

1 Introduced March 14, 2017, by Councilman
2 Newcomb, seconded by Councilman Abney, by
3 request of Administration

4 **RESOLUTION R17-04**

5
6 A resolution giving preliminary approval to the issuance of not
7 exceeding Eleven Million One Hundred Fifty Thousand Dollars
8 (\$11,150,000) of Utilities Revenue Bonds, in one or more
9 series, of the City of Slidell, State of Louisiana; providing
10 certain terms of said Bonds; making application to the State
11 Bond Commission for approval of said Bonds; and providing for
12 other matters in connection therewith.
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14 WHEREAS, the City of Slidell, State of Louisiana (the "Issuer") now owns and
15 operates a combined waterworks system and sewer system as a single revenue producing
16 public utility (the "Utilities System"); and
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18 WHEREAS, pursuant to the provisions of Section 1430 of Title 39 of the Louisiana
19 Revised Statutes of 1950, as amended (the "Act"), the Issuer desires to issue revenue
20 bonds, in one or more series, for the purpose of constructing, acquiring, extending and/or
21 improving the Utilities System of the Issuer (the "Project"); and
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23 WHEREAS, the Issuer has no outstanding bonds or other obligations of any kind or
24 nature payable from or enjoying a lien on the revenues of the Utilities System herein
25 pledged, except the outstanding Utility Revenue Refunding Bonds, Series 2012 (the
26 "Outstanding Parity Bonds"); and
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28 WHEREAS, the Issuer desires to authorize the issuance of not exceeding Eleven
29 Million One Hundred Fifty Thousand Dollars (\$11,150,000) of its Utilities Revenue Bonds,
30 in one or more series (the "Bonds"), pursuant to the Act, for the purpose of providing
31 funding for the Project, funding a reserve (if required), and paying the costs of issuance of
32 the Bonds. The Bonds shall be payable from the income and revenues to be derived from
33 the operation of the Utilities System of the Issuer, after provision has been made for
34 payment therefrom of the reasonable and necessary expenses of administering, operating
35 and maintaining the Utilities System; and
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4 WHEREAS, the Issuer desires to make formal application to the State Bond
5 Commission for approval of the issuance of the Bonds;
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7 NOW, THEREFORE, BE IT RESOLVED by the Slidell City Council (the "Governing
8 Authority"), acting as the governing authority of the City of Slidell, State of Louisiana (the
9 "Issuer"), that:
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11 SECTION 1. Preliminary Approval of the Bonds. Preliminary approval is
12 given to the issuance of not exceeding Eleven Million One Hundred Fifty Thousand Dollars
13 (\$11,150,000) aggregate principal amount of Utilities Revenue Bonds of the Issuer, in or
14 more series (the "Bonds"), pursuant to Section 1430 of Title 39 of the Louisiana Revised
15 Statutes of 1950, as amended, and other constitutional and statutory authority, to be
16 issued for the purpose of constructing, acquiring, extending and/or improving the Utilities
17 System of the Issuer (the "Project"), funding a reserve (if required), and paying the costs of
18 issuance of the Bonds. The Bonds, together with the Outstanding Parity Bonds described
19 in the preamble hereto, shall be payable from and secured by the income and revenues to
20 be derived from the operation of the combined waterworks system and sewer system of
21 the Issuer (the "Utilities System"), after provisions have been made for payment therefrom
22 of the reasonable and necessary expenses of administering, operating and maintaining the
23 Utilities System. The Bonds shall bear interest at a rate or rates not to exceed six per
24 centum (6%) per annum, to be determined by subsequent proceedings of this Governing
25 Authority at the time of the sale of the Bonds, and shall mature no later than 30 years from
26 date of issuance. The Bonds shall be issued in fully registered form and shall have such
27 additional terms and provisions as may be determined by this Governing Authority.
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4 SECTION 2. State Bond Commission. Application is hereby made to the
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6 State Bond Commission, Baton Rouge, Louisiana, for approval of the issuance and sale of
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8 the Bonds and for consent and authority to proceed with the issuance and sale of the
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10 Bonds as provided above, and Bond Counsel is directed to make application to the State
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12 Bond Commission in accordance with the foregoing on behalf of the Issuer.

13 By virtue of applicant/issuer's application for, acceptance and utilization of
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15 the benefits of the Louisiana State Bond Commission's approval(s) resolved and set forth
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17 herein, it resolves that it understands and agrees that such approval(s) are expressly
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19 conditioned upon, and it further resolves that it understands, agrees and binds itself, its
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21 successors and assigns to, full and continuing compliance with the "State Bond
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23 Commission Policy on Approval of Proposed Use of Swaps, or other forms of Derivative
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25 Products Hedges, Etc.", adopted by the Commission on July 20, 2006, as to the
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27 borrowing(s) and other matter(s) subject to the approval(s), including subsequent
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29 application and approval under said Policy of the implementation or use of any swap(s) or
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31 other product(s) or enhancement(s) covered thereby.

32 SECTION 3. Employment of Bond Counsel. This Governing Authority finds
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34 and determines that a real necessity exists for the employment of special counsel in
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36 connection with the issuance of the Bonds, and accordingly, Foley & Judell, L.L.P., as
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38 Bond Counsel, is hereby employed to do and perform work of a traditional legal nature as
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bond counsel with respect to the issuance and sale of the Bonds. Said Bond Counsel
shall prepare and submit to this Governing Authority for adoption all of the proceedings
incidental to the authorization, issuance, sale and delivery of the Bonds, shall counsel and

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4 advise this Governing Authority as to the issuance and sale thereof and shall furnish its
5 opinions covering the legality of the issuance of the Bonds. The fee of Bond Counsel for
6 each series of bonds shall be fixed at a sum not exceeding the fee allowed by the Attorney
7 General's fee guidelines for such bond counsel work in connection with the issuance of
8 such series of bonds and based on the amount of said Bonds actually issued, sold,
9 delivered and paid for, plus "out-of-pocket" expenses, said fees to be contingent upon the
10 issuance, sale and delivery of said bonds. The Mayor is hereby authorized and directed to
11 execute, and this Governing Authority hereby agrees to and accepts the terms of, the
12 engagement letter in the form appended hereto. A certified copy of this resolution shall be
13 submitted to the Attorney General of the State of Louisiana for his written approval of said
14 employment and of the fees herein designated, and the Director of Finance hereby
15 empowered and directed to provide for payment of the work herein specified upon
16 completion thereof and under the conditions herein enumerated.
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25 SECTION 4. Municipal Advisor. The Issuer hereby retains Government
26 Consultants, Inc., Baton Rouge, Louisiana, to act as its Municipal Advisor ("MA") pursuant
27 to the provisions of the Act and the rules promulgated thereunder by the Securities and
28 Exchange Commission. The Issuer hereby acknowledges that it is represented by the MA
29 and will rely upon the advice of the MA with respect to the Bonds. The fee to be paid the
30 MA shall be payable solely from the proceeds of the Bonds when and if issued, and the
31 amount thereof shall be subject to the approval of the State Bond Commission.
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36 SECTION 5. Underwriter. Crews & Associates, Inc., Little Rock, Arkansas, is
37 hereby appointed as underwriter in connection with the sale and delivery of the Bonds, any
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4 compensation to be subsequently approved by the Issuer and to be paid from the
5 proceeds of the Bonds and contingent upon the issuance of the Bonds; provided that no
6 compensation shall be due to said underwriter unless the Bonds are sold and delivered.
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9 SECTION 6. Declaration of Official Intent. This Governing Authority hereby
10 declares its intention that expenditures in the approximate amount not to exceed
11 \$2,000,000 to be made from the Utilities System Fund or other available revenues in
12 connection with the Project prior to the availability of the proceeds of the Bonds be
13 reimbursed with the proceeds of the Bonds. Any such allocation of proceeds of the Bonds
14 for reimbursement will be with respect to capital expenditures (as defined in Reg. 1.150-
15 1(b)) and will be made upon the delivery of the Bonds and not later than one year after the
16 later of (i) the date such expenditure was paid or (ii) the date on which the Project was
17 placed in service. This resolution is intended to be a declaration of official intent within the
18 meaning of Reg. 1.150-2. .
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4 The foregoing having been submitted to a vote, the vote thereon was as follows:

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6 YEAS: 8

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8 NAYS: 0

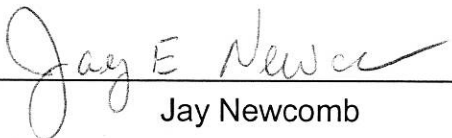
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10 ABSTAINING: 0

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12 ABSENT: 1 (Caruso)

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14 And the resolution was declared adopted on this, the 14th day of March, 2017.

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21 _____
22 Thomas P. Reeves
23 Administrator of the Governing Authority

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Jay Newcomb
President of the Governing Authority

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7 March 14, 2017

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9 Honorable Mayor Drennan
10 City of Slidell, State of Louisiana
11 Slidell, Louisiana

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13 Re: Proposed \$11,150,000 Utilities Tax Bonds of
14 the City of Slidell, State of Louisiana

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16 Honorable Mayor Drennan:

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18 The purpose of this engagement letter is to set forth certain matters concerning the role we
19 will serve and the legal services we will provide as bond counsel to City of Slidell, State of
20 Louisiana (the "Issuer") in connection with the issuance of the captioned bonds (the
21 "Bonds"). We understand that the Bonds will be issued for the purpose of constructing,
22 acquiring, extending and/or improving the Issuer's combined waterworks system and
23 sewer system, and paying the costs of issuance of the bonds (the "Project").

24
25 As bond counsel, we will prepare and submit to the Slidell City Council (the "Governing
26 Authority") for adoption all of the legal proceedings required for the authorization, issuance,
27 sale and delivery of the Bonds and provide advice of a traditional legal nature as to the
28 issuance and sale of the Bonds. Our job is principally to render certain opinions to the
29 Issuer regarding (i) the validity of the Bonds under applicable Louisiana law, (ii) the
30 exemption of interest paid on the bonds from federal and/or state taxes, and (iii) other
31 matters as may be applicable. The bond opinion will be based on facts and law existing as
32 of its date. In rendering such opinion, we will rely upon the certified proceedings and other
33 certifications of public officials and other persons furnished to our firm without undertaking
34 to verify the same by independent investigation, and we will assume continuing
35 compliance by the Issuer with applicable laws and other resolutions relating to the Bonds.
36 During the course of this engagement, we will rely upon the staff of the Issuer and the
37 members of the Governing Authority to provide us with complete and timely information on
38 all developments pertaining to any aspect of the Bonds.

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5 In our engagement as bond counsel, we will:
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7 Confer with members of the working group, including you and other officials of
8 the Issuer, relating to the Project and review legal issues relating to the structure
9 of the Bond issue;

10
11 Prepare the ordinance and all related financing documents (collectively, the
12 "Bond Documents");
13

14 As requested, attend meetings of the Governing Authority at which the Bond
15 Documents are adopted, including (as applicable) preparation of notices;
16

17 Prepare the application for approval of the issuance of the Bonds by the State
18 Bond Commission and attend the State Bond Commission meeting at which
19 such approval will be considered;
20

21 Review any insurance policy in the event the Issuer determines that the Bonds
22 will have credit enhancement;
23

24 Prepare the closing index and various closing certificates, including the Tax
25 Compliance Certificate, and supervise the execution of certain closing
26 documents by the various parties thereto;
27

28 Prepare and file Internal Revenue Service Form 8038-G, as required by Federal
29 law;
30

31 Prepare the Bonds and supervise their execution and authentication,
32

33 Prepare complete transcripts of record covering the issuance of the Bonds and
34 furnishing the transcripts to various parties in connection therewith; and
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36 Submit post-closing reports to the State Bond Commission, if required.
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4 Our fee as bond counsel is based upon the terms, structure, size and schedule of the
5 financing, the services provided, and the responsibilities assumed; however, our fee will
6 not exceed that permitted by guidelines set forth by the Attorney General of the State of
7 Louisiana and is subject to his approval. Our fee as bond counsel is a "contingent fee,"
8 meaning you are required to pay for our legal services only in the event the Bonds are
9 actually sold and delivered. Other vendors or members of the working group may charge
10 additional fees or costs for their services.
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12 In addition to our services provided as Bond Counsel, we will prepare an official statement
13 with respect to the sale of the Bonds in coordination with the working group, and present
14 information relating to the Bonds to bond rating agencies and providers of credit
15 enhancement, if any. The costs associated with the preparation of the official statement
16 will be invoiced separately from our fee as Bond Counsel as approved by the Louisiana
17 State Bond Commission.
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19 We will continue to serve as bond counsel until the delivery of the Bonds; however, the
20 Issuer and our firm each have the right to terminate this engagement at any time after
21 providing reasonable advanced written notice, subject to the applicable rules of
22 professional responsibility. Upon conclusion or termination of our representation of the
23 Issuer, papers and property furnished by the Issuer will be returned promptly upon request.
24

25 Please note that we are not municipal advisors, and we do not render financial advice or
26 other financial services to the Issuer; however, in the course of providing traditional legal
27 services, we may provide factual information that is not specifically tailored to the Bonds or
28 that does not rise to the level of a recommendation concerning a course of action. We will,
29 however, analyze, discuss and advise the Issuer regarding the legal ramifications of the
30 structure, timing, terms and other provisions of the Bonds, as these functions are essential
31 to developing a plan of finance.
32

33 On behalf of the Issuer, you have represented to us that in connection with the issuance of
34 the Bonds the Issuer is represented by, and with respect to financial matters will rely on
35 the advice of, Government Consultants, Inc., an independent registered municipal advisor
36 under the rules promulgated by the Securities and Exchange Commission. By obtaining
37 such representation from you, our firm is not a municipal advisor and is not subject to the
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4 fiduciary duty established in Section 15B(c)(1) of the Securities Exchange Act of 1934, as
5 amended.

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7 Applicable ethical rules in Louisiana prohibit us from undertaking this representation if we
8 represent another party that is directly adverse to the Issuer or if there is a significant risk
9 that other considerations will materially limit our representation of the Issuer. As you are
10 aware, our firm represents many political subdivisions, including others in St. Tammany
11 Parish. At this time, we do not believe any other current or past engagement of our firm
12 adversely affects our ability to represent the Issuer as provided in this letter; however, we
13 invite you to discuss any concerns you have with us.

14
15 If this letter is acceptable to the Issuer, please so indicate by executing where indicated
16 below and returning a copy to us, retaining the original for your files. We appreciate the
17 opportunity to serve the Issuer and look forward to working with you.

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20 **FOLEY & JUDELL, L.L.P.**

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24 **BY:** _____
25 **M. JASON AKERS, PARTNER**

26
27 **ACCEPTED AND APPROVED:**

28
29 **CITY OF SLIDELL, STATE OF LOUISIANA**

30
31
32 **BY:** 
33 **NAME: FREDDY DRENNAN**
34 **TITLE: MAYOR**

35
36 **DATED: MARCH 14, 2017**

37
38 **cc: Government Consultants, Inc.**
39

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4
5 STATE OF LOUISIANA

6
7 PARISH OF ST. TAMMANY

8 I, the undersigned Administrator of the Slidell City Council, State of Louisiana
9
10 (the "City Council"), acting as the governing authority of the City of Slidell, State of
11 Louisiana (the "Issuer") do hereby certify that the foregoing pages constitute a true and
12 correct copy of a resolution adopted by the City Council on March 14, 2017, giving
13 preliminary approval to the issuance of not exceeding Eleven Million One Hundred Fifty
14 Thousand Dollars (\$11,150,000) of Utilities Revenue Bonds, in one or more series, of the
15 City of Slidell, State of Louisiana; providing certain terms of said Bonds; making application
16 to the State Bond Commission for approval of said Bonds; and providing for other matters
17 in connection therewith.
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23 IN FAITH WHEREOF, witness my official signature on this the 14th day of
24 March, 2017.
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29 _____
30 Thomas P. Reeves
31 Administrator of Governing Authority
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