

Pub. Imp. \_\_\_\_\_  
Govt. Grnt. \_\_\_\_\_  
Emer.       X        
P. Hrngs. \_\_\_\_\_  
Pgs.       7        
Filed: 2-2-2010

Sponsored by:   O'Neal  

First Reading: \_\_\_\_\_

Second Reading: \_\_\_\_\_

COUNCIL BILL NO. 2010- 049

SPECIAL ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE

AUTHORIZING and directing the issuance, sale and delivery by the City of Springfield, Missouri, of Special Obligation Refunding Bonds, Series 2010 in an aggregate principal amount not to exceed \$21,500,000 for the purpose of refunding the Series 1999 Refunded Bonds and the Series 2001 Refunded Bonds (as defined below); authorizing and approving certain documents in connection with the issuance of the Bonds; authorizing certain other documents and actions in connection therewith; and declaring an emergency.

WHEREAS, the City of Springfield, Missouri (the "City") is a constitutional home rule charter city and political subdivision of the State of Missouri, duly created, organized and existing under and by virtue of the Constitution and laws of the State of Missouri and the City's Charter; and

WHEREAS, the City desires to issue Special Obligation Refunding Bonds, Series 2010 in an aggregate principal amount of not to exceed \$21,500,000 (the "Bonds") to (1) currently refund \$12,350,000 outstanding principal amount of The Public Building Corporation of the City of Springfield, Missouri Leasehold Revenue Bonds (City of Springfield, Missouri Capital Improvement Projects) Series 1999 (the "Series 1999 Refunded Bonds," together with the Series 2001 Refunded Bonds, defined below, the "Refunded Bonds"), (2) advance refund \$4,760,000 outstanding principal amount of The Public Building Corporation of the City of Springfield, Missouri Leasehold Revenue Bonds, Series A 2001 (Capital Improvement LPT Project) (the "Series 2001A Refunded Bonds") and \$2,970,000 outstanding principal amount of The Public Building Corporation of the City of Springfield, Missouri Leasehold Revenue Bonds, Series B 2001 (Capital Improvement LEST Project) (the "Series 2001B Refunded Bonds," together with the Series 2001A Refunded Bonds, the "Series 2001 Refunded Bonds"), (3) fund a debt service reserve fund for the Bonds and (4) provide for payment of costs of issuance of the Bonds; and

WHEREAS, the City is authorized under the City's Charter and the Constitution of the State of Missouri to issue and sell special obligation bonds for the purpose of paying all or part of the cost of refunding the Refunded Bonds, with the principal of and interest on such special obligation bonds being payable by the City only upon appropriation of moneys therefore by the City Council; and

52  
53 WHEREAS, the Bonds shall not constitute a general obligation of the City, nor shall the  
54 Bonds constitute an indebtedness of the City within the meaning of any constitutional, statutory  
55 or Charter provision, limitation or restriction, and the taxing power of the City will not be pledged  
56 to the payment of the principal of or interest on the Bonds.  
57

58 NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF  
59 SPRINGFIELD, MISSOURI, AS FOLLOWS:  
60

61 Section 1. Authorization of Bonds. There shall be issued and hereby are authorized  
62 and directed to be issued a series of special obligation bonds designated as follows: Special  
63 Obligation Refunding Bonds, Series 2010 in the aggregate principal amount of not to exceed  
64 \$21,500,000 (the "Bonds"), for the purpose of paying all or part of the cost of refunding the  
65 Refunded Bonds, funding a debt service reserve fund for the Bonds, and paying costs related to  
66 the issuance of the Bonds.  
67

68 Section 2. Description of Bonds. The Bonds shall consist of fully registered bonds  
69 without coupons, numbered from R-1 upward in order of issuance, in denominations of \$5,000  
70 or any integral multiple thereof. The Bonds shall be substantially in the form set forth in the  
71 Indenture (described below), and shall be subject to registration, transfer and exchange as  
72 provided in the Indenture. The Bonds shall be dated March 3, 2010, shall bear interest at fixed  
73 interest rates not to exceed 5.25% per annum with a true interest cost not exceeding 5.50% per  
74 annum (computed on the basis of a 360-day year of twelve 30-day months) from the date  
75 thereof or from the most recent interest payment date for the Bonds to which interest has been  
76 paid or duly provided for, payable semiannually on June 1 and December 1 in each year,  
77 beginning on June 1, 2010. The Bonds shall have such other terms to be determined in the  
78 manner described in the following paragraph.  
79

80 The City Council does hereby establish a Final Terms Committee for the Bonds (the  
81 "Committee") to consist of two members, being the Mayor and the Director of Finance, which  
82 Committee acting unanimously is hereby authorized for and on behalf of the City to establish for  
83 the Bonds (a) the aggregate principal amount of the Bonds, which shall not exceed  
84 \$21,500,000, (b) the principal maturity dates of the Bonds and the aggregate principal amount  
85 thereof maturing on such dates, with a final maturity not later than June 1, 2021, (c) the dates  
86 on which the Bonds are to be redeemed pursuant to the mandatory redemption provisions of  
87 this ordinance and the aggregate principal amount thereof to be redeemed on such dates, (d)  
88 the interest rates to be borne by the Bonds, at fixed interest rates not to exceed 5.25% per  
89 annum with a true interest cost not exceeding 5.50% per annum, all to be established consistent  
90 with the following: On any date selected by the Committee, the Committee shall determine the  
91 lowest and best interest rates and the most appropriate maturities, redemption terms, final  
92 principal amount and purchase price (including any discount or premium) which, in the  
93 unanimous best judgment of the Committee at that time, would produce as nearly as possible a  
94 par bid (with such discount or premium deemed best by the Committee) for the Bonds in the  
95 then bond market for the Bonds. The determination of the Committee shall be conclusively  
96 evidenced by the execution by the members of the Bond Purchase Agreement setting forth the  
97 final terms of the Bonds, and the signatures of such the officers of the City executing such Bond  
98 Purchase Agreement shall constitute conclusive evidence of such officers' approval and the  
99 City's approval thereof.  
100

101 Section 3. Authorization of Documents. The City is hereby authorized to enter into  
102 the following documents (the "City Documents"), in substantially the forms presented to and

103 approved by the City Council of the City at this meeting (copies of which documents are  
104 attached hereto), with such changes therein as shall be approved by the officers of the City  
105 executing such documents, such officers' signatures thereon being conclusive evidence of their  
106 approval thereof:

- 107
- 108 (a) Trust Indenture (the "Indenture"), between the City and Southwest Trust  
109 Company, N.A., as Trustee (the "Trustee"), pursuant to which the Bonds shall be  
110 issued, in substantially the form attached hereto as Exhibit A;
- 111
- 112 (b) Official Statement (the "Official Statement") setting forth information relating to  
113 the City and the Bonds (in the form of a Preliminary Official Statement which is  
114 herein approved in substantially the form attached hereto as Exhibit B);
- 115
- 116 (c) Tax Compliance Agreement between the City and Southwest Trust Company,  
117 N.A. entered into in order to set forth certain representations, facts, expectations,  
118 terms and conditions relating to the use and investment of the proceeds of the  
119 Bonds, to establish and maintain the exclusion of interest on the Bonds from  
120 gross income for federal income tax purposes, and to provide guidance for  
121 complying with the arbitrage rebate provisions of Code § 148(f) as set forth in the  
122 Tax Compliance Agreement, in substantially the form attached hereto as Exhibit  
123 C;
- 124
- 125 (d) Continuing Disclosure Agreement between the City and Southwest Trust  
126 Company, N.A., as Dissemination Agent, under which the City agrees to provide  
127 continuing disclosure of certain financial information, operating data and material  
128 events, for the benefit of the owners of the Bonds and to assist Oppenheimer &  
129 Co. Inc. (the "Purchaser") in complying with Rule 15c2-12 of the Securities and  
130 Exchange Commission, in substantially the form attached hereto as Exhibit D;
- 131
- 132 (e) Bond Purchase Agreement under which the City agrees to sell the Bonds to the  
133 Purchaser at the purchase price and upon the terms and conditions set forth  
134 therein, in substantially the form attached hereto as Exhibit E;
- 135
- 136 (f) Escrow Deposit Agreement(s) between the City and Southwest Trust Company,  
137 N.A., in its capacity as escrow agent for the Refunded Bonds (the "Escrow  
138 Agent"), which will provide for the defeasance and payment of the principal of,  
139 redemption premium, if any, and interest on the Refunded Bonds, in substantially  
140 the form(s) attached hereto as Exhibit F.

141

142 Section 4. Preliminary and Final Official Statement. The Preliminary Official  
143 Statement, in substantially the form attached hereto as Exhibit B, is hereby ratified and  
144 approved, and the final Official Statement is hereby authorized and approved by supplementing,  
145 amending and completing the Preliminary Official Statement, with such changes and additions  
146 thereto as are necessary to conform to and describe the transaction. The City Manager is  
147 hereby authorized to execute the final Official Statement as so supplemented, amended and  
148 completed, and the use and public distribution of the final Official Statement by the Purchaser in  
149 connection with the reoffering of the Bonds is hereby authorized. The proper officials of the City  
150 are hereby authorized to execute and deliver a certificate pertaining to such Official Statement  
151 as prescribed therein, dated as of the date of payment for and delivery of the Bonds.

153 For the purpose of enabling the Purchaser to comply with the requirements of Rule  
154 15c2-12(b)(1) of the Securities and Exchange Commission, the City hereby deems the  
155 information regarding the City contained in the Preliminary Official Statement to be “final” as of  
156 its date, except for the omission of such information as is permitted by Rule 15c2-12(b)(1), and  
157 the appropriate officers of the City are hereby authorized, if requested, to provide the Purchaser  
158 a letter or certification to such effect and to take such other actions or execute such other  
159 documents as such officers in their reasonable judgment deem necessary to enable the  
160 Purchaser to comply with the requirement of such Rule.

161  
162 The City agrees to provide to the Purchaser within seven business days of the date of  
163 the sale of Bonds sufficient copies of the final Official Statement to enable the Purchaser to  
164 comply with the requirements of Rule 15c2-12(b)(4) of the Securities and Exchange  
165 Commission and with the requirements of Rule G-32 of the Municipal Securities Rulemaking  
166 Board.

167  
168 Section 5. Security for the Bonds.

169  
170 (a) *Security for the Bonds.* The Bonds shall be special obligations of the City  
171 payable as to both principal and interest solely from annual appropriations of funds by the City  
172 for such purpose to be deposited in the Debt Service Fund and the Debt Service Reserve Fund  
173 as defined in and established under the Indenture. The covenants and agreements of the City  
174 contained herein, in the Indenture and in the Bonds shall be for the equal benefit, protection and  
175 security of the legal owners of any or all of the Bonds, all of which Bonds shall be of equal rank  
176 and without preference or priority of one Bond over any other Bond in the application of the  
177 funds to the payment of the principal of and the interest on the Bonds, or otherwise, except as to  
178 the rate of interest and stated maturity for each Bond as provided in the Indenture.

179  
180 (b) *Nature of Obligations.* The obligation of the City to make payments into the Debt  
181 Service Fund and the Debt Service Reserve Fund, and any other obligations of the City to make  
182 payments under this ordinance and the Indenture do not constitute a general obligation or  
183 indebtedness of the City for which the City is obligated to levy or pledge any form of taxation, or  
184 for which the City has levied or pledged any form of taxation and shall not be construed to be a  
185 debt of the City in contravention of any applicable constitutional, statutory or charter limitation or  
186 requirement but in each Fiscal Year shall be payable solely from the amounts pledged or  
187 appropriated therefor (i) out of the income and revenues provided for such year plus (ii) any  
188 unencumbered balances for previous years. Subject to the preceding sentence, the obligations  
189 of the City to make payments hereunder and under the Indenture and to perform and observe  
190 any other covenant and agreement contained herein shall be absolute and unconditional.

191  
192 Section 6. Covenant to Request Appropriations. The City Council hereby directs  
193 that from and after delivery of the Bonds and so long as any of the Bonds remain Outstanding,  
194 subject to Section 5 hereof, the City Manager or any other officer of the City at any time charged  
195 with the responsibility of formulating budget proposals to (i) include in each annual budget an  
196 appropriation of the amount necessary (after taking into account any moneys legally available  
197 for such purpose) to pay debt service on the Bonds and to restore the debt service reserve fund  
198 established for the Bonds under the Indenture to the applicable requirement set forth in the  
199 Indenture in the next succeeding fiscal year of the City, and (ii) take such further action (or  
200 cause the same to be taken) as may be necessary or desirable to assure the availability of  
201 moneys appropriated to pay such debt service on the Bonds and to restore the debt service  
202 reserve fund to the applicable requirement set forth in the Indenture in the next succeeding  
203 fiscal year of the City.

204  
205           Section 7.       Refunding and Redemption of Refunded Bonds. The City Council hereby  
206 authorizes and approves the refunding, defeasance and redemption of (1) the Series 1999  
207 Refunded Bonds on June 1, 2010, or a date as soon thereafter as practicable, as determined by  
208 the Director of Finance, at a redemption price of 100.5% of the principal amount of bonds  
209 redeemed, plus accrued interest and (2) the Series 2001 Refunded Bonds on May 1, 2011, or a  
210 date as soon thereafter as practicable, as determined by the Director of Finance, at a  
211 redemption price of 100% of the principal amount of bonds redeemed, plus accrued interest.  
212 The Mayor, City Manager, Director of Finance and City Clerk, the Purchaser, the Trustee and  
213 the Escrow Agent are hereby authorized to subscribe for the purchase of United States  
214 Securities, State and Local Government Series and/or open Market Securities, in order to effect  
215 the refunding and defeasance of such bonds. The City Council on behalf of the City hereby  
216 directs The Public Building Corporation of the City of Springfield Missouri (the "Corporation"), as  
217 the issuer of the Refunded Bonds, to execute all documents, certificates and instruments and  
218 take such actions as are necessary or advisable in order to effect the redemption and  
219 defeasance of the Refunded Bonds and to otherwise carry out and perform the purposes of this  
220 ordinance.

221  
222           Section 8.       Release of Property. The City Council on behalf of the City hereby further  
223 directs the Corporation, as the issuer of the Refunded Bonds, to execute, attest, acknowledge  
224 and deliver all documents, certificates and instruments and take such actions as are necessary  
225 or advisable to release any property securing the Refunded Bonds and to convey such property  
226 to the City.

227  
228           Section 9.       Execution of Documents. The City is hereby authorized to enter into and  
229 the Mayor, City Manager, Director of Finance and City Clerk and other are hereby authorized  
230 and directed to execute and deliver, for and on behalf of and as the act and deed of the City, the  
231 City Documents and the Bonds and such other documents, certificates and instruments as may  
232 be necessary or desirable to carry out and comply with the intent of this ordinance.  
233

234           Section 10.    Severability. The sections, paragraphs, sentences, clauses and phrases  
235 of this ordinance shall be severable. In the event that any such section, paragraph, sentence,  
236 clause or phrase of this ordinance is found by a court of competent jurisdiction to be invalid, the  
237 remaining portions of this ordinance are valid, unless the court finds the valid portions of the  
238 ordinance are so essential to and inseparably connected with and dependent upon the void  
239 portion that it cannot be presumed that the City Council has enacted the valid portions without  
240 the void ones, or unless the court finds that the valid portions, standing alone, are incomplete  
241 and are incapable of being executed in accordance with the legislative intent.  
242

243           Section 11.    Further Authority. The officers of the City, including the Mayor, the City  
244 Manager, the Director of Finance and the City Clerk, are hereby authorized and directed to  
245 execute all documents and take such actions as they may deem necessary or advisable in order  
246 to carry out and perform the purposes of this ordinance and to make ministerial alterations,  
247 changes or additions in the foregoing agreements, statements, instruments and other  
248 documents herein approved, authorized and confirmed which they may approve, and the  
249 execution or taking of such action shall be conclusive evidence of such necessity or advisability.  
250

251           Section 12.    Governing Law. This ordinance shall be governed exclusively by and  
252 construed in accordance with the applicable laws of the State of Missouri.  
253

254 Section 13. Emergency Measure. The City Council finds and declares that this  
255 ordinance constitutes an emergency because it pertains to the immediate preservation of public  
256 peace, property, health and safety.  
257

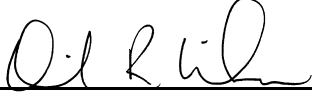
258 Section 14. Effective Date. This ordinance shall take effect and be in full force from  
259 and after the date of its passage by the City Council.  
260

261 Passed at meeting: \_\_\_\_\_  
262

263  
264 \_\_\_\_\_  
265 Mayor  
266

267 Attest: \_\_\_\_\_, City Clerk  
268

269  
270 Filed as Ordinance: \_\_\_\_\_  
271

272  
273 Approved as to Form: , City Attorney  
274

275  
276 Approved for Council Action: , City Manager  
277

278  
279  
280  
281  
282 N:\SHARE\CBILLS\2010\2-8-2010\SPECIAL OBLIGATION REFUNDING BONDS-PBC\_ORD\_GILLMORE & Bell-4-DW  
283  
284

Aff. Agcy. Noticed \_\_\_\_\_  
Emergency Required \_\_\_\_\_  
P. Hrngs. Required \_\_\_\_\_  
Fiscal Note Required \_\_\_\_\_  
Board Rec. Required \_\_\_\_\_  
IPO Required \_\_\_\_\_

EXPLANATION TO COUNCIL BILL NO. 2010 -

**ORIGINATING DEPARTMENT:** Finance

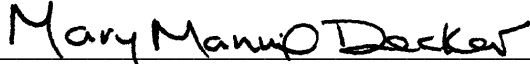
**PURPOSE:** Authorizing and directing the issuance, sale and delivery of Special Obligation Bonds, Series 2010 not to exceed \$21,500,000 for the purpose of refunding the Series 1999, Public Building Corporation Bonds and Series 2001, Public Building Corporation Bonds.

**BACKGROUND:** Periodically, all outstanding debt is analyzed to determine if there is potential savings from refunding any bond issues to achieve a lower interest rate. The most recent analysis indicates a savings if the Series 1999, Public Building Corporation Bonds and the Series 2001, Public Building Corporation Bonds were refunded. The refunding of both issues will result in a lower interest rate, cash flow savings and a net present value savings in excess of 4%. A common threshold used in determining the appropriateness of a potential refunding is net present value savings of 3-5%.

Total estimated savings for both bond issues is estimated to be \$1.7 million over the remaining term of the bond issues. This estimate is net of issuance cost.

**REMARKS:** The term of the bonds will not change from the original issue.

Submitted by:

  
\_\_\_\_\_  
Director of Finance

Approved by:

  
\_\_\_\_\_  
City Manager