

ORDINANCE NO. 2772-09

AN ORDINANCE OF THE CITY OF WINTER PARK, FLORIDA, AUTHORIZING THE REFUNDING OF ALL THE OUTSTANDING WATER AND SEWER REVENUE BONDS, SERIES 2004, OF THE CITY, AND THE ACQUISITION AND/OR CONSTRUCTION OF ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE WATER AND SEWER SYSTEM OF THE CITY; PROVIDING FOR THE ISSUANCE OF NOT EXCEEDING \$50,000,000 WATER AND SEWER REFUNDING REVENUE NOTES OF THE CITY FOLLOWED BY THE ISSUANCE OF NOT EXCEEDING \$57,000,000 WATER AND SEWER REVENUE BONDS AND/OR LEASE-PURCHASE OBLIGATIONS OF THE CITY TO BE APPLIED TO FINANCE THE COST THEREOF; PROVIDING FOR THE PAYMENT OF SUCH OBLIGATIONS FROM THE NET REVENUES DERIVED FROM THE WATER AND SEWER SYSTEM OF THE CITY; AUTHORIZING THE SUSPENSION OR TERMINATION OF INTEREST RATE SWAP AGREEMENT PAYMENTS RELATED TO THE REFUNDED BONDS, UNDER CERTAIN CONDITIONS; AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE PEOPLE OF THE CITY OF WINTER PARK, FLORIDA:

SECTION 1. AUTHORITY. This ordinance is enacted pursuant to the provisions of Chapter 166, Parts I and II, and Chapter 159, Part I, Florida Statutes; Chapter 86, Article III, of the Code of Ordinances of the City of Winter Park, Florida (the "City"); and other applicable provisions of law.

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

A. It is necessary and desirable to (1) refund all the outstanding Water and Sewer Revenue Bonds, Series 2004, of the City (the "2004 Bonds"), due to reductions in the ratings associated with the municipal bond insurer for the 2004 Bonds and the turmoil and instability in the bond market for auction rate securities such as the 2004 Bonds and (2) to acquire and/or construct additions, extensions and improvements to the water and sewer system of the City (the "Project" and the "System," respectively), all in accordance with plans and specifications now on file or to be on file with the City Clerk of the City; by the issuance of water and sewer refunding revenue notes (the "2009 Notes"), bonds and/or lease-purchase obligations (such bonds and lease-purchase obligations, collectively, the "2009 Bonds") of the City in an amount not exceeding \$50,000,000 for the 2009 Notes and \$57,000,000 for the 2009 Bonds.

B. The City may negotiate with certain of the holders of the 2004 Bonds to purchase the 2004 Bonds held by them, which, if successful, may necessitate the issuance of the 2009 Notes as soon as possible, in the discretion of City staff, to temporarily finance the cost of such purpose and, if applicable, all or a portion of the termination payments for the Swap, defined below. Thereafter, the City intends to solicit tender offers from the remaining holders of the 2004 Bonds and issue the 2009 Bonds to refund the outstanding 2009 Notes (if issued) and finance the cost of (1) the purchase of all or a portion of the remaining 2004 Bonds not previously purchased, (2) the remaining portion of the Swap termination payment, if applicable, and (3) the Project.

C. Since it is anticipated that the 2009 Notes will mature within one year, and that the City will refund the 2009 Notes through the issuance of the 2009 Bonds with longer maturities, it may be advantageous for the City to suspend the payment obligations under, or terminate, as applicable, all or a portion of (1) the ISDA Master Agreement dated as of April 28, 2004, and its related Schedule and Credit Support Annex of the same date, between the City and JPMorgan Chase Bank, N.A. ("JPMorgan"); (2) the Swap Transaction Confirmation dated as of April 28, 2004, and having an effective date of August 18, 2004, from JPMorgan; (3) the ISDA Master Agreement dated as of April 28, 2004, and its related Schedule and Credit Support Annex of the same date, between the City and Morgan Stanley Capital Services Inc. ("Morgan Stanley"); and (4) the Confirmation dated as of April 28, 2004, and having an effective date of August 18, 2004, from Morgan Stanley; all executed and delivered in anticipation of the issuance of the 2004 Bonds as Variable Rate Bonds (collectively, the "Swap"). Under the circumstances of suspending the Swap payment obligations of the City, the index upon which the payments by the City under the Swap are calculated may be changed.

SECTION 3. AUTHORIZATION OF NOTES. The issuance by the City of not exceeding \$50,000,000 Water and Sewer Refunding Revenue Notes (herein the "2009 Notes"), for the purposes described above; to be dated, to bear interest at a rate or rates (including variable rates) not exceeding the maximum legal rate per annum, to be payable, to mature, to be subject to redemption and to have such series designations and other characteristics as shall be provided by subsequent resolution or resolutions of the City Commission of the City (the "Commission") prior to their delivery; and to be secured by a lien upon and pledge of the net revenues derived by the City from the System, junior, subordinate and inferior to the lien thereon in favor of the holders of the outstanding Water and Sewer Revenue Bonds, Series 2002, of the City (the "2002 Bonds"), the outstanding 2004 Bonds and, in the

discretion of the City, any other bonds of the City to be issued and payable on a parity with the outstanding 2002 and 2004 Bonds from such net revenues; is hereby authorized. The Commission may adopt a specific note resolution (including any necessary resolutions supplemental to the note resolution) supplemental to this ordinance, setting forth the maturities (or a mechanism for determining such maturities on or prior to the sale of the 2009 Notes) and the fiscal details and other covenants and provisions necessary for the sale and issuance of the 2009 Notes. In addition the note resolution may establish special accounts and include provisions for the sole benefit of the holders of the 2009 Notes, as circumstances dictate, in order to fully protect the rights of the holders of the 2009 Notes.

SECTION 4. AUTHORIZATION OF BONDS. The issuance by the City of not exceeding \$57,000,000 Water and Sewer Refunding [and Improvement] Revenue Bonds (herein the "2009 Bonds") for the purposes described above; to be dated, to be issued in one or more subseries installments as revenue bonds and/or as lease-purchase obligations (with appropriate name changes), to bear interest at a rate or rates (including variable 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 or resolutions of the Commission prior to their delivery; and to be secured by a prior or junior lien upon and pledge of the net revenues derived by the City from the System; is hereby authorized. The Commission may adopt a specific bond resolution or resolutions (including any necessary resolutions supplemental to the bond resolutions) supplemental to this ordinance, setting forth the maturities (or a mechanism for determining such maturities on or prior to the sale of the 2009 Bonds) and the fiscal details and other covenants and provisions necessary for the marketing, sale and issuance of the 2009 Bonds. In addition the bond resolution may authorize various interest rate modes and appropriate agreements for such modes, and lease documents, and may establish special accounts and include provisions for the sole benefit of the holders of the 2009 Bonds, as circumstances dictate, in order to fully protect the rights of the holders of the 2009 Bonds.

SECTION 5. SWAP MODIFICATION OR TERMINATION. If recommended by the financial advisor to the City and City staff, the terms of the Swap may be modified so as to suspend all or a portion of the payments while the 2009 Notes are outstanding, or all or a portion of the Swap may be terminated, without further action by the Commission.

SECTION 6. GENERAL AUTHORITY. The Mayor, City Manager, Utilities Manager for the System and Finance Director of the City,

or any of them, are hereby authorized, pending adoption of the above resolutions, to do all things and to take any and all actions on behalf of the City, without further action by the Commission, to provide for the redemption of the 2004 Bonds; to furnish disclosures, representations, certifications and confirmations concerning the City and the Project; and to execute and deliver any bank commitments regarding the 2009 Notes, any Swap modification or termination documents and all other documents and instruments deemed appropriate by any of such officers, the approval of the City and all corporate power and authority for such actions to be conclusively evidenced by the execution and delivery thereof by any of such officers. Any notices of redemption of the 2004 Bonds which were disseminated on behalf of the City by any of such officers after the first reading of this ordinance, but prior its effective date, are hereby ratified and confirmed.

SECTION 7. REPEALER. All ordinances, resolutions or parts thereof in conflict with this ordinance (including Ordinance No. 2754-08 of the City) are hereby repealed to the extent of such conflict.

SECTION 8. EFFECTIVE DATE. This ordinance shall take effect immediately upon its final passage and adoption.

ADOPTED after reading by title at a regular meeting of the City Commission of the City of Winter Park, Florida, held in City Hall, Winter Park, Florida, on this 13th day of July, 2009.



Mayor Kenneth W. Bradley

ATTEST:


FOR City Clerk Cynthia S. Bonham
Deputy City Clerk Nancy McLean