

1 **BILL NO. S-16-04-12**

2
3 SPECIAL ORDINANCE NO.S- _____

4 ORDINANCE OF THE COMMON COUNCIL OF
5 THE CITY OF FORT WAYNE, INDIANA,
6 APPROVING OF A REFUNDING PROGRAM
7 FOR OUTSTANDING LEASE RENTAL BONDS
8 AND OTHER MATTERS RELATED THERETO

9 WHEREAS, the Fort Wayne Building Corp. ("Corporation") has issued
10 its First Mortgage Bonds, Series 2006 ("Original Bonds") in the original
11 principal amount of \$20,825,000 and now outstanding in the principal amount
12 of \$11,995,000;

13 WHEREAS, the Corporation, as lessor, entered into a lease with the
14 City of Fort Wayne, Indiana ("City"), as lessee, dated as of February 1, 2006
15 ("Lease");

16 WHEREAS, pursuant to the Lease, the City pays lease rental
17 payments to the Corporation which, in turn, are used to pay the principal of
18 and interest on the Original Bonds;

19 WHEREAS, the Original Bonds were sold to the Indiana Bond Bank
20 ("Bond Bank") which funded the purchase with the issuance of its Indiana
21 Bond Bank Special Program Bonds, Series 2006 C (Fort Wayne Regional
22 Public Safety Academy Project) ("Bond Bank Bonds");

23 WHEREAS, the Bond Bank is proposing to refund the Bond Bank
24 Bonds to achieve a savings ("Refunding Program");

25 WHEREAS, the Bond Bank has requested that the City and the
26 Corporation take certain actions to permit the Original Bonds to receive a
27 credit and share in the savings to be generated under the Refunding
28 Program;

1 WHEREAS, the City has determined to participate in the Refunding
2 Program and provide the authority for all required actions of the City under
3 the Refunding Program;

4 WHEREAS, in connection with the Refunding Program, the
5 Corporation will authorize a form of amendment to the Original Bonds to
6 reflect the changes effectuated as a result of the Refunding Program
7 ("Amended Bonds");

8 WHEREAS, the City instructs to Corporation to participate in the
9 Refunding Program, and to executed and deliver its Amended Bonds and all
10 necessary approvals and certificates required under the Refunding Program;

11 NOW, THEREFORE, BE IT ORDAINED BY THE COMMON
12 COUNCIL OF THE CITY OF FORT WAYNE, INDIANA, THAT:

13
14 Section 1. The Common Council directs the Corporation to
15 participate in the Refunding Program. The Common Council ratifies and
16 approves the issuance of the Original Bonds by the Corporation. The
17 Common Council approves of the Amended Bonds to be executed and
18 delivered by the Corporation under the Refunding Program.

19 Section 2. The Common Council approves the execution and
20 delivery of certificates and agreements under the Refunding Program as may
21 be required. The Mayor, the Clerk and the Controller are authorized to
22 execute and deliver the certificates and agreements required under the
23 Refunding Program.

24 Section 3. Participation in the Refunding Program that will have the
25 effect of reducing lease rentals and producing a savings is in the public
26 interest of the citizens of the City and it is a proper public purpose for which
27 the Common Council agrees to cooperate with the Corporation and Bond
28 Bank to assist in fulfilling the requirements of all agencies of the federal, state
29 and City government.
30

Section 4. This ordinance shall be in full force and effect from and after its passage and execution by the Mayor.

Councilmember

APPROVED AS TO FORM AND LEGALITY

Carol Helton, City Attorney

Interoffice Memo

Date: **April 6, 2016**

To: **Common Council Members**

From: **Len Poehler, Controller, City of Fort Wayne**

RE: **Debt Refinancing – Public Safety Academy Bond
Debt Service Reserve funded as Restriction to Legacy Fund**

In 2006, the Municipal Building Corp issued bonds through the Indiana Bond Bank to finance the construction of the Public Safety Academy, purchase equipment and cover the financing costs of the bonds. The bond was for \$20,825,000 over 15 years at interest rates ranging from 4.10% to 5.01%. The bonds are now callable in a favorable interest rate environment. The refunding bonds will be accomplished through the Indiana Bond Bank over the remaining life of the original bonds, terminating in 2022. Overall savings are expected to exceed \$1.3 million.

A companion ordinance requests that the Debt Service Reserve (DSR) be funded as a limited duration restriction to the Legacy Fund. As of March 31, 2016, The Legacy Fund's market value is approximately \$39.4 million, with similar type DSR restrictions (as of 2016) of \$13.9 million. This new DSR request would increase the restriction to no more than \$16.0 million in 2016 but the cumulative restriction drops to \$12.5 million in 2017 as two other Debt Service Reserves drop off. The restriction from this request will not be required beyond 2022.

CC: Diane Brown
Stephanie Crandall