

CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number: 15.

Meeting Type: Regular

Meeting Date: Oct 13, 2016

Action Requested By: Legal

Agenda Type: Resolution

Subject Matter:

Exact Wording for the Agenda:

Resolution authorizing the Mayor to execute a Water System Warrants Purchase Contract with the Underwriters with respect to the sale and delivery by the City of the Series 2016 Water System Warrants and to execute an Electric System Warrants Purchase Contract with the Underwriters with respect to the sale and delivery by the City of the Series 2016 Electric System Warrants for Huntsville Utilities.

Note: If amendment, Please state title and number of the original

Item to be considered for: Action

Unanimous Consent Required: No

Briefly state why the action is required; why it is recommended; what council action will provide, allow and accomplish and; any other information that might be helpful.

Associated Cost: \_\_\_\_\_

Budgeted Item: Not Applicable

MAYOR RECOMMENDS OR CONCURS: Yes

Department Head: Mary C. Cates

Date: Oct 7, 2016

**RESOLUTION NO. 16-\_\_\_\_\_**

**BE IT RESOLVED** by the City Council (the "Council") of the **CITY OF HUNTSVILLE** (the "City"), as follows:

**Section 1. Findings.** The Council has ascertained and does hereby find and declare as follows:

(a) the City has heretofore issued its Water Revenue Warrants, Series 2008, dated May 1, 2008 (the "Outstanding Water System Warrants") and has determined that it will be necessary, desirable and in the public interest to redeem and retire not more than \$12,710,000 in principal amount of the Outstanding Water System Warrants; and

(b) in order to pay the costs of redeeming and retiring Outstanding Water System Warrants, the City will be issuing one or more series of limited obligation warrants payable from net revenues derived from the water works plant and distribution system of the City (the "Water System") and aggregating not more than \$12,710,000 (collectively, the "Series 2016 Water System Warrants"); and

(c) the Series 2016 Water System Warrants will be issued under a Trust Indenture dated May 1, 2008, between the City and The Bank of New York Mellon Trust Company, N.A., as heretofore supplemented and amended and as shall be further supplemented and amended by a Second Supplemental Indenture dated the date of the Series 2016 Water System Warrants (the "Second Supplemental Water System Indenture"); and

(d) the City has heretofore issued its Electric System Revenue Refunding Warrants, Series 2007, dated December 1, 2007, and its Electric System Revenue Warrants, Series 2011, dated December 21, 2011 (collectively, the "Outstanding Electric System Warrants"), and has determined that it will be necessary, desirable and in the public interest to redeem and retire all or a portion of the Outstanding Electric System Warrants; and

(e) in order to pay the costs of redeeming and retiring Outstanding Electric System

Warrants, the City will be issuing one or more series of limited obligation warrants payable from net revenues derived from the electric utility system of the City (the "Electric System") and aggregating not more than \$35,355,000 (collectively, the "Series 2016 Electric System Warrants"); and

(f) the Series 2016 Electric System Warrants will be issued under a Trust Indenture dated the date of the Series 2016 Warrants between the City and The Bank of New York Mellon Trust Company, N.A., (the "Electric System Indenture"); and

(g) it will be necessary for the City to (1) enter into a purchase contract (the "Water System Warrants Purchase Contract") with the underwriting syndicate of Raymond James & Associates, Inc., Citigroup Global Markets Inc. and Securities Capital Corporation (collectively, the "Underwriters"), prior to the date on which the issuance and delivery of the Series 2016 Water System Warrants will be approved by the Council and, (2) enter into a purchase contract (the "Electric System Warrants Purchase Contract") with the Underwriters prior to the date on which the issuance and delivery of the Series 2016 Electric System Warrants will be approved by the Council.

**Section 2. Authorization to Execute Water System Warrants Purchase Contract.** The Council does hereby authorize and direct the Mayor of the City to execute a Water System Warrants Purchase Contract between the City and the Underwriters with respect to the sale and delivery by the City of the Series 2016 Water System Warrants. The final form of the Water System Warrants Purchase Contract shall be subject to ratification and approval by the Council following its execution by the Mayor at such time as the Council adopts an ordinance authorizing the Second Supplemental Water System Indenture, the issuance and delivery of the Series 2016 Water System Warrants, and the other documents and agreements relating thereto.

**Section 3. Authorization to Execute Electric System Warrants Purchase Contract.** The Council does hereby authorize and direct the Mayor of the City to execute an Electric System Warrants Purchase Contract between the City and the Underwriters with respect to the sale and delivery by the City of the Series 2016 Electric System Warrants. The final form of the Electric System Warrants Purchase Contract shall be subject to ratification and approval by the Council following its execution by the Mayor at such time as the Council adopts an ordinance authorizing the Electric System Indenture, the

issuance and delivery of the Series 2016 Electric System Warrants, and the other documents and agreements relating thereto.

**ADOPTED** this the 13<sup>th</sup> day of October, 2016.

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President of the City Council of  
the City of Huntsville, Alabama

**APPROVED** this the 13<sup>th</sup> day of October, 2016.

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Mayor of the City of Huntsville, Alabama