

ORDINANCE NO. 057, 2018
OF THE COUNCIL OF THE CITY OF FORT COLLINS
APPROPRIATING FUNDS FROM THE LIGHT AND POWER FUND TO
DEFEASE THE CITY OF FORT COLLINS, COLORADO, ELECTRIC
UTILITY ENTERPRISE TAXABLE REVENUE BONDS SERIES 2010B

WHEREAS, the City Council has heretofore established, pursuant to Section 19.3(b) of Charter Article V and Ordinance No. 060, 1993 adopted by the Council on July 20, 1993, and Ordinance No. 038, 2010 adopted by the Council on April 20, 2010; the City's Electric Utility as an enterprise of the City (the "Enterprise"); and

WHEREAS, after final passage of Ordinance No. 003 by the Board of the City of Fort Collins, Colorado, Electric Utility Enterprise (the "Board"), the Enterprise intends to issue its "City of Fort Collins, Colorado, Electric Utility Enterprise, Tax-Exempt Revenue Bonds, Series 2018A" (the "2018A Bonds") and its "City of Fort Collins, Colorado, Electric Utility Enterprise, Taxable Revenue Bonds, Series 2018B" (the "2018B Bonds") to fund the construction of a municipal broadband system to provide certain telecommunication facilities and services to customers within the City (jointly, the "Broadband Bonds"); and

WHEREAS, pursuant to Ordinance No. 001 adopted by the Board in 2010, the Board authorized the issuance of the "City of Fort Collins, Colorado, Electric Utility Enterprise, Tax-Exempt Revenue Bonds, Series 2010A" in the aggregate principal amount of \$9,675,000 (the "2010A Bonds"), and its "City of Fort Collins, Colorado, Electric Utility Enterprise, Taxable Revenue Bonds (Direct Pay Qualified Energy Conservation Bonds), Series 2010B" in the aggregate principal amount of \$6,410,000 (the "2010B Bonds") to finance various improvements to the City electric utility system; and

WHEREAS, the 2010A Bonds have been fully paid in accordance with their terms and are no longer outstanding; and

WHEREAS, the 2010B Bonds are currently outstanding in the principal amount of \$5,270,000 and \$513,328 in interest; and

WHEREAS, relating to the issuance of the Broadband Bonds, the Board has determined in Ordinance No. 004 that it is in the best interest of the Enterprise to defease the outstanding 2010B Bonds in full prior to the issuance of the 2018 Bonds in order to eliminate certain restrictive contractual provisions contained in the 2010B Bond Ordinance; and

WHEREAS, upon such defeasance, the 2010B Bonds will no longer be deemed to be outstanding within the meaning of the 2010B Bond Ordinance; and

WHEREAS, the Board has determined that the Enterprise will utilize available funds in the Light and Power Fund to defease the 2010B Bonds; and

WHEREAS, in connection with this defeasance, the Enterprise will enter into an escrow agreement (the "Escrow Agreement") with U.S. Bank National Association, as escrow agent, (the "Escrow Agent"), into which escrow the funds appropriated herein will be deposited; and

WHEREAS, in order to fully defease the 2010B bonds, the total amount of \$5,783,328 will need to be deposited with the Escrow Agent under the Escrow Agreement; and

WHEREAS, there has already been appropriated in the City's 2018 annual budget \$1,992,324 for the principal and interest payment owed under the 2010B Bonds in 2018 and, therefore, only an additional \$3,791,004 needs to be appropriated in this Ordinance to fully defease these Bonds; and

WHEREAS, Article V, Section 9 of the City Charter permits the City Council, upon recommendation of the City Manager, to make supplemental appropriations by ordinance at any time during the fiscal year, provided that the total amount of such supplemental appropriations, in combination with all previous appropriations for that fiscal year, does not exceed the current estimate of actual and anticipated revenues to be received during the fiscal year; and

WHEREAS, the City Manager has recommended the appropriation described herein and determined that this appropriation is available and previously unappropriated from the Light and Power Fund and will not cause the total amount appropriated in the Light and Power Fund to exceed the current estimate of actual and anticipated revenues to be received in this Fund during the fiscal year; and

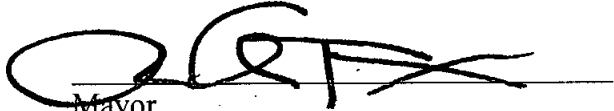
WHEREAS, the City Council finds and determines that the adoption of this Ordinance is necessary for the public's health, safety and welfare and that it is in the best interests of the City and its Electric Utility.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

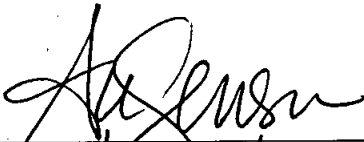
Section 1. That the City Council hereby makes and adopts the determinations and findings contained in the recitals set forth above.

Section 2. That there is hereby appropriated from the Light and Power Fund THREE MILLION SEVEN HUNDRED NINETY-ONE THOUSAND FOUR DOLLARS (\$3,791,004) to be deposited with the Escrow Agent pursuant to the terms and conditions of the Escrow Agreement in partial defeasance of the 2010B Bonds. The remaining amount of \$1,992,324 to be paid from the Light and Power Fund to the Escrow Agent under the Escrow Agreement in order to fully defease the 2010B Bonds shall come from the funds already appropriated in the City's 2018 budget to pay the 2018 principal and interest payment due under the 2010B Bonds.

Introduced, considered favorably on first reading, and ordered published this 24th day of April, A.D. 2018, and to be presented for final passage on the 1st day of May, A.D. 2018.



Mayor

ATTEST:

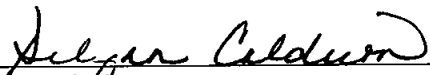

City Clerk Deputy



Passed and adopted on final reading on the 1st day of May, A.D. 2018.


Mayor

ATTEST:


City Clerk

