

*(The following is not a verbatim transcript of comments or discussion that occurred during the meeting, but rather a summarization intended for general informational purposes. All motions and votes are the official records).*

## **FINANCE COMMITTEE**

Regular meeting of the Finance Committee was held on Thursday, February 16, 2012 in the Council Chambers, City Hall, Cranston, Rhode Island.

### **CALL MEETING TO ORDER:**

The meeting was called to order at 6:37 P.M. by the Chair.

Present: Councilman Steven A. Stycos, Vice-Chair  
Councilman Paul H. Archetto  
Councilman James E. Donahue  
Councilman Michael W. Favicchio

Absent: Councilman Emilio L. Navarro

Also Present: Councilman Richard D. Santamaria, Jr.  
Gerald Cordy, Director of Administration  
Mark Capuano, Deputy Director of Administration  
Evan Kirshenbaum, Assistant City Solicitor  
Robert Strom, Director of Finance  
Carlos Lopez, Director of Constituent and Government Affairs  
Patrick Quinlan, City Council Legal Counsel  
Steve Woerner, City Council Internal Auditor  
Maria Medeiros Wall, City Clerk  
Rosalba Zanni, Assistant City Clerk/Clerk of Committees  
Heather Finger, Stenographer

### **MINUTES OF THE LAST MEETING:**

On motion by Councilman Donahue, seconded by Councilman Favicchio, it was voted to dispense with the reading of the minutes of the last meeting and they stand approved as recorded. Motion passed unanimously.

### **CORRESPONDENCE:**

### **OLD BUSINESS:**

### **PUBLIC HEARING**

## **NEW BUSINESS**

- **Tax Interest Waiver Approvals**

On motion by Councilman Donahue, seconded by Councilman Archetto, it was voted to recommend approval of the above Tax Interest Waiver Approvals as recommended by City Treasurer. Motion passed unanimously.

- **Tax Interest Waiver Denials**

On motion by Councilman Favicchio, seconded by Councilman Archetto, it was voted to recommend approval of the above Tax Interest Waiver Denials as recommended by City Treasurer. Motion passed unanimously.

- **Real Estate Tax Abatements**

On motion by Councilman Favicchio, seconded by Councilman Archetto, it was voted to recommend approval of the above Tax Interest Waiver Denials as recommended by City Treasurer. Motion passed unanimously.

- **Motor Vehicle Tax Abatements**

On motion by Councilman Favicchio, seconded by Councilman Archetto, it was voted to recommend approval of the above Tax Interest Waiver Denials as recommended by City Treasurer. Motion passed unanimously.

## **Buck Consultant Presentation of 2011 Police and Fire Pension and OPEB Report**

**Marcus Cleary** and **Philip Malano** of Buck Consultants appeared to make a presentation.

**Mr. Cleary** stated that the purpose of this report is a budgeting tool.

**Councilman Donahue** asked how Cranston compares to other municipalities. **Mr. Malano** stated that on a funded percentage, Cranston is about 17% funded, which is on the low end.

**Mr. Strom** indicated to page 17 of the report, which indicates that the contributions that were made in the 1990's and early 2000's is approximately 5% and in some cases lower. In Fiscal Year 2011-2012, the City contributed 83-84%. It has been contributing greater percentages and looking to do the same going forward.

**Councilman Stycos** stated that this year, we are at 17% funded, he asked what percentage we were last year. Mr. Malano stated, 15.8%.

**Mr. Woerner** indicated to page 3 of the report and asked if this is an experience study. Mr. Malano stated, yes. **Councilman Stycos** asked if the consultant, in doing their experience study, can include an analysis of if we funded at 85%, when is the pension system going to collapse.

**Councilman Donahue** asked when the experience study will be completed. Mr. Malano stated that it will be submitted to the Finance Director by the second or third week in March. Councilman Donahue asked that once this study is completed, it should be reviewed by the Finance Committee.

**Chair** asked that for the next Committee meeting, a briefing of the outcome of this study and the cost be given and if it is not ready by then, it be done at the April meeting.

**Berkshire Group** Presentation on cost saving strategies in developing the 2012-2013 Budget.

**Councilman Favicchio** asked that this item be continued to the March meeting.

On motion by Councilman Favicchio, seconded by Councilman Archetto, it was voted to continue this item to next month's meeting. Motion passed unanimously.

**Resolution** loan order authorizing the issue of \$530,000 bonds of the City to finance the purchase of Public Works and Highway equipment and construction of a Salt Storage Facility; authorizing the City to apply for federal and state advances for that purpose; authorizing the issue of \$530,000 temporary notes for that purpose; and authorizing advances from the General Treasury for that purpose. [click here to view]

Mr. Strom stated that total bonds being requested is \$21,280,000, \$17,850,000 of that is refinancing previous bonds already in place. He also stated that there is no addition to debt service for next three years and additional \$300,000 saving for Fiscal Year 2015.

Councilman Donahue asked what the term of the bonds are. Mr. Strom stated that they are for 20 years, but we are not paying additional years and the plan is to close on April 3<sup>rd</sup>. Mr. Strom stated that this particular bond for \$530,000 is for three dump trucks with plows for Highway, which was approved by the voters.

THE CITY OF CRANSTON

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**RESOLUTION OF THE CITY COUNCIL**

**LOAN ORDER AUTHORIZING THE ISSUE OF \$530,000 BONDS OF THE CITY TO FINANCE THE PURCHASE OF PUBLIC WORKS AND HIGHWAY EQUIPMENT AND CONSTRUCTION OF A SALT STORAGE FACILITY; AUTHORIZING THE CITY TO APPLY FOR FEDERAL AND STATE ADVANCES FOR THAT PURPOSE; AUTHORIZING THE ISSUE OF \$530,000 TEMPORARY NOTES FOR THAT PURPOSE; AND AUTHORIZING ADVANCES FROM THE GENERAL TREASURY FOR THAT PURPOSE**

*No.*

*Passed:*

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*Anthony J. Lupino, Council President*

SECTION 1. The sum of \$530,000 is appropriated to finance the purchase of public works and highway equipment and construction of a salt storage facility (the "Project").

SECTION 2. The Mayor and the Director of Finance are authorized to issue \$530,000 bonds of the City at one time or from time to time under Chapter 392/522 of the Public Laws of 2006, approved by the electors of the City at the general election held on November 7, 2006, in order to meet the foregoing appropriation.

SECTION 3. The said officers from time to time may, subject to and pursuant to Section 9 of Chapter 392/522 of the Public Laws of 2006, apply for, contract for and expend any federal or state advances or other grants or assistance which may be available for the purpose specified in Section 1 hereof.

SECTION 4. The said officers from time to time may issue and refund not exceeding \$530,000 interest bearing or discounted notes under Section 3 of Chapter 392/522 of the Public Laws of 2006 in anticipation of the issue of said bonds or in anticipation of the receipt of federal or state aid for the purpose specified in Section 1 hereof.

SECTION 5. The manner of sale and the forms, denominations, maturities, interest rates and other details of the bonds and notes shall be fixed by the said officers.

SECTION 6. Pending the issue of bonds under Section 2 hereof or pending or in lieu of the issue of notes under Section 4 hereof, the City Treasurer at the written direction of the Mayor may, pursuant to Section 4 of Chapter 392/522 of the Public Laws of 2006, expend funds from the general treasury of the City for the purposes specified in Section 1 hereof. Any advances made under this section shall be repaid without interest from the proceeds of bonds or notes issued hereunder or from the proceeds of applicable federal or state assistance or from other available funds.

SECTION 7. The Director of Finance and the Mayor are also authorized, empowered and directed, on behalf of the City, to: (i) execute, acknowledge and deliver any and all other documents, certificates or instruments necessary to effectuate such borrowing, including, without limitation, a Preliminary Official Statement, a final Official Statement, all in such form and with such provisions as such officers shall deem advisable; (ii) amend, modify or supplement the bonds or notes any and all other documents, certificates or instruments at any time and from time to time, in such manner and for such purposes as officers shall deem necessary, desirable or advisable; (iii) do and perform all such other acts and things deemed by such officers to be necessary, desirable or advisable with respect to any matters contemplated by this loan order in order to effectuate said borrowing and the intent hereof.

SECTION 8. The Director of Finance and the Mayor are hereby authorized to take all lawful action necessary under the Internal Revenue Code of 1986, as amended (the "Code") to insure that the interest on the bonds and the notes will be and continue to be excluded from gross income for federal income tax purposes to the extent provided in Section 103 of the Code, and to refrain from taking any action which will cause interest on the bonds or the notes to lose the benefit of exclusion from gross income provided by Section 103(a) of the Code. The Director of Finance and the Mayor are further authorized to take all lawful action necessary or desirable to designate the bonds and the notes as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code.

SECTION 9. This loan order is an affirmative action of the City Council of the City toward the issuance of bonds or notes in accordance with the purposes of the laws of the State. This loan order constitutes the City's declaration of official intent, pursuant to Treasury Regulation §1.150(2), to reimburse the City for certain capital expenditures for the Project paid on or after the date which is sixty (60) days prior to the date of this resolution but prior to the issuance of the additional bonds or notes. Such amounts to be reimbursed shall not exceed \$530,000 and shall be reimbursed not later than eighteen (18) months after (a) the date on which the expenditure is paid or (b) the date the Project is placed in service or abandoned but in no event later than three (3) years after the date the expenditure is paid.

SECTION 10. The Director of Finance and the Mayor are authorized to take all actions necessary to comply with federal tax and securities laws including Rule 15c2-12 of the Securities and Exchange Commission (the “SEC Rule”) and to execute and deliver a Disclosure Certificate in connection with the bonds or notes in the form as shall be deemed advisable by the Director of Finance and the Mayor in order to comply with the SEC Rule. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Disclosure Certificate, as it may be amended from time to time. Notwithstanding any other provision of this loan order or the bonds or notes, failure of the City to comply with the Disclosure Certificate shall not be considered an event of default; however, any bondholder or noteholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section and under the Disclosure Certificate.

SECTION 11. This loan order shall take effect upon its approval by the Mayor after its passage.

Sponsored by:

Referred to Finance Committee February 16, 2012

**Resolution** loan order authorizing the issue of \$4,335,000 bonds of the City to finance the acquisition, construction and rehabilitation of Fire Stations and facilities and the purchase of equipment for the Fire Department; authorizing the City to apply for federal and state advances for that purpose; authorizing the issue of \$4,335,000 temporary notes for that purpose; and authorizing advances from the General Treasury for that purpose. [click here to view]

**Mr. Strom** stated that of the \$4,335,000, we will borrow \$1,340,000 for

- Fire Code Upgrades \$750,000
- Radio System Upgrades \$450,000
- Emergency Generator for Station 4 \$70,000
- Emergency Generator for Station 6 \$70,000

**Mr. Strom** also indicated that all these are in the Capital Budget and approved.

**Resolution** loan order authorizing the issue of \$6,300,000 bonds of the City to finance the construction and equipping of a new fire station in the Western part of the City of Cranston and the repair, renovation and improvement of existing fire stations throughout the City of Cranston; authorizing the City to apply for federal and state advances for that purpose; authorizing the issue of \$6,300,000 temporary notes for that purpose; and authorizing advances from the General Treasury for that purpose. [click here to view]

**Mr. Strom** stated that of the \$6,300,000, we will only borrow \$150,000 for Fire Station #1 Roof Replacement.

**Resolution** loan order authorizing the issue of \$6,000,000 bonds of the City to finance the repair, construction and rehabilitation of drainage improvements and the remediation and mitigation of drainage and flooding problems throughout the City of Cranston; authorizing the issue of \$6,000,000 temporary notes for that purpose; and authorizing advances from the General Treasury for that purpose. [click here to view]

**Mr. Strom** stated that this Resolution is not for borrowing, it is just housecleaning mechanism.

THE CITY OF CRANSTON

**RESOLUTION OF THE CITY COUNCIL**

**LOAN ORDER AUTHORIZING THE ISSUE OF \$4,335,000 BONDS OF THE CITY TO FINANCE THE ACQUISITION, CONSTRUCTION AND REHABILITATION OF FIRE STATIONS AND FACILITIES AND THE PURCHASE OF EQUIPMENT FOR THE FIRE DEPARTMENT; AUTHORIZING THE CITY TO APPLY FOR FEDERAL AND STATE ADVANCES FOR THAT PURPOSE; AUTHORIZING THE ISSUE OF \$4,335,000 TEMPORARY NOTES FOR THAT PURPOSE; AND AUTHORIZING ADVANCES FROM THE GENERAL TREASURY FOR THAT PURPOSE**

*No.*

*Passed:*

*Anthony J. Lupino, Council President*

SECTION 1. The sum of \$4,335,000 is appropriated to finance acquisition, construction and rehabilitation of fire stations and facilities and the purchase of equipment for the fire department (the "Project").

SECTION 2. The Mayor and the Director of Finance are authorized to issue \$4,335,000 bonds of the City at one time or from time to time under Chapter 396/525 of the Public Laws of 2006, approved by the electors of the City at the general election held on November 7, 2006, in order to meet the foregoing appropriation.

SECTION 3. The said officers from time to time may, subject to and pursuant to Section 9 of Chapter 396/525 of the Public Laws of 2006, apply for, contract for and expend any federal or state advances or other grants or assistance which may be available for the purpose specified in Section 1 hereof.

SECTION 4. The said officers from time to time may issue and refund not exceeding \$4,335,000 interest bearing or discounted notes under Section 3 of Chapter 396/525 of the Public Laws of 2006 in anticipation of the issue of said bonds or in anticipation of the receipt of federal or state aid for the purpose specified in Section 1 hereof.

SECTION 5. The manner of sale and the forms, denominations, maturities, interest rates and other details of the bonds and notes shall be fixed by the said officers.

SECTION 6. Pending the issue of bonds under Section 2 hereof or pending or in lieu of the issue of notes under Section 4 hereof, the City Treasurer at the written direction of the Mayor may, pursuant to Section 4 of Chapter 396/525 of the Public Laws of 2006, expend funds from the general treasury of the City for the purposes specified in Section 1 hereof. Any advances made under this section shall be repaid without interest from the proceeds of bonds or notes issued hereunder or from the proceeds of applicable federal or state assistance or from other available funds.

SECTION 7. The Director of Finance and the Mayor are also authorized, empowered and directed, on behalf of the City, to: (i) execute, acknowledge and deliver any and all other documents, certificates or instruments necessary to effectuate such borrowing, including, without limitation, a Preliminary Official Statement, a final Official Statement, all in such form and with such provisions as such officers shall deem advisable; (ii) amend, modify or supplement the bonds or notes any and all other documents, certificates or instruments at any time and from time to time, in such manner and for such purposes as officers shall deem necessary, desirable or advisable; (iii) do and perform all such other acts and things deemed by such officers to be necessary, desirable or advisable with respect to any matters contemplated by this loan order in order to effectuate said borrowing and the intent hereof.

SECTION 8. The Director of Finance and the Mayor are hereby authorized to take all lawful action necessary under the Internal Revenue Code of 1986, as amended (the "Code") to insure that the interest on the bonds and the notes will be and continue to be excluded from gross income for federal income tax purposes to the extent provided in Section 103 of the Code, and to refrain from taking any action which will cause interest on the bonds or the notes to lose the benefit of exclusion from gross income provided by Section 103(a) of the Code. The Director of Finance and the Mayor are further authorized to take all lawful action necessary or desirable to designate the bonds and the notes as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code.

SECTION 9. This loan order is an affirmative action of the City Council of the City toward the issuance of bonds or notes in accordance with the purposes of the laws of the State. This loan order constitutes the City's declaration of official intent, pursuant to Treasury Regulation §1.150(2), to reimburse the City for certain capital expenditures for the Project paid on or after the date which is sixty (60) days prior to the date of this resolution but prior to the issuance of the additional bonds or notes. Such amounts to be reimbursed shall not exceed \$4,335,000 and shall be reimbursed not later than eighteen (18) months after (a) the date on which the expenditure is paid or (b) the date the Project is placed in service or abandoned but in no event later than three (3) years after the date the expenditure is paid.

SECTION 10. The Director of Finance and the Mayor are authorized to take all actions necessary to comply with federal tax and securities laws including Rule 15c2-12 of the Securities and Exchange Commission (the "SEC Rule") and to execute and deliver a Disclosure Certificate in connection with the bonds or notes in the form as shall be deemed advisable by the Director of Finance and the Mayor in order to comply with the SEC Rule. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Disclosure Certificate, as it may be amended from time to time. Notwithstanding any other provision of this loan order or the bonds or notes, failure of the City to comply with the Disclosure Certificate shall not be considered an event of default; however, any bondholder or noteholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section and under the Disclosure Certificate.

SECTION 11. This loan order shall take effect upon its approval by the Mayor after its passage.

Sponsored by:

Referred to Finance Committee February 16, 2012

THE CITY OF CRANSTON

**RESOLUTION OF THE CITY COUNCIL**

**LOAN ORDER AUTHORIZING THE ISSUE OF \$6,300,000 BONDS OF THE CITY TO FINANCE THE CONSTRUCTION AND EQUIPPING OF A NEW FIRE STATION IN THE WESTERN PART OF THE CITY OF CRANSTON AND THE REPAIR, RENOVATION AND IMPROVEMENT OF EXISTING FIRE STATIONS THROUGHOUT THE CITY OF CRANSTON; AUTHORIZING THE CITY TO APPLY FOR FEDERAL AND STATE ADVANCES FOR THAT PURPOSE; AUTHORIZING THE ISSUE OF \$6,300,000 TEMPORARY NOTES FOR THAT PURPOSE; AND AUTHORIZING ADVANCES FROM THE GENERAL TREASURY FOR THAT PURPOSE**

*No.*

*Passed:*

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*Anthony J. Lupino., Council President*

SECTION 1. The sum of \$6,300,000 is appropriated to finance the construction and equipping of a new fire station in the western part of the City of Cranston and the repair, renovation and improvement of existing fire stations throughout the City of Cranston (the "Project").

SECTION 2. The Mayor and the Director of Finance are authorized to issue \$6,300,000 bonds of the City at one time or from time to time under Chapter 336/397 of the Public Laws of 2008, approved by the electors of the City at the general election held on November 4, 2008, in order to meet the foregoing appropriation.

SECTION 3. The said officers from time to time may, subject to and pursuant to Section 9 of Chapter 336/397 of the Public Laws of 2008, apply for, contract for and expend any federal or state advances or other grants or assistance which may be available for the purpose specified in Section 1 hereof.

SECTION 4. The said officers from time to time may issue and refund not exceeding \$6,300,000 interest bearing or discounted notes under Section 3 of Chapter 336/397 of the Public Laws of 2008 in anticipation of the issue of said bonds or in anticipation of the receipt of federal or state aid for the purpose specified in Section 1 hereof.

SECTION 5. The manner of sale and the forms, denominations, maturities, interest rates and other details of the bonds and notes shall be fixed by the said officers.

SECTION 6. Pending the issue of bonds under Section 2 hereof or pending or in lieu of the issue of notes under Section 4 hereof, the City Treasurer at the written direction of the Mayor may, pursuant to Section 4 of Chapter 336/397 of the Public Laws of 2008, expend funds from the general treasury of the City for the purposes specified in Section 1 hereof. Any advances made under this section shall be repaid without interest from the proceeds of bonds or notes issued hereunder or from the proceeds of applicable federal or state assistance or from other available funds.

SECTION 7. The Director of Finance and the Mayor are also authorized, empowered and directed, on behalf of the City, to: (i) execute, acknowledge and deliver any and all other documents, certificates or instruments necessary to effectuate such borrowing, including, without limitation, a Preliminary Official Statement, a final Official Statement, all in such form and with such provisions as such officers shall deem advisable; (ii) amend, modify or supplement the bonds or notes any and all other documents, certificates or instruments at any time and from time to time, in such manner and for such purposes as officers shall deem necessary, desirable or advisable; (iii) do and perform all such other acts and things deemed by such officers to be necessary, desirable or advisable with respect to any matters contemplated by this loan order in order to effectuate said borrowing and the intent hereof.

SECTION 8. The Director of Finance and the Mayor are hereby authorized to take all lawful action necessary under the Internal Revenue Code of 1986, as amended (the "Code") to insure that the interest on the bonds and the notes will be and continue to be excluded from gross income for federal income tax purposes to the extent provided in Section 103 of the Code, and to refrain from taking any action which will cause interest on the bonds or the notes to lose the benefit of exclusion from gross income provided by Section 103(a) of the Code. The Director of Finance and the Mayor are further authorized to take all lawful action necessary or desirable to designate the bonds and the notes as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code.

SECTION 9. This loan order is an affirmative action of the City Council of the City toward the issuance of bonds or notes in accordance with the purposes of the laws of the State. This loan order constitutes the City's declaration of official intent, pursuant to Treasury Regulation §1.150(2), to reimburse the City for certain capital expenditures for the Project paid on or after the date which is sixty (60) days prior to the date of this resolution but prior to the issuance of the additional bonds or notes. Such amounts to be reimbursed shall not exceed \$6,300,000 and shall be reimbursed not later than eighteen (18) months after (a) the date on which the expenditure is paid or (b) the date the Project is placed in service or abandoned but in no event later than three (3) years after the date the expenditure is paid.

SECTION 10. The Director of Finance and the Mayor are authorized to take all actions necessary to comply with federal tax and securities laws including Rule 15c2-12 of the Securities and Exchange Commission (the “SEC Rule”) and to execute and deliver a Disclosure Certificate in connection with the bonds or notes in the form as shall be deemed advisable by the Director of Finance and the Mayor in order to comply with the SEC Rule. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Disclosure Certificate, as it may be amended from time to time. Notwithstanding any other provision of this loan order or the bonds or notes, failure of the City to comply with the Disclosure Certificate shall not be considered an event of default; however, any bondholder or noteholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section and under the Disclosure Certificate.

SECTION 11. This loan order shall take effect upon its approval by the Mayor after its passage.

Sponsored by:

Referred to Finance Committee February 16, 2012

THE CITY OF CRANSTON

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**RESOLUTION OF THE CITY COUNCIL**

**LOAN ORDER AUTHORIZING THE ISSUE OF \$6,000,000 BONDS OF THE CITY TO FINANCE THE REPAIR, CONSTRUCTION AND REHABILITATION OF DRAINAGE IMPROVEMENTS, AND THE REMEDIATION AND MITIGATION OF DRAINAGE AND FLOODING PROBLEMS, THROUGHOUT THE CITY OF CRANSTON; AUTHORIZING THE CITY TO APPLY FOR FEDERAL AND STATE ADVANCES FOR THAT PURPOSE; AUTHORIZING THE ISSUE OF \$6,000,000 TEMPORARY NOTES FOR THAT PURPOSE; AND AUTHORIZING ADVANCES FROM THE GENERAL TREASURY FOR THAT PURPOSE**

*No.*

*Passed:*

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*Anthony J. Lupino, Council President*

**Resolved, That**

SECTION 1. The sum of \$6,000,000 is appropriated to finance the repair, construction and rehabilitation of drainage improvements, and the remediation and mitigation of drainage and flooding problems, throughout the City of Cranston (the "Project").

SECTION 2. The Mayor and the Director of Finance are authorized to issue \$6,000,000 bonds of the City at one time or from time to time under Chapter 332/439 of the Public Laws of 2008, approved by the electors of the City at the general election held on November 4, 2008, in order to meet the foregoing appropriation.

SECTION 3. The said officers from time to time may, subject to and pursuant to Section 9 of Chapter 332/439 of the Public Laws of 2008, apply for, contract for and expend any federal or state advances or other grants or assistance which may be available for the purpose specified in Section 1 hereof.

SECTION 4. The said officers from time to time may issue and refund not exceeding \$6,000,000 interest bearing or discounted notes under Section 3 of Chapter 332/439 of the Public Laws of 2008 in anticipation of the issue of said bonds or in anticipation of the receipt of federal or state aid for the purpose specified in Section 1 hereof.

SECTION 5. The manner of sale and the forms, denominations, maturities, interest rates and other details of the bonds and notes shall be fixed by the said officers.

SECTION 6. Pending the issue of bonds under Section 2 hereof or pending or in lieu of the issue of notes under Section 4 hereof, the City Treasurer at the written direction of the Mayor may, pursuant to Section 4 of Chapter 332/439 of the Public Laws of 2008, expend funds from the general treasury of the City for the purposes specified in Section 1 hereof. Any advances made under this section shall be repaid without interest from the proceeds of bonds or notes issued hereunder or from the proceeds of applicable federal or state assistance or from other available funds.

SECTION 7. The Director of Finance and the Mayor are also authorized, empowered and directed, on behalf of the City, to: (i) execute, acknowledge and deliver any and all other documents, certificates or instruments necessary to effectuate such borrowing, including, without limitation, a Preliminary Official Statement, a final Official Statement, all in such form and with such provisions as such officers shall deem advisable; (ii) amend, modify or supplement the bonds or notes any and all other documents, certificates or instruments at any time and from time to time, in such manner and for such purposes as officers shall deem necessary, desirable or advisable; (iii) do and perform all such other acts and things deemed by such officers to be necessary, desirable or advisable with respect to any matters contemplated by this loan order in order to effectuate said borrowing and the intent hereof.

SECTION 8. The Director of Finance and the Mayor are hereby authorized to take all lawful action necessary under the Internal Revenue Code of 1986, as amended (the "Code") to insure that the interest on the bonds and the notes will be and continue to be excluded from gross income for federal income tax purposes to the extent provided in Section 103 of the Code, and to refrain from taking any action which will cause interest on the bonds or the notes to lose the benefit of exclusion from gross income provided by Section 103(a) of the Code. The Director of Finance and the Mayor are further authorized to take all lawful action necessary or desirable to designate the bonds and the notes as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code.

SECTION 9. This loan order is an affirmative action of the City Council of the City toward the issuance of bonds or notes in accordance with the purposes of the laws of the State. This loan order constitutes the City's declaration of official intent, pursuant to Treasury Regulation §1.150(2), to reimburse the City for certain capital expenditures for the Project paid on or after the date which is sixty (60) days prior to the date of this resolution but prior to the issuance of the additional bonds or notes. Such amounts to be reimbursed shall not exceed \$6,000,000 and shall be reimbursed not later than eighteen (18) months after (a) the date on which the expenditure is paid or (b) the date the Project is placed in service or abandoned but in no event later than three (3) years after the date the expenditure is paid.

SECTION 10. The Director of Finance and the Mayor are authorized to take all actions necessary to comply with federal tax and securities laws including Rule 15c2-12 of the Securities and Exchange Commission (the "SEC Rule") and to execute and deliver a Disclosure Certificate in connection with the bonds or notes in the form as shall be deemed advisable by the Director of Finance and the Mayor in order to comply with the SEC Rule. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Disclosure Certificate, as it may be amended from time to time. Notwithstanding any other provision of this loan order or the bonds or notes, failure of the City to comply with the Disclosure Certificate shall not be considered an event of default; however, any bondholder or noteholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section and under the Disclosure Certificate.

SECTION 11. This loan order shall take effect upon its approval by the Mayor after its passage.

Sponsored by:

Referred to Finance Committee February 16, 2012

**Public Speakers:**

**Paul Valetta** appeared to represent the Firefighters Union to speak regarding the Buck Consultant report and stated that he finds it amazing that the consultant could not tell the Committee what the mortality rate is that they used. This is not a crisis, it is a problem, which can be solved. The offer is still on the table and the Union is willing to help.

Votes were taken on the following Resolutions:

**Resolution** loan order authorizing the issue of \$530,000 bonds of the City to finance the purchase of Public Works and Highway equipment and construction of a Salt Storage Facility; authorizing the City to apply for federal and state advances for that purpose; authorizing the issue of \$530,000 temporary notes for that purpose; and authorizing advances from the General Treasury for that purpose. [[click here to view](#)]

On motion by Councilman Favicchio, seconded by Councilman Archetto, it was voted to recommend approval of this Resolution. Motion passed unanimously.

**Resolution** loan order authorizing the issue of \$4,335,000 bonds of the City to finance the acquisition, construction and rehabilitation of Fire Stations and facilities and the purchase of equipment for the Fire Department; authorizing the City to apply for federal and state advances for that purpose; authorizing the issue of \$4,335,000 temporary notes for that purpose; and authorizing advances from the General Treasury for that purpose. [[click here to view](#)]

On motion by Councilman Favicchio, seconded by Councilman Donahue, it was voted to recommend approval of this Resolution. Motion passed unanimously.

**Resolution** loan order authorizing the issue of \$6,300,000 bonds of the City to finance the construction and equipping of a new fire station in the Western part of the City of Cranston and the repair, renovation and improvement of existing fire stations throughout the City of Cranston; authorizing the City to apply for federal and state advances for that purpose; authorizing the issue of \$6,300,000 temporary notes for that purpose; and authorizing advances from the General Treasury for that purpose. [[click here to view](#)]

On motion by Councilman Favicchio, seconded by Councilman Archetto, it was voted to recommend approval of this Resolution. Motion passed unanimously.

THE CITY OF CRANSTON

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**RESOLUTION OF THE CITY COUNCIL**

**LOAN ORDER AUTHORIZING THE ISSUE OF \$530,000 BONDS OF THE CITY TO FINANCE THE PURCHASE OF PUBLIC WORKS AND HIGHWAY EQUIPMENT AND CONSTRUCTION OF A SALT STORAGE FACILITY; AUTHORIZING THE CITY TO APPLY FOR FEDERAL AND STATE ADVANCES FOR THAT PURPOSE; AUTHORIZING THE ISSUE OF \$530,000 TEMPORARY NOTES FOR THAT PURPOSE; AND AUTHORIZING ADVANCES FROM THE GENERAL TREASURY FOR THAT PURPOSE**

*No.*

*Passed:*

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*Anthony J. Lupino, Council President*

SECTION 1. The sum of \$530,000 is appropriated to finance the purchase of public works and highway equipment and construction of a salt storage facility (the "Project").

SECTION 2. The Mayor and the Director of Finance are authorized to issue \$530,000 bonds of the City at one time or from time to time under Chapter 392/522 of the Public Laws of 2006, approved by the electors of the City at the general election held on November 7, 2006, in order to meet the foregoing appropriation.

SECTION 3. The said officers from time to time may, subject to and pursuant to Section 9 of Chapter 392/522 of the Public Laws of 2006, apply for, contract for and expend any federal or state advances or other grants or assistance which may be available for the purpose specified in Section 1 hereof.

SECTION 4. The said officers from time to time may issue and refund not exceeding \$530,000 interest bearing or discounted notes under Section 3 of Chapter 392/522 of the Public Laws of 2006 in anticipation of the issue of said bonds or in anticipation of the receipt of federal or state aid for the purpose specified in Section 1 hereof.

SECTION 5. The manner of sale and the forms, denominations, maturities, interest rates and other details of the bonds and notes shall be fixed by the said officers.

SECTION 6. Pending the issue of bonds under Section 2 hereof or pending or in lieu of the issue of notes under Section 4 hereof, the City Treasurer at the written direction of the Mayor may, pursuant to Section 4 of Chapter 392/522 of the Public Laws of 2006, expend funds from the general treasury of the City for the purposes specified in Section 1 hereof. Any advances made under this section shall be repaid without interest from the proceeds of bonds or notes issued hereunder or from the proceeds of applicable federal or state assistance or from other available funds.

SECTION 7. The Director of Finance and the Mayor are also authorized, empowered and directed, on behalf of the City, to: (i) execute, acknowledge and deliver any and all other documents, certificates or instruments necessary to effectuate such borrowing, including, without limitation, a Preliminary Official Statement, a final Official Statement, all in such form and with such provisions as such officers shall deem advisable; (ii) amend, modify or supplement the bonds or notes any and all other documents, certificates or instruments at any time and from time to time, in such manner and for such purposes as officers shall deem necessary, desirable or advisable; (iii) do and perform all such other acts and things deemed by such officers to be necessary, desirable or advisable with respect to any matters contemplated by this loan order in order to effectuate said borrowing and the intent hereof.

SECTION 8. The Director of Finance and the Mayor are hereby authorized to take all lawful action necessary under the Internal Revenue Code of 1986, as amended (the "Code") to insure that the interest on the bonds and the notes will be and continue to be excluded from gross income for federal income tax purposes to the extent provided in Section 103 of the Code, and to refrain from taking any action which will cause interest on the bonds or the notes to lose the benefit of exclusion from gross income provided by Section 103(a) of the Code. The Director of Finance and the Mayor are further authorized to take all lawful action necessary or desirable to designate the bonds and the notes as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code.

SECTION 9. This loan order is an affirmative action of the City Council of the City toward the issuance of bonds or notes in accordance with the purposes of the laws of the State. This loan order constitutes the City's declaration of official intent, pursuant to Treasury Regulation §1.150(2), to reimburse the City for certain capital expenditures for the Project paid on or after the date which is sixty (60) days prior to the date of this resolution but prior to the issuance of the additional bonds or notes. Such amounts to be reimbursed shall not exceed \$530,000 and shall be reimbursed not later than eighteen (18) months after (a) the date on which the expenditure is paid or (b) the date the Project is placed in service or abandoned but in no event later than three (3) years after the date the expenditure is paid.

SECTION 10. The Director of Finance and the Mayor are authorized to take all actions necessary to comply with federal tax and securities laws including Rule 15c2-12 of the Securities and Exchange Commission (the “SEC Rule”) and to execute and deliver a Disclosure Certificate in connection with the bonds or notes in the form as shall be deemed advisable by the Director of Finance and the Mayor in order to comply with the SEC Rule. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Disclosure Certificate, as it may be amended from time to time. Notwithstanding any other provision of this loan order or the bonds or notes, failure of the City to comply with the Disclosure Certificate shall not be considered an event of default; however, any bondholder or noteholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section and under the Disclosure Certificate.

SECTION 11. This loan order shall take effect upon its approval by the Mayor after its passage.

Sponsored by:

Referred to Finance Committee February 16, 2012

THE CITY OF CRANSTON

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**RESOLUTION OF THE CITY COUNCIL**

**LOAN ORDER AUTHORIZING THE ISSUE OF \$4,335,000 BONDS OF THE CITY TO FINANCE THE ACQUISITION, CONSTRUCTION AND REHABILITATION OF FIRE STATIONS AND FACILITIES AND THE PURCHASE OF EQUIPMENT FOR THE FIRE DEPARTMENT; AUTHORIZING THE CITY TO APPLY FOR FEDERAL AND STATE ADVANCES FOR THAT PURPOSE; AUTHORIZING THE ISSUE OF \$4,335,000 TEMPORARY NOTES FOR THAT PURPOSE; AND AUTHORIZING ADVANCES FROM THE GENERAL TREASURY FOR THAT PURPOSE**

*No.*

*Passed:*

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*Anthony J. Lupino, Council President*

SECTION 1. The sum of \$4,335,000 is appropriated to finance acquisition, construction and rehabilitation of fire stations and facilities and the purchase of equipment for the fire department (the "Project").

SECTION 2. The Mayor and the Director of Finance are authorized to issue \$4,335,000 bonds of the City at one time or from time to time under Chapter 396/525 of the Public Laws of 2006, approved by the electors of the City at the general election held on November 7, 2006, in order to meet the foregoing appropriation.

SECTION 3. The said officers from time to time may, subject to and pursuant to Section 9 of Chapter 396/525 of the Public Laws of 2006, apply for, contract for and expend any federal or state advances or other grants or assistance which may be available for the purpose specified in Section 1 hereof.

SECTION 4. The said officers from time to time may issue and refund not exceeding \$4,335,000 interest bearing or discounted notes under Section 3 of Chapter 396/525 of the Public Laws of 2006 in anticipation of the issue of said bonds or in anticipation of the receipt of federal or state aid for the purpose specified in Section 1 hereof.

SECTION 5. The manner of sale and the forms, denominations, maturities, interest rates and other details of the bonds and notes shall be fixed by the said officers.

SECTION 6. Pending the issue of bonds under Section 2 hereof or pending or in lieu of the issue of notes under Section 4 hereof, the City Treasurer at the written direction of the Mayor may, pursuant to Section 4 of Chapter 396/525 of the Public Laws of 2006, expend funds from the general treasury of the City for the purposes specified in Section 1 hereof. Any advances made under this section shall be repaid without interest from the proceeds of bonds or notes issued hereunder or from the proceeds of applicable federal or state assistance or from other available funds.

SECTION 7. The Director of Finance and the Mayor are also authorized, empowered and directed, on behalf of the City, to: (i) execute, acknowledge and deliver any and all other documents, certificates or instruments necessary to effectuate such borrowing, including, without limitation, a Preliminary Official Statement, a final Official Statement, all in such form and with such provisions as such officers shall deem advisable; (ii) amend, modify or supplement the bonds or notes any and all other documents, certificates or instruments at any time and from time to time, in such manner and for such purposes as officers shall deem necessary, desirable or advisable; (iii) do and perform all such other acts and things deemed by such officers to be necessary, desirable or advisable with respect to any matters contemplated by this loan order in order to effectuate said borrowing and the intent hereof.

SECTION 8. The Director of Finance and the Mayor are hereby authorized to take all lawful action necessary under the Internal Revenue Code of 1986, as amended (the "Code") to insure that the interest on the bonds and the notes will be and continue to be excluded from gross income for federal income tax purposes to the extent provided in Section 103 of the Code, and to refrain from taking any action which will cause interest on the bonds or the notes to lose the benefit of exclusion from gross income provided by Section 103(a) of the Code. The Director of Finance and the Mayor are further authorized to take all lawful action necessary or desirable to designate the bonds and the notes as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code.

SECTION 9. This loan order is an affirmative action of the City Council of the City toward the issuance of bonds or notes in accordance with the purposes of the laws of the State. This loan order constitutes the City's declaration of official intent, pursuant to Treasury Regulation §1.150(2), to reimburse the City for certain capital expenditures for the Project paid on or after the date which is sixty (60) days prior to the date of this resolution but prior to the issuance of the additional bonds or notes. Such amounts to be reimbursed shall not exceed \$4,335,000 and shall be reimbursed not later than eighteen (18) months after (a) the date on which the expenditure is paid or (b) the date the Project is placed in service or abandoned but in no event later than three (3) years after the date the expenditure is paid.

SECTION 10. The Director of Finance and the Mayor are authorized to take all actions necessary to comply with federal tax and securities laws including Rule 15c2-12 of the Securities and Exchange Commission (the "SEC Rule") and to execute and deliver a Disclosure Certificate in connection with the bonds or notes in the form as shall be deemed advisable by the Director of Finance and the Mayor in order to comply with the SEC Rule. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Disclosure Certificate, as it may be amended from time to time. Notwithstanding any other provision of this loan order or the bonds or notes, failure of the City to comply with the Disclosure Certificate shall not be considered an event of default; however, any bondholder or noteholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section and under the Disclosure Certificate.

SECTION 11. This loan order shall take effect upon its approval by the Mayor after its passage.

Sponsored by:

Referred to Finance Committee February 16, 2012

THE CITY OF CRANSTON

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**RESOLUTION OF THE CITY COUNCIL**

**LOAN ORDER AUTHORIZING THE ISSUE OF \$6,300,000 BONDS OF THE CITY TO FINANCE THE CONSTRUCTION AND EQUIPPING OF A NEW FIRE STATION IN THE WESTERN PART OF THE CITY OF CRANSTON AND THE REPAIR, RENOVATION AND IMPROVEMENT OF EXISTING FIRE STATIONS THROUGHOUT THE CITY OF CRANSTON; AUTHORIZING THE CITY TO APPLY FOR FEDERAL AND STATE ADVANCES FOR THAT PURPOSE; AUTHORIZING THE ISSUE OF \$6,300,000 TEMPORARY NOTES FOR THAT PURPOSE; AND AUTHORIZING ADVANCES FROM THE GENERAL TREASURY FOR THAT PURPOSE**

*No.*

*Passed:*

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*Anthony J. Lupino., Council President*

SECTION 1. The sum of \$6,300,000 is appropriated to finance the construction and equipping of a new fire station in the western part of the City of Cranston and the repair, renovation and improvement of existing fire stations throughout the City of Cranston (the "Project").

SECTION 2. The Mayor and the Director of Finance are authorized to issue \$6,300,000 bonds of the City at one time or from time to time under Chapter 336/397 of the Public Laws of 2008, approved by the electors of the City at the general election held on November 4, 2008, in order to meet the foregoing appropriation.

SECTION 3. The said officers from time to time may, subject to and pursuant to Section 9 of Chapter 336/397 of the Public Laws of 2008, apply for, contract for and expend any federal or state advances or other grants or assistance which may be available for the purpose specified in Section 1 hereof.

SECTION 4. The said officers from time to time may issue and refund not exceeding \$6,300,000 interest bearing or discounted notes under Section 3 of Chapter 336/397 of the Public Laws of 2008 in anticipation of the issue of said bonds or in anticipation of the receipt of federal or state aid for the purpose specified in Section 1 hereof.

SECTION 5. The manner of sale and the forms, denominations, maturities, interest rates and other details of the bonds and notes shall be fixed by the said officers.

SECTION 6. Pending the issue of bonds under Section 2 hereof or pending or in lieu of the issue of notes under Section 4 hereof, the City Treasurer at the written direction of the Mayor may, pursuant to Section 4 of Chapter 336/397 of the Public Laws of 2008, expend funds from the general treasury of the City for the purposes specified in Section 1 hereof. Any advances made under this section shall be repaid without interest from the proceeds of bonds or notes issued hereunder or from the proceeds of applicable federal or state assistance or from other available funds.

SECTION 7. The Director of Finance and the Mayor are also authorized, empowered and directed, on behalf of the City, to: (i) execute, acknowledge and deliver any and all other documents, certificates or instruments necessary to effectuate such borrowing, including, without limitation, a Preliminary Official Statement, a final Official Statement, all in such form and with such provisions as such officers shall deem advisable; (ii) amend, modify or supplement the bonds or notes any and all other documents, certificates or instruments at any time and from time to time, in such manner and for such purposes as officers shall deem necessary, desirable or advisable; (iii) do and perform all such other acts and things deemed by such officers to be necessary, desirable or advisable with respect to any matters contemplated by this loan order in order to effectuate said borrowing and the intent hereof.

SECTION 8. The Director of Finance and the Mayor are hereby authorized to take all lawful action necessary under the Internal Revenue Code of 1986, as amended (the "Code") to insure that the interest on the bonds and the notes will be and continue to be excluded from gross income for federal income tax purposes to the extent provided in Section 103 of the Code, and to refrain from taking any action which will cause interest on the bonds or the notes to lose the benefit of exclusion from gross income provided by Section 103(a) of the Code. The Director of Finance and the Mayor are further authorized to take all lawful action necessary or desirable to designate the bonds and the notes as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code.

SECTION 9. This loan order is an affirmative action of the City Council of the City toward the issuance of bonds or notes in accordance with the purposes of the laws of the State. This loan order constitutes the City's declaration of official intent, pursuant to Treasury Regulation §1.150(2), to reimburse the City for certain capital expenditures for the Project paid on or after the date which is sixty (60) days prior to the date of this resolution but prior to the issuance of the additional bonds or notes. Such amounts to be reimbursed shall not exceed \$6,300,000 and shall be reimbursed not later than eighteen (18) months after (a) the date on which the expenditure is paid or (b) the date the Project is placed in service or abandoned but in no event later than three (3) years after the date the expenditure is paid.

SECTION 10. The Director of Finance and the Mayor are authorized to take all actions necessary to comply with federal tax and securities laws including Rule 15c2-12 of the Securities and Exchange Commission (the “SEC Rule”) and to execute and deliver a Disclosure Certificate in connection with the bonds or notes in the form as shall be deemed advisable by the Director of Finance and the Mayor in order to comply with the SEC Rule. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Disclosure Certificate, as it may be amended from time to time. Notwithstanding any other provision of this loan order or the bonds or notes, failure of the City to comply with the Disclosure Certificate shall not be considered an event of default; however, any bondholder or noteholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section and under the Disclosure Certificate.

SECTION 11. This loan order shall take effect upon its approval by the Mayor after its passage.

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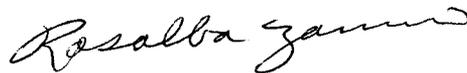
Referred to Finance Committee February 16, 2012

**Resolution** loan order authorizing the issue of \$6,000,000 bonds of the City to finance the repair, construction and rehabilitation of drainage improvements and the remediation and mitigation of drainage and flooding problems, throughout the City of Cranston; authorizing the City to apply for federal and state advances for that purpose; authorizing the issue of \$6,000,000 temporary notes for that purpose; and authorizing advances from the General Treasury for that purpose. [\[click here to view\]](#)

On motion by Councilman Favicchio, seconded by Councilman Archetto, it was voted to recommend approval of this Resolution. Motion passed unanimously.

The meeting adjourned at 8:30 P.M.

Respectfully submitted,

A handwritten signature in cursive script that reads "Rosalba Zanni".

Rosalba Zanni  
Assistant City Clerk/Clerk of Committees

THE CITY OF CRANSTON

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**RESOLUTION OF THE CITY COUNCIL**

**LOAN ORDER AUTHORIZING THE ISSUE OF \$6,000,000 BONDS OF THE CITY TO FINANCE THE REPAIR, CONSTRUCTION AND REHABILITATION OF DRAINAGE IMPROVEMENTS, AND THE REMEDIATION AND MITIGATION OF DRAINAGE AND FLOODING PROBLEMS, THROUGHOUT THE CITY OF CRANSTON; AUTHORIZING THE CITY TO APPLY FOR FEDERAL AND STATE ADVANCES FOR THAT PURPOSE; AUTHORIZING THE ISSUE OF \$6,000,000 TEMPORARY NOTES FOR THAT PURPOSE; AND AUTHORIZING ADVANCES FROM THE GENERAL TREASURY FOR THAT PURPOSE**

*No.*

*Passed:*

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*Anthony J. Lupino, Council President*

**Resolved, That**

SECTION 1. The sum of \$6,000,000 is appropriated to finance the repair, construction and rehabilitation of drainage improvements, and the remediation and mitigation of drainage and flooding problems, throughout the City of Cranston (the "Project").

SECTION 2. The Mayor and the Director of Finance are authorized to issue \$6,000,000 bonds of the City at one time or from time to time under Chapter 332/439 of the Public Laws of 2008, approved by the electors of the City at the general election held on November 4, 2008, in order to meet the foregoing appropriation.

SECTION 3. The said officers from time to time may, subject to and pursuant to Section 9 of Chapter 332/439 of the Public Laws of 2008, apply for, contract for and expend any federal or state advances or other grants or assistance which may be available for the purpose specified in Section 1 hereof.

SECTION 4. The said officers from time to time may issue and refund not exceeding \$6,000,000 interest bearing or discounted notes under Section 3 of Chapter 332/439 of the Public Laws of 2008 in anticipation of the issue of said bonds or in anticipation of the receipt of federal or state aid for the purpose specified in Section 1 hereof.

SECTION 5. The manner of sale and the forms, denominations, maturities, interest rates and other details of the bonds and notes shall be fixed by the said officers.

SECTION 6. Pending the issue of bonds under Section 2 hereof or pending or in lieu of the issue of notes under Section 4 hereof, the City Treasurer at the written direction of the Mayor may, pursuant to Section 4 of Chapter 332/439 of the Public Laws of 2008, expend funds from the general treasury of the City for the purposes specified in Section 1 hereof. Any advances made under this section shall be repaid without interest from the proceeds of bonds or notes issued hereunder or from the proceeds of applicable federal or state assistance or from other available funds.

SECTION 7. The Director of Finance and the Mayor are also authorized, empowered and directed, on behalf of the City, to: (i) execute, acknowledge and deliver any and all other documents, certificates or instruments necessary to effectuate such borrowing, including, without limitation, a Preliminary Official Statement, a final Official Statement, all in such form and with such provisions as such officers shall deem advisable; (ii) amend, modify or supplement the bonds or notes any and all other documents, certificates or instruments at any time and from time to time, in such manner and for such purposes as officers shall deem necessary, desirable or advisable; (iii) do and perform all such other acts and things deemed by such officers to be necessary, desirable or advisable with respect to any matters contemplated by this loan order in order to effectuate said borrowing and the intent hereof.

SECTION 8. The Director of Finance and the Mayor are hereby authorized to take all lawful action necessary under the Internal Revenue Code of 1986, as amended (the "Code") to insure that the interest on the bonds and the notes will be and continue to be excluded from gross income for federal income tax purposes to the extent provided in Section 103 of the Code, and to refrain from taking any action which will cause interest on the bonds or the notes to lose the benefit of exclusion from gross income provided by Section 103(a) of the Code. The Director of Finance and the Mayor are further authorized to take all lawful action necessary or desirable to designate the bonds and the notes as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code.

SECTION 9. This loan order is an affirmative action of the City Council of the City toward the issuance of bonds or notes in accordance with the purposes of the laws of the State. This loan order constitutes the City's declaration of official intent, pursuant to Treasury Regulation §1.150(2), to reimburse the City for certain capital expenditures for the Project paid on or after the date which is sixty (60) days prior to the date of this resolution but prior to the issuance of the additional bonds or notes. Such amounts to be reimbursed shall not exceed \$6,000,000 and shall be reimbursed not later than eighteen (18) months after (a) the date on which the expenditure is paid or (b) the date the Project is placed in service or abandoned but in no event later than three (3) years after the date the expenditure is paid.

SECTION 10. The Director of Finance and the Mayor are authorized to take all actions necessary to comply with federal tax and securities laws including Rule 15c2-12 of the Securities and Exchange Commission (the “SEC Rule”) and to execute and deliver a Disclosure Certificate in connection with the bonds or notes in the form as shall be deemed advisable by the Director of Finance and the Mayor in order to comply with the SEC Rule. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Disclosure Certificate, as it may be amended from time to time. Notwithstanding any other provision of this loan order or the bonds or notes, failure of the City to comply with the Disclosure Certificate shall not be considered an event of default; however, any bondholder or noteholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section and under the Disclosure Certificate.

SECTION 11. This loan order shall take effect upon its approval by the Mayor after its passage.

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Referred to Finance Committee February 16, 2012