

Resolution Relating to

RESOLUTION
Sponsor(s): Councilors Shannon,
Bushor, Paul, Decelles: Bd. of Finance

Introduced: 05/07/12

Referred to: _____

Action: _____

Date: _____

Signed by Mayor: _____

AUTHORIZATION FOR PUBLIC IMPROVEMENT BONDS OR NOTES FOR FISCAL YEAR 2012 AND PLEDGING OF THE CREDIT OF THE CITY IN INCREASED AMOUNTS

CITY OF BURLINGTON

In the year Two Thousand Twelve.....

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

That WHEREAS, Section 62(f) of the Burlington City Charter authorizes the City's Chief Administrative Officer, when authorized by the City Council, to borrow money on the credit of the City in an amount not to exceed \$1,000,000 in any fiscal year to accommodate the working capital and capital improvement needs of the City and to so pledge the credit of the City in such amount for such purposes; and

WHEREAS, Section 63 of the Burlington City Charter, authorizes the City Council, upon prior recommendation of the Board of Electric Commissioners, if it finds that is necessary to pledge the credit of the City in an amount not to exceed \$1,000,000 in any fiscal year for the purposes of providing capital improvements, additions and replacements required for the efficient and economical operation of the electric light department, to so pledge the credit of the City for such purposes; and

WHEREAS, the amounts that are authorized to be borrowed were increased, pursuant to amendments to the Charter of the City approved by a vote of the City's electorate held on March 6, 2012, from \$1,000,000 to \$2,000,000 for working capital or capital improvements for the City and its departments, and from \$1,000,000 to \$3,000,000 for working capital or capital improvements for the electric light department; and

WHEREAS, the amendments to the City's Charter are subject to approval by the general assembly of the State of Vermont; and

WHEREAS, the City Council, by resolution adopted July 11, 2011, previously authorized the issuance of public improvement bonds for Fiscal Year 2012 (a) for the capital improvements to the City in an amount of \$1,000,000, and (b) for the electric light department in an amount not to exceed \$1,000,000; and

WHEREAS, the Board of Electric Commission voted to recommend to the City Council the pledging of the credit of the City, during the 2012 fiscal year, in the additional amount of \$2,000,000 for

**Resolution Relating to AUTHORIZATION FOR PUBLIC IMPROVEMENT
BONDS OR NOTES FOR FISCAL YEAR 2012 AND PLEDGING
OF THE CREDIT OF THE CITY IN INCREASED AMOUNTS**

the purposes of providing capital improvements, additions and replacements to the electric light department; and

WHEREAS, the City Council deems it in the best interest of the City that the City borrow additional funds in fiscal year 2012 for (a) the working capital of and capital improvements to the City in an increased amount not to exceed \$1,000,000, and (b) the working capital of the electric light department in an amount not to exceed \$2,000,000, such that, upon such issuance, the City Council shall have authorized the issuance of notes and bonds, and the pledging of the credit of the City, in aggregate amounts not exceed \$2,000,000 for the capital improvements for the City, and \$3,000,000 for the electric light department for such fiscal year;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Burlington, Vermont, as follows:

The City shall borrow an additional amount not to exceed \$3,000,000 in the aggregate, during its 2012 Fiscal Year ending June 30, 2012, and issue public improvement bonds or notes or other evidence of indebtedness consisting of (i) bonds, notes, or other evidence of indebtedness not to exceed \$1,000,000 to provide working capital and capital improvements for the City, and (ii) bonds, notes, or other evidence of indebtedness not to exceed \$2,000,000 to provide working capital or capital improvements for the City's electric light department; and the City Council hereby authorizes the pledging of the City's credit for such bonds, notes or other evidence of indebtedness with the amount of indebtedness and the form of the evidence of indebtedness to be issued, the interest rates, and payment schedule, to be further determined by the Chief Administrative Officer, or the Assistant Chief Administrative Officer for Finance.

The Mayor and Chief Administrative Officer, and the Assistant Chief Administrative Officer for Finance, are, and each one of them is, hereby authorized and empowered to execute and deliver such documents and instruments as the bank(s) or other financial institution(s) providing such financing may require and such other documents and instruments as may be necessary or convenient in connection with such financing, including without limitation one or more loan agreements and promissory notes, in each case in such form and with such terms as the Mayor and Chief Administrative Officer or Assistant Chief Administrative Officer for Finance deem necessary and in the City's best interest.

Resolution Relating to AUTHORIZATION FOR PUBLIC IMPROVEMENT
BONDS OR NOTES FOR FISCAL YEAR 2012 AND PLEDGING
OF THE CREDIT OF THE CITY IN INCREASED AMOUNTS

The bonds, notes or other evidence of indebtedness, when issued and delivered, shall be valid and binding general obligations of the City payable according to the terms and tenor thereof from unlimited *ad valorem* taxes duly assessed on the grand list of all taxable property in the City.

The Mayor, the Chief Administrative Officer, and Assistant Chief Administrative Officer for Finance are, and each one of them is, hereby authorized to prepare an Official Statement of the City as they deem necessary in the City's best interest, in connection with the offering, sale and issuance of any such bonds, notes or other evidence of indebtedness. The Mayor, the Chief Administrative Officer, and the Assistant Chief Administrative Officer for Finance are, and each one of them is, hereby authorized to execute and deliver continuing disclosure certificates, certificates as to use of proceeds and all other documents and instruments necessary or convenient in connection with the issuance of such bonds, notes or other evidence of indebtedness; and

BE IT FURTHER RESOLVED that it is the official intent of the City Council to reimburse some capital expenditures made within the 2012 fiscal year with the proceeds of this borrowing, in accordance with Sec. 1.103-18 of the Internal Revenue Service tax regulations.

