment, please refer to the instructions below or at **www.https://www.oxnard.org/city-meetings/**.

The public may view the meeting from home on Spectrum channel 10, Frontier channel 35, or YouTube at Youtube.com/oxnardnews. Video recordings of the meeting are typically available online following the meeting at the City's website at www.oxnard.org/city-meetings.

*Please see the link for the Measure M pre-recorded presentation video for each item listed on this agenda.

YOU MAY PARTICIPATE IN THE MEETING IN THE FOLLOWING WAYS:

1. ATTEND THE MEETING AT THE LOCATION LISTED ABOVE: Submit a speaker card to the City Clerk.

2. EMAIL COMMENTS OR SIGN UP TO SPEAK REMOTELY BEFORE THE MEETING

   a. Submit a request to speak remotely by 3 p.m. on the day of the meeting by using the form available at **www.oxnard.org/citymeetings**.
   b. Submit an email to **cityclerk@oxnard.org** by 3 p.m. on the day of the meeting (indicate the agenda item number in the subject line). All email correspondence will be forwarded to the legislative body prior to the start of the meeting and made part of the legislative record.
   c. Contact the City Clerk's Office at (805) 385-7803 to submit your request.

3. PROVIDING PUBLIC COMMENTS REMOTELY DURING THE MEETING

   a. Follow Zoom details listed above.

In compliance with the Americans with Disabilities Act, if you require special assistance to participate in a meeting, please contact the City Clerk's Office at 385-7803. Notice at least 72 hours prior to the meeting will enable the City to reasonably arrange for your accessibility to the meeting.

Agenda Item Time Estimates include: (Minutes for Presentation + Council Discussion + Public Comment)

b. Public comments on agenda items will be taken following the announcement of the item. After the item is announced, members of the public may register or otherwise be recognized for the purpose of providing public comment.

Please review the Zoom instructions on the registration page to help ensure there are no technical difficulties during your comments and help you understand public comment procedures using Zoom. Detailed participation instructions can be found at www.oxnard.org/city-meetings.

In the event of a disruption which prevents a legislative body of the City of Oxnard from broadcasting a meeting using a call-in option or internet-based service option, or in the event of a disruption within the City's control which prevents members of the public from offering public comment using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on a meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. However, if any of the broadcast options are disrupted, but any of the other broadcast options is still available to the public, the legislative body may take further action on items appearing on a meeting agenda without waiting for the disrupted broadcast option(s) to be restored.

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

Consideration of Teleconference Participation pursuant to Assembly Bill 2449.

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

A person may address the legislative body only on matters not appearing on the agenda and within the subject matter jurisdiction of the legislative body. Speaker requests shall be submitted as set forth on the first page of this agenda. Speakers are limited to three minutes. After 30 minutes, if all speakers have not had the opportunity to speak, the remaining speakers will be given an opportunity to speak prior to adjournment of the meeting. The legislative body cannot enter into a detailed discussion or take action on any items presented during public comments at this time. Such items may only be referred to the City Manager/Executive Director/Secretary for administrative action or scheduled on a subsequent agenda for discussion. Persons wishing to speak on public hearing items should do so at the time of the hearing.

C. CONSENT AGENDA

1. City Clerk Department
SUBJECT: Approval of Minutes.
RECOMMENDATION: That the Finance and Governance Committee approve the minutes of the June 10, 2025 regular meeting as presented.
Contact: Luly Lopez, (805) 385-7805

D. REPORTS

1. Housing Department
SUBJECT: Policy, Portfolio Guidelines, and Investment Delegation for the Housing Authority of the City of Oxnard. (10 minutes)
RECOMMENDATION: That the Finance and Governance Committee recommend that the Board of Commissioners of the Housing Authority of the City of Oxnard adopt a resolution approving an investment policy and investment portfolio guidelines for the Housing Authority of the City of Oxnard, and delegating investment authority to the Housing Finance Officer for Fiscal Year 2025-2026.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/xaZehG7ruOM
Contact: Brenda Lopez, (805) 385-8092

2. Finance Department
SUBJECT: Authorizing the Issuance of 2025 Wastewater Revenue Refunding Bonds. (15 minutes)
RECOMMENDATION: That the Finance and Governance Committee recommend that the City

Council:

1. Adopt a resolution approving and authorizing the issuance of 2025 Wastewater Revenue Refunding Bonds in an amount not to exceed $55,000,000, and
2. Authorizing the execution and delivery of other documents required in connection therewith; and
3. Authorizing the taking of all other actions necessary to the consummation of the transaction contemplated by the resolution.

(Presentation will be live at the request of the consultant.)

Please click the following link to view the required Measure M pre-recorded presentation video:
Contact: Javier Chagoyen-Lazaro, (805) 200-5400

E. ITEMS FOR FUTURE AGENDAS

F. ADJOURNMENT

FINANCE AND GOVERNANCE COMMITTEE
AGENDA REPORT

CONSENT AGENDA
AGENDA ITEM NO. C.1

DATE: June 24, 2025

TO: Finance & Governance Committee

FROM: Luly Lopez, City Clerk, (805) 385-7805, luly.lopez@oxnard.org

SUBJECT: Approval of Minutes.

RECOMMENDATION

That the Finance and Governance Committee approve the minutes of the June 10, 2025 regular meeting as presented.

BACKGROUND

Approval of minutes.

STRATEGIC PRIORITIES

This agenda item is a routine operational item or does not relate to the five strategic priorities adopted by City Council on March 16, 2021.

FINANCIAL IMPACT

There is no financial impact.

Prepared by: Luly Lopez, City Clerk

ATTACHMENTS

1. Minutes of Finance and Governance Committee for June 10, 2025

MINUTES
OXNARD CITY COUNCIL
FINANCE AND GOVERNANCE COMMITTEE
June 10, 2025

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

At 5:01 p.m., Chair Luis A. Mc Arthur called to order the regular meeting of the Oxnard City Council Finance and Governance Committee in the City Hall Council Chambers at 305 West Third Street, Oxnard, California. The City Clerk called the roll and announced the posting of the agenda. Chair Luis A. Mc Arthur, Member Gabriela Rodriguez and Member Aaron Starr were present.

The flag salute was followed by a moment of silence.

Staff members present were Alexander Nguyen, City Manager; Eric Sonstegard, Assistant City Manager; Stephen Fischer, City Attorney; Javier Chagoyen-Lázaro, Chief Financial Officer; Jailan Su, Assistant Chief Financial Officer; Jennifer Yates, Purchasing Manager; Rob Ruben, Chief Information Officer; and Lourdes A. López, City Clerk.

Consideration of Teleconference Participation pursuant to Assembly Bill 2449.

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

Public comments were received from Jim Lavery (proposed budget).

C. CONSENT AGENDA

1. City Clerk Department
SUBJECT: Approval of Minutes.
RECOMMENDATION: That the Finance and Governance Committee approve the minutes of the May 27, 2025 regular meeting as presented.

No public comments were received.

It was moved by Chair Mc Arthur, seconded by Member Rodriguez, to approve the Information/Consent item as presented. VOTE: Rodriguez, Starr and Mc Arthur voted in favor; the motion carried 3-0.

D. REPORTS

1. Finance Department
SUBJECT: Third Amendment to the Agreement with TG Consulting Services. (10 minutes)
RECOMMENDATION: That Finance and Governance Committee recommend that the City Council approve and authorize the Mayor to execute a Third Amendment to the Agreement with TG Consulting Services (No. 32300132) for the implementation

of Tyler EPL Licensing Module to increase the contract amount by $70,000 for a total contract amount not to exceed $360,937.50 and extend the contract for five months to November 30, 2025.

The Chief Financial Officer and Assistant Chief Financial Officer Su were available to answer the committee's questions. Public comments were received from Jim Lavery and Alicia Percell. Discussion ensued among the Committee and staff.

It was moved by Member Rodriguez, seconded by Chair Mc Arthur, to approve the recommended action as presented. VOTE: Mc Arthur and Rodriguez voted in favor; the motion carried 2-1 with Member Starr voting no.

2. Finance Department
SUBJECT: First Amendment to Trade Services Agreement with InfoSend, Inc. for Utility Bill and Business License Tax Form Printing, Inserting and Mailing Services. (10 minutes)
RECOMMENDATION: That the Finance and Governance Committee recommend that the City Council approve and authorize the Mayor to execute a First Amendment to Trade Services Agreement with InfoSend, Inc. (A-8467) for utility bill and business tax form printing, inserting, and mailing services to increase the contract amount by $971,100 for a total contract amount not to exceed $1,967,634 and extend the contract for two additional years to June 30, 2027.

The Chief Financial Officer and Assistant Chief Financial Officer Su were available to answer the committee's questions. No public comments were received. Discussion ensued among the Committee and staff.

It was moved by Member Starr, seconded by Member Rodriguez, to approve the recommended action as presented. VOTE: Mc Arthur, Rodriguez and Starr voted in favor; the motion carried 3-0.

3. Information Technology Department
SUBJECT: Agreement with Toshiba Business Solutions for Printers and Scanners. (10 minutes)
RECOMMENDATION: That the Finance and Governance Committee recommend that the City Council approve and authorize the Mayor to execute a five year agreement with Toshiba America Business Solutions (No. 32600026) for the purpose of citywide managed print, scan and copy services in the amount of $745,840.80 plus a 10% contingency amount of $74,584.08 to cover future needs or incidental costs, for a total authorized amount of $820,424.88.

The Chief Information Officer and Purchasing Manager were available to answer the committee's questions. No public comments were received. Discussion ensued among the Committee and staff.

It was moved by Member Starr, seconded by Member Rodriguez, to approve the recommended action as presented. VOTE: Rodriguez, Starr and Mc Arthur voted in favor; the motion carried 3-0.

E. ITEMS FOR FUTURE AGENDAS

Member Starr requested a report on the original and current costs of the Tyler ERP system, including implementation and training, total spending to date, projected future expenses, and reasons for the cost increases. Additionally, he asked for a list of retired City employees currently working for the City in the past five years, including their former roles and a comparison of their compensation before and after retirement.

F. ADJOURNMENT

There being no further business on the agenda, and without objection, Chair Mc Arthur adjourned the meeting at 5:46 p.m.

LOURDES A. LÓPEZ City Clerk	LUIS A. MC ARTHUR Chair

FINANCE AND GOVERNANCE COMMITTEE
AGENDA REPORT

REPORTS
AGENDA ITEM NO. D.1

DATE: June 24, 2025

TO: Finance & Governance Committee

FROM: Brenda Lopez, Interim Housing Director, (805) 385-8092, brenda.lopez@oxnard.org

SUBJECT: Policy, Portfolio Guidelines, and Investment Delegation for the Housing Authority of the City of Oxnard. (10 minutes)

RECOMMENDATION

That the Finance and Governance Committee recommend that the Board of Commissioners of the Housing Authority of the City of Oxnard adopt a resolution approving an investment policy and investment portfolio guidelines for the Housing Authority of the City of Oxnard, and delegating investment authority to the Housing Finance Officer for Fiscal Year 2025-2026.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/xaZehG7ruOM

BACKGROUND

The Department of Housing and Urban Development (HUD) has established requirements governing cash management and approved investment instruments for certain funds under the control of public housing agencies (PHAs). Furthermore, the legislative body of the Housing Authority may invest surplus monies not required for the immediate necessities of the local agency in accordance with the provisions of U.S. Department of Housing & Urban Development Notice PIH 2002-13 and California Government Code (CGC) sections 5922 and 53600 et seq.. Agencies may only invest in instruments specified by HUD and State law.

HUD's Annual Contributions Contract with PHAs and CGC Section 53607, establish that the Board of Commissioners of the Housing Authority of the City of Oxnard (Board) may delegate its authority to invest or to reinvest surplus monies not required for immediate necessities of the PHA, for a one-year period.

The Fiscal Year 2024-2025 Housing Authority of the City of Oxnard (OHA) Investment Policy, including delegating the investment authority to the Housing Finance Office, and Portfolio Guidelines was approved by the Board on May 28, 2024. Per the FY 24-25 Investment Policy, the policy is to be reviewed and adopted annually by the Board. The requirement to review and adopt an investment policy annually was in alignment with CGC Section 53646, which was amended in 2004 to eliminate this as a requirement; however, as amended, CGC Section 53646 encourages local agencies to continue taking the formerly mandated actions.

The Investment Policy governs investment of funds, including funds on deposit. HUD defines "funds on deposit" as:

1. Funds for current transactions

2. Capital or development funds
3. Funds exceeding daily requirements
4. Operation reserve funds

In addition, and consistent with the HUD regulations, CGC, the Housing Authorities Law (California Health and Safety Code Sections 34200 et seq.), and OHA Resolution 1308, the OHA investment policy includes a "delegation of authority" to the Housing Finance Officer (HFO). With this delegation, the HFO is authorized to invest surplus monies within the parameters of the OHA's Investment Policy and consistent with the OHA Investment Guidelines.

Per the City of Oxnard job requirements, the Housing Finance Officer provides management and fiscal analysis and oversight to support programs, projects, executive staff, and elected officials. The Housing Finance Officer is responsible for managing the City's housing authority programs. Work involves making interpretive decisions on behalf of the organization regarding the means for executing organizational goals. Reviews, prepares, and submits a variety of reports, statements, regulatory documents, policies, procedures, analyzes information and recommends and implements decisions and processes. Represents the City on matters of policy and regulation; develops, implements and monitors policies and procedures; manages budgets.

In recent history, the OHA has invested excess cash utilizing a combination of in-house efforts and an outside agent (LAIF), which is permitted by the HUD and State law. The market value of the OHA's pooled investment fund as of May 31, 2025, is $22,403,073.56. This value does not include interest earned from April 1, 2025, through May 31, 2025, because quarterly interest earned is applied to the LAIF account mid-July 2025.

DISCUSSION

The Board has approved an annual investment policy, inclusive of a delegation of authority to the HFO, and investment guidelines for many years. After review of OHA's FY 24-25 policy, as well as review of other jurisdictions' Housing Authority investment policies and various publications concerning this topic, staff proposes updates for the FY 25-26 Investment Policy and Investment Portfolio Guidelines. Consistent with CGC Section 53646, any changes to the policy shall be considered by the legislative body at a public meeting.

As of May 31, 2025, the OHA has $22M to invest. On average, the HFO transacts three times a year. The monthly and quarterly reports, as required by the FY 24-25 Investment Policy, are available on the Housing website (https://www.oxnard.gov/housing).

<u>Resolution and Investment Policy (incorporated as Attachment A to the Board Resolution</u>

The following highlights of the recommended revisions:

1. Updated references to all applicable California Government Code Sections, and added references to the most recent Oxnard Housing Authority resolution pertaining to delegation of authority and investment duties.
2. Section 1.0 updated to reference all applicable California Government Code Sections. In addition the language pertaining to delegation of authority was moved to section (5.0) Delegation of Authority and language pertaining to reporting was moved to section (13.0) Reporting.
3. Section 2.0 was updated to remove language pertaining to bonds because the Housing Authority does not issue bonds.
4. Section 3.1 updated "prudent person" to "prudent investor".
5. Sections 5.0, 8.0, 8.8, 10.0 were updated to reference the most recent California Government Code Sections, as applicable.

6. Section 5.0 was updated to reference the most recent California Government Code Section, removed outdated HUD reference, and removed redundant language. In addition, added a reference to the Investment Guidelines which are contained in Attachment B of the Resolution document.
7. Section 6.0 was revised to add the Housing Director.
8. Section 7.1 was revised to clarify that broker/dealers the Housing Authority chooses to conduct business with must be among the authorized institutions approved by the City.
9. Section 11.0 and 11.1 updated to align with the City of Oxnard's Investment Policies regarding diversifying the investment portfolio in a manner that minimizes risk which is consistent with HUD regulations and California Government Code.
10. Section 12 was updated to remove Section 12.1 Investment Review Committee. The Committee was originally established when the Housing Authority had a larger investment portfolio and multiple transactions were completed by the HFO. Due to the decrease in federal funding over the years, the surplus cash available has decreased and transactions are limited to around three transactions in a given year. Section 12.2 was renumbered to Section 12.1 and section 12.3 was renumbered to section 12.2 In addition, under Section 12.2 language was added to clarify that the investment portfolio is part of the annual financial audit.
11. Sections 13.0 through 13.2, consistent with CGC 53646 (b)(1), removed the requirement for quarterly reports. In addition to no longer being required by the CGC, the HA does not transact often and has a limited amount of funds to invest. Added language regarding monthly transaction reports and clarified that the investment portfolio is part of the HA's annual financial audit.
12. Added a new Section, 14.0 Investment Policy Adoption, to incorporate the language originally located in Section 1.0 regarding investment policy adoption.

Investment Portfolio Guidelines (incorporated as Attachment B of the Board Resolution)

The following revisions are recommended:

1. Section 3.0 was revised to clarify that the Board approves the Investment Policy that is developed by the Housing Finance Officer.
2. Section 3.2 was revised to remove language regarding the use of a pre-formated wire transfer because it is not applicable to on-line banking transactions.
3. Section 4.1 added language regarding five-year maximum maturity as prescribed under CGC 53601 and regarding requirement of Board approval for a permissible security that exceeds this limitation.
4. Section 4.2 updated to reflect most recent FDIC insurance maximums for Time Certificates of Deposit.
5. Section 5.0 updated the workflow of investment transactions to reflect current Housing Authority procedures.

STRATEGIC PRIORITIES

This agenda item supports the Organizational Effectiveness strategy. The purpose of the Organizational Effectiveness strategy is to reinforce, stabilize, improve, and strengthen the organizational foundation of the City in order to build a modern, high-functioning City government that effectively and efficiently supports the operating departments in providing high-quality services and programs for our residents and businesses.

FINANCIAL IMPACT

There is no financial impact.

Prepared by: Brenda Lopez, Interim Housing Director

ATTACHMENTS

1. Attachment 1 - Redline PDF - Investment
2. Attachment 2 - FY 25_26 Investment Policy and Portfolio Guidelines
3. Attachment 3 - PowerPoint Presentation

HOUSING AUTHORITY OF THE CITY OF OXNARD

RESOLUTION NO.

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF OXNARD APPROVING ~~ADOPTION OF~~ AN INVESTMENT POLICY AND INVESTMENT PORTFOLIO GUIDELINES FOR THE HOUSING AUTHORITY OF THE CITY OF OXNARD, AND DELEGATING INVESTMENT AUTHORITY TO THE HOUSING FINANCE OFFICER, FOR FISCAL YEAR ~~2024-~~2025-2026

I. WHEREAS, the U. S. Department of Housing & Urban Development has established requirements governing cash management and approved investment instruments for certain funds under the control of public housing authorities (HUD Notice PIH 2002-13); and

II. WHEREAS, the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern (California Government Code Section 53600.6 and 53630.1); and

III. WHEREAS, the legislative body of the Housing Authority of the City of Oxnard (Authority) may invest surplus monies not required for the immediate necessities of the local agency in accordance with the provisions of U.S. Department of Housing & Urban Development Notice PIH 2002-13 and California Government Code sections 5922 and 53600 et seq.; and

IV. WHEREAS, pursuant to California Health and Safety Code Sections 34278 and 34280, Authority Resolution 1308 has designated the City Manager as Authority Secretary and Treasurer, with the authority to delegate any of the Secretary's duties; and

V. WHEREAS, the Secretary has delegated the duty to invest Authority funds to the Housing Finance Officer ~~of~~; and

~~IV.~~VI. WHEREAS, the Housing ~~Authority~~ Finance Officer of the ~~City of Oxnard (~~Authority~~)~~ is ~~required~~encouraged to annually prepare and submit a statement of investment policy and such policy, and any changes thereto, shall be considered by the Authority at a public meeting ~~[~~(California Government Code Section 53646~~(a)(b)];~~); and

~~V.~~VII. WHEREAS, the Board of Commissioners of the Authority ("Board") determines that the policy of the Authority is to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Authority and conforming to all statutes governing the investment of Authority funds.

///

///

NOW THEREFORE, the Board hereby adopts the Investment Policy of the Housing Authority of the City of Oxnard, which is attached hereto as Attachment A and incorporated herein by this reference~~.~~, and delegates investment authority for fiscal year 2025-2026 to the Housing Finance Officer. The Board also adopts the Investment Portfolio Guidelines dated July 1, ~~2024~~2025, which are attached hereto as Attachment B and incorporated herein by this reference.

APPROVED AND ADOPTED on this ~~18th day~~ ______of July, 2025~~June, 2024~~ by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

~~John C. Zaragoza~~Luis A. Mc Arthur, Chairman

ATTEST:

~~Rose Chaparro~~Lourdes A. López, Secretary Designate

Approved as to form:

____

Stephen M. Fischer, General Counsel

Attachment A

HOUSING AUTHORITY OF THE CITY OF OXNARD

INVESTMENT POLICY

1.0 INTRODUCTION

This policy is intended to provide guidance for the investing of surplus cash of the Housing Authority of the City of Oxnard (Authority). The U.S. Department of Housing and Urban Development (HUD) has established requirements governing cash management and approved investment instruments for certain funds under the control of Public Housing Authorities.

The Legislature of the State of California (CGC 53600.6 and CGC 53630.1) has declared that the deposit and investment of funds by officials and local agencies is an issue of statewide concern. The Board of Commissioners of the Authority (Board) may invest surplus ~~moneys~~monies not required for the immediate necessities of the Authority in accordance with the provisions of HUD Notice PIH 2002-13 and California Government Code Sections 5922 and 53600 et seq. ~~The authority of the Board to invest or to reinvest funds, or to sell or exchange securities so purchased, may be delegated for a one-year period by the Board to the Housing Finance Officer~~

This policy is intended to provide guidelines for the prudent investment of the Authority~~, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires,~~ funds and ~~shall make a monthly report of those transactions to the Board. Subject to review, the Board may renew the delegation of authority pursuant to this section each year. The Housing Finance Officer~~to enhance the economic status of the Authority ~~shall annually prepare and submit a statement of investment policy and such~~ while protecting its pooled cash. Funds will be invested in accordance with this policy~~, and any changes thereto shall be considered by the Board at a public meeting.~~ and with applicable sections of the California Government Code.

The policy ~~of the Authority~~ is to invest funds in a manner which will provide ~~the highest investment return with~~ : (i) the maximum security ~~while meeting~~; (ii) the funds necessary to meet the daily cash flow demands of the Authority ~~and~~; and (iii) the highest investment return while conforming to all statutes governing the investment of the Authority funds within the constraints of this Investment Policy.

Pursuant to California Health and Safety Code section 34278(a), the Board has designated the City Manager to serve as Secretary of the Authority ~~funds~~, and assigned various duties to the Secretary, including serving as the Treasurer of the Authority. Pursuant to California Health and Safety Code Section 34280, the Secretary may delegate investment duties to the Housing Finance Officer, the Board has authorized the Secretary to delegate any of the Secretary's duties to any person at the Secretary's discretion. The Secretary has delegated the duty to invest Authority funds to the Housing Finance Officer.

2.0 SCOPE

This investment policy applies to the Authority's pooled investment fund, which encompasses all money under the direct oversight of the Housing Finance Officer. These include the Public Housing Funds, Section 8 Voucher Funds, Grant Funds and the Central Fund.

This policy ~~is generally applicable to bond proceeds with consideration given to specific provisions of each issuance. Reports of the investment of bond proceeds are issued periodically by the Trustee and are~~does not ~~included in the Housing Finance Officer's quarterly report of the pooled investment fund. The~~include employee's retirement~~ and~~, deferred compensation funds~~ are also not included.~~, nor proceeds of bonds.

3.0 PRUDENCE

Investments shall be made with foresight and care -- under circumstances then prevailing -- which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

3.1 The standard of prudence to be used by investment officials shall be the 'prudent ~~person'~~investor' standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due ~~diligences~~diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4.0 OBJECTIVES

The Authority's cash management system is designed to accurately monitor and forecast revenues and expenditures thus enabling the Housing Finance Officer to invest funds to the fullest extent possible. ~~The~~As specified in CGC §53600.5, the Housing Finance Officer shall maintain a portfolio, which accomplishes the primary objectives of safety, liquidity, and yield (in that order of priority).

4.1 Safety: According to HUD Notice PIH 2002-13, safety is achieved through adherence to the list of permitted investments which are backed by the full faith and credit of, or a guarantee of principal and interest by, the U. S. Government, a Government agency or issued by a Government sponsored agency, coupled with an appropriate maturity date.

4.2 Liquidity: All investments must be capable of being liquidated on one day’s notice.

4.3 Yield: The Authority should strive to achieve the highest yield consistent with the objectives of the Investment Policy.

5.0 DELEGATION OF AUTHORITY

Authority to manage the investment program is derived from ~~Section 401 (E) of~~ the HUD/PHA Annual Contributions Contract, the Housing Authorities Law (California Health and Safety Code Sections 34200 et seq., and California Government Code Sections ~~53607.~~53600 et seq.. Management responsibility for the investment program is hereby delegated for a one-year period by the Board via resolution, to the Housing Finance Officer, who shall ~~establish written procedures for the operation of the investment~~ ensure that the program ~~consistent~~operates in accordance with ~~Section 12.2 of this investment policy. Procedures should include references to: safekeeping, PSA repurchase agreements, wire transfer agreements, collateral/depository agreements and banking services contracts, as appropriate. Such procedures shall include explicit delegation of authority to~~

~~persons responsible for investment transactions.~~ the guidelines and internal controls established in the Investment Guidelines (Attachment B).

No person may engage in an investment transaction except as provided under the terms of this ~~policy~~Investment Policy and the ~~procedures established by the Housing Finance Officer~~Investment Guidelines. The Housing Finance Officer shall be responsible for all transactions undertaken ~~and shall establish a system of controls to regulate the activities of the investment committee~~. The Housing Finance Officer is a trustee and a fiduciary subject to the prudent investor standard. The other housing staff with signatory authority on Authority checking and other accounts is the Housing Director.

6.0 ETHICS AND CONFLICTS OF INTEREST

The Housing Finance Officer and Housing Director shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions. The Housing Finance Officer is governed by the Political Reform Act of 1974 regarding disclosure of material financial interests.

7.0 AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The Housing Finance Officer shall transact business only with banks, savings and loans, securities dealers and approved State and county investment pools.

7.1 Authorization: The Authority may conduct business with major registered broker/dealers and with dealers designated Primary by the Federal Reserve provided all the following criteria are met. Broker/Dealers must: 1) have offices located in the State of California, 2) be adequately capitalized, 3) locate markets for securities appropriate to the Authority needs, and 4) agree to abide by the conditions set forth in the Authority's Investment Policy, and be among the authorized institutions approved by the City ~~Treasurer~~.

7.2 Certification: Before engaging in investment transactions with a broker/dealer, the Housing Finance Officer shall have received from said firm a signed certification that the responsible party from that firm has reviewed the Authority's Investment Policy. The Certification shall also state that the firm understands the policy and intends to present investment recommendations and transactions to the Authority that are appropriate under the terms and conditions of the Investment Policy.

8.0 AUTHORIZED AND SUITABLE INVESTMENTS

HUD Notice PIH 2002-13 states an Authority should compare the return of an 'in house' cash management program with a program managed by an agent. It also states the Authority may contract with an approved governmental unit such as a State agency established for this purpose, such as a Local Agency Investment Fund (LAIF). The Notice also sets forth the following HUD-approved investments. The types of HUD-approved investments may change from time to time. It is the responsibility of the Housing Finance Officer to stay informed of the latest California Government Code and HUD-approved investments. HUD approved investments may be further limited by California Government Code Section ~~53607~~53600 et seq.

8.1 U.S. Treasury Bills, Notes and Bonds

8.2 Obligations issued by Agency or Instrumentality of the U.S. Government.

8.3 State or Municipal Depository Funds, such as LAIF, or pooled cash investment funds managed by County Treasurers.

8.4 Insured Demand and Savings Deposits, provided that deposits in excess of the insured amounts must be 100% collateralized by securities listed in 8.1 or 8.~~2above~~2 above.

8.5 Insured Money Market Deposit Accounts, provided that deposits in excess of the insured amount must be 100% collateralized by securities listed in 8.1 or 8.~~2above~~2 above.

8.6 Insured Super NOW Accounts, provided that deposits in excess of the insured amount must be 100% collateralized by Securities listed in 8.1 or 8.2 above.

8.7 Negotiable Certificates of Deposit issued by Federally or state-chartered banks or associations. Not more than 30% of surplus funds can be invested in certificates of deposit.

8.8 Repurchase/Reverse Repurchase Agreements of any securities authorized by this section (See special limits and qualifications in HUD Notice PIH ~~1999-48, and CGC53607~~2002-13, and California Government Code Section 53601).

8.9 Sweep Accounts that are 100% collateralized by securities listed in 8.1 or 8.~~2above~~2 above.

8.10 Shares of beneficial interest issued by diversified management companies (money market mutual funds) investing in the securities and obligations authorized by this section. Such Funds must carry the highest rating of at least two national rating agencies. Not more than 20% of surplus funds can be invested in money market mutual funds.

8.11 Funds held under the terms of a Trust Indenture or other contract or agreement, including the HUD/PHA Annual Contributions Contract, may be invested according to the provisions of those indentures or contracts.

8.12 Principal only STRIPS (Separate Trading of Registered Interest and Principal of Securities).

8.13 Any other investment security authorized under the provisions of HUD Notice PIH 2002-13.

8.14 Prohibit securities that take the form of inverse floaters, range notes, mortgage-backed interest-only strips and floating-rate investments without a floor.

9.0 COLLATERAL

Collateral requirements are addressed in HUD Notice PIH 2002-13 as well as California Government Code Section 53652. All Certificates of Deposits must be collateralized by US Treasury Obligations. Collateral must be held by a third party, and valued on a monthly basis.

10.0 SAFEKEEPING AND CUSTODY

Security transactions entered into by the Authority shall be conducted on a delivery-versus-payment (DVP) basis. Securities of duration exceeding 30 days to maturity shall be held by a third-party custodian designated by the Housing Finance Officer~~.~~ (California Government Code Section 53601). Evidence of account for each time deposit will be held in the Housing Authority safe.

11.0 DIVERSIFICATION

~~In an effort~~Portfolio diversification is employed to ~~reduce~~minimize the risks present in the investment portfolio~~ risk while attaining market average rates, the Authority's~~. No individual investment transaction shall be undertaken which jeopardizes the total capital position of the overall portfolio~~ will be suitably diversified by type and institution.~~

~~11.1 With the exception of U. S. Treasury securities and authorized pools~~. To promote diversification, no more than ~~50~~5 percent of the ~~total~~ portfolio ~~will~~may be invested in ~~a single~~the securities of any one issuer, regardless of security type~~.~~; except for U.S. Treasuries, federal agencies, supranational, and pooled investments such as LAIF, money market funds, and local government investment pools.

11.1 Investments are further limited by specific language relating to each investment type as stated in Section 8 of this Policy.

11.2 To the extent possible, the Housing Finance Officer will attempt to match investments with anticipated cash flow requirements. Operating reserve funds may not be invested in securities exceeding five years (maturity of such investments should coincide as nearly as practicable with expected use of funds).

12.0 INTERNAL CONTROLS

~~A system of internal controls will be maintained~~The Housing Finance Officer will maintain a control structure to assure compliance with Federal and State regulations, Board direction, and prudent cash management procedures.

~~12.1 Investment Review Committee: The Housing Director, Housing Finance Officer, and Housing Accountant are the members of the Investment Review Committee tasked with quarterly review of procedures and adherence to this Investment Policy.~~

~~12.2 Investment Portfolio Guidelines:~~12.1 Investment Portfolio Guidelines have been established for procedures within the Housing Finance Officer's office to assure internal investment controls and a segregation of responsibilities of investment functions. (Attachment B~~)~~)).

12.~~3 Annual Audit:~~2 The ~~Authority~~Investment portfolio is included in the Independent Auditors' scope of examination ~~during testing of~~for the Authority's annual financial ~~management at the annual~~ audit.

13.0 REPORTING

~~The~~ Per Government Code Section 53607 the Housing Finance Officer (treasurer of the local agency) shall ~~provide investment information~~make a monthly report of transactions to the Board~~.~~

~~13.1 Periodic Reports: The Housing Finance Officer will provide detailed reports of the investments in the pooled investment fund portfolio on a quarterly basis to the Housing Commission. Within thirty days of the end~~ of ~~each quarter, these reports will be provided with such additional information as market pricing. Summarized reports from Trustees regarding investments of bond proceeds will be provided as they become available~~Commissioners.

~~13.2 Annual Report:~~ 14.0 INVESTMENT POLICY ADOPTION

This Investment Policy ~~will~~may be presented annually, ~~following the close of the fiscal year~~or when changes to the policy are proposed, to the Board for approval. ~~Each of the four quarterly reports, which are submitted to the commission as briefing reports, will provide a detailed report of the current status of the portfolio.~~

Attachment B

HOUSING AUTHORITY OF THE CITY OF OXNARD

INVESTMENT PORTFOLIO GUIDELINES

July 1, ~~2024~~2025

1.0 INTRODUCTION

These guidelines are established to direct and control investment activities in such a manner to assure that the goals established in the Investment Policy are attained.

2.0 GENERAL FACTORS

Several factors must be considered in preparation for effective portfolio management.

2.1 -Cash Forecast. The projected cash flow of the Authority shall be prepared annually,

and updated as required throughout the year. A close working relationship with Authority Divisions having a significant impact on cash flow is maintained to maximize the efficiency of the Investment Program.

2.2 -Pooled Cash. Whenever practical, the Authority cash will be consolidated into one

bank account and invested on a pooled concept basis. Interest earnings are allocated according to the average daily balances specific to fund ledger balances. No Authority bank account may be opened without the knowledge and consent of the Housing Finance Officer.

2.3 ~~2.3~~ Authorized Institution. A list of institutions that meet the criteria of the Investment Policy and have been authorized by the Housing Finance Officer to do business with the Authority will be established, maintained and regularly updated. Investment transactions will be executed only with approved broker/dealers, banks, and savings and loans.

3.0 INVESTMENT PROCEDURES

The Board has approved the Investment Policy and the Housing Finance Officer has developed ~~internal investment procedures~~the subject Investment Guidelines to provide for effective cash management. Segregation of responsibilities is maintained to assure an adequate system of internal control over the investment function.

3.1- Investment Transactions. The Housing Finance Officer will authorize investment transactions. In his/her absence, the Housing Director will execute transactions as prescribed by the Housing Finance Officer prior to the absence.

~~3.2~~ -3.2 Wire Transfers. ~~The Authority will use pre-formatted wire transfers to restrict the transfer of funds to pre-authorized accounts only.~~ All wire transfers require an initiator plus an approval by an authorized employee.

~~3.~~3-.3 Safekeeping. Securities purchased from broker/dealers (on which maturity is greater than 30 days) shall be held in third party safekeeping. All purchases will be on a delivery versus-payment basis. Evidences of accounts for certificates of deposit will be issued in the Authority name and held in Housing Finance Officer's safe.

4.0 INVESTMENT CRITERIA

All investments will be made in compliance with Federal, State, and Local laws governing the investment of Authority funds, and in accordance with the Authority's Investment Policy.

4.1-___Maturity of Investment. ~~Investments longer than one year may be made if consistent with~~ To the extent possible, the Authority will attempt to match its investments with anticipated cash flow ~~needs and related intent of holding until~~requirements. A five-year maximum maturity~~.~~ ~~Securities may be sold prior to maturity for cash flow purposes or~~ applies to all permissible securities unless otherwise ~~enhance the portfolio. If~~stated in the ~~rating of any depository declines to an unacceptable level prior to~~ California Government Code. A permissible security may exceed this limitation only if the ~~maturity of an investment of Authority funds,~~Board has approved the investment ~~will be matured at the earliest possible convenience. If the rating drops below the allowable level of any one of the rating services, the investment will be sold if no significant loss of principal is involved. Housing Finance Officer will determine such sales.~~.

4.2-___Certificate of Deposit Evaluation. Time Certificates of Deposit shall be evaluated in terms of FDIC coverage. For deposits in excess of the insured maximum of $~~100~~250,000, ~~approved~~100 percent collateral by clearly identified (not pooled) U. S. government securities shall be required ~~at~~for the ~~percentage above market value~~excess as specified by HUD Notice PIH 2002-13 ~~and CGC Section 53651 and 53652~~.

5.0-___INTERNAL CONTROL OF INVESTMENTS

Investment transactions are controlled through distribution of responsibilities within the Housing Finance Officer's office by the following procedures:

5.1-___The Housing Finance Officer initiates each investment transaction.

5.2-___A journal entry detailing the investment is prepared by the Housing Accountant and approved by the Housing Finance Officer.

5.3-___The journal entry is entered on a cash balance spread sheet by the Housing Accountant.

5.4-___At month end the book balances, maintained by the Housing Accountant, must balance with the portfolio balance. The portfolio balance is maintained independently by ~~the~~a different Housing Accountant in the department.

HOUSING AUTHORITY OF THE CITY OF OXNARD

RESOLUTION NO.

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF OXNARD APPROVING AN INVESTMENT POLICY AND INVESTMENT PORTFOLIO GUIDELINES FOR THE HOUSING AUTHORITY OF THE CITY OF OXNARD, AND DELEGATING INVESTMENT AUTHORITY TO THE HOUSING FINANCE OFFICER, FOR FISCAL YEAR 2025-2026

I. WHEREAS, the U. S. Department of Housing & Urban Development has established requirements governing cash management and approved investment instruments for certain funds under the control of public housing authorities (HUD Notice PIH 2002-13); and

II. WHEREAS, the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern (California Government Code Section 53600.6 and 53630.1); and

III. WHEREAS, the legislative body of the Housing Authority of the City of Oxnard (Authority) may invest surplus monies not required for the immediate necessities of the local agency in accordance with the provisions of U.S. Department of Housing & Urban Development Notice PIH 2002-13 and California Government Code sections 5922 and 53600 et seq.; and

IV. WHEREAS, pursuant to California Health and Safety Code Sections 34278 and 34280, Authority Resolution 1308 has designated the City Manager as Authority Secretary and Treasurer, with the authority to delegate any of the Secretary's duties; and

V. WHEREAS, the Secretary has delegated the duty to invest Authority funds to the Housing Finance Officer; and

VI. WHEREAS, the Housing Finance Officer of the Authority is encouraged to annually prepare and submit a statement of investment policy and such policy, and any changes thereto, shall be considered by the Authority at a public meeting (California Government Code Section 53646); and

VII. WHEREAS, the Board of Commissioners of the Authority ("Board") determines that the policy of the Authority is to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Authority and conforming to all statutes governing the investment of Authority funds.

///

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NOW THEREFORE, the Board hereby adopts the Investment Policy of the Housing Authority of the City of Oxnard, which is attached hereto as Attachment A and incorporated herein by this reference, and delegates investment authority for fiscal year 2025-2026 to the Housing Finance Officer. The Board also adopts the Investment Portfolio Guidelines dated July 1, 2025, which are attached hereto as Attachment B and incorporated herein by this reference.

APPROVED AND ADOPTED on this ______of July, 2025 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____

Luis A. Mc Arthur, Chairman

ATTEST:

____

Lourdes A. López, Secretary Designate

Approved as to form:

____

Stephen M. Fischer, General Counsel

Attachment A

HOUSING AUTHORITY OF THE CITY OF OXNARD

INVESTMENT POLICY

1.0 INTRODUCTION

This policy is intended to provide guidance for the investing of surplus cash of the Housing Authority of the City of Oxnard (Authority). The U.S. Department of Housing and Urban Development (HUD) has established requirements governing cash management and approved investment instruments for certain funds under the control of Public Housing Authorities.

The Legislature of the State of California (CGC 53600.6 and CGC 53630.1) has declared that the deposit and investment of funds by officials and local agencies is an issue of statewide concern. The Board of Commissioners of the Authority (Board) may invest surplus monies not required for the immediate necessities of the Authority in accordance with the provisions of HUD Notice PIH 2002-13 and California Government Code Sections 5922 and 53600 et seq.

This policy is intended to provide guidelines for the prudent investment of the Authority funds and to enhance the economic status of the Authority while protecting its pooled cash. Funds will be invested in accordance with this policy and with applicable sections of the California Government Code.

The policy is to invest funds in a manner which will provide: (i) the maximum security; (ii) the funds necessary to meet the daily cash flow demands of the Authority; and (iii) the highest investment return while conforming to all statutes governing the investment of the Authority funds within the constraints of this Investment Policy.

Pursuant to California Health and Safety Code section 34278(a), the Board has designated the City Manager to serve as Secretary of the Authority, and assigned various duties to the Secretary, including serving as the Treasurer of the Authority. Pursuant to California Health and Safety Code Section 34280, the Secretary may delegate investment duties to the Housing Finance Officer, and the Board has authorized the Secretary to delegate any of the Secretary’s duties to any person at the Secretary’s discretion. The Secretary has delegated the duty to invest Authority funds to the Housing Finance Officer.

2.0 SCOPE

This investment policy applies to the Authority's pooled investment fund, which encompasses all money under the direct oversight of the Housing Finance Officer. These include the Public Housing Funds, Section 8 Voucher Funds, Grant Funds and the Central Fund.

This policy does not include employee's retirement, deferred compensation funds, nor proceeds of bonds.

3.0 PRUDENCE

Investments shall be made with foresight and care -- under circumstances then prevailing -- which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

3.1 The standard of prudence to be used by investment officials shall be the 'prudent investor' standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4.0 OBJECTIVES

The Authority's cash management system is designed to accurately monitor and forecast revenues and expenditures thus enabling the Housing Finance Officer to invest funds to the fullest extent possible. As specified in CGC §53600.5, the Housing Finance Officer shall maintain a portfolio, which accomplishes the primary objectives of safety, liquidity, and yield (in that order of priority).

4.1 Safety: According to HUD Notice PIH 2002-13, safety is achieved through adherence to the list of permitted investments which are backed by the full faith and credit of, or a guarantee of principal and interest by, the U. S. Government, a Government agency or issued by a Government sponsored agency, coupled with an appropriate maturity date.

4.2 Liquidity: All investments must be capable of being liquidated on one day's notice.

4.3 Yield: The Authority should strive to achieve the highest yield consistent with the objectives of the Investment Policy.

5.0 DELEGATION OF AUTHORITY

Authority to manage the investment program is derived from the HUD/PHA Annual Contributions Contract, the Housing Authorities Law (California Health and Safety Code Sections 34200 et seq., and California Government Code Sections 53600 et seq.. Management responsibility for the investment program is hereby delegated for a one-year period by the Board via resolution, to the Housing Finance Officer, who shall ensure that the program operates in accordance with the guidelines and internal controls established in the Investment Guidelines (Attachment B).

No person may engage in an investment transaction except as provided under the terms of this Investment Policy and the Investment Guidelines. The Housing Finance Officer shall be responsible for all transactions undertaken. The Housing Finance Officer is a trustee and a fiduciary subject to the prudent investor standard. The other housing staff with signatory authority on Authority checking and other accounts is the Housing Director.

6.0 ETHICS AND CONFLICTS OF INTEREST

The Housing Finance Officer and Housing Director shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions. The Housing Finance Officer is governed by the Political Reform Act of 1974 regarding disclosure of material financial interests.

7.0 AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The Housing Finance Officer shall transact business only with banks, savings and loans, securities dealers and approved State and county investment pools.

7.1 Authorization: The Authority may conduct business with major registered broker/dealers and with dealers designated Primary by the Federal Reserve provided all the following criteria are met. Broker/Dealers must: 1) have offices located in the State of California, 2) be adequately capitalized, 3) locate markets for securities appropriate to the Authority needs, and 4) agree to abide by the conditions set forth in the Authority's Investment Policy, and be among the authorized institutions approved by the City.

7.2 Certification: Before engaging in investment transactions with a broker/dealer, the Housing Finance Officer shall have received from said firm a signed certification that the responsible party from that firm has reviewed the Authority's Investment Policy. The Certification shall also state that the firm understands the policy and intends to present investment recommendations and transactions to the Authority that are appropriate under the terms and conditions of the Investment Policy.

8.0 AUTHORIZED AND SUITABLE INVESTMENTS

HUD Notice PIH 2002-13 states an Authority should compare the return of an ‘in house’ cash management program with a program managed by an agent. It also states the Authority may contract with an approved governmental unit such as a State agency established for this purpose, such as a Local Agency Investment Fund (LAIF). The Notice also sets forth the following HUD-approved investments. The types of HUD-approved investments may change from time to time. It is the responsibility of the Housing Finance Officer to stay informed of the latest California Government Code and HUD-approved investments. HUD approved investments may be further limited by California Government Code Section 53600 et seq.

8.1 U.S. Treasury Bills, Notes and Bonds

8.2 Obligations issued by Agency or Instrumentality of the U.S. Government.

8.3 State or Municipal Depository Funds, such as LAIF, or pooled cash investment funds managed by County Treasurers.

8.4 Insured Demand and Savings Deposits, provided that deposits in excess of the insured amounts must be 100% collateralized by securities listed in 8.1 or 8.2 above.

8.5 Insured Money Market Deposit Accounts, provided that deposits in excess of the insured amount must be 100% collateralized by securities listed in 8.1 or 8.2 above.

8.6 Insured Super NOW Accounts, provided that deposits in excess of the insured amount must be 100% collateralized by Securities listed in 8.1 or 8.2 above.

8.7 Negotiable Certificates of Deposit issued by Federally or state-chartered banks or associations. Not more than 30% of surplus funds can be invested in certificates of deposit.

8.8 Repurchase/Reverse Repurchase Agreements of any securities authorized by this section (See special limits and qualifications in HUD Notice PIH 2002-13, and California Government Code Section 53601).

8.9 Sweep Accounts that are 100% collateralized by securities listed in 8.1 or 8.2 above.

8.10 Shares of beneficial interest issued by diversified management companies (money market mutual funds) investing in the securities and obligations authorized by this section. Such Funds must carry the highest rating of at least two national rating agencies. Not more than 20% of surplus funds can be invested in money market mutual funds.

8.11 Funds held under the terms of a Trust Indenture or other contract or agreement, including the HUD/PHA Annual Contributions Contract, may be invested according to the provisions of those indentures or contracts.

8.12 Principal only STRIPS (Separate Trading of Registered Interest and Principal of Securities).

8.13 Any other investment security authorized under the provisions of HUD Notice PIH 2002-13.

8.14 Prohibit securities that take the form of inverse floaters, range notes, mortgage-backed interest-only strips and floating-rate investments without a floor.

9.0 COLLATERAL

Collateral requirements are addressed in HUD Notice PIH 2002-13 as well as California Government Code Section 53652. All Certificates of Deposits must be collateralized by US Treasury Obligations. Collateral must be held by a third party, and valued on a monthly basis.

10.0 SAFEKEEPING AND CUSTODY

Security transactions entered into by the Authority shall be conducted on a delivery-versus-payment (DVP) basis. Securities of duration exceeding 30 days to maturity shall be held by a third-party custodian designated by the Housing Finance Officer (California Government Code Section 53601). Evidence of account for each time deposit will be held in the Housing Authority safe.

11.0 DIVERSIFICATION

Portfolio diversification is employed to minimize the risks present in the investment portfolio. No individual investment transaction shall be undertaken which jeopardizes the total capital position of the overall portfolio. To promote diversification, no more than 5 percent of the portfolio may be invested in the securities of any one issuer, regardless of security type; except for U.S. Treasuries, federal agencies, supranational, and pooled investments such as LAIF, money market funds, and local government investment pools.

11.1 Investments are further limited by specific language relating to each investment type as stated in Section 8 of this Policy.

11.2 To the extent possible, the Housing Finance Officer will attempt to match investments with anticipated cash flow requirements. Operating reserve funds may not be invested in securities exceeding five years (maturity of such investments should coincide as nearly as practicable with expected use of funds).

12.0 INTERNAL CONTROLS

The Housing Finance Officer will maintain a control structure to assure compliance with Federal and State regulations, Board direction, and prudent cash management procedures.

12.1 Investment Portfolio Guidelines have been established for procedures within the Housing Finance Officer's office to assure internal investment controls and a segregation of responsibilities of investment functions. (Attachment B).

12.2 The Investment portfolio is included in the Independent Auditors' scope of examination for the Authority's annual financial audit.

13.0 REPORTING

Per Government Code Section 53607 the Housing Finance Officer (treasurer of the local agency) shall make a monthly report of transactions to the Board of Commissioners.

14.0 INVESTMENT POLICY ADOPTION

This Investment Policy may be presented annually, or when changes to the policy are proposed, to the Board for approval.

Attachment B

HOUSING AUTHORITY OF THE CITY OF OXNARD

INVESTMENT PORTFOLIO GUIDELINES

July 1, 2025

1.0 INTRODUCTION

These guidelines are established to direct and control investment activities in such a manner to assure that the goals established in the Investment Policy are attained.

2.0 GENERAL FACTORS

Several factors must be considered in preparation for effective portfolio management.

2.1 Cash Forecast. The projected cash flow of the Authority shall be prepared annually,

and updated as required throughout the year. A close working relationship with Authority Divisions having a significant impact on cash flow is maintained to maximize the efficiency of the Investment Program.

2.2 Pooled Cash. Whenever practical, the Authority cash will be consolidated into one

bank account and invested on a pooled concept basis. Interest earnings are allocated according to the average daily balances specific to fund ledger balances. No Authority bank account may be opened without the knowledge and consent of the Housing Finance Officer.

2.3 Authorized Institution. A list of institutions that meet the criteria of the Investment Policy and have been authorized by the Housing Finance Officer to do business with the Authority will be established, maintained and regularly updated. Investment transactions will be executed only with approved broker/dealers, banks, and savings and loans.

3.0 INVESTMENT PROCEDURES

The Board has approved the Investment Policy and the Housing Finance Officer has developed the subject Investment Guidelines to provide for effective cash management. Segregation of responsibilities is maintained to assure an adequate system of internal control over the investment function.

3.1 Investment Transactions. The Housing Finance Officer will authorize investment transactions. In his/her absence, the Housing Director will execute transactions as prescribed by the Housing Finance Officer prior to the absence.

3.2 Wire Transfers. All wire transfers require an initiator plus an approval by an authorized employee.

3.3 Safekeeping. Securities purchased from broker/dealers (on which maturity is greater than 30 days) shall be held in third party safekeeping. All purchases will be on a delivery versus-payment basis. Evidences of accounts for certificates of deposit will be issued in the Authority name and held in Housing Finance Officer’s safe.

4.0 INVESTMENT CRITERIA

All investments will be made in compliance with Federal, State, and Local laws governing the investment of Authority funds, and in accordance with the Authority's Investment Policy.

4.1 Maturity of Investment. To the extent possible, the Authority will attempt to match its investments with anticipated cash flow requirements. A five-year maximum maturity applies to all permissible securities unless otherwise stated in the California Government Code. A permissible security may exceed this limitation only if the Board has approved the investment.

4.2 Certificate of Deposit Evaluation. Time Certificates of Deposit shall be evaluated in terms of FDIC coverage. For deposits in excess of the insured maximum of $250,000, 100 percent collateral by clearly identified (not pooled) U. S. government securities shall be required for the excess as specified by HUD Notice PIH 2002-13.

5.0 INTERNAL CONTROL OF INVESTMENTS

Investment transactions are controlled through distribution of responsibilities within the Housing Finance Officer's office by the following procedures:

5.1 The Housing Finance Officer initiates each investment transaction.

5.2 A journal entry detailing the investment is prepared by the Housing Accountant and approved by the Housing Finance Officer.

5.3 The journal entry is entered on a cash balance spread sheet by the Housing Accountant.

5.4 At month end the book balances, maintained by the Housing Accountant, must balance with the portfolio balance. The portfolio balance is maintained independently by a different Housing Accountant in the department.

Policy, Portfolio Guidelines, and Investment Delegation for the Housing Authority of the City of Oxnard

Brenda Lopez
Interim Housing Director

Finance and Governance Committee
June 24, 2025

BACKGROUND

1. The Department of Housing and Urban Development (HUD) has established requirements governing cash management and approved investment instruments for certain funds under the control of public housing agencies (PHAs).
2. The legislative body (Board) of the Housing Authority may invest surplus monies not required for the immediate necessities (PIH 2002-13 & California Government Code (CGC) sections 5922 & 53600 et seq.)
3. PHAs may only invest in instruments specified by HUD and State law.
4. The Board may delegate its authority to invest for a one-year period (CGC 53607).
5. The Oxnard Housing Authority's (OHA) Fiscal Year 24-25 Investment Policy, including delegation of investment authority was approved by the Board on May 28, 2024.

BACKGROUND

1. Per the FY 24-25 Investment Policy, the policy is to be reviewed and adopted annually by the Board.

2. The requirement to review and adopt an investment policy annually was in alignment with CGC Section 53646, which was amended in 2004 to eliminate this as a requirement; however agencies are encouraged to continue taking the formerly mandated actions.

3. The Investment Policy governs investment of funds, including funds on deposit. HUD defines "funds on deposit" as: 1). Funds for current transactions 2). Capital or development funds 3). funds exceeding daily requirements and 4). Operation reserve funds.

4. Consistent with HUD regulations, CGC, the Housing Authorities Law (California Health & Safety Code Section 34200 et seq.), and OHA Resolution 1308, the OHA investment policy includes a "delegation of authority" to the Housing Finance Officer (HFO).

5. With this delegation, the HFO is authorized to invest surplus monies within the parameters of the OHA's Investment Policy and Investment Guidelines.

BACKGROUND

6. The OHA has invested excess cash utilizing a combination of in-house efforts and an outside agent (LAIF), which is permitted by the HUD and State law.

7. The market value of the OHA's pooled investment fund as of May 31, 2025, is $22,403,073.56 (not including interest earned from 4/1/25 through 5/31/25 because quarterly interest earned is applied mid-July 2025).

DISCUSSION

1. After review of OHA's FY 24-25 policy, as well as review of other jurisdiction's Housing Authority investment policies and various publications concerning this topic, staff proposes updates for the FY 25-26 Investment Policy and to the Investment Portfolio Guidelines.

2. The OHA's investment portfolio market value has a range of $20.7M-$22.4M at any given time.

3. On average, the HFO transacts three times a year.

4. The monthly and quarterly reports are available online: (https://www.oxnard.gov/housing)

Recommended Revisions to the Resolution and Investment Policy

1. Updated references to all applicable CGC Sections, and added references to the most recent OHA resolution pertaining to delegation of authority and investment duties.
2. Section 1.0 updated to reference all applicable CGC Sections. In addition the language pertaining to delegation of authority was moved to section (5.0) Delegation of Authority and language pertaining to reporting was moved to section (13.0) Reporting.
3. Section 2.0 was updated to remove language pertaining to bonds because the OHA does not issue bonds.
4. Section 3.1 updated "prudent person" to "prudent investor".
5. Sections 5.0, 8.0, 8.8, 10.0 were updated to reference the most recent CGC Sections, as applicable.

DISCUSSION

Recommended Revisions to the Resolution and Investment Policy (Continued)

6. Section 5.0 was updated to reference the most recent CGC Section, removed outdated HUD reference, and removed redundant language. In addition, added a reference to the Investment Guidelines which are contained in Attachment B of the Resolution document.

7. Section 6.0 was revised to add the Housing Director.

8. Section 7.1 was revised to clarify that broker/dealers the OHA chooses to conduct business with must be among the authorized institutions approved by the City.

9. Section 11.0 and 11.1 updated to align with the City's Investment Policies regarding diversifying the investment portfolio in a manner that minimizes risk which is consistent with HUD regulations and CGC.

10. Section 12 was updated to remove Section 12.1 Investment Review Committee. The Committee was originally established when the OHA had a larger investment portfolio and multiple transactions were completed by the HFO. Due to the decrease in federal funding over the years, the surplus cash available has decreased and transactions are limited to around three transactions in a given year. Section 12.2 was renumbered to Section 12.1 and section 12.3 was renumbered to section 12.2 In addition, under Section 12.2 language was added to clarify that the investment portfolio is part of the annual financial audit.

DISCUSSION

Recommended Revisions to the Resolution and Investment Policy (Continued)

11. Section 13.0 through 13.2, consistent with CGC 53646 (b)(1), removed the requirement for quarterly reports. In addition to no longer being required by the CGC, the HA does not transact often and has a limited amount of funds to invest. Added language regarding monthly transaction reports and clarified that the investment portfolio is part of the HA's annual financial audit.

12. Added a new Section, 14.0 Investment Policy Adoption to incorporate the language originally located in Section 1.0 regarding investment policy adoption.

DISCUSSION

<u>*Recommended Revisions to the Investment Portfolio Guidelines*</u>

1. Section 3.0 was revised to clarify that the Board approves the Investment Policy that is developed by the Housing Finance Officer.

2. Section 3.2 was revised to remove language regarding the use of a pre-formated wire transfer because it is not applicable to on-line banking transactions.

3. Section 4.1 added language regarding five-year maximum maturity as prescribed under CGC 53601 and regarding requirement of Board approval for a permissible security that exceeds this limitation.

4. Section 4.2 updated to reflect most recent FDIC insurance maximums for Time Certificates of Deposit.

5. Section 5.0 updated the workflow of investment transactions to reflect current Housing Authority procedures.

RECOMMENDATIONS

That the Finance and Governance Committee recommend that the Board of Commissioners of the Housing Authority of the City of Oxnard adopt a resolution approving an investment policy and investment portfolio guidelines for the Housing Authority of the City of Oxnard, and delegating investment authority to the Housing Finance Officer for Fiscal Year 2025-2026.

CITY OF OXNARD CALIFORNIA

END OF PRESENTATION

CITY OF OXNARD CALIFORNIA

FINANCE AND GOVERNANCE COMMITTEE
AGENDA REPORT

REPORTS
AGENDA ITEM NO. D.2

DATE: June 24, 2025

TO: Finance & Governance Committee

FROM: Javier Chagoyen-Lazaro, Chief Financial Officer, (805) 200-5400, javier.chagoyenlazaro@oxnard.org

SUBJECT: Authorizing the Issuance of 2025 Wastewater Revenue Refunding Bonds. (15 minutes)

RECOMMENDATION

That the Finance and Governance Committee recommend that the City Council:

1. Adopt a resolution approving and authorizing the issuance of 2025 Wastewater Revenue Refunding Bonds in an amount not to exceed $55,000,000, and
2. Authorizing the execution and delivery of other documents required in connection therewith; and
3. Authorizing the taking of all other actions necessary to the consummation of the transaction contemplated by the resolution.

(Presentation will be live at the request of the consultant.)

Please click the following link to view the required Measure M pre-recorded presentation video:

BACKGROUND

The City of Oxnard Financing Authority issued $71,985,000 in Wastewater Revenue Refunding Bonds ("2014 Bonds") in November 2014. These 2014 Bonds were issued to refund a portion of an earlier 2004 Wastewater Revenue Bond series, which financed capital improvements to the Wastewater System.

The 2014 Bonds are secured by net revenues of the Wastewater Enterprise Fund and have level annual debt service of $7.275 million. The 2014 Bonds mature on June 1, 2034 and are callable at any time, without penalty.

The City's Wastewater Fund debt has an "A"/stable credit rating from S&P Global Ratings. Based on the proposed not-to-exceed true interest cost, the City can issue 2025 Wastewater Revenue Refunding Bonds ("2025 Bonds") to refund the 2014 Water Bonds. Under the terms of the City's Debt Management Policy, the refunding must achieve 3% net present value savings, which in this case would result in approximately $200,000 annual debt service savings through 2034. This is equivalent to approximately $1.85 million in cumulative cashflow savings through 2034, net of financing costs.

DISCUSSION

The City of Oxnard Wastewater Fund has three outstanding obligations: the 2014 Bonds with $51,690,000 currently outstanding, the 2018 Wastewater Revenue Refunding Bonds with $15,740,000 currently outstanding, and a 2021 State Water Resources Control Board State Revolving Fund Installment Sale Agreement ("2021 SRF Loan") with an amended total authorized amount of $88,601,724. The 2021 SRF Loan is a draw down loan, which means that interest only accrues interest on actual amounts drawn. Currently, approximately $21 million of the total authorized amount is drawn and outstanding, though future draws up to the full authorized amount are anticipated.

The table below summarizes the total annual principal and interest payments on these obligations through final maturity. The 2014 Bonds and 2018 Bonds both mature in fiscal year 2033-34. The 2021 SRF Loan matures in fiscal year 2057-58. It is noteworthy that once the 2021 SRF Loan commences repayment, the total annual debt service payments on the Wastewater Fund's debt will be increasing to approximately $12.8 million annually from fiscal year 2028-29 through fiscal year 2033-2034.(1)

Oxnard Wastewater Fund
Annual Debt Service on Outstanding Debt

Fiscal Year Ended 6/30	2014 Bonds	2018 Bonds	2021 SRF Loan[1]	Total Debt Service
2025	$7,272,750	$2,160,250	0	$9,433,000
2026	$7,274,500	$2,157,000	$0	$9,431,500
2027	$7,275,000	$2,155,500	$0	$9,430,500
2028	$7,268,750	$2,165,500	$0	$9,434,250
2029	$7,270,500	$2,161,250	$3,383,209	$12,814,959
2030	$7,274,250	$2,158,250	$3,383,209	$12,815,709
2031	$7,274,250	$2,156,250	$3,383,209	$12,813,709
2032	$7,270,000	$2,160,000	$3,383,209	$12,813,209
2033	$7,271,000	$2,163,200	$3,383,209	$12,817,409
2034	$7,271,250	$2,163,200	$3,383,209	$12,817,659
2035	$0	$0	$3,383,209	$3,383,209
2036	$0	$0	$3,383,209	$3,383,209
2037	$0	$0	$3,383,209	$3,383,209
2038	$0	$0	$3,383,209	$3,383,209
2039	$0	$0	$3,383,209	$3,383,209
2040	$0	$0	$3,383,209	$3,383,209
2041	$0	$0	$3,383,209	$3,383,209
2042	$0	$0	$3,383,209	$3,383,209
2043	$0	$0	$3,383,209	$3,383,209
2044	$0	$0	$3,383,209	$3,383,209
2045	$0	$0	$3,383,209	$3,383,209
2046	$0	$0	$3,383,209	$3,383,209
2047	$0	$0	$3,383,209	$3,383,209
2048	$0	$0	$3,383,209	$3,383,209
2049	$0	$0	$3,383,209	$3,383,209
2050	$0	$0	$3,383,209	$3,383,209
2051	$0	$0	$3,383,209	$3,383,209
2052	$0	$0	$3,383,209	$3,383,209
2053	$0	$0	$3,383,209	$3,383,209
2054	$0	$0	$3,383,209	$3,383,209
2055	$0	$0	$3,383,209	$3,383,209
2056	$0	$0	$3,383,209	$3,383,209
2057	$0	$0	$3,383,209	$3,383,209
2058	$0	$0	$3,383,209	$3,383,209
Total	$72,722,250	$21,600,400	$101,496,270	$195,818,920

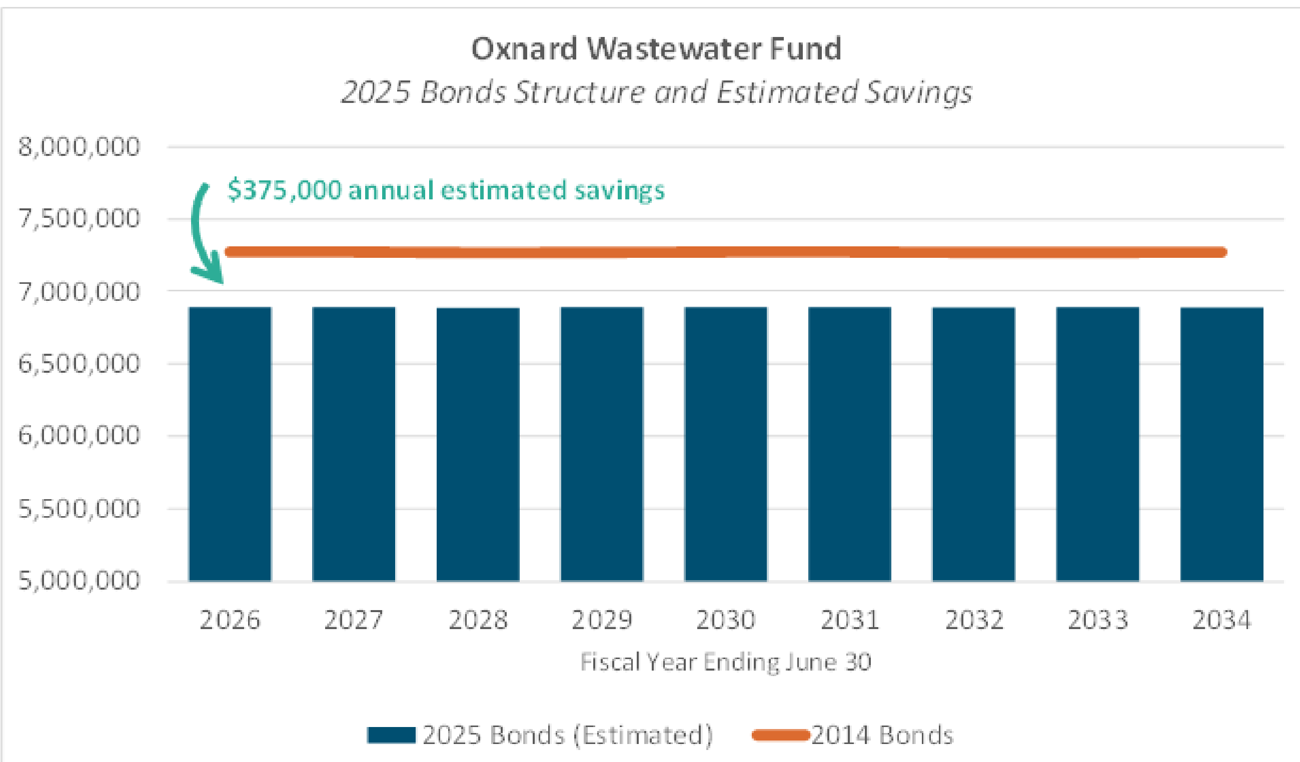
1) Debt service on the 2021 SRF Loan is estimated based on an updated schedule in Amendment No. 1 to the 2021 SRF Loan Agreement, which increased the total funding amount to $88.6 million (from $66.7 million previously)

Based on the City's Debt Management Policy, a minimum of three percent (3%) net present value savings is required for any refunding. As it relates to a refunding of the 2014 Bonds, the proposed 2025 Bonds must have a true interest cost equal to or less than 4.00%. Debt service savings can be applied (1) as a reduction in cash flow to reduce impact on sewer rates, or (2) generating cash flow for pay-as-you-go capital projects. Savings do not need to be taken evenly (through 2034) and can be applied in select years to minimize the impact of the SRF loan payment.

In the current market, the 2025 Bonds would have an estimated true interest cost of 3.46%. This true interest cost would result in annual savings of $375,000 per year and equates to $3.4 million cashflow savings and $2.9 million net present value savings (5.5% net present value savings). The final interest rate on the 2025 Bonds will not be known until the day of sale, at which time the 2025 Bonds interest rates would be set (and would be fixed through final maturity).

NHA Advisors LLC, the City's municipal financial advisor, has evaluated the methods of sale for the 2025 Bonds and determined that a public offering would be the optimal approach. In this case, NHA Advisors recommends a negotiated public offering. This finding is based on the underlying Wastewater Fund credit rating, the City's issuance history, and litigation history.

As illustrated in the graph below, the 2025 Bonds would be structured to achieve uniform annual savings relative to the debt service on the outstanding 2014 Bonds. Accordingly, each year's payment would be less under a refunding scenario and there would be no extension of final maturity.



City staff are working with Best Best & Krieger LLP (Bond Counsel and Disclosure Counsel) to prepare the documents for the 2025 Bonds. Those bond documents will be provided to City Council for consideration and will include:

Authorizing Resolution – The resolution will provide authority to City staff to issue the 2025 Bonds, provided the final par and final true interest cost are within the identified not-to-exceed amounts in the resolution. The not-to-exceed par is set slightly higher than the current expected amount to allow the City flexibility on structuring the 2025 Bonds (i.e. structuring them as discount bonds should it be to the City's benefit). The not-to-exceed true interest cost is set at the maximum amount that still allows the refunding to achieve the 3% net present value savings requirement identified in the City's Debt Management Policy. In addition to setting the not-to-exceed amounts, the Authorizing Resolutions will approve the 2025 Bond disclosure and legal documents and will authorize City staff to execute the necessary documents to issue the 2025 Bonds.

Indenture of Trust – The Indenture will formalize the relationship between the City of Oxnard and Computershare Corporate Trust ("Computershare") as Trustee for the 2025 Bonds. The Indenture will describe the terms of the 2025 Bonds, including the payment terms and schedule, prepayment options, other covenants related to the 2025 Bonds (which will match the terms on the City's other outstanding debt), and other administrative items. The debt service on the 2025 Bonds will be made from and secured by a pledge of the net revenues of the City's Wastewater Fund. Under this agreement, a key covenant is that the City will set rates as needed to ensure that there is a minimum 125% debt service coverage on the 2025 Bonds. The Indenture contains other covenants and provisions designed to mirror similar provisions for the City's outstanding debt.

Escrow Agreement – this short-term agreement describes the temporary role that Computershare will serve to hold a portion of the 2025 Bond proceeds and use them to pay off the outstanding principal on the 2014 Bonds. Because the 2014 Bonds can be prepaid at any time, the anticipated length of the escrow account will be less than 3 months. This timing also complies with federal law for tax exempt municipal bonds.

Preliminary Official Statement – A preliminary official statement ("POS") will be distributed to potential investors to provide material information regarding the terms of and security for the 2025 Bonds. The underwriter will use this document to market the 2025 Bonds to potential investors. Once the 2025 Bonds have sold, the final pricing information will be inserted into the POS, thereby converting it to a final Official Statement. The distribution of the POS is subject to federal securities laws, including the Securities Act of 1933 and the Securities Exchange Act of 1934. These laws require the POS to include all facts that would be material to an investor in the 2025 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 2025 Bonds. If the City Council concludes that the POS includes all facts that would be material to an investor in the 2025 Bonds, it will authorize a member of staff to execute a certificate to the effect that the POS has been "deemed final."

Continuing Disclosure Agreement - Under the Continuing Disclosure Certificate, the City will agree to provide an annual report containing certain financial and operating information relevant to the security of the 2025 Bonds, to be filed on the EMMA system (the internet-based information repository for municipal bonds issued in the United States maintained by the Municipal Securities Rule Making Board) to make such information available to the investors. The City will also agree to disclose and make filings upon the occurrence of enumerated significant events (for example, a change in trustee, a rating change, or a missed debt payment on the 2025 Bonds). The requirements under this agreement will be materially the same as the City's current obligations for the 2014 and 2018 Bonds.

Bond Purchase Agreement – This agreement between the City and its selected underwriter will specify the terms by which the City sells its bonds to the underwriter. Because the final terms of sale will not be known until the day of sale, this document typically has blanks throughout when it is approved by City Council. Nevertheless, the terms of the sale are still subject to the not-to-exceed amounts specified in the Authorizing Resolutions.

STRATEGIC PRIORITIES

This agenda item is a routine operational item or does not relate to the five strategic priorities adopted by City Council on March 16, 2021.

FINANCIAL IMPACT

A refunding of the 2014 Bonds through the issuance of 2025 Bonds would secure annual debt service savings. Under the 3% net present value savings requirement for the City's Debt Management Policy, the minimum savings would be $200,000 annually based on a true interest cost of 4.00% on the 2025 Bonds. These savings would be available for any legal purposes of the Wastewater Fund, including paying for capital projects and ongoing operations.

Issuance costs for the 2025 Bonds would be paid out of the 2025 Bond proceeds at closing and there would be no immediate budget impact. Total issuance costs are anticipated to be under 2% of par. The issuance costs, except for the credit rating fee payable to S&P Global Ratings, are contingent upon successful sale and closing of the 2025 Bonds. That non-contingent fee payable to S&P Global Ratings is estimated to be approximately $45,000 for a transaction of this size. As with other issuance costs, rating fees are paid out of the bond proceeds. But in a situation where market rates move up dramatically and the issuance of the 2025 Bonds is delayed or cancelled, the Wastewater Fund would need to pay that credit rating fee out of its operating budget.

The FY 2025-26 Budget plans for a payment of $7,724,500 on the 2014 Bonds. If the refunding is successful, the payment on the 2025 Bonds would be less than the amount budgeted in 2025-26 (a minimum reduction of $200,000 based on a 4.00% true interest cost on the 2025 Bonds).

Prepared by: Javier Chagoyen-Lazaro, Chief Financial Officer

ATTACHMENTS

1. Oxnard 2025 WW Refunding - Presentation
2. Oxnard 2025 Wastewater RBs - Resolution of the City Council-c1 (V2)

CITY OF OXNARD
2025 WASTEWATER REVENUE REFUNDING BONDS

PRESENTATION TO FINANCE AND GOVERNANCE COMMITTEE

NHA | ADVISORS
Financial & Policy Strategies. Delivered.

June 24, 2025

Financing Team for the 2025 Bonds

NHA Advisors

- Municipal Advisor to the City

Best, Best & Krieger

- Bond and Disclosure Counsel to the City

Computershare Corporate Trust

- Trustee for the 2025 Bonds

Underwriter – TBD

- Will be responsible for marketing the refunding bonds to the public

Background

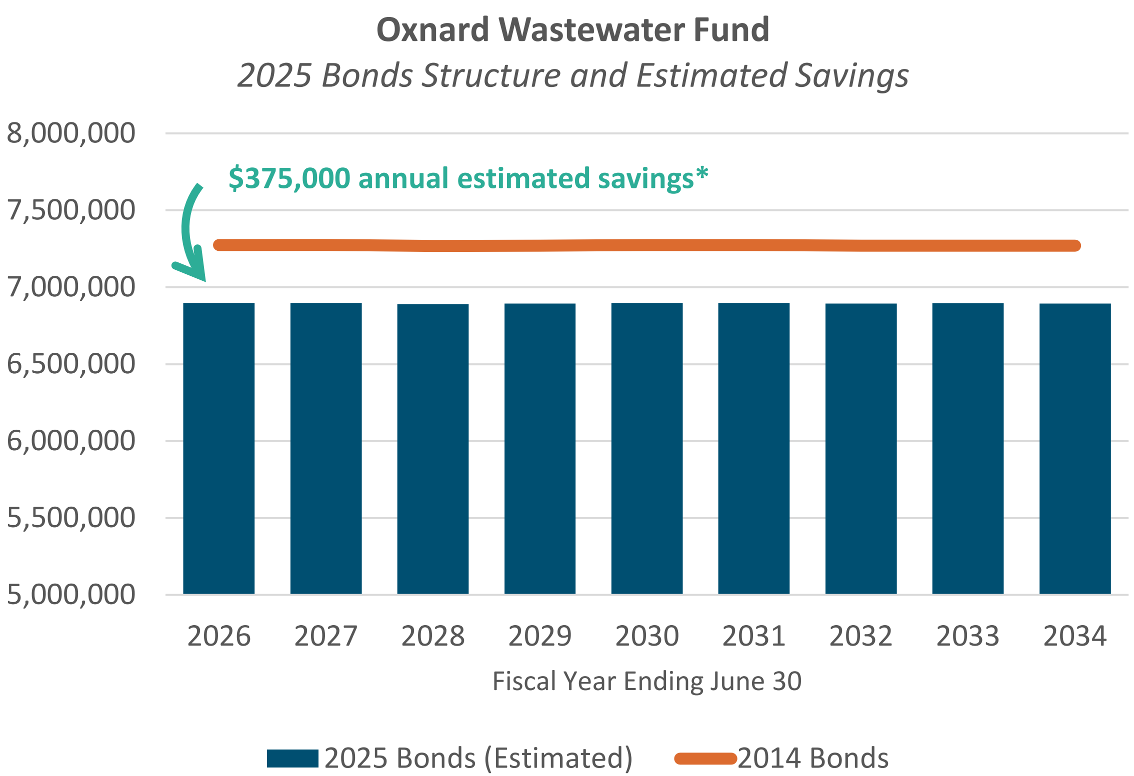
- City has three outstanding Wastewater Fund obligations
- Aggregate debt service payments are expected to increase to approximately $12 million per year once the repayment commences on the 2021 SRF Loan
- City's 2014 Wastewater Revenue Refunding Bonds ("2014 Bonds") are can be refunded (are callable) with no penalty
- Refunding the 2014 Bonds can result in savings to the Wastewater Fund
  - City's debt management policy requires a minimum of 3% Net Present Value ("NPV") savings, which would equate to approximately $200,000 annual savings
  - Current savings are approximately 5.5% NPV, which equates to approximately $375,000 annual savings

City of Oxnard Wastewater Fund Summary of Outstanding Debt

	2014 Bonds	2018 Bonds	2021 SRF Loan*
Outstanding Amount	$51,690,000	$15,740,000	$20,883,126
Final Maturity	6/1/2034	6/1/2034	12/31/2054
Callable	Any Time	6/1/2028	No
Average Interest Rate	5.00%	4.62%	0.9%

*This loan's authorized amount was amended from $66,700,000 to $88,601,724 (Resolution 15,867). The City is in the process of drawing on this loan and the expectation is that the full authorized amount will be drawn over the coming years.

Anticipated Structure of the 2025 Bonds



Savings estimates are based on market rates in early June 2025 and are subject to change until the 2025 Bonds are sold

- 2025 Wastewater Revenue Refunding Bonds ("2025 Bonds") will have a standard sewer revenue pledge
- Fixed interest rate through final maturity in 6/1/2034
  - No extension of final maturity vs 2014 Bonds
- Structured for level aggregate debt service
  - Same structure as 2014 Bonds
- Expected par of approximately $50 million, but requesting authorization for up to $55 million to provide flexibility to optimize structure on the day of the sale

Summary of Anticipated Financing Documents

Authorizing Resolution

- Authorize City staff to issue the Bonds, provided final bond pricing meets not to exceed parameters therein (not to exceed principal of $55 million, true interest cost of 4.00%)

Indenture of Trust

- Formalizes relationship between the City and Computershare; describes key terms for the Bonds, including payment, prepayment, rate covenant, and other obligations

Escrow Agreement

- Short term agreement describing Computershare's role in holding a portion of the 2025 Bonds and using it to pay off the 2014 Bonds
- Less than 3 months to comply with tax la

Preliminary Official Statement

- Provides material information related to terms and security for the 2025 Bonds
- Securities law requires the City to disclose all material facts pertinent to a bond investor's decision to buy the bonds

Continuing Disclosure Certificate

- Appended to the POS
- City agrees to provide annual disclosures and certain significant events disclosures to bond investors

Bond Purchase Agreement

- Agreement between City and its Selected Underwriter that specifies the terms by which the City sells its bonds to the underwriter
- Final terms to be filled in on the day of sale of the 2025 Bonds

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Financial & Policy Strategies. Delivered.

Financing Schedule*

June 24, 2025	Finance & Governance Committee Meeting
June – July 2025	Draft legal & Disclosure documents & Credit rating process
July 15, 2025	City Council Meeting
Late July	Sell the 2025 Bonds (interest rates locked & final savings known)
Early August	Close 2025 Bonds

**Subject to change based on market conditions or other factors*

ANY QUESTIONS?

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CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO. ___________

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD AUTHORIZING THE ISSUANCE AND SALE OF WASTEWATER REVENUE REFUNDING BONDS, SERIES 2025 TO REFINANCE OUTSTANDING BONDS, AUTHORIZING EXECUTION OF INDENTURE OF TRUST, AND AUTHORIZING EXECUTION OF AND APPROVING RELATED AGREEMENTS AND OFFICIAL ACTIONS

WHEREAS, the City through the City of Oxnard Financing Authority (the "Authority") caused to be issued its $71,985,000 Wastewater Revenue Refunding Bonds Series 2014 (the "2014 Bonds"), for the purpose of financing Wastewater System improvements for the City; and

WHEREAS, the 2014 Bonds were secured by payments to be made under an Installment Purchase Agreement, dated as of November 1, 2014, between the City and the Authority (the "2014 Installment Purchase Agreement"); and

WHEREAS, the City is authorized pursuant to the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53570 of said Code (the "Bond Law"), to issue its revenue bonds for the purpose of refunding any outstanding indebtedness of the City which is payable from the revenues of the Wastewater System, and the City Council has determined that it is in the interests of the City at this time to provide for the issuance of its Wastewater Revenue Refunding Bonds, Series 20258 (the "Bonds") under the Bond Law to refund the 2014 Bonds; and

WHEREAS, the City has determined that the Bonds may be sold by negotiated sale to an underwriter to be selected by the City, upon consultation with its Municipal Advisor, defined below, and there has been presented to the City a form of bond purchase contract (the "Bond Purchase Contract"); and

WHEREAS, Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) ("SB 450") requires that the City Council obtain from an underwriter, municipal advisor or private lender and disclose, prior to authorization of the issuance of bonds, including debt instruments such as the Bonds, with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the Bonds, (b) the sum of all fees and charges paid to third parties with respect to the Bonds, (c) the amount of proceeds of the Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Bonds, and (d) the sum total of all debt service payments on the Bonds calculated to the final maturity of the Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Bonds;

WHEREAS, it is anticipated that the Bonds will be issued with fixed interest rates, as tax-exempt bonds, and that the proceeds of the Bonds will be applied pursuant to the provisions of the Indenture as finally executed and delivered (i) to pay the redemption price of the 2014 Bonds; ; [(ii) to fund a debt service reserve fund], and (iii) to pay costs incurred in connection with the issuance of the Bonds;

WHEREAS, the City Council wishes at this time to authorize all proceedings relating to the issuance and sale of the Bonds and all other agreements and documents relating thereto;

NOW, THEREFORE, the City Council of the City of Oxnard resolves as follows:

Section 1. Issuance of Bonds. The City Council hereby authorizes the issuance of the Bonds under and pursuant to the Bond Law and an Indenture of Trust (the “Indenture”) by and between the City and [Computershare Corporate Trust]., as trustee, so long as the combined net present value savings to be achieved by the issuance of the Bonds shall be at least 3.00% of the principal amount of the 2014 Bonds remaining outstanding. The City Council hereby approves the Indenture in the form on file with the City Clerk, together with any changes therein or additions thereto deemed advisable by the Mayor, the City Manager and/or the Chief Finance Officer (together the “Authorized Officers”), whose execution thereof shall be conclusive evidence of such approval. The Authorized Officers are hereby authorized and directed for and in the name and on behalf of the City to execute, and the City Clerk is hereby authorized and directed to attest, the final form of the Indenture. The good faith estimates required by Senate Bill 450 relating to the Bonds are set forth in Exhibit A hereto.

The proceeds of the Bonds shall be applied to (i) cause the redemption of the 2014 Bonds, [(ii) fund a debt service reserve fund, either in cash or provide a debt service reserve insurance policy], and (iii) pay costs incurred in connection with the issuance of the Bonds, all in accordance with the provisions of this Resolution and the Indenture.

Section 2. Approval of Bond Purchase Contract and Conditions of Approval. The form of Bond Purchase Contract presented at this meeting is hereby approved and the Authorized Officers are each individually hereby authorized to accept, for and in the name of the Authority, such Bond Purchase Contract in substantially the form hereby approved with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof, provided that the aggregate principal amount of Bonds to be sold pursuant to the Bond Purchase Agreement shall not exceed $55,000,000, which may include a series of bonds of which the interest paid on such Bonds is includable as income for federal tax purposes and the underwriters’ discount or fee (not including any original issue discount or premium on the bonds) shall not exceed 0.75% of the principal amount of Bonds sold, and provided that, with respect to the 2014 Bonds, the net present value savings is at least 3.00% on a combined basis.

Section 3. Official Statement; Continuing Disclosure. The City Council hereby authorizes the Authorized officers to approve and to deem nearly final, within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, a form of Preliminary Official Statement describing the Bonds. Distribution of such Preliminary Official Statement by the Underwriter is hereby approved. The Authorized Officers are hereby authorized and directed to approve any changes in or additions to such Preliminary Official Statement for the purpose of finalizing such document, and the execution thereof by the Authorized Officers shall be conclusive evidence of approval of any such changes and additions. The City Council hereby authorizes the distribution of the Final Official Statement by the Underwriter. The Final Official Statement shall be executed in the name and on behalf of the City by the Authorized Officers. The Authorized

Officers are further authorized to sign on behalf of the City a continuing disclosure certificate with respect to the financing, in such form as may be approved by Bonds Counsel.

Section 4. Approval of Escrow Deposit and Trust Agreement. The City Council hereby authorizes the refunding of the 2014 Bonds and the 2014 Installment Purchase Agreement with the proceeds of the Bonds. The form of Escrow Deposit and Trust Agreement which provides for (i) the defeasance and prepayment of the 2014 Bonds, (ii) the creation and administration by the [Computershare Corporate Trust], as Escrow Agent, of the Escrow Fund for the benefit of the owners of 2014 Bonds, and (iii) the performance of other duties by the Escrow Agent, is approved in the form on file with the City Clerk, and the Authorized Officer are each individually authorized to execute and deliver, on behalf of the City, such Escrow Deposit and Trust Agreement. If the Authorized Officers so determine, the Escrow Agreements may be replaced with refunding instructions to be given to the Trustee for the 2014.

Section 5. Modifications. The approval of the Indenture, the Escrow Deposit and Trust Agreement, the Preliminary Official Statement and Bond Purchase Contract, given by this resolution shall apply to any modification or amendment of any of said agreements which is agreed upon and approved by Bond Counsel and the Authorized Officers as being necessary to carry out the provisions thereof and the authorization and direction provided in this resolution.

Section 7. Official Actions. The Authorized Officers 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 the issuance and sale of the Bonds, obtain a rating from a reputable rating agency, and any of the other transactions contemplated by the agreements and documents approved pursuant to this Resolution. Any Authorized Officer is authorized to obtain municipal bond insurance or a debt service reserve fund policy for the Bonds. Whenever in this resolution any officer of the City is authorized to execute or countersign any document or take any action, 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 shall be absent or unavailable.

[Remainder of page intentionally left blank]

Section 8. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED this ___ day of __________________, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Mayor

ATTEST:

____
City Clerk

APPROVED AS TO FORM:

____
Stephen Fischer, City Attorney

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the City by NHA Advisors, LLC as municipal advisor to the City (the "Municipal Advisor"), each with respect to the Bonds, as of June 13, 2025.

Principal Amount. The Municipal Advisor has informed the City that, based on the City's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Bonds to be sold is $49,620,000 (the "Estimated Principal Amount").

True Interest Cost of the Bonds. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is 3.52%.

Finance Charge of the Bonds. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Bonds), is $983,071.

Amount of Proceeds to be Received. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the City for sale of the Bonds, less the finance charge of the Bonds, as estimated above, and any reserve fund funded with proceeds of the Bonds, is $52,215,432.

Total Payment Amount. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the City will make to pay debt service on the Bonds, plus the finance charge for the Bonds, as described above, not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is $62,222,158.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Bonds sold being different from the Estimated Principal Amount, (c) the actual amortization of the Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the City's financing plan, or a combination of such factors. The actual date of sale of the Bonds and the actual principal amount of Bonds sold will be determined by the City based on the timing of the need for proceeds of the Bonds and other factors. The actual interest rates borne by the Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the City.