

**A RESOLUTION BY**

**NO. 07-R-\_\_\_\_\_**

**FINANCE/EXECUTIVE COMMITTEE**

**A RESOLUTION ESTABLISHING PROCEDURES FOR ENTERING INTO QUALIFIED INTEREST RATE MANAGEMENT AGREEMENTS FOR DEBT**

**WHEREAS**, the City of Atlanta (the “City”) may find from time to time that it is financially advantageous for it to hedge its “Debt” (as defined in O.C.G.A. §36-82-250 (2)) by entering into Qualified Interest Rate Management Agreements, including, without limitation, (i) any contract known as or referred to or which performs the function of an interest rate swap agreement, currency swap agreement, forward payment conversion agreement, or futures contract; (ii) any contract providing for payments based on levels of, or changes or differences in, interest rates, currency exchange rates, or stock or other indices; (iii) any contract to exchange cash flows or payments or series of payments; (iv) any type of contract called, or designed to perform the function of interest rate floors, collars, caps, corridors, ceilings, lock agreements, options, swaptions, warrants, puts, calls, or other interest rate agreements to hedge or minimize any type of financial risk, including, without limitation, payment, currency, rate or other financial risk; and (v) any other type of contract or arrangement that the City determines is to be used, or is intended to be used, to manage or reduce the cost of any outstanding debt, to convert any element of any outstanding debt from one form to another, to maximize or increase investment return, to minimize investment return risk, or to protect against any type of financial risk or uncertainty; and.

**WHEREAS**, Section 6-401(a) of the City’s Charter provides that the City Council of the City shall prescribe by ordinance or resolution the procedures to be followed in the making of contracts which shall bind the City; and

**WHEREAS**, Article X of Chapter 2 of the Code of Ordinances of the City of Atlanta (the “Code”), known as the Procurement and Real Estate Code, is not applicable to Qualified Interest Rate Management Agreements because (1) such agreements do not fall within the definition of “contract” contained in Section 2-1102 of the Code, and (2) such agreements do not involve the procurement of supplies, services, construction, professional and consultant services, and real estate, as contemplated by Section 2-1105(a) of the Code; and

**WHEREAS**, O.C.G.A. §36-82-250 et seq., (the “Interest Rate Management Agreement Law”), requires the City to comply with its provisions as they relate to the creation of the City’s interest rate management agreements; and

**WHEREAS**, portions of Resolution 0-R-0156, establishing the City’s procedures for entering into hedge agreements, have been superseded by the Interest Rate Management Agreement Law; and

**WHEREAS**, the City Council of the City desires to prescribe by resolution the procedures to be followed in the making of Qualified Interest Rate Management Agreements pursuant to the Interest Rate Management Agreement Law.

**NOW, THEREFORE**, the City Council of the City hereby resolves as follows:

**Section 1.** The Chief Financial Officer may, upon determining that it is financially advantageous to the City, from time to time recommend that the City enter into Qualified Interest Rate Management Agreements pursuant to applicable state law.

**Section 2.** The Chief Financial Officer shall report to the City Council no less frequently than once each calendar quarter the City's position with respect to each Qualified Interest Rate Management Agreement in effect.

**Section 3.** Resolution 01-R-0156 and any and all resolutions or parts of resolutions in conflict with this resolution shall be and the same hereby are repealed, and this resolution shall be in full force and effect from and after its adoption; provided, however, that nothing herein contained shall be construed so as to render invalid or improper any prior interest rate management agreements, hedge agreements or contracts entered into by the City pursuant to Resolution 01-R-0156 or otherwise before the date of this resolution; further provided, that the City reserves the right to renew any such prior interest rate management agreements, hedge agreements or contracts, to the extent subject to renewal prior to January 1, 2005, upon the terms previously established in such interest rate management agreements, hedge agreements or contracts as provided in the Interest Rate Management Agreement Law.