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8 Introduced July 14, 1987 by
9 Councilman Washington
10 seconded by Councilman Van Sandt
11 Both by Request
12

13 ITEM NO. 87-07-1188

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15 Authored by Councilman Washington,
16 Councilman Callahan, Councilman
17 Van Sandt, Councilman Barthelemy,
18 Councilman Berault, Councilman
19 Salvaggio, Councilwoman Williams,
20 Councilman-at-Large Singletary, and
21 Councilman-at-Large Martinez
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30 ORDINANCE NO. 2138
31 FIRST SUPPLEMENTAL ORDINANCE

32 A Supplemental Ordinance amending and supplementing an
33 ordinance (the "General Bond Ordinance"); providing for the
34 issuance of Five Million Dollars (\$5,000,000) principal
35 amount of Public Improvement Sales Tax Bonds, Series 1987,
36 of the City of Slidell, State of Louisiana (the "Issuer"),
37 pursuant to the General Bond Ordinance; prescribing the
38 form, fixing the details and providing for the payment of
39 principal of and interest on such bonds; accepting the bid of
40 a syndicate headed by Blunt Ellis & Loewi Incorporated, of
41 Chicago, Illinois, for the purchase of said Bonds; approving
42 the Official Statement; and providing for other matters in
43 connection therewith.
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45 WHEREAS, the Issuer adopted an ordinance on August 25, 1987 (the
46 "General Bond Ordinance"), authorizing the issuance from time to time of Sales
47 Tax Revenue Bonds of the Issuer on the terms and conditions set forth in the
48 General Bond Ordinance; and
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50 WHEREAS, the General Bond Ordinance provides that the details of the
51 Bonds of each Series of Bonds issued thereunder shall be specified in a supple-
52 mental ordinance adopted by the Issuer authorizing the issuance of such Series of
53 Bonds, subject to the terms, conditions and limitations established in the General
54 Bond Ordinance; and
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56 WHEREAS, the Issuer proposes by this Supplemental Ordinance to
57 authorize the issuance of Five Million Dollars (\$5,000,000) principal amount of its
58 Bonds to be the initial Series of Bonds issued under the General Bond Ordinance and
59 to be designated "Public Improvement Sales Tax Bonds, Series 1987 " (the "Series
60 1987 Bonds") and to specify the terms and conditions of the Series 1987 Bonds; and
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62 WHEREAS, this Governing Authority has investigated the operating
63 history and the revenues collected from the levy and collection of the Tax, and has
64 determined that the estimated revenues to be derived from the Tax in calendar
65 year 1987 will be at least the sum of \$2,500,000 before paying the cost of
66 collecting and administering the Tax; and
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68 WHEREAS, the maturities on the Series 1987 Bonds have been arranged
69 so that the total amount of principal and interest falling due in any year on the
70 Series 1987 Bonds will never exceed 75% of the proceeds of the Tax estimated to
71 be received by the Issuer in calendar year 1987; and
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73 WHEREAS, the sale and issuance of the Series 1987 Bonds has been
74 approved by the Louisiana State Bond Commission;
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76 NOW, THEREFORE, BE IT ORDAINED by the Slidell City Council,
77 acting as the governing authority of the City of Slidell, State of Louisiana:
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13 SECTION 1. Definitions and Findings. Unless the context shall clearly
14 indicate some other meaning, all words and terms used in this First Supplemental
15 Ordinance which are defined in an ordinance (the "General Bond Ordinance")
16 adopted by this City Council on August 25, 1987, entitled: "An ordinance
17 authorizing the issuance from time to time of Public Improvement Sales Tax Bonds
18 of the City of Slidell, State of Louisiana, payable from the proceeds of the one
19 percent (1%) sales and use tax authorized by Proposition No. 1 at an election held
20 on September 27, 1986, prescribing the form, fixing the details and providing for
21 the payment of principal of and interest on such bonds and for the rights of the
22 registered owners thereof." In addition, unless the context shall clearly indicate
23 some other meaning, the following terms shall, for all purposes of the General Bond
24 Ordinance and of this Supplemental Ordinance or of any ordinance or other
25 instrument amendatory thereof or supplemental thereto have the following
26 meanings:

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28 "Supplemental Ordinance" shall mean this First Supplemental Ordinance
29 as the same may be supplemented or amended hereafter.
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31 Unless or except as the context shall clearly indicate otherwise or may
32 otherwise require in this Supplemental Ordinance: (i) all references to a particular
33 section, paragraph or subdivision of the General Bond Ordinance or this Supple-
34 mental Ordinance, as the case may be, are to the corresponding section, paragraph
35 or subdivision of the General Bond Ordinance only, or this Supplemental Ordinance
36 only, as the case may be; (ii) the terms "herein", "hereunder", "hereby", "hereto",
37 "hereof", and any similar terms, refer to this Supplemental Ordinance only, and to
38 this Supplemental Ordinance as a whole and not to any particular section,
39 paragraph or subdivision thereof; (iii) the terms "therein", "thereunder", "thereby",
40 "thereto", "thereof", and any similar terms, refer to the General Bond Ordinance,
41 and to the General Bond Ordinance as a whole and not to any particular section,
42 paragraph or subdivision thereof; and (iv) the term "heretofore" means before the
43 time of effectiveness of this Supplemental Ordinance and the term "hereafter"
44 means after the time of the effectiveness of this Supplemental Ordinance.
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46 SECTION 2. Interpretation. In this Supplemental Ordinance, unless the
47 context otherwise requires, (a) words importing persons include firms, associations
48 and corporations, (b) words importing the singular include the plural and vice versa
49 and (c) words of the masculine gender shall be deemed and considered to include
50 correlative words of the feminine and neuter genders.
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52 SECTION 3. Authorization and Designation. Pursuant to the provisions
53 of the General Bond Ordinance, this Supplemental Ordinance, and the Act, there is
54 hereby authorized the issuance of Five Million Dollars (\$5,000,000) principal
55 amount of Series 1987 Bonds of the Issuer to be designated "Public Improvement
56 Sales Tax Bonds, Series 1987", for the purpose of purchasing, constructing,
57 acquiring, extending and/or improving public facilities, public works or capital
58 improvements and paying the capital costs of police protection and public safety
59 for the Issuer or any sites, equipment and furnishings therefor, as established and
60 set forth in the Issuer's then current budget adopted after public hearings held in
61 the manner contemplated by the Home Rule Charter of the Issuer, providing a
62 reserve for the Bonds and paying the costs of issuance of the Bonds. The Series
63 1987 Bonds shall be special obligations of the Issuer payable solely from the avails
64 and proceeds of the Tax, subject only to the payment of the reasonable costs and
65 expenses of collecting and administering the Tax, shall be entitled, pursuant to and
66 in accordance with the General Bond Ordinance, to the pledge and lien created
67 thereby and shall be otherwise entitled to the security and benefits thereof.
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69 SECTION 4. Principal Amount and Type. The Series 1987 Bonds shall
70 be issued in the aggregate original principal amount of Five Million Dollars
71 (\$5,000,000), and shall be issuable as Current Interest Serial Bonds.
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73 SECTION 5. Denominations, Dates, Maturities and Interest. The Series
74 1987 Bonds shall be dated October 1, 1987, shall be in the denomination of \$5,000
75 or any integral multiple thereof within a single maturity, shall bear interest from
76 the date thereof or from the most recent date interest has been paid at the
77 following rates of interest per annum, payable on April 1, 1988, and semiannually
78 thereafter on April 1 and October 1 of each year and shall become due and payable
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and mature serially on October 1 of each of the years and in the aggregate principal amounts as set forth below:

<u>Year</u>	<u>Principal Amount Maturing</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount Maturing</u>	<u>Interest Rate</u>
1988	\$ 100,000	12%	1998	\$ 230,000	7.80%
1989	105,000	12%	1999	250,000	7.90%
1990	115,000	12%	2000	275,000	8%
1991	125,000	12%	2001	300,000	8.10%
1992	140,000	12%	2002	325,000	8.20%
1993	150,000	12%	2003	355,000	8- $\frac{1}{4}$ %
1994	165,000	12%	2004	390,000	8- $\frac{1}{4}$ %
1995	180,000	9- $\frac{1}{2}$ %	2005	425,000	8- $\frac{1}{4}$ %
1996	195,000	7.60%	2006	460,000	8- $\frac{1}{4}$ %
1997	210,000	7.70%	2007	505,000	8- $\frac{1}{4}$ %

SECTION 6. Optional Redemption. Those Series 1987 Bonds maturing October 1, 1998, and thereafter, will be callable for redemption by the Issuer in whole at any time on or after October 1, 1997, or in part in the inverse order of their maturities, and if less than a full maturity, then by lot within such maturity, on any interest payment date on or after October 1, 1997, at the principal amount thereof and accrued interest to the date fixed for redemption, plus a premium during each annual redemption period (October 1 through September 30 of the following calendar year) expressed as a percentage of the principal amount of the Series 1987 Bonds so redeemed, which premium shall be two percent (2%) of the principal amount of the Series 1987 Bonds so redeemed during the redemption period beginning October 1, 1997, and shall be decreased thereafter by one-fourth of one percent ($\frac{1}{4}$ %) for each redemption period which shall have elapsed after October 1, 1997, and prior to the redemption date, so that such Series 1987 Bonds shall be callable for redemption at par on October 1, 2005.

In the event a Series 1987 Bond is of a denomination is larger than \$5,000, a portion of such Bond (\$5,000 or any multiple thereof) may be redeemed.

SECTION 7. Application of Proceeds of Series 1987 Bonds. The proceeds of the Series 1987 Bonds (exclusive of accrued interest, which shall be deposited in the 1987 Sales Tax Bond Sinking Fund and exclusive of \$500,000 which shall be deposited in the Reserve Fund as provided by Section 5.03 of the General Bond Ordinance) shall be deposited by the Issuer in a special fund to be used solely for the purpose for which the Series 1987 Bonds are issued and for the payment of the cost of issuance.

SECTION 8. Execution and Form of Series 1987 Bonds. The Series 1987 Bonds and the endorsements to appear on all such Series 1987 Bonds issuable hereunder shall be, respectively, substantially in the forms set forth in Exhibit A hereto, with such necessary or appropriate variations, omissions and insertions as are required or permitted by law or by the General Bond Ordinance, as amended and supplemented by this First Supplemental Ordinance and as may be amended and supplemented by any ordinance. The Series 1987 Bonds shall be lettered "R" and shall be numbered separately from 1 upward. In the event the Series 1987 Bonds are insured by a municipal bond insurance company on or prior to the delivery of such bonds, an appropriate legend may be added to the bond form.

The initial Paying Agent/Registrar for the Series 1987 Bonds shall be the Hibernia National Bank, in the City of New Orleans, Louisiana.

SECTION 9. Sale of Series 1987 Bonds. That the bid of a syndicate headed by Blunt Ellis & Loewi Incorporated, of Chicago, Illinois, for the purchase of the Series 1987 Bonds, as more fully described in the Official Bid Form attached hereto as Exhibit B, is hereby accepted by this Council.

SECTION 10. Publication of Ordinance. A copy of this Supplemental Ordinance shall be published immediately after its adoption in the official journal of the Issuer.

13 SECTION 11. Supplemental Ordinance to Constitute Contract. In
14 consideration of the purchase and the acceptance of the Series 1987 Bonds by those
15 who shall be the registered owners of the same from time to time, the provisions of
16 this Supplemental Ordinance shall be a part of the contract of the Issuer with the
17 owners of the Series 1987 Bonds and shall be deemed to be and shall constitute a
18 contract between the Issuer, the Paying Agent/Registrar and the owners from time
19 to time of the Series 1987 Bonds. The provisions, covenants and agreements herein
20 set forth to be performed by and on behalf of the Issuer shall be for the benefit,
21 protection and security of the owners of any and all of the Series 1987 Bonds.
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23 SECTION 12. Payments into Various Funds. That beginning October
24 20, 1987, there shall be paid from the Sales Tax Fund into the Sinking Fund, one-
25 sixth (1/6) of the interest falling due on the Bonds or the next interest payment
26 date and one-twelfth (1/12) of the principal falling due on the Bond or the next
27 principal payment date together with such additional proportionate sum as may be
28 required to pay said principal and interest as the same becomes due and payable.
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30 That upon delivery of the Series 1987 Bonds, \$500,000 of the proceeds
31 thereof shall be deposited into the Reserve Fund, and, on or before the 20th day of
32 each month, beginning October 20, 1987, payments of \$3,000 shall be paid from the
33 Sales Tax Fund into said Reserve Fund until a sum equal to the Debt Service
34 Reserve Fund Requirement is deposited therein.
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36 SECTION 13. Filing of Ordinance. A certified copy of this Supple-
37 mental Ordinance shall be filed and recorded as soon as possible in the Mortgage
38 Records of the Parish of St. Tammany, Louisiana.
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40 SECTION 14. Bond Insurance. Should the purchaser obtain insurance
41 covering any or all maturities of the Bonds, an endorsement satisfactory to Bond
42 Counsel shall be printed on any or all Bonds insured.
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44 SECTION 15. Tax Covenants. The Issuer covenants and agrees that, to
45 the extent permitted by the laws of the State of Louisiana, it will comply with the
46 requirements of the Internal Revenue Code of 1986 and any amendment thereto
47 (the "Code") in order to establish, maintain and preserve the exclusion from "gross
48 income" of interest on the Bonds under the Code. The Issuer further covenants and
49 agrees that it will not take any action, fail to take any action, or permit any action
50 within its control to be taken, or permit at any time or times any of the proceeds
51 of the Bonds or any other funds of the Issuer to be used directly or indirectly in any
52 manner, the effect of which would be to cause the Bonds to be "arbitrage bonds" or
53 would result in the inclusion of the interest on any of the Bonds in gross income
54 under the Code, including, without limitation, (i) the failure to comply with the
55 limitation on investment of Bond proceeds or (ii) the failure to pay any required
56 rebate of arbitrage earnings to the United States of America or (iii) the use of the
57 proceeds of the Bonds in a manner which would cause the Bonds to be "private
58 activity bonds".
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60 The Bonds are designated as "qualified tax-exempt obligations" within
61 the meaning of Section 265(b)(3) of the Code. In making this designation, the Issuer
62 finds and determines that:

63 (a) the Bonds are not "private activity bonds" within the meaning of the
64 Code; and
65

66 (b) the reasonably anticipated amount of qualified tax-exempt obliga-
67 tions which will be issued by the Issuer and all subordinate entities in calendar year
68 1987 does not exceed \$10,000,000.
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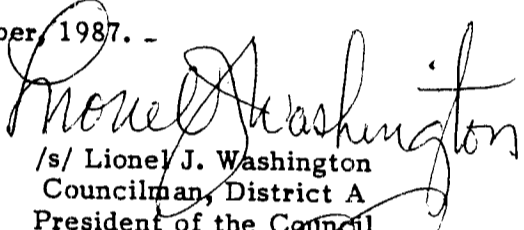
70 The Mayor of the Issuer and the Clerk of the Slidell City Council are
71 hereby empowered, authorized and directed to take any and all action and to
72 execute and deliver any instrument, document or certificate necessary to
73 effectuate the purposes of this Section.
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75 SECTION 16. Official Statement. That on behalf of the Issuer, this
76 Governing Authority does hereby approve the Official Statement prepared and
77 distributed in connection with the sale of the Series 1987 Bonds and further
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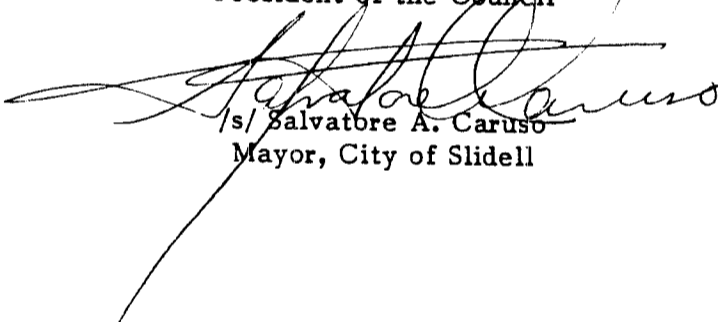
14 declares that the information contained therein is true and correct to the best of
15 its knowledge and belief; that due diligence has been exercised in the preparation
16 of said Official Statement; that said Official Statement do not contain any untrue
17 statement of a material fact or omit any statement of a material fact; that the
18 information contained therein has been obtained from sources which are believed
19 to be reliable and that this Governing Authority has no reason to believe that any
20 material fact contained therein is untrue or any material fact has been omitted in
21 effecting the purpose of the Official Statement to constitute a due diligence
22 disclosure of all material information in connection with offering the Series 1987
23 Bonds for sale and reflecting the security for the payment thereof.
24

25 That the Mayor, the Director of Finance and the Clerk of the Council
26 of the Issuer be and the same are hereby authorized and directed to review the
27 information contained in said Official Statement and certify, if true, on the date of
28 delivery of the Series 1987 Bonds that no adverse happenings have occurred and
29 that there have been no relevant or material changes in the information contained
30 in said Official Statement since the date of the sale of the Series 1987 Bonds which
31 affect the Series 1987 Bonds or the security for their payment.
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33 Adopted on this, the 13th day of October, 1987. -
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37 /s/ Lionel J. Washington
38 Councilman, District A
39 President of the Council

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41 /s/ Davis Dautreuil
42 Council Administrator/
43 Clerk of the Council
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51 /s/ Salvatore A. Caruso
52 Mayor, City of Slidell
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DELIVERED 10/15/87
1:00 P.M. to the Mayor

RECEIVED 10/16/87
2:15 PM from the Mayor