

# COMMITTEE AMENDMENT FORM

DATE: 05/15/07

COMMITTEE CITY UTILITIES PAGE NUM. (S) 2

ORDINANCE I. D. #07-O-0709 SECTION (S) 2

RESOLUTION I. D. #07-R- PARA.

AMENDS THE LEGISLATION BY DELETING ACCOUNT NUMBER 729023  
AND INSERTING 529023 IN SECTION 2.

AMENDMENT DONE BY COUNCIL STAFF 05/15/07

**AN AMENDED ORDINANCE**

**07-0-0709**

**BY CITY UTILITIES COMMITTEE**

**AUTHORIZING THE CHIEF FINANCIAL OFFICER TO AMEND THE 2007 WATER AND WASTEWATER BUDGET, ON BEHALF OF THE DEPARTMENT OF WATERSHED MANAGEMENT, IN THE AMOUNT OF SIX MILLION FOUR HUNDRED ELEVEN THOUSAND ONE HUNDRED ELEVEN DOLLARS AND SEVENTY EIGHT CENTS (\$6,411,111.78) BY TRANSFERRING FUNDS FROM 2J27 (2001 WATER & WASTEWATER BOND FUND) 791001 (RESERVE FOR APPROPRIATIONS) T11001 (RESERVE OF FUND APPROPRIATIONS) TO 2J27 (2001 WATER AND WASTEWATER BOND FUND) 729023 (ARBITRAGE REBATE) T31001 (UNALLOCATED FUND WIDE EXPENSES), TO PAY AN INSTALLMENT OF REBATABLE ARBITRAGE FOR THE WATER AND WASTEWATER REVENUE BONDS 2001C (ARC) AND SERIES 2001C (VARIABLE RATE DEMAND) TO THE INTERNAL REVENUE SERVICE; AND FOR OTHER PURPOSES.**

**WHEREAS**, the City of Atlanta (“City”) adopted a Supplemental Master Bond Ordinance under the Master Bond Ordinance Series 2001 Bond Ordinance 01-O-1893, on December 5, 2001 authorizing the issuance of its 2001 Series C (ARC) and Series 2001C (Variable Rate Demand) Water and Wastewater Revenue Bonds; and

**WHEREAS**, the Bonds were issued on January 3, 2002 in an aggregate principal amount of \$105,600,000 for the Series C (ARC) and \$105,705,000 for Series 2001C (Variable Rate Demand) Water and Wastewater Revenue Bonds; and

**WHEREAS**, the proceeds of the Bonds were authorized to finance long-term Capital Improvement Programs for the City’s Water and Wastewater System, to fund capitalization interest for the Bonds, to fund Debt Service Reserve Account for the Bonds, and to pay the cost associated with the bonds; and

**WHEREAS**, Article XVI of the Bond Ordinance establishes a Project Account designated for Bond proceeds to hold and pay out earnings from the Bond in accordance with Article XII of the Master Ordinance and invested in accordance with the provisions of the Bond Ordinance, and applied only to the payment of Cost of the Series 2001 Project; and

**WHEREAS**, pursuant to Section 148(f) of the Internal Revenue Code of 1986, as amended (“Code”), the excess of the amount earned on certain investments related to tax-exempt bonds, over the amount that would have been earned on those investments if they were invested at a rate equal to the yield on the related tax-exempt bonds plus any income attributable to such excess (hereinafter the “Excess Earnings”) must be rebated to the United States Government, together in certain circumstances when the amount of Excess Earnings is not timely rebated to the United States Government, with interest and penalties thereon; and

**WHEREAS**, pursuant to the Bond Ordinance the City agreed to cause the amount of Excess Earnings (including interest and penalties, if any, thereon) that must be rebated to the United States (Arbitrage Rebate) to be periodically calculated and set aside in a special fund (“Rebate Fund”) established under Article XVI of the Bond Ordinance and further agreed to cause the Arbitrage Rebate to be paid to the United States Government, as required under Section 148(f) of the Internal Revenue Code; and

**WHEREAS**, the City caused the amount of Arbitrage Rebate payable with respect to the Bonds to be periodically calculated in order to comply with its Arbitrage Rebate obligation; and

**WHEREAS**, the City completed the 2007 Arbitrage Rebate calculation and concluded the amount owed to the United States Government is \$6,411,111.78; and

**WHEREAS**, it is in the best interests of the City and the City’s Water and Wastewater Bond Fund to now appropriate funds to cover the payment of the Arbitrage Rebate to the United States Internal Revenue Service.

**THE CITY COUNCIL OF THE CITY OF ATLANTA, GEORGIA, HEREBY ORDAINS, as follows:**

**SECTION 1:** That the Fiscal Year 2007 Water and Wastewater Budget be, and is hereby amended as follows:

**TRANSFER FROM APPROPRIATIONS**

|                    |   |                 |
|--------------------|---|-----------------|
| 2J27 791001 T11001 | 2001 Water & Wastewater Bond Fund<br>Reserve for Appropriations<br>Reservation of Fund Appropriations | \$6, 411,111.78 |
|--------------------|---|-----------------|

**TRANSFER TO APPROPRIATIONS**

|                    |   |                 |
|--------------------|---|-----------------|
| 2J27 729023 T31001 | 2001 Water & Wastewater Bond Fund<br>Arbitrage Rebate<br>Unallocated Fund Wide Expenses | \$6, 411,111.78 |
|--------------------|---|-----------------|

**SECTION 2:** That the Chief Financial Officer is hereby authorized to cause the necessary Arbitrage Rebate to be paid to the United States Internal Revenue Service, in an amount not to exceed \$6,411,111.78, to be charge to and paid from fund, account, and center number 2J27(2001 Water & Wastewater Bond Fund) 529023 (Arbitrage Rebate) T31001(Unallocated Fund Wide Expenses)

**SECTION 3:** That all ordinances and parts of ordinances in conflict herewith are hereby waived to the extent of the conflict.

**AN ORDINANCE  
BY CITY UTILITIES COMMITTEE**

**07-0-0709**

**AN ORDINANCE AUTHORIZING THE CHIEF FINANCIAL OFFICER TO AMEND THE 2007 WATER AND WASTEWATER BUDGET, ON BEHALF OF THE DEPARTMENT OF WATERSHED MANAGEMENT, IN THE AMOUNT OF SIX MILLION FOUR HUNDRED ELEVEN THOUSAND ONE HUNDRED ELEVEN DOLLARS AND SEVENTY EIGHT CENTS (\$6,411,111.78) BY TRANSFERRING FUNDS FROM 2J27 (2001 WATER & WASTEWATER BOND FUND) 791001 (RESERVE FOR APPROPRIATIONS) T11001 (RESERVE OF FUND APPROPRIATIONS) TO 2J27 (2001 WATER AND WASTEWATER BOND FUND) 729023 (ARBITRAGE REBATE) T31001 (UNALLOCATED FUND WIDE EXPENSES), TO PAY AN INSTALLMENT OF REBATABLE ARBITRAGE FOR THE WATER AND WASTEWATER REVENUE BONDS 2001C (ARC) AND SERIES 2001C (VARIABLE RATE DEMAND) TO THE INTERNAL REVENUE SERVICE; AND FOR OTHER PURPOSES.**

**WHEREAS**, the City of Atlanta ("City") adopted a Supplemental Master Bond Ordinance under the Master Bond Ordinance Series 2001 Bond Ordinance 01-O-1893, on December 5, 2001 authorizing the issuance of its 2001 Series C (ARC) and Series 2001C (Variable Rate Demand) Water and Wastewater Revenue Bonds; and

**WHEREAS**, the Bonds were issued on January 3, 2002 in an aggregate principal amount of \$105,600,000 for the Series C (ARC) and \$105,705,000 for Series 2001C (Variable Rate Demand) Water and Wastewater Revenue Bonds; and

**WHEREAS**, the proceeds of the Bonds were authorized to finance long-term Capital Improvement Programs for the City's Water and Wastewater System, to fund capitalization interest for the Bonds, to fund Debt Service Reserve Account for the Bonds, and to pay the cost associated with the bonds; and

**WHEREAS**, Article XVI of the Bond Ordinance establishes a Project Account designated for Bond proceeds to hold and pay out earnings from the Bond in accordance with Article XII of the Master Ordinance and invested in accordance with the provisions of the Bond Ordinance, and applied only to the payment of Cost of the Series 2001 Project; and

**WHEREAS**, pursuant to Section 148(f) of the Internal Revenue Code of 1986, as amended ("Code"), the excess of the amount earned on certain investments related to tax-exempt bonds, over the amount that would have been earned on those investments if they were invested at a rate equal to the yield on the related tax-exempt bonds plus any income attributable to such excess (hereinafter the "Excess Earnings") must be rebated to the United States Government, together in certain circumstances when the amount of Excess Earnings is not timely rebated to the United States Government, with interest and penalties thereon; and

**WHEREAS**, pursuant to the Bond Ordinance the City agreed to cause the amount of Excess Earnings (including interest and penalties, if any, thereon) that must be rebated to the United States (Arbitrage Rebate) to be periodically calculated and set aside in a special fund (“Rebate Fund”) established under Article XVI of the Bond Ordinance and further agreed to cause the Arbitrage Rebate to be paid to the United States Government, as required under Section 148(f) of the Internal Revenue Code; and

**WHEREAS**, the City caused the amount of Arbitrage Rebate payable with respect to the Bonds to be periodically calculated in order to comply with its Arbitrage Rebate obligation; and

**WHEREAS**, the City completed the 2007 Arbitrage Rebate calculation and concluded the amount owed to the United States Government is \$6,411,111.78; and

**WHEREAS**, it is in the best interests of the City and the City’s Water and Wastewater Bond Fund to now appropriate funds to cover the payment of the Arbitrage Rebate to the United States Internal Revenue Service.

**THE CITY COUNCIL OF THE CITY OF ATLANTA, GEORGIA, HEREBY ORDAINS, as follows:**

**SECTION 1:** That the Fiscal Year 2007 Water and Wastewater Budget be, and is hereby amended as follows:

**TRANSFER FROM APPROPRIATIONS**

|                    |                                    |                 |
|--------------------|------------------------------------|-----------------|
| 2J27 791001 T11001 | 2001 Water & Wastewater Bond Fund  | \$6, 411,111.78 |
|                    | Reserve for Appropriations         |                 |
|                    | Reservation of Fund Appropriations |                 |

**TRANSFER TO APPROPRIATIONS**

|                    |                                   |                 |
|--------------------|-----------------------------------|-----------------|
| 2J27 729023 T31001 | 2001 Water & Wastewater Bond Fund | \$6, 411,111.78 |
|                    | Arbitrage Rebate                  |                 |
|                    | Unallocated Fund Wide Expenses    |                 |

**SECTION 2:** That the Chief Financial Officer is hereby authorized to cause the necessary Arbitrage Rebate to be paid to the United States Internal Revenue Service, in an amount not to exceed \$6,411,111.78, to be charge to and paid from fund, account, and center number 2J27(2001 Water & Wastewater Bond Fund) 729023 (Arbitrage Rebate) T31001(Unallocated Fund Wide Expenses)

**SECTION 3:** That all ordinances and parts of ordinances in conflict herewith are hereby waived to the extent of the conflict.

**Part II: Legislative White Paper:** (This portion of the Legislative Request Form will be shared with City Council members and staff)

**A. To be completed by Legislative Counsel:**

**Committee of Purview:** City Utilities Committee

**Caption:** AN ORDINANCE AUTHORIZING THE CHIEF FINANCIAL OFFICER TO AMEND THE 2007 WATER AND WASTEWATER BUDGET, ON BEHALF OF THE DEPARTMENT OF WATERSHED MANAGEMENT, IN THE AMOUNT OF SIX MILLION FOUR HUNDRED ELEVEN THOUSAND ONE HUNDRED ELEVEN DOLLARS AND SEVENTY EIGHT CENTS (\$6,411,111.78) BY TRANSFERRING FUNDS FROM 2J27 (2001 WATER & WASTEWATER BOND FUND) 791001 (RESERVE FOR APPROPRIATIONS) T11001 (RESERVE OF FUND APPROPRIATIONS) TO 2J27 (2001 WATER AND WASTEWATER BOND FUND) 729023 (ARBITRAGE REBATE) T31001 (UNALLOCATED FUND WIDE EXPENSES), TO PAY AN INSTALLMENT OF REBATABLE ARBITRAGE FOR THE WATER AND WASTEWATER REVENUE BONDS 2001C (ARC) AND SERIES 2001C (VARIABLE RATE DEMAND) TO THE INTERNAL REVENUE SERVICE; AND FOR OTHER PURPOSES.

**Council Meeting Date:** May 7, 2007

**Requesting Dept.:** Department of Finance

**FAC Confirmed by:** Natalie Knight

**B. To be completed by the department:**

**1. Please provide a summary of the purpose of this legislation (Justification Statement).**

The purpose of this legislation is to amend the FY 2007 Budget to transfer funds from 2J27(2001 Water & Wastewater Bond Fund) 791001(Reserve for Appropriations) T11001 (Reservation of Fund Appropriations) to 2J27(2001 Water & Wastewater Bond Fund) 729023 (Arbitrage Rebate) T31001(Unallocated Fund Wide Expenses) to pay an installment of rebatable arbitrage for the Water and Wastewater Revenue Bonds 2001C (ARC)and Series

2001C (Variable Rate Demand) to the Internal Revenue Service.

**2. Please provide background information regarding this legislation.**

The ordinance will transfers funds to the appropriate fund, account, and center to pay an arbitrage rebate installment to the Internal Revenue Service. This installment payment covers obligations for the Series 2001 (ARC) & Series 2001 C (Variable Rate Demand) Water and Wastewater Revenue Bonds.

**3. If Applicable/Known:**

- (a) **Contract Type (e.g. Professional Services, Construction Agreement, etc):**
- (b) **Source Selection:**
- (c) **Bids/Proposals Due:**
- (d) **Invitations Issued:**
- (e) **Number of Bids:**
- (f) **Proposals Received:**
- (g) **Bidders/Proponents:**
- (h) **Term of Contract:**

**4. Fund Account Center (Ex. Name and number):** 2J27(2001 Water & Wastewater Bond Fund) 791001(Reserve for Appropriations) T11001 (Reservation of Fund Appropriations) to 2J27(2001 Water & Wastewater Bond Fund) 729023 (Arbitrage Rebate) T31001(Unallocated Fund Wide Expenses)

**Fund:** \_\_\_\_\_ **Account:** \_\_\_\_\_ **Center:** \_\_\_\_\_

**5. Source of Funds:**

**6. Fiscal Impact:** This legislation will transfer funding from the 2001 Water & Wastewater Bond Fund reserve to the appropriation arbitrage rebate account.

**7. Method of Cost Recovery:**

**This Legislative Request Form Was Prepared By:** Natalie Knight