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2 **Resolution Relating to**
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RESOLUTION
Sponsor(s): Councilor Shannon

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5 APPROVING THE ISSUANCE AND SALE OF
6 WASTEWATER REVENUE REFUNDING
7 BOND ANTICIPATION NOTES, SERIES 2013

Introduced: _____

Referred to: _____

Action: _____

Date: _____

Signed by Mayor: _____

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12 **CITY OF BURLINGTON**

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14 In the year Two Thousand Thirteen.....

15 Resolved by the City Council of the City of Burlington, as follows:

16
17 That WHEREAS, Section 64b(c) and Section 507 of the Burlington City Charter (the “Charter”)
18 authorizes and empowers the City of Burlington (the “City”) to issue bonds for the purpose of financing
19 the costs of any improvement to the Wastewater System of the City (the “Wastewater System”); and

20 WHEREAS, at the Special City Meeting of the City, held June 21, 1988, the voters approved a
21 \$13 million grant and a \$26 million loan from the State of Vermont and authorized the issuance of
22 Revenue Bonds, in an amount not to exceed \$26,000,000 to repay such loan, in order to finance and carry
23 out certain capital improvements to the Wastewater System, including a Lake Champlain pollution
24 abatement project (the “Project”); and

25 WHEREAS, pursuant to such vote, and the City Charter, the City adopted a General Bond
26 Resolution for the Wastewater System, dated December 6, 1990 (as supplemented, the “General Bond
27 Resolution”); and

28 WHEREAS, the City issued two Series of Wastewater System Revenue Bonds under the General
29 Bond Resolution, consisting of the 1990 Series 1 Bonds, in the original principal amount of \$5,378,105
30 (the “1990 Series Bonds”) and the 1992 Series 1 Bonds in the original principal amount of \$15,449,196,
31 and subsequently increased to \$19,403,807 (the “1992 Series Bonds”); and

32 WHEREAS, \$14,570,620 of the loan is unpaid and outstanding, with \$14,570,620 of 1992 Series
33 Bonds outstanding (the “Prior Bonds”); and

34 WHEREAS, the City intends to refinance such bonds by the issuance of long term bonds under the
35 General Bond Resolution to the Vermont Municipal Bond Bank (the “Wastewater System Refunding
36 Revenue Bonds”); and

37 WHEREAS, prior to such issuance of the Refunding Bonds, the City intends to borrow, on a short
38 term basis, funds to pay the Prior Bonds, on or before maturity, in anticipation of the issuance of the
39 Wastewater System Refunding Revenue Bonds; and

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WHEREAS, Section 64b and Section 508 of the City Charter give authority to the City Council to issue refunding bonds and to issue temporary notes in anticipation thereof;

NOW, THEREFORE, BE IT RESOLVED as follows:

1. Bond Anticipation Notes: The City Council hereby determines that wastewater revenue bond anticipation notes, Series 2013 (the “Notes”) shall be issued in an amount not to exceed Fifteen Million Dollars (\$15,000,000) to provide for: (a) refunding of, or payment at maturity for, the Prior Bonds; (b) funding a portion of the interest to come due on the Notes; and (c) paying a portion of the costs of issuance of the Notes.

2. Repayment: The Notes shall be payable from (a) proceeds to be derived from the issuance and sale of Wastewater System Refunding Revenue Bonds to be issued under the Bond Resolution (as defined below), (b) the issuance of bond anticipation notes for renewal or refunding of the Notes, as described herein, and (c) a pledge and lien in revenues of the Wastewater system, subordinate to the pledge under the Bond Resolution, and (d) the portion of the proceeds of the Notes held in any reserve fund held for the Notes. In no event shall the Notes be a general obligation of the City or a charge against the City’s general credit or taxing power.

If, prior to the issuance of the Wastewater System Refunding Revenue Bonds, it becomes necessary to redeem any outstanding Notes at their stated maturity, the City Council hereby determines and authorizes the issuance of additional bond anticipation notes to redeem the outstanding notes pursuant to Section 64b(g) of the Charter on such terms and at such interest rate as may be approved by the City’s Board of Finance.

3. Form of Notes; Sale of Notes: The final terms and conditions of the Notes, including interest payment dates, final maturity, payment schedule, and such other requirements as may be necessary, are to be determined by the City’s Chief Administrative Officer. The interest rate on the Notes shall be a variable rate of interest and the maturity shall be not later than March 1, 2014. It is expected that the Notes are to be issued and sold to KeyBank National Association (“Purchaser”).

4. Enforcement of Remedies: Upon the happening and continuance of any event of default in the Notes, the holders of not less than twenty-five percent (25%) in aggregate principal amount of the Notes then outstanding may proceed, subject to the priority of the Bond Resolution and the limitations

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82 contained herein with respect to the subordinate interest of the Notes and application of collateral pledged
83 under such Bond Resolution, to protect and enforce its rights and the rights of the holders under the laws
84 of the State of Vermont by such suits, actions or special proceedings in equity or at law (including by
85 mandamus action), or by proceedings in the office of any board or officer having jurisdiction, either for
86 the specific performance of any covenant or agreement contained herein or in aid or execution of any
87 power herein granted or for the enforcement of any proper legal or equitable remedy.

88 5. Redemption of Notes. The Notes shall be subject to optional redemption at the election of
89 the City on any date, at a redemption price of 100% of the principal amount thereof, together with accrued
90 interest to the date of redemption.

91 6. Loan Agreement; Additional Authorizations. The Mayor and Chief Administrative Officer
92 are, and each one of them is, hereby authorized to execute a loan agreement with the Purchaser, with such
93 terms and conditions as they deem necessary and in the City's best interest. The Mayor and the Chief
94 Administrative Officer are, and each one of them is, hereby authorized to execute and deliver certificates
95 as to use of proceeds, and to execute and deliver all other documents and instruments necessary or
96 convenient in connection with the issuance of the Notes, refunding of the Prior Bonds, and payment of
97 expenses for issuance of the Notes.

98 7. Additional Covenants. The City covenants and agrees with the holders of the Notes that it
99 shall not issue any bonds under the Bond Resolution that would have a prior or parity lien or claim on
100 Wastewater System revenues senior to the Notes unless the Notes are paid in full or will be paid in full
101 from the proceeds of such additional revenue bonds.

102 AND, BE IT FURTHER RESOLVED that the City Council determines that Wastewater System
103 Revenue Refunding Bonds shall be issued in an amount sufficient to fully redeem the Notes at or prior to
104 maturity, such Wastewater System Revenue Refunding Bonds to be issued subject to the terms and
105 conditions of the Bond Resolution.

106 AND, BE IT FURTHER RESOLVED that the authority granted to the Chief Administrative
107 Officer hereunder may be performed by the Assistant Chief Administrative Officer of the City upon
108 designation by the Chief Administrative Officer.

109 This Resolution shall take effect upon passage.

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