Staff Report

DATE: ____________ __, 20___

TO: [City Council] [Board of Directors]

FROM: ______________________________

SUBJECT: Approval of Non-Charter (Non-Voting) Membership in the California Municipal Public Financing Authority and Authorization to Execute a Non-Charter Membership Agreement

RECOMMENDED ACTION

Staff recommends that the [City Council] [Board of Directors] adopt Resolution No. _______, approving non-charter (non-voting) membership of ______________________________ (the "Agency") in the California Municipal Public Financing Authority ("CalMuni PFA"), and authorizing the [Mayor] [President] [Chair] and the [City Manager] [General Manager] [Executive Director] to execute the Non-Charter Membership Agreement with CalMuni PFA.

EXECUTIVE SUMMARY

This report recommends that the Agency become a non-charter (non-voting) member of CalMuni PFA, a statewide joint powers authority that issues tax-exempt and taxable financing for California public agencies.

Membership carries no cost, no financial obligation, and no commitment to undertake any financing. It gives the Agency access to competitive capital markets and pooled financings through CalMuni PFA when a capital need arises. Long-range financial modeling is available as an optional, separately billed service. Membership takes effect upon adoption of the Resolution and execution of a two-page membership agreement.

Staff recommends approval.

BACKGROUND

CalMuni PFA was established in 2020 as a statewide joint powers authority under California's Joint Exercise of Powers Act (Government Code section 6500 and following), with bond authority under the Marks-Roos Local Bond Pooling Act of 1985. It is governed by a board of public-sector officials and serves California public agencies. It is a public financing authority, not a lender or vendor, and it is not the Agency's municipal advisor.

CalMuni PFA is administered by principals of Weist Law, which serves as its general counsel and bond counsel, and of CalMuni Advisors, an SEC- and MSRB-registered municipal advisor that serves as its financial advisor. Their fees on any financing are disclosed to the borrower before the financing is approved. The Agency may engage CalMuni Advisors or any independent advisor for optional advisory services.

WHAT CALMUNI PFA PROVIDES

- **Financing structures.** Revenue bonds, installment sale agreements, and loan financings under a single public legal framework.
- **Competitive market access.** Private placements are offered through an RFP process to 50+ banks, pension funds, and institutional investors; public offerings select from approximately 15 underwriters. There are no exclusive bank relationships and no predetermined pricing.
- **Pooled financings.** Under the Marks-Roos Act, multiple agencies can combine projects into a single transaction to share issuance costs. Each agency receives a separate allocation of proceeds and bears no liability for another agency's obligations.
- **Optional planning support (PFA 360).** Long-range financial modeling that brings together an agency's financial statements, debt covenants, capital improvement plan, pension obligations, and funding opportunities. Available as an optional service, billed separately, and never required.

MEMBERSHIP TERMS AND CONDITIONS

Membership is governed by the Non-Charter Membership Agreement (Exhibit A). Key terms:

Membership cost	None. No application fee, no annual dues, no retainer.
Financial obligation	None. Membership does not obligate the Agency to any financing transaction.
Cross-liability	None. The Agency bears no liability for any other member agency's obligations.
Voting rights	Non-charter (non-voting) membership. The Agency does not vote on actions of the Authority's Board and does not serve on it.
Duration	Ongoing. The Agency may withdraw by written notice at any time when no financing through CalMuni PFA for the Agency, or approved by the Agency within its jurisdiction, is outstanding. Once such a financing is issued, membership continues until it is repaid.
Approvals required	Adoption of the Resolution and execution of the Non-Charter Membership Agreement. No further approvals are required for membership itself.
Future financings	Any financing through CalMuni PFA requires separate approval by the [City Council] [Board] at the time of the transaction.

FISCAL IMPACT

There is no fiscal impact associated with approval of non-charter membership. No fee, dues, or other financial consideration is required to join or maintain membership in CalMuni PFA.

Any future financing proposed to be conducted through the Authority will be brought to the [City Council] [Board] for separate consideration and approval, at which time staff will provide a full analysis of proposed debt service, repayment sources, and all applicable fiscal impacts. No transaction may be consummated without independent [City Council] [Board] authorization.

STRATEGIC RATIONALE

Staff recommends approval for the following reasons:

- **Readiness.** Membership positions the Agency to act efficiently when a capital need arises, with time to compare financing options rather than deciding under pressure.
- **Access to pooled financings.** For smaller individual projects, pooling with other members can reduce issuance costs.
- **Optional planning support.** Long-range financial modeling is available if the Agency elects it, billed separately.
- **No financial obligation.** Membership imposes no cost and no financing commitment, and it may be terminated by written notice while no financing is outstanding.

ALTERNATIVES

1. Adopt the Resolution approving non-charter membership and authorizing execution of the Non-Charter Membership Agreement.
2. Do not approve, and provide direction to staff.

ATTACHMENTS

Exhibit A: Non-Charter Membership Agreement

Exhibit B: Resolution No. _______ (Approving Non-Charter Membership)

Exhibit C: CalMuni PFA Membership Overview