passed 9-0

ORDINANCE 15-03

**A SUPPLEMENTAL BOND ORDINANCE
OF THE CITY OF BLOOMINGTON, INDIANA,
SUPPLEMENTING AND AMENDING ORDINANCE 05-12, ADOPTED ON APRIL 20, 2005, AS PREVIOUSLY AMENDED BY ORDINANCE 06-04, ADOPTED ON MARCH 2, 2006,
ALL FOR THE PURPOSE OF
AUTHORIZING THE MODIFICATION OF CERTAIN CONTRACTUAL RIGHTS OF THE CITY OF BLOOMINGTON, INDIANA, THE EXECUTION AND DELIVERY OF ITS AMENDED WATERWORKS REVENUE BONDS OF 2006, SERIES A, AND APPROVING CERTAIN RELATED MATTERS IN CONNECTION THEREWITH**

WHEREAS, the City of Bloomington, Indiana (the "Issuer"), has heretofore established and constructed and currently owns and operates a waterworks system (the "Utility"), pursuant to the provisions of Indiana Code 8-1.5, as amended; and

WHEREAS, on May 4, 2006, the Issuer issued its bonds designated as the "City of Bloomington, Indiana, Waterworks Revenue Bonds of 2006, Series A" in the original aggregate principal amount of $5,320,000 (the "Original Bonds"), which are payable from the net revenues of the Utility, in order to provide funds to finance the costs incurred to pay the acquisition and construction of certain extensions and improvements to the Utility and to pay incidental charges in connection therewith, all pursuant to Ordinance 05-12, adopted by the Common Council of the Issuer (the "Common Council") on April 20, 2006, as previously amended by Ordinance 06-04, adopted by the Common Council of the Issuer on March 2, 2006 (collectively, the "Original Bond Ordinance"); and

WHEREAS, as of the date hereof, the Original Bonds are outstanding in the aggregate principal amount of approximately $3,720,000; and

WHEREAS, pursuant to the terms of the Original Bonds and the Qualified Entity Purchase Agreement, dated April 26, 2006 (the "Original Purchase Agreement"), by and between the Issuer and the Indiana Bond Bank (the "Bond Bank"), the Original Bonds maturing on or after July 1, 2016, are subject to redemption prior to maturity, at the option of the Issuer, on any date on or after January 1, 2016 (such rights hereinafter referred to as the "Call Rights"); and

WHEREAS, the Bond Bank previously issued its Indiana Bond Bank Special Program Bonds, Series 2006 B-1, dated May 4, 2006, in the aggregate principal amount of $12,400,000 (the "Prior Bond Bank Bonds"), for the purpose, in part, of providing funds to purchase the Original Bonds from the Issuer; and

WHEREAS, the Bond Bank has authorized and intends to issue its Indiana Bond Bank Special Program Refunding Bonds, Series 2015 A (the "Refunding Bond Bank Bonds"), for the purpose of refunding all or a portion of the Prior Bond Bank Bonds, together with one or more series of other bonds of the Bond Bank, which are outstanding on the date hereof (the "Refunding Program"); and

WHEREAS, as a condition to sharing a portion of the economic benefits associated with the Refunding Program with the Issuer, the Bond Bank has requested that (a) the Issuer modify the Call Rights and evidence the modification of such Call Rights and receipt of such Call Rights Modification Credit (as hereinafter defined) (all in exchange for receiving a portion of the economic benefits associated with the Refunding Program) by executing and delivering its Amended Bonds (as hereinafter defined), and (b) following the undertaking of the Refunding Program and satisfaction of the other terms and conditions set forth herein, exchanging the Amended Bonds for the outstanding Original Bonds; and

WHEREAS, pursuant to the terms of the Original Bond Ordinance, the Issuer may grant or confer upon the owners of the Original Bonds any additional benefits, rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the owners of the Original Bonds, or to make any change which, in the judgment of the Issuer, is not to the prejudice of the owners of the Original Bonds; and

WHEREAS, pursuant to the terms of the Original Bond Ordinance, the Issuer may, from time to time and at any time, without consent of, or notice to, any of the owners of the Original Bonds, amend the Original Bond Ordinance for any purpose if in the judgment of the Issuer such amendment does not adversely affect the interests of the owners of the outstanding Original Bonds; and

WHEREAS, on the date hereof, the Bond Bank is the registered owner of all of the outstanding Original Bonds; and

WHEREAS, the Issuer desires to adopt this supplemental ordinance (the "Supplemental Ordinance") in order to supplement and amend the Original Bond Ordinance (the Original Bond Ordinance, as supplemented and amended by this Supplemental Ordinance, collectively, the "Ordinance") for the purpose of authorizing the modification of the Call Rights (as described in Section 3 herein) and the execution and delivery of the Amended Bonds (in order to evidence the modification of such Call Rights), all in consideration for the Bond Bank a) crediting to the Issuer a portion of the economic benefits associated with the Refunding Program in an amount estimated to be, based upon current market conditions, at least equal to $480,000 (the "Call Rights Modification Credit"), with such Call Rights Modification Credit being in the form of a reduction in one or more payments of debt service on the Original Bonds (which will be evidenced by the Amended Bonds), and (b) returning all of the outstanding Original Bonds to the Issuer; and

WHEREAS, the Common Council has determined that a significant benefit to the Issuer in the amount of the Call Rights Modification Credit will be effected by assisting the Bond Bank in the undertaking of the Refunding Program; and

WHEREAS, the Common Council now finds that all conditions precedent to the adoption of this Supplemental Ordinance have been complied with in accordance with the provisions of Indiana Code 5-1-5 and Indiana Code 8-1.5, each as amended (collectively, the "Act"), to the extent each is applicable hereto;

NOW THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, AS FOLLOWS:

Section 1. Authorization of 2015 Transaction; Modification of Call Rights. The Common Council hereby determines that (a) the receipt of the Call Rights Modification Credit (in the form described in the recitals hereof) in exchange for the modification of the Call Rights by the Issuer, and (b) the execution and delivery by the Issuer of the Amended Bonds to the Bond Bank in exchange for the outstanding Original Bonds now held by the Bond Bank, in order to evidence the modification of such Call Rights and the receipt of the Call Rights Modification Credit (clauses (a) and (b), collectively, the "2015 Transaction"), is in the best interests of the Issuer and is consistent with and in furtherance of the purposes for which the Issuer was created and exists. The Issuer is hereby authorized to modify the Call Rights and to execute and deliver the Amended Bonds, all in accordance with the terms and conditions of this Supplemental Ordinance.

Section 2. The Amended Bonds. In accordance with the Act and for the purpose of the 2015 Transaction, the Issuer shall execute and deliver its amended bonds designated as the "City of Bloomington, Indiana, Amended Waterworks Revenue Bonds of 2006, Series A," in an original aggregate principal amount not to exceed the aggregate principal amount of the Original Bonds which are currently outstanding (the "Amended Bonds"), and exchange the Amended Bonds for all of the outstanding Original Bonds. Except where inconsistent with the provisions of this Supplemental Ordinance, the terms and conditions of the Amended Bonds shall be the same as those of the outstanding Original Bonds as provided in the Original Bond Ordinance. The form of the Amended Bonds shall be substantially in the form set forth in the Original Bond Ordinance, with such conforming changes as shall be necessary to reflect the terms and conditions set forth in this Supplemental Ordinance and in the Amended Purchase Agreement (as defined herein), including the modification of the Call Rights. The Amended Bonds shall be executed and delivered in the same manner and in accordance with the terms and conditions of the Original Bond Ordinance and the Act.

Section 3. Redemption Provisions of Amended Bonds. Notwithstanding anything in the Original Bond Ordinance, the Original Purchase Agreement or the Original Bonds to the contrary, the Call Rights may be modified so that the Amended Bonds shall be subject to redemption at the option of the Issuer on any date on or after the first optional redemption date on the Refunding Bond Bank Bonds (currently estimated to be February 15, 2025, provided such date may be modified as determined by the Bond Bank in order to effectuate the Refunding Program), at a redemption price equal to the principal amount thereof so called for redemption plus accrued interest to the date fixed for redemption.

Section 4. Application of Call Rights Modification Credit. The Common Council hereby agrees that the Call Rights Modification Credit shall be applied to reduce one or more semi-annual debt service payments on the Original Bonds, and that such reductions of one or more semi-annual debt service payments shall be evidenced by the Amended Bonds. Prior to the undertaking of the Refunding Program, the fiscal officer of the Issuer (the "Controller"), or the Controller's designee, is authorized to select the manner by which the Issuer desires to apply the Call Rights Modification Credit to the debt service payment(s) on the Amended Bonds, and to notify the Bond Bank, in writing, of such determination. The determination of the manner for applying the Call Rights Modification Credit shall be set forth in a schedule to be attached to the Amended Purchase Agreement (as defined herein). The Common Council of the Issuer hereby further authorizes the Controller, or the Controller's designee, to execute all such documents and take such actions as may be necessary or appropriate to effectuate the option selected by the Controller.

Section 5. Authorized Denominations of Amended Bonds. Notwithstanding anything in the Original Bond Ordinance, the Original Purchase Agreement or the Original Bonds to the contrary, the Amended Bonds shall be executed and delivered in minimum denominations of $0.01 or any integral multiple in excess thereof, or such other denominations as shall be requested by the Bond Bank and acceptable to the Controller.

Section 6. The Amended Purchase Agreement. The Qualified Entity Purchase Agreement, in substantially the form attached as Exhibit A hereto and made a part hereof (the "Amended Purchase Agreement"), is hereby approved. The Mayor and the Controller of the Issuer are each hereby authorized and directed to execute the Amended Purchase Agreement with any and all such changes and revisions as they deem necessary, desirable or appropriate to carry out the intent of this Supplemental Ordinance and the purpose of the 2015 Transaction, and to deliver the Amended Purchase Agreement and the Amended Bonds to the Bond Bank.

Section 7. Offering Document / Continuing Disclosure Agreement. Use of information concerning the Issuer in any offering materials, including a preliminary official statement or a private placement memorandum of the Bond Bank (collectively, the "Offering Document") and distributed in connection with the undertaking of the Refunding Program, is hereby authorized, ratified and approved. The Mayor and the Controller of the Issuer, or their authorized designees, are each hereby authorized and directed to have prepared and delivered to the Bond Bank, an underwriter or a purchaser any information required for such use and further to deem and determine, if necessary, those portions of the Offering Document, if any, relating to the Issuer as near final for purposes of Rule 15c2-12 of the United States Securities and Exchange Commission, as amended (the "SEC Rule"). Further, if necessary, the Mayor and the Controller of the Issuer, or their authorized designees, are each hereby authorized and directed to execute a continuing disclosure agreement, in a form and substance acceptable to the Mayor and the Controller of the Issuer, in order to allow the underwriters, if any, of the Refunding Bond Bank Bonds to comply with the SEC Rule if necessary.

Section 8. Further Actions. The Mayor, the Controller and the Clerk of the Issuer, are each hereby authorized and directed, for and on behalf of the Issuer, to execute, attest and seal all such documents, instruments, certificates, closing papers and other papers and do all such acts and things as may be necessary, desirable or appropriate to effect the 2015 Transaction and to carry out the purposes of this Supplemental Ordinance and the execution and delivery of the Amended Bonds in accordance with the Ordinance, including, but not limited to, the execution of any certificates, purchase agreements, continuing disclosure agreements or other documents necessary to effect the 2015 Transaction, and any and all actions, documents, agreements and certificates heretofore taken or executed in connection with the 2015 Transaction or this Supplemental Ordinance, be, and hereby are, ratified and approved.

Section 9. Construction with Other Ordinances. This Supplemental Ordinance is hereby intended to amend and supplement the Original Bond Ordinance, and to the extent of any inconsistencies or conflicts, if any, between any provision or provisions of this Supplemental Ordinance and the Original Bond Ordinance, the provisions of this Supplemental Ordinance shall be controlling and binding. All ordinances or parts of ordinances, except the Original Bond Ordinance as supplemented and amended by this Supplemental Ordinance, in conflict with the Ordinance are hereby repealed. Unless the context otherwise requires and except as supplemented herein, any references in the Original Bond Ordinance to the Original Bonds shall mean the Amended Bonds and any accounts created and maintained by the Issuer for the benefit of holders of the Original Bonds shall now be maintained, and the funds therein shall now be held, for the benefit of the holders of the Amended Bonds.

Section 10. Effective Date. This Supplemental Ordinance shall be in full force and effect from and after its having been passed by the Common Council and signed by the presiding officer.

The foregoing was PASSED AND ADOPTED by the Common Council of the City of Bloomington, Indiana, this 18th day of FEBRUARY, 2015, by a vote of _____ ayes and _____ nays.

DAVE ROLLO, PRESIDENT
City of Bloomington Common Council

ATTEST:

REGINA MOORE, Clerk
City of Bloomington

PRESENTED BY ME to the Mayor this 19th day of FEBRUARY, 2015.

REGINA MOORE, Clerk
City of Bloomington

APPROVED AND SIGNED BY ME this 19th day of February, 2015.

MARK KRUZAN, Mayor
City of Bloomington

ATTEST:

REGINA MOORE, Clerk
City of Bloomington

SYNOPSIS

This is a bond ordinance that supplements and amends previous ordinances of the City regarding Waterworks Revenue Bonds of 2006, Series A, in order to realize a savings in concert with the Indiana Bond Bank.

Signed copies to;
controller clerk
legal (5) CH/CA
utilities
Bond Counsel