

ORDINANCE NO. 96-16

An Ordinance of the City of Lebanon, Indiana concerning the issuance and sale of bond anticipation notes, and other matters connected therewith

WHEREAS, the Board of Directors of the Department of Storm Water Management of the City of Lebanon (the "Board") has determined to issue bonds in an amount not to exceed \$4,850,000 to construct certain storm and surface water drainage projects, together with necessary appurtenances, related improvements and equipment, and the incidental expenses in connection therewith and the issuance of bonds therefor (the "Projects"); and

WHEREAS, the Common Council of the City of Lebanon adopted Ordinance No. 91-13 on December 23, 1991, which approved the issuance of bonds of the Storm Water Management District; and

WHEREAS, the Board has determined to issue notes in anticipation of said bonds (the "BANs") to provide interim financing for a portion of the Projects, and has requested that the Common Council approve the issuance of said BANs;

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF LEBANON, INDIANA THAT:

Section 1. The Common Council hereby approves the issuance of BANs of the City of Lebanon Storm Water Management District in the amount not to exceed \$190,000 to apply on the cost of the Projects.

Section 2. The City represents that:

(i) The City is a governmental unit with general taxing powers, which powers include the power to impose taxes of general applicability which, when collected, may be used for the general purposes of the City;

(ii) The BANs are not private activity bonds as defined in Section 141 of the Internal Revenue Code of 1986, as amended (the "Code");

(iii) At least 95% of the net proceeds of the BANs will be used for local governmental activities of the City or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the City;

(iv) The aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the City and all units subordinate to the City, including on-behalf-of issuers and subordinate entities as those terms are defined in the Regulations Section 1.148-8(c)(2), is not reasonably expected to exceed \$5,000,000 in calendar year 1996; and

(v) The City has not been formed or availed of to otherwise avoid the purposes of the \$5,000,000 size limitation.

Therefore, the City meets the requirements of Section 148(f)(4)(D) of the Code and will not have to rebate any arbitrage profits to the United States.

Section 3. The City represents that:

(i) The BANs are not private activity bonds as defined in Section 141 of the Code;

(ii) The City hereby designates the BANs as qualified tax-exempt obligations for purposes of Section 265(b) of the Code;

(iii) The reasonably anticipated amount of qualified tax-exempt obligations (including qualified 501(c)(3) obligations and tax-exempt leases but excluding other private activity bonds) which will be issued by the City and all entities subordinate to the City during 1996 does not exceed \$10,000,000; and

(iv) The City, any body acting in the name of the City, and any entities subordinate to the City, have not designated and will not designate more than \$10,000,000 of qualified tax-exempt obligations or 1996.

Therefore, the City expects the BANs to qualify for the exception in the Code from the disallowance of 100% of the deduction by financial institutions of interest expense allocable to newly acquired tax-exempt obligations.

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

COMMON COUNCIL OF CITY OF LEBANON


Presiding Officer

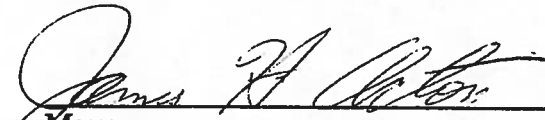
Attest:


Clerk-Treasurer

Presented by me to the Mayor of the City of Lebanon on this 26th day of August 1996 at 7:30 P.m.


Clerk-Treasurer

Signed and approved by me, the Mayor of the City of Lebanon, this 26th day of August, 1996 at 7:30 P.m.


Mayor