



CITY COUNCIL AGENDA ITEM

REQUESTED COUNCIL MEETING DATE 12/13/05

SUBJECT: Ordinance No. 2005-61 Authorization for the City to issue Water & Sewer Refunding Revenue Bonds not to exceed \$10,200,000.

DEPARTMENT: Finance Department

RECOMMENDED MOTION:

Approval of Ordinance No. 2005-61.

SUMMARY:

During the City's regular evaluation of outstanding debt it was determined that the 1997 Water & Sewer Revenue Bonds could be refunded with new debt payable at a lower interest rate. The net result would be a lower required annual payment and saving to the City. The attached Ordinance authorizes this transaction. Staff recommends approval.

ATTACHMENTS: Ordinance Resolution Budget Resolution

Other Support Documents/Contracts Available for Review in Manager's Office

DEPARTMENT HEAD	<i>[Signature]</i> John A. Shelley, Finance Director	Date	12/2/05
FINANCE DEPARTMENT	Approved as to Budget Requirements	Date	L
CITY ATTORNEY	<i>[Signature]</i> Stella Scherer Approved as to Form and Legality	Date	12.2.05
CITY MANAGER	Approved Agenda Item For:		12/13/05

COUNCIL ACTION: Approved as Recommended Disapproved Tabled Indefinitely
 Continued to Date Certain Approved with Modification:

Second Reading 1/3/06

ORDINANCE NO. 2005-61

AN ORDINANCE OF THE CITY OF PORT ORANGE, VOLUSIA COUNTY, FLORIDA AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$10,200,000 WATER AND SEWER REFUNDING REVENUE BONDS, SERIES 2006, OF THE CITY TO REFUND OUTSTANDING CITY WATER AND SEWER REVENUE BONDS; PROVIDING FOR THE PAYMENT OF SUCH BONDS FROM THE NET REVENUES DERIVED FROM THE WATER AND SEWER SYSTEM OF THE CITY; PROVIDING FOR REPEAL OF INCONSISTENT PROVISIONS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PORT ORANGE, VOLUSIA COUNTY, FLORIDA:

SECTION 1. AUTHORITY FOR THIS ORDINANCE. This ordinance is enacted pursuant to the provisions of Chapter 166, Parts I and II, and Chapter 159, Part I, Florida Statutes; Chapter 2, Article VI, Division 4, Code of Ordinances, City of Port Orange, Florida, as amended, Section 5.05 of Resolution No. 93-16 of the City, as amended, restated and supplemented (collectively, the "Original Resolution"); and other applicable provisions of law.

SECTION 2. FINDINGS. It is hereby ascertained, determined and declared that:

A. It is desirable to provide for the refunding of all or a portion of the outstanding Water and Sewer Refunding Junior Lien Revenue Bonds, Series 1997 (the "Refunded Bonds"), of the City through the issuance of water and sewer refunding revenue bonds in order to reduce the interest rates on a portion of the City's water and sewer revenue debt.

B. The City will be able to comply with the provisions of Section 5.05 of the Original Resolution prior to the issuance of such revenue bonds in order that such bond revenues may be issued as additional parity bonds under the Original Resolution.

SECTION 3. AUTHORIZING OF BONDS. The issuance by the City of not exceeding \$10,200,000 Water and Sewer Refunding Revenue Bonds, Series 2006 (the "Bonds"), for the purpose above; to be dated, to bear interest at a rate or rates not exceeding the maximum legal rate per annum, to be payable, to mature, to be subject to redemption and to have such other characteristics as shall be provided by subsequent resolution of the City Council prior to their delivery; and to be secured by a prior lien upon and pledge of the net revenues derived by the City from its water and sewer system, on a parity with the lien thereon in favor of the holders of the outstanding Water and Sewer Revenue Bonds previously issued pursuant to the Original Resolution, is hereby authorized. The City Council shall adopt a specific bond resolution (including any resolutions supplemental to the bond resolution), supplemental to this ordinance, setting forth the fiscal details and other covenants and provisions necessary for the marketing, sale and issuance of the Bonds. In addition, such bond resolution may establish special accounts

and include provisions for the sole benefit of the holders of the Bonds, as circumstances dictate, in order to fully protect the rights of the holders of the Bonds, including, but not limited to, the provision of a separate account for the Bonds in the Reserve Account which may, at the option of the City, be funded by a municipal bond reserve account insurance policy. In the case of any inconsistency between the provisions of the Original Resolution and such bond resolution, the provisions of the bond resolution shall control.

SECTION 4. REPEAL OF INCONSISTENT PROVISIONS. All ordinances, resolutions or parts thereof in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 5. SEVERABILITY. In the event that any portion or section of this ordinance is determined to be invalid, illegal or unconstitutional by a court of competent jurisdiction, such decision shall in no matter affect the remaining portions or sections of this ordinance which shall remain in full force and effect.

SECTION 6. EFFECTIVE DATE. This ordinance shall take effect immediately upon its final passage and adoption.

Allen Green, Mayor

ATTEST:

Kenneth W. Parker, City Manager

Passed on first reading on the 13th day of December, 2005.

Passed and enacted on second and final reading on the ____ day of January, 2006.

Reviewed and Approved:



City Attorney