



Legislation Details (With Text)

**File #:** 030718      **Version:** 0      **Name:** Amended and Restated Subordinated Utilities System Revenue Bond Resolution (B)

**Type:** Resolution      **Status:** Adopted

**File created:** 12/8/2003      **In control:** General Manager for Utilities

**On agenda:**      **Final action:** 12/8/2003

**Title:** Amended and Restated Subordinated Utilities System Revenue Bond Resolution (B)

**Sponsors:**

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**Attachments:** 1. 030714.TIF, 2. 030718\_Resolution\_20031208

Date	Ver.	Action By	Action	Result
12/8/2003	0	City Commission	Adopted (Resolution)	Pass

Amended and Restated Subordinated Utilities System Revenue Bond Resolution (B)  
 On January 30, 2003, the City Commission adopted a resolution amending and restating the City's Utilities System Revenue Bond Resolution (for senior lien Bonds) to provide more flexibility and save money. The bond rating agencies accepted these changes and one even upgraded our rating. The major amendments included, but were not limited to: a) Eliminating the Debt Service Reserve Requirement for Bonds; (b) Eliminating the requirement that the City retain a consulting engineer and providing that an official of the City, rather than a consulting engineer, will deliver certain certificates in connection with the issuance of additional Bonds and certain other matters;(c) Liberalizing the definition of Investment Securities;(d) Providing that the City, rather than the Trustee, holds the Construction Fund; and(e)Providing certain changes to the purposes for which moneys on deposit in the Utility Plant Improvement Fund may be used.

We have received the requisite amount of bondholder consents needed to make these amendments effective, and are in a waiting period given to bondholders under the Bond Resolution before they actually take effect.

In addition to issuing Bonds under the Bond Resolution as senior lien debt, the Utility has issued debt subordinated to those senior lien Bonds under a Subordinated Bond Resolution originally adopted on January 26, 1989. Currently, we have our Tax-exempt and Taxable Commercial Paper and 2002 Series A and B Bonds outstanding under the Subordinated Bond Resolution. We recommend making certain amendments to the Subordinated Bond Resolution in order to conform the provisions of the Subordinated Bond Resolution to the amended and restated senior lien Bond Resolution adopted on January 30, 2003. The attached Resolution incorporates by reference and adopts an Amended and Restated Subordinated Utilities System Revenue Bond Resolution that makes those conforming amendments and authorizes the Mayor, the Clerk of the Commission, the General Manager and other Authorized Officers to execute such other documents and to take such other actions as may be necessary or desirable to cause these amendments to become effective. These amendments will become effective when they are consented to by the holders of a majority in principal amount of the outstanding Subordinated Bonds, which we expect to be able to receive without significant difficulty or expense.

The City Commission adopt a Resolution (Authorizing Resolution) incorporating by reference and adopting a Resolution amending and restating the City's Subordinated Utilities System Revenue Bond Resolution and authorizing the Mayor, the Clerk of the Commission, the General Manager and other Authorized Officers to execute such documents and to take such other actions as may be necessary or desirable to cause such amendment and restatement to become effective.

As we discussed on January 30, 2003 in connection with the adoption of the amendments to the senior Bond Resolution, making these amendments to our Subordinated Bond Resolution will save money for our ratepayers.  
Prepared by: Kim C. Simpson, Utility Chief Financial Officer  
Submitted by: Michael L. Kurtz, General Manager