

1 Authored by Councilman Washington,
2 Councilman Callahan, Councilman
3 Van Sandt, Councilman Barthelemy,
4 Councilman Berault, Councilman
5 Salvaggio, Councilwoman Williams,
6 Councilman-at-Large Singletary,
7 and Councilman-at-Large Martinez
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10
11 Introduced February 23, 1988 by
12 Councilman Singletary
13 seconded by Councilman Barthelemy
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16 ITEM NO. 88-02-1250
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18
19 ORDINANCE NO. 2176
20 SECOND SUPPLEMENTAL ORDINANCE
21

22 A Supplemental Ordinance amending and supplementing an
23 ordinance (the "General Bond Ordinance"); providing for the
24 issuance of Five Million Dollars (\$5,000,000) principal
25 amount of Public Improvement Sales Tax Bonds, Series 1988,
26 of the City of Slidell, State of Louisiana (the "Issuer"),
27 pursuant to the General Bond Ordinance; prescribing the
28 form, fixing the details and providing for the payment of
29 principal of and interest on such bonds; accepting the bid of
30 Clayton Brown & Associates, Inc., of Chicago, Illinois, for
31 the purchase of said Bonds; approving the Official
32 Statement; providing for the employment of special bond
33 counsel and providing for other matters in connection
34 therewith.
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38 WHEREAS, the Issuer adopted an ordinance on August 25, 1987 (the
39 "General Bond Ordinance"), authorizing the issuance from time to time of Sales
40 Tax Revenue Bonds of the Issuer on the terms and conditions set forth in the
41 General Bond Ordinance; and
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43 WHEREAS, the General Bond Ordinance provides that the details of the
44 Bonds of each Series of Bonds issued thereunder shall be specified in a supple-
45 mental ordinance adopted by the Issuer authorizing the issuance of such Series of
46 Bonds, subject to the terms, conditions and limitations established in the General
47 Bond Ordinance; and
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49 WHEREAS, the Issuer proposes by this Supplemental Ordinance to
50 authorize the issuance of Five Million Dollars (\$5,000,000) principal amount of its
51 Bonds to be the second Series of Bonds issued under the General Bond Ordinance
52 and to be designated "Public Improvement Sales Tax Bonds, Series 1988 " (the
53 "Series 1988 Bonds") and to specify the terms and conditions of the Series 1988
54 Bonds; and
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56 WHEREAS, other than the Series 1988 Bonds, the Issuer will have
57 outstanding no bonds or other obligations of any kind or nature payable from or
58 enjoying a lien on the revenues of the special one percent (1%) sales and use tax
59 approved by the voters of the Issuer at an election held on September 27, 1986,
60 pledged to the payment of sales tax bonds in the General Bond Ordinance, except:
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62 \$5,000,000 of Sales Tax Bonds, Series 1987, dated October 1, 1987,
63 being bonds of an original issue of \$5,000,000 and issued pursuant to the
64 General Bond Ordinance and an ordinance adopted on October 13, 1987
65 (the "First Supplemental Ordinance"), adopted on October 13, 1987,
66 with a final maturity of October 1, 2007 (the "Outstanding Parity
67 Bonds"); and
68

69 WHEREAS, the Governing Authority has investigated the operating
70 history of the revenues collected from the levy and collection of the Tax, and
71 based upon such historical collections, has determined that the average annual
72 revenues, when projected for the first two completed fiscal years following the
73 effective date of the Tax, will be more than two times the highest combined
74 principal and interest requirements for any succeeding Fiscal Year on the
75 Outstanding Parity Bonds and the Series 1988 Bonds; and
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77 WHEREAS, under the terms and conditions of the General Bond
78 Ordinance, the Issuer has the authority to issue additional bonds on a complete
79 parity with said Outstanding Parity Bonds under the terms and conditions provided
80 under said ordinance; and
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14 WHEREAS, the Issuer has determined that all the terms and conditions
15 specified in the General Bond Ordinance for issuing bonds on a parity with the
16 Outstanding Parity Bonds have been or will be complied with prior to the delivery
17 of the Series 1988 Bonds, and it is the express desire and intention of the Issuer
18 that the Bonds be issued on a complete parity with the Outstanding Parity Bonds;
19 and
20

21 WHEREAS, this Governing Authority has investigated the operating
22 history and the revenues collected from the levy and collection of the Tax, and has
23 determined that the estimated revenues to be derived from the Tax in calendar
24 year 1988 will be at least the sum of \$3,389,000 before paying the cost of
25 collecting and administering the Tax; and
26

27 WHEREAS, the maturities on the Series 1988 Bonds have been arranged
28 so that the total amount of principal and interest falling due in any year on the
29 Series 1988 Bonds and the Outstanding Parity Bonds will never exceed 75% of the
30 proceeds of the Tax estimated to be received by the Issuer in calendar year 1988;
31 and
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33 WHEREAS, the sale and issuance of the Series 1988 Bonds has been
34 approved by the Louisiana State Bond Commission;
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37 NOW, THEREFORE, BE IT ORDAINED by the Slidell City Council,
38 acting as the governing authority of the City of Slidell, State of Louisiana;
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40 SECTION 1. Definitions and Findings. Unless the context shall clearly
41 indicate some other meaning, all words and terms used in this Supplemental
42 Ordinance which are defined in an ordinance (the "General Bond Ordinance")
43 adopted by this City Council on August 25, 1987, entitled: "An ordinance
44 authorizing the issuance from time to time of Public Improvement Sales Tax Bonds
45 of the City of Slidell, State of Louisiana, payable from the proceeds of the one
46 percent (1%) sales and use tax authorized by Proposition No. 1 at an election held
47 on September 27, 1986, prescribing the form, fixing the details and providing for
48 the payment of principal of and interest on such bonds and for the rights of the
49 registered owners thereof." In addition, unless the context shall clearly indicate
50 some other meaning, the following terms shall, for all purposes of the General Bond
51 Ordinance and of this Supplemental Ordinance or of any ordinance or other
52 instrument amendatory thereof or supplemental thereto have the following
53 meanings:
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55 "Supplemental Ordinance" shall mean this Second Supplemental
56 Ordinance as the same may be supplemented or amended hereafter.
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58 Unless or except as the context shall clearly indicate otherwise or may
59 otherwise require in this Supplemental Ordinance: (i) all references to a particular
60 section, paragraph or subdivision of the General Bond Ordinance or this Supple-
61 mental Ordinance, as the case may be, are to the corresponding section, paragraph
62 or subdivision of the General Bond Ordinance only, or this Supplemental Ordinance
63 only, as the case may be; (ii) the terms "herein", "hereunder", "hereby", "hereto",
64 "hereof", and any similar terms, refer to this Supplemental Ordinance only, and to
65 this Supplemental Ordinance as a whole and not to any particular section,
66 paragraph or subdivision thereof; (iii) the terms "therein", "thereunder", "thereby",
67 "thereto", "thereof", and any similar terms, refer to the General Bond Ordinance,
68 and to the General Bond Ordinance as a whole and not to any particular section,
69 paragraph or subdivision thereof; and (iv) the term "heretofore" means before the
70 time of effectiveness of this Supplemental Ordinance and the term "hereafter"
71 means after the time of the effectiveness of this Supplemental Ordinance.
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73 SECTION 2. Interpretation. In this Supplemental Ordinance, unless the
74 context otherwise requires, (a) words importing persons include firms, associations
75 and corporations, (b) words importing the singular include the plural and vice versa
76 and (c) words of the masculine gender shall be deemed and considered to include
77 correlative words of the feminine and neuter genders.
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79 SECTION 3. Authorization and Designation. Pursuant to the provisions
80 of the General Bond Ordinance, this Supplemental Ordinance, and the Act, there is
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hereby authorized the issuance of Five Million Dollars (\$5,000,000) principal amount of Series 1988 Bonds of the Issuer to be designated "Public Improvement Sales Tax Bonds, Series 1988", for the purpose of purchasing, constructing, acquiring, extending and/or improving public facilities, public works or capital improvements and paying the capital costs of police protection and public safety for the Issuer or any sites, equipment and furnishings therefor, as established and set forth in the Issuer's then current budget adopted after public hearings held in the manner contemplated by the Home Rule Charter of the Issuer, providing a reserve for the Bonds and paying the costs of issuance of the Bonds. The Series 1988 Bonds shall be special obligations of the Issuer payable solely from the avails and proceeds of the Tax, subject only to the payment of the reasonable costs and expenses of collecting and administering the Tax, shall be entitled, pursuant to and in accordance with the General Bond Ordinance, to the pledge and lien created thereby and shall be otherwise entitled to the security and benefits thereof.

SECTION 4. Principal Amount and Type. The Series 1988 Bonds shall be issued in the aggregate original principal amount of Five Million Dollars (\$5,000,000), and shall be issuable as Current Interest Serial Bonds.

SECTION 5. Denominations, Dates, Maturities and Interest. The Series 1988 Bonds shall be dated April 1, 1988, shall be in the denomination of \$5,000 or any integral multiple thereof within a single maturity, shall bear interest from the date thereof or from the most recent date interest has been paid at the following rates of interest per annum, payable on October 1, 1988, and semiannually thereafter on April 1 and October 1 of each year and shall become due and payable 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>
1989	\$ 100,000	12%	1999	\$ 235,000	7%
1990	105,000	12%	2000	250,000	7%
1991	115,000	12%	2001	275,000	7%
1992	125,000	12%	2002	300,000	7%
1993	140,000	12%	2003	325,000	7%
1994	150,000	12%	2004	355,000	7-½%
1995	170,000	12%	2005	385,000	7-½%
1996	185,000	6.70%	2006	420,000	7-½%
1997	200,000	6.80%	2007	450,000	7-½%
1998	215,000	6.90%	2008	500,000	7-½%

SECTION 6. Optional Redemption. Those Series 1988 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 1988 Bonds so redeemed, which premium shall be two percent (2%) of the principal amount of the Series 1988 Bonds so redeemed during the redemption period beginning October 1, 1997, and shall be decreased thereafter by one-fourth of one percent (¼%) for each redemption period which shall have elapsed after October 1, 1997, and prior to the redemption date, so that such Series 1988 Bonds shall be callable for redemption at par on October 1, 2005.

In the event a Series 1988 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 1988 Bonds. The proceeds of the Series 1988 Bonds (exclusive of accrued interest, which shall be deposited in the 1988 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

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14 for the purpose for which the Series 1988 Bonds are issued and for the payment of
15 the cost of issuance.
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17 SECTION 8. Execution and Form of Series 1988 Bonds. The Series 1988
18 Bonds and the endorsements to appear on all such Series 1988 Bonds issuable
19 hereunder shall be, respectively, substantially in the forms set forth in Exhibit A
20 hereto, with such necessary or appropriate variations, omissions and insertions as
21 are required or permitted by law or by the General Bond Ordinance, as amended
22 and supplemented by this Second Supplemental Ordinance and as may be amended
23 and supplemented by any ordinance. The Series 1988 Bonds shall be lettered "R"
24 and shall be numbered separately from 1 upward. In the event the Series 1988
25 Bonds are insured by a municipal bond insurance company on or prior to the
26 delivery of such bonds, an appropriate legend may be added to the bond form.
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28 The initial Paying Agent/Registrar for the Series 1988 Bonds shall be
29 the Hibernia National Bank, in the City of New Orleans, Louisiana. The Series
30 1988 Bonds shall be paid in the place or places and in the medium of payment as
31 provided in Section 3.03 of the General Bond Ordinance.
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33 SECTION 9. Series 1988 Bonds Issued as Parity Bonds. The Series 1988
34 Bonds are hereby issued on a complete parity with the Outstanding Parity Bonds.
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37 SECTION 10. Sale of Series 1988 Bonds. That the bid of Clayton Brown
38 & Associates, Inc., of Chicago, Illinois, for the purchase of the Series 1988 Bonds,
39 as more fully described in the Official Bid Form attached hereto as Exhibit B, is
40 hereby accepted by this Council.
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42 SECTION 11. Publication of Ordinance. A copy of this Supplemental
43 Ordinance shall be published immediately after its adoption in the official journal
44 of the Issuer.
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46 SECTION 12. Supplemental Ordinance to Constitute Contract. In
47 consideration of the purchase and the acceptance of the Series 1988 Bonds by those
48 who shall be the registered owners of the same from time to time, the provisions of
49 this Supplemental Ordinance shall be a part of the contract of the Issuer with the
50 owners of the Series 1988 Bonds and shall be deemed to be and shall constitute a
51 contract between the Issuer, the Paying Agent/Registrar and the owners from time
52 to time of the Series 1988 Bonds. The provisions, covenants and agreements herein
53 set forth to be performed by and on behalf of the Issuer shall be for the benefit,
54 protection and security of the owners of any and all of the Series 1988 Bonds.
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56 SECTION 13. Payments into Various Funds. In addition to the
57 payments required by the First Supplemental Ordinance, that beginning April 20,
58 1988, there shall be paid from the Sales Tax Fund into the Sinking Fund, one-sixth
59 (1/6) of the interest falling due on the Series 1988 Bonds on each Interest Payment
60 Date and beginning October 20, 1988, there shall be paid from the Sales Tax Fund
61 into the Sinking Fund, one-twelfth (1/12) of the principal falling due on the Series
62 1988 Bonds on the next Principal Payment Date, together with such additional
63 proportionate sum as may be required to pay said principal and interest as the same
64 respectively become due and payable.
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66 That upon delivery of the Series 1988 Bonds, \$500,000 of the proceeds
67 thereof shall be deposited into the Reserve Fund, and, on or before the 20th day of
68 each month, beginning April 20, 1988, payments of \$3,000 shall be paid from the
69 Sales Tax Fund into said Reserve Fund until a sum equal to the Debt Service
70 Reserve Fund Requirement is deposited therein.
71

72 SECTION 14. Filing of Ordinance. A certified copy of this Supple-
73 mental Ordinance shall be filed and recorded as soon as possible in the Mortgage
74 Records of the Parish of St. Tammany, Louisiana.
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76 SECTION 15. Bond Insurance. Should the purchaser obtain insurance
77 covering any or all maturities of the Bonds, an endorsement satisfactory to Bond
78 Counsel shall be printed on any or all Bonds insured.
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14 SECTION 16. Tax Covenants. The Issuer covenants and agrees that, to
15 the extent permitted by the laws of the State of Louisiana, it will comply with the
16 requirements of the Internal Revenue Code of 1986 and any amendment thereto
17 (the "Code") in order to establish, maintain and preserve the exclusion from "gross
18 income" of interest on the Bonds under the Code. The Issuer further covenants and
19 agrees that it will not take any action, fail to take any action, or permit any action
20 within its control to be taken, or permit at any time or times any of the proceeds
21 of the Bonds or any other funds of the Issuer to be used directly or indirectly in any
22 manner, the effect of which would be to cause the Bonds to be "arbitrage bonds" or
23 would result in the inclusion of the interest on any of the Bonds in gross income
24 under the Code, including, without limitation, (i) the failure to comply with the
25 limitation on investment of Bond proceeds or (ii) the failure to pay any required
26 rebate of arbitrage earnings to the United States of America or (iii) the use of the
27 proceeds of the Bonds in a manner which would cause the Bonds to be "private
28 activity bonds".
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31 The Bonds are designated as "qualified tax-exempt obligations" within
32 the meaning of Section 265(b)(3) of the Code. In making this designation, the Issuer
33 finds and determines that:
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36 (a) the Bonds are not "private activity bonds" within the meaning of the
37 Code; and
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39 (b) the reasonably anticipated amount of qualified tax-exempt obliga-
40 tions which will be issued by the Issuer and all subordinate entities in calendar year
41 1988 does not exceed \$10,000,000.
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43 The Mayor of the Issuer and the Clerk of the Slidell City Council are
44 hereby empowered, authorized and directed to take any and all action and to
45 execute and deliver any instrument, document or certificate necessary to
46 effectuate the purposes of this Section.
47

48 SECTION 17. Official Statement. That on behalf of the Issuer, this
49 Governing Authority does hereby approve the Official Statement prepared and
50 distributed in connection with the sale of the Series 1988 Bonds and further
51 declares that the information contained therein is true and correct to the best of
52 its knowledge and belief; that due diligence has been exercised in the preparation
53 of said Official Statement; that said Official Statement do not contain any untrue
54 statement of a material fact or omit any statement of a material fact; that the
55 information contained therein has been obtained from sources which are believed
56 to be reliable and that this Governing Authority has no reason to believe that any
57 material fact contained therein is untrue or any material fact has been omitted in
58 effecting the purpose of the Official Statement to constitute a due diligence
59 disclosure of all material information in connection with offering the Series 1988
60 Bonds for sale and reflecting the security for the payment thereof.
61

62 That the Mayor, the Director of Finance and the Clerk of the Council
63 of the Issuer be and the same are hereby authorized and directed to review the
64 information contained in said Official Statement and certify, if true, on the date of
65 delivery of the Series 1988 Bonds that no adverse happenings have occurred and
66 that there have been no relevant or material changes in the information contained
67 in said Official Statement since the date of the sale of the Series 1988 Bonds which
68 affect the Series 1988 Bonds or the security for their payment.
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70 SECTION 18. Employment. That Jerry R. Osborne, Esq., Bond
71 Attorney of New Orleans, Louisiana, be and the same is hereby employed as special
72 counsel of the Issuer, to do and perform comprehensive legal and coordinate
73 professional work with respect to the issuance of Five Million Dollars (\$5,000,000)
74 of Public Improvement Sales Tax Bonds, Series 1988 (the "Bonds"), of the Issuer for
75 the purpose stated in Section 3 hereto. Said bond attorney shall prepare and submit
76 to this City Council for adoption all of the proceedings incidental to the
77 authorization, issuance, sale and delivery of said Bonds, shall counsel and advise
78 this City Council as to the issuance and sale of said Bonds, and shall furnish his
79 opinion covering the legality of the issuance thereof. That the fee to be paid to
80 the said Jerry R. Osborne, Esq. for each issue or series of such Bonds actually
81 issued, sold, delivered and paid for shall be based upon the then current fee
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13 schedule for comprehensive, legal and coordinate professional work in the issuance
14 of revenue bonds promulgated by the Attorney General of Louisiana (as of the time
15 any such Bonds are sold) with regard to the fee of said bond attorney, the current
16 schedule of which is on file with the Director of Finance. Said fee shall be payable
17 out of the funds derived from the sale of the Bonds. That in addition to the fee
18 described in Section 17 hereof, said bond attorney shall be reimbursed for all costs
19 and expenses of out-of-state travel and accommodations incurred at the request of
20 the Mayor.

21
22 That pursuant to instructions from the Mayor of the Issuer, the said
23 Jerry R. Osborne, Esq. shall also assist in the preparation of an official statement
24 in connection with the Bonds containing detailed and comprehensive financial and
25 statistical data required with respect to the sale of the aforesaid Bonds. The costs
26 of the preparation and printing of such official statement shall be paid from the
27 proceeds of the issue for which it has been prepared. Said official statement shall
28 be submitted to such nationally recognized bond rating service or services as may
29 be recommended by the bond attorney, together with a request that an appropriate
30 rating be assigned. Payment for all ratings shall be made by the Director of
31 Finance of the Issuer, upon presentation of appropriate statements from the
32 particular rating services furnishing the ratings. The Director of Finance of the
33 Issuer is hereby empowered and directed to issue a voucher to said bond attorney in
34 payment of the fee herein provided for under the conditions herein enumerated.

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36 That a certified copy of this resolution shall be submitted to the
37 Attorney General of the State of Louisiana for his consent and approval of said
38 employment and of the fees herein designated.

39 Adopted on this, the 22nd day of March, 1988.
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Davis Dautreuil
Davis Dautreuil
Council Administrator/
Clerk of the Council

Richard B. Van Sandt
Richard B. Van Sandt
Councilman, District C
President of the Council

Salvatore A. Caruso
Salvatore A. Caruso
Mayor, City of Slidell

DELIVERED 3-24-88

11:30 A.M. to the Mayor

RECEIVED 3-28-88

3:25 P.M. from the Mayor