

ORDINANCE 12-26

AN ORDINANCE OF THE CITY OF PORT ST. LUCIE, FLORIDA, SUPPLEMENTING ORDINANCE NO. 94-29 OF THE CITY ENACTED ON JUNE 27, 1994, AS AMENDED AND SUPPLEMENTED; AUTHORIZING THE ADVANCE REFUNDING OF A PORTION OF THE OUTSTANDING UTILITY SYSTEM REVENUE BONDS, SERIES 2003 AND A PORTION OF THE OUTSTANDING UTILITY SYSTEM REVENUE BONDS, SERIES 2004; PROVIDING FOR THE ISSUANCE OF NOT EXCEEDING \$30,000,000 UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2012, IN CONJUNCTION THEREWITH; PROVIDING FOR THE PAYMENT OF THE SERIES 2012 BONDS FROM THE PLEDGED REVENUES PROVIDED HEREIN; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AUTHORIZING THE APPROPRIATE OFFICERS OF THE CITY TO PROCEED TO DEVELOP NECESSARY DOCUMENTS TO SELL THE SERIES 2012 BONDS AT NEGOTIATED SALE; AND PROVIDING AN EFFECTIVE DATE.

THE CITY OF PORT ST. LUCIE HEREBY ORDAINS:

Section 1. Authority for this Ordinance. This Ordinance is enacted pursuant to the provisions of Chapter 166, Part II, Florida Statutes, Section 9.09 of the Charter of the City of Port St. Lucie, Florida ("City"), and other applicable provisions of law (collectively, the "Act"), and pursuant to Ordinance 94-29 of the City enacted on June 27, 1994, as amended and supplemented (the "Original Ordinance"); and is supplemental to the Original Ordinance.

Section 2. Definitions. Capitalized terms used but not defined in this Ordinance shall have the same meanings set forth in the Original Ordinance unless the context clearly indicates otherwise. For purposes of this Ordinance, the terms "City Attorney," "City Manager," and "Finance Director" shall include, in their absence, their designee.

Section 3. Findings. It is hereby ascertained, determined and declared that:

(A) The City now owns, operates and maintains the System and derives Net Revenues from rates, fees, rentals and other charges made and collected for the services of the System. Such Net Revenues are not now pledged on a prior lien basis except to the payment of the City's outstanding Utility System Revenue Bonds, Series 2001, Utility System Revenue Bonds, Series 2003 (the "Series 2003 Bonds"), Utility System Revenue Bonds, Series 2004 (the "Series 2004 Bonds"), Utility System Refunding Revenue Bonds Series 2004A, Utility System Revenue Bonds, Series 2006, Utility System Refunding Revenue Bonds, Series 2006A, Utility System Refunding and Improvement Revenue Bonds, Series 2007 and Utility System Refunding Revenue Bonds, Series 2009 (collectively, the "Outstanding Parity Bonds").

(B) The City finds that it would be financially advantageous to the City to advance refund a portion of the Outstanding Series 2003 Bonds and a portion of the Outstanding Series 2004 Bonds (collectively, the "Refunded Bonds"), as may be determined in a subsequent Series Resolution.

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(C) It is necessary and desirable that the City authorize the issuance of Utility System Refunding Revenue Bonds, Series 2012 (the "Series 2012 Bonds") for the purpose of refunding the Refunded Bonds, funding the purchase of a Reserve Account Credit Facility for deposit or funding a deposit to the Reserve Account in an amount equal to the increase in the Reserve Account Requirement resulting from the issuance of the Series 2012 Bonds, if any, and paying costs associated with the issuance of the Series 2012 Bonds. The City is authorized pursuant to the provisions of the Act and the Original Ordinance, to refund the Refunded Bonds, to issue the Series 2012 Bonds to provide the necessary monies to pay the costs of refunding the Refunded Bonds and to pay the costs of issuance of the Series 2012 Bonds.

(D) Section 5.01(H) of the Original Ordinance provides for the issuance of Additional Parity Bonds under the terms, limitations and conditions provided therein. Upon the issuance of the Series 2012 Bonds, the Series 2012 Bonds and the Outstanding Parity Bonds remaining outstanding after the refunding of the Refunded Bonds shall be on a parity and rank equally as to lien on and source and security for payment from the Pledged Revenues.

(E) The principal of, premium, if any, and interest on the Series 2012 Bonds and all required sinking fund, reserve and other payments will be payable solely from (i) the Pledged Revenues, as defined in the Original Ordinance, on a parity with the lien thereon in favor of the Outstanding Parity Bonds remaining outstanding after the refunding of the Refunded Bonds. The City will never be required to levy ad valorem taxes on any property therein to pay the principal of and interest on the Series 2012 Bonds or to make any other payments provided for herein. The Series 2012 Bonds will not constitute a lien upon the System, or upon any properties owned by the City or located within the boundaries of the City, but will be payable solely from the Pledged Revenues in the manner provided in this Ordinance, the Original Ordinance, and any ordinance amendatory hereof or any ordinance or resolution supplemental thereto or hereto.

(F) In order to enable the underwriter for the Series 2012 Bonds to comply with Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule"), in connection with the offering and sale of the Series 2012 Bonds, it is necessary that a preliminary official statement be prepared in connection with the Series 2012 Bonds and that such preliminary official statement be "deemed final" (except for permitted omissions) by the City Manager.

(G) A negotiated sale of the Series 2012 Bonds is in the best interest of the City and is found to be necessary due to the volatility of the market and the timing necessary to effect a refunding of the Refunded Bonds to produce net present value savings.

Section 4. Authorization of Refunding of the Refunded Bonds. The City Manager and the Director of Finance are hereby authorized to determine the maturities and amounts of the Refunded Bonds to be refunded.

Section 5. Authorization of Series 2012 Bonds. The issuance by the City of not exceeding \$30,000,000 Utility System Refunding Revenue Bonds, Series 2012, for the purpose of effecting the refunding of the Refunded Bonds is hereby authorized. The Series 2012 Bonds shall be dated, shall bear interest at a fixed rate, shall be current interest paying bonds or capital appreciation bonds, shall be in the denomination of \$5,000 or integral multiples thereof, shall be in fully-registered form, payable to "Cede & Co.," as nominee for The Depository Trust

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Company, New York, New York, shall be issued in book-entry only form, shall mature at such time and shall bear interest from their date at a rate not to exceed the maximum rate allowed by law, may be redeemable prior to maturity, all as provided in a subsequent resolution of the City. The Series 2012 Bonds and the premium, if any, and interest thereon shall be secured solely by a lien upon and pledge of the Pledged Revenues on a parity with the lien thereon and pledge thereof to secure payment of the Outstanding Parity Bonds that remain outstanding after the refunding of the Refunded Bonds. The City shall, prior to the sale of the Series 2012 Bonds, adopt a specific bond resolution (including any resolutions supplemental to such bond resolution), supplemental to this Ordinance, setting forth the details of the Series 2012 Bonds and other matters relative thereto.

Section 6. Delegation of Authority to Take Other Action. The City Manager and the Director of Finance, upon the advice of the City’s Bond Counsel, Disclosure Counsel and the City Attorney, are authorized to take such further action as may be necessary or desirable in connection with the issuance of the Series 2012 Bonds.

Section 7. Effective Date. This Ordinance shall take effect immediately upon the final approval hereof.

Passed and Enacted by the City Council of the City of Port St. Lucie, Florida, this ____ day of May, 2012.

(SEAL)

CITY OF PORT ST. LUCIE, FLORIDA

ATTEST:

JoAnn M. Faiella, Mayor

Karen A. Phillips, City Clerk

APPROVED AS TO FORM:

Roger G. Orr, City Attorney