

AN ORDINANCE BY FINANCE/EXECUTIVE COMMITTEE ADDING CORRECTED ATTACHMENTS TO ORDINANCE 13-O-0599 WHICH AMENDED THE INTER-DEPARTMENTAL MEMORANDUM OF UNDERSTANDING ESTABLISHING THE TERMS AND CONDITIONS FOR REPAYMENT OF THE OBLIGATION OWED BY THE GENERAL FUND TO THE WATERSHED MANAGEMENT ENTERPRISE FUND BETWEEN THE CITY OF ATLANTA'S DEPARTMENT OF FINANCE AND THE DEPARTMENT OF WATERSHED MANAGEMENT; AND FOR OTHER PURPOSES.

Review List:

Charlene Parker	Completed	01/03/2014 1:44 PM
Jim Beard	Completed	01/07/2014 4:17 PM
Mayor's Office	Completed	01/07/2014 6:19 PM
Office of Research and Policy Analysis	Completed	01/08/2014 10:24 AM
Finance/Executive Committee	Pending	
Atlanta City Council	Pending	
Mayor's Office	Pending	

Certified by Presiding Officer	Certified by Clerk
Mayor's Action <i>See Authentication Page Attachment</i>	

AN ORDINANCE BY FINANCE/EXECUTIVE COMMITTEE ADDING CORRECTED ATTACHMENTS TO ORDINANCE 13-O-0599 WHICH AMENDED THE INTER-DEPARTMENTAL MEMORANDUM OF UNDERSTANDING ESTABLISHING THE TERMS AND CONDITIONS FOR REPAYMENT OF THE OBLIGATION OWED BY THE GENERAL FUND TO THE WATERSHED MANAGEMENT ENTERPRISE FUND BETWEEN THE CITY OF ATLANTA'S DEPARTMENT OF FINANCE AND THE DEPARTMENT OF WATERSHED MANAGEMENT; AND FOR OTHER PURPOSES.

WHEREAS, Ordinance 13-O-0599 was adopted by the City Council on May 6, 2013 and approved without the Mayor's signature on May 5, 2013 and is attached hereto as Schedule A (the "Ordinance"); and

WHEREAS, the Ordinance authorized amendment number one to the Inter-Departmental Memorandum of Understanding between the City of Atlanta's ("City") Department of Finance and the Department of Watershed Management and decreased the interest rate on the General Fund repayment to the Watershed Enterprise Fund on from 3.00% per annum to 1.25% per annum; and

WHEREAS, the Ordinance did not have the correct exhibits attached, namely Exhibit B did not correctly state the repayment interest rate; and

WHEREAS, it is now necessary to correct the Ordinance by adding the correct attachments.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Atlanta, as follows:

SECTION 1: That the original Inter-Departmental Memorandum of Understanding is hereby attached and incorporated into the Ordinance as Exhibit A.

SECTION 2: That amendment number one to the Inter-Departmental Memorandum of Understanding is hereby corrected, attached and incorporated into the Ordinance as Exhibit B showing a repayment interest rate of 1.25%.

SECTION 3: That Exhibit B includes Attachment A indicating the corrected repayment schedule.

SECTION 4: That all ordinances and parts of ordinances in conflict herewith are waived to the extent of the conflict only.

EXHIBIT A

EXHIBIT B

Attachment A

MOU Between Department of Finance and the Department of Watershed
(Rounded)

Interest per annum: 1.25%

	<u>Interest Payment</u>	<u>Principal Payment</u>	<u>Total Annual Payment (2) (3)</u>	<u>Outstanding Balance</u>
Total Amount Payable as of 6/30/2013 (1)				\$ 76,199,000
July 1, 2013	\$952,488	\$10,000,000	\$10,952,488	\$66,199,000
July 1, 2014	\$827,488	\$10,000,000	\$10,827,488	\$56,199,000
July 1, 2015	\$702,488	\$10,000,000	\$10,702,488	\$46,199,000
July 1, 2016	\$577,488	\$10,000,000	\$10,577,488	\$36,199,000
July 1, 2017	\$452,488	\$10,000,000	\$10,452,488	\$26,199,000
July 1, 2018	\$327,488	\$10,000,000	\$10,327,488	\$16,199,000
July 1, 2019	\$202,488	\$10,000,000	\$10,202,488	\$6,199,000
July 1, 2020	\$77,488	\$6,199,000	\$6,276,488	\$0

Legend

(1) Beginning total amount payable as of June 30, 2008 was \$116,199,000

(2) Payable annually by Inter-departmental journal transfers commencing July 1, 2013

(3) Payments shall continue until the later of July 2, 2018 or until the obligation is fully repaid

AN ORDINANCE BY FINANCE/EXECUTIVE COMMITTEE

AN ORDINANCE ADDING CORRECTED ATTACHMENTS TO ORDINANCE 13-O 0599 WHICH AMENDED THE INTER-DEPARTMENTAL MEMORANDUM OF UNDERSTANDING ESTABLISHING THE TERMS AND CONDITIONS FOR REPAYMENT OF THE OBLIGATION OWED BY THE GENERAL FUND TO THE WATERSHED MANAGEMENT ENTERPRISE FUND BETWEEN THE CITY OF ATLANTA'S DEPARTMENT OF FINANCE AND THE DEPARTMENT OF WATERSHED MANAGEMENT; AND FOR OTHER PURPOSES.

WHEREAS, Ordinance 13-O-0599 was adopted by the City Council on May 6, 2013 and approved without the Mayor's signature on May 5, 2013 and is attached hereto as Schedule A (the "Ordinance"); and

WHEREAS, the Ordinance authorized amendment number one to the Inter-Departmental Memorandum of Understanding between the City of Atlanta's ("City") Department of Finance and the Department of Watershed Management and decreased the interest rate on the General Fund repayment to the Watershed Enterprise Fund on from 3.00% per annum to 1.25% per annum; and

WHEREAS, the Ordinance did not have the correct exhibits attached, namely Exhibit B did not correctly state the repayment interest rate; and

WHEREAS, it is now necessary to correct the Ordinance by adding the correct attachments.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Atlanta, as follows:

SECTION 1: That the original Inter-Departmental Memorandum of Understanding is hereby attached and incorporated into the Ordinance as Exhibit A.

SECTION 2: That amendment number one to the Inter-Departmental Memorandum of Understanding is hereby corrected, attached and incorporated into the Ordinance as Exhibit B showing a repayment interest rate of 1.25%.

SECTION 3: That Exhibit B includes Attachment A indicating the corrected repayment schedule.

SECTION 4: That all ordinances and parts of ordinances in conflict herewith are waived to the extent of the conflict only.

EXHIBIT A

EXHIBIT B

Attachment A
MOU Between Department of Finance and the Department of Watershed
(Rounded)

Interest per annum: 1.25%

	<u>Interest Payment</u>	<u>Principal Payment</u>	<u>Total Annual Payment (2) (3)</u>	<u>Outstanding Balance</u>
Total Amount Payable as of 6/30/2013 (1)				\$ 76,199,000
July 1, 2013	\$952,488	\$10,000,000	\$10,952,488	\$66,199,000
July 1, 2014	\$827,488	\$10,000,000	\$10,827,488	\$56,199,000
July 1, 2015	\$702,488	\$10,000,000	\$10,702,488	\$46,199,000
July 1, 2016	\$577,488	\$10,000,000	\$10,577,488	\$36,199,000
July 1, 2017	\$452,488	\$10,000,000	\$10,452,488	\$26,199,000
July 1, 2018	\$327,488	\$10,000,000	\$10,327,488	\$16,199,000
July 1, 2019	\$202,488	\$10,000,000	\$10,202,488	\$6,199,000
July 1, 2020	\$77,488	\$6,199,000	\$6,276,488	\$0

Legend

- (1) Beginning total amount payable as of June 30, 2008 was \$116,199,000
- (2) Payable annually by Inter-departmental journal transfers commencing July 1, 2013
- (3) Payments shall continue until the later of July 2, 2018 or until the obligation is fully repaid

AN ORDINANCE BY COUNCIL MEMBER(S)

AN ORDINANCE ADDING CORRECTED ATTACHMENTS TO ORDINANCE 13-O-0599 WHICH AMENDED THE INTER-DEPARTMENTAL MEMORANDUM OF UNDERSTANDING ESTABLISHING THE TERMS AND CONDITIONS FOR REPAYMENT OF THE OBLIGATION OWED BY THE GENERAL FUND TO THE WATERSHED MANAGEMENT ENTERPRISE FUND BETWEEN THE CITY OF ATLANTA'S DEPARTMENT OF FINANCE AND THE DEPARTMENT OF WATERSHED MANAGEMENT; AND FOR OTHER PURPOSES.

WHEREAS, Ordinance 13-O-0599 was adopted by the City Council on May 6, 2013 and approved without the Mayor's signature on May 5, 2013 and is attached hereto as Schedule A (the "Ordinance"); and

WHEREAS, the Ordinance authorized amendment number one to the Inter-Departmental Memorandum of Understanding between the City of Atlanta's ("City") Department of Finance and the Department of Watershed Management and decreased the interest rate on the General Fund repayment to the Watershed Enterprise Fund on from 3.00% per annum to 1.25% per annum; and

WHEREAS, the Ordinance did not have the correct exhibits attached, namely Exhibit B did not correctly state the repayment interest rate; and

WHEREAS, it is now necessary to correct the Ordinance by adding the correct attachments.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Atlanta, as follows:

SECTION 1: That the original Inter-Departmental Memorandum of Understanding is hereby attached and incorporated into the Ordinance as Exhibit A.

SECTION 2: That amendment number one to the Inter-Departmental Memorandum of Understanding is hereby corrected, attached and incorporated into the Ordinance as Exhibit B showing a repayment interest rate of 1.25%.

SECTION 3: That Exhibit B includes Attachment A indicating the corrected repayment schedule.

SECTION 4: That all ordinances and parts of ordinances in conflict herewith are waived to the extent of the conflict only.

13-0-0599

AN ORDINANCE BY FINANCE EXECUTIVE COMMITTEE

ORDINANCE AUTHORIZING AMENDMENT NUMBER 1 TO THE INTER-DEPARTMENTAL MEMORANDUM OF UNDERSTANDING WHICH ESTABLISHED THE TERMS AND CONDITIONS FOR REPAYMENT OF THE OBLIGATION OWED BY THE GENERAL FUND TO THE WATERSHED MANAGEMENT ENTERPRISE FUND BETWEEN THE CITY OF ATLANTA'S DEPARTMENT OF FINANCE AND DEPARTMENT OF WATERSHED MANAGEMENT FOR THE PURPOSE OF DECREASING THE REPAYMENT INTEREST RATE FROM 3% PER ANNUM TO 1.02% PER ANNUM; AND FOR OTHER PURPOSES.

ADOPTED BY

MAY 6 2013

COUNCIL

- CONSENT REFER
 - REGULAR REPORT REFER
 - ADVERTISEMENT & REFER
 - 1ST ADOPT 2ND READ & REFER
 - PERSONAL PAPER REFER
- Date Referred: 4/15/13
 Referred To: Finance Exec
 Date Referred: 5/1/13
 Referred To: Refer To

First Reading	
Committee Date	Finance Exec 5-1-13
Chair Referred by	Michael...

Committee Date	Finance Exec 5-1-13
Chair	Michael...
Action	(Fav. Adv. Hold (sec. rev. side) Other)
Members	...

Committee Date	
Chair	
Action	(Fav. Adv. Hold (sec. rev. side) Other)
Members	

Committee Date	
Chair	
Action	(Fav. Adv. Hold (sec. rev. side) Other)
Members	

Committee Date	
Chair	
Action	(Fav. Adv. Hold (sec. rev. side) Other)
Members	

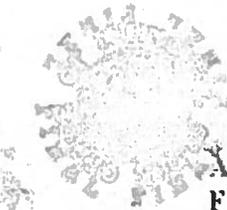
FINAL COUNCIL ACTION
 2nd 1st & 2nd 3rd
 Readings
 Consent V. Vote RC Vote
 1953

CERTIFIED
 MAYOR'S ACTION
 CERTIFIED
 MAY 6 2013
 MUNICIPAL CLERK

APPROVED
 WITHOUT SIGNATURE BY OPERATOR OF LAW
 Schedule A

CITY COUNCIL
ATLANTA, GEORGIA

13-0-0599
~~13-0-0610~~
1953



**A SUBSTITUTE ORDINANCE BY
FINANCE/EXECUTIVE COMMITTEE**

A SUBSTITUTE ORDINANCE AUTHORIZING AMENDMENT NUMBER 1 TO THE INTER-DEPARTMENTAL MEMORANDUM OF UNDERSTANDING WHICH ESTABLISHED THE TERMS AND CONDITIONS FOR REPAYMENT OF THE OBLIGATION OWED BY THE GENERAL FUND TO THE WATERSHED MANAGEMENT ENTERPRISE FUND BETWEEN THE CITY OF ATLANTA'S DEPARTMENT OF FINANCE AND DEPARTMENT OF WATERSHED MANAGEMENT FOR THE PURPOSE OF DECREASING THE REPAYMENT INTEREST RATE FROM 3% PER ANNUM TO 1.25% PER ANNUM; AND FOR OTHER PURPOSES.

WHEREAS, the City of Atlanta ("City") Governmental Funds accumulated an obligation to the Watershed Management Enterprise Fund which was quantified on December 23, 2000, as One Hundred Sixteen Million One Hundred and Ninety Nine Thousand Dollars and No Cents (\$116,199,000.00); and

WHEREAS, the City's Department of Finance ("DOF") and Department of Watershed Management ("DWM") entered into an Inter-Departmental Memorandum of Understanding ("MOU") dated December 23, 2008, (attached hereto as Exhibit A) as authorized by Ordinance 09-O-0277 adopted by the Atlanta City Council on June 1, 2009, and approved by the Mayor on June 9, 2009, establishing a payment plan for repayment to the Watershed Management Enterprise Fund by the City's General Fund; and

WHEREAS, the MOU required the General Fund to repay the Watershed Management Enterprise Fund at the rate of Ten Million Dollars (\$10,000,000.) per year plus 3% interest per annum; and

WHEREAS, to date, certain General Fund financial expectations have not been met, making the 3% per annum interest rate a significant burden on the General Fund which justifies a reduction in the MOU interest rate; and

WHEREAS, it is in the best interest of the City to amend the MOU to decrease the interest rate from 3% per annum to 1.25% interest per annum.

NOW THEREFORE, BE IT ORDAINED, BY THE CITY COUNCIL OF THE CITY OF ATLANTA, GEORGIA, as follows:

SECTION 1: That the Chief Financial Officer and the Commissioner of the Department of Watershed Management are hereby authorized to enter into Amendment Number 1 to the MOU, in substantially the same form as the document attached hereto as Exhibit B, decreasing the interest rate from 3% per annum to 1.25% per annum.



SECTION 2: That all ordinances and parts of ordinances in conflict herewith are waived to extent of the conflict only.

A true copy,

Deputy Clerk

ADOPTED by the Atlanta City Council
APPROVED as per City Charter Section 2-403

MAY 06, 2013
MAY 15, 2013



**FIRST AMENDMENT ("AMENDMENT #1") OF THE CITY OF ATLANTA INTER-
DEPARTMENTAL
MEMORANDUM OF UNDERSTANDING BETWEEN THE DEPARTMENT OF FINANCE
AND THE DEPARTMENT OF WATERSHED MANAGEMENT**

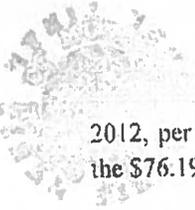
This First Amendment ("Amendment #1") of the Inter-Departmental Memorandum of Understanding (the "Memorandum") is entered into this _____ day of _____, 20____ between the City of Atlanta Department of Finance ("DOF") and the City of Atlanta Department of Watershed Management ("DWM").

BACKGROUND:

The City of Atlanta (the "City") maintains a cash pool account into which funds from the City's General Fund and the Watershed Management Enterprise Fund (the "Watershed Fund") are deposited for permitted investment purposes. Over the course of time, the General Fund accumulated an obligation to the Watershed Fund in the aggregate amount of \$116,199,000. On December 23, 2008, DOF and DWM entered into an interdepartmental agreement whereby the principal amount was to be repaid at the rate of \$10,000,000 per year plus 3% interest per annum. Funds were to be transferred from the appropriate General Fund account(s) to the appropriate Watershed Fund account(s) until the total obligation, including accrued interest, is repaid.

This obligation was attributable to, among other reasons, subsidies that the General Fund made to cover long-standing systemic operational deficits in the City's Solid Waste Fund and the E911 Fund; to cover timing differences in the financing of the new Public Safety Headquarters; and to finance rolling stock acquisitions more appropriately financed through the Georgia Municipal Association. It was reasonable to expect the City to repay the aggregate amount as it corrected these three circumstances. Having made fundamental changes to the operations of the Solid Waste and E911 Funds and corrections to certain fund-related budgeting practices, the City reasonably expected these funds to generate cash flow to repay the accrued debts. Further, it was expected that the sale of City Hall East would cover any amounts attributable to the Public Safety Headquarters. Finally, the City continues to pursue long-term financing of recent rolling stock purchases through the Georgia Municipal Association. To date, certain expectations have not been met. As a result, the 3% interest rate is a significant obligation to the General Fund and necessitates this Amendment #1 to the original Memorandum.

Heretofore, the purpose of this Memorandum is to set forth the revised terms and conditions of repayment of the obligation, which has an outstanding balance of \$76,199,000 as of July 1,



2012, per the original repayment schedule. Attachment A contains the proposed repayment schedule for the \$76,199,000).

REPAYMENT SCHEDULE:

The Chief Financial Officer will cause the current outstanding principal amount of the final audited balance in Attachment "A" to be repaid at the rate of \$10,000,000 per year plus 1.02% interest per annum. Interest will begin to accrue upon execution of this Amendment #1. Funds will be transferred from the appropriate General Fund account(s) to the appropriate Watershed Fund account(s) until the total obligation, including accrued interest, is repaid.

These sums shall be paid on an annual basis by inter-departmental journal transfers. Transfer requests shall be prepared by DWM and submitted to the DOF for processing. Payments shall commence on July 1, 2013 and shall continue until the later of July 2, 2018 or until the obligation is fully repaid.



Approved By:

J. Anthony "Jim" Beard
Chief Financial Officer

JoAnn J. Macrina, Commissioner
Department of Watershed Management

Duriya Farooqui
Chief Operating Officer



ATTACHMENT A

MEMORANDUM OF UNDERSTANDING
BETWEEN THE DEPARTMENT OF FINANCE
AND
THE DEPARTMENT OF WATERSHED
MANAGEMENT

Attachment A
MOU Between Department of Finance and Department of Watershed
(Rounded)

Interest per annum: 1.02%

	<u>Interest Payment</u>	<u>Principal Payment</u>	<u>Total Annual Payment (2) (3)</u>	<u>Outstanding Balance</u>
Total Amount Payable as of 7/1/2012 (1)				\$ 76,199,000
July 1, 2013	\$ 1,766,166	\$ 10,000,000	\$ 11,766,166	\$ 66,199,000
July 1, 2014	675,230	10,000,000	10,675,230	56,199,000
July 1, 2015	573,230	10,000,000	10,573,230	46,199,000
July 1, 2016	471,230	10,000,000	10,471,230	36,199,000
July 1, 2017	369,230	10,000,000	10,369,230	26,199,000
July 1, 2018	267,230	10,000,000	10,267,230	16,199,000
July 1, 2019	165,230	10,000,000	10,165,230	6,199,000
July 1, 2020	63,230	6,199,000	6,262,230	

Legend

- (1) Beginning total amount payable as of June 30, 2008 was \$116,199,000
(2) Payable annually by Inter-departmental journal transfers commencing July 1, 2013
(3) Payments shall continue until the later of July 2, 2018 or until the obligation is fully repaid

09-0-0277

(Do Not Write Above This Line)

AN ORDINANCE
BY FINANCE/ EXECUTIVE
COMMITTEE

AN ORDINANCE TO RATIFY AND AFFIRM THAT CERTAIN INTER-DEPARTMENTAL MEMORANDUM OF UNDERSTANDING BETWEEN THE DEPARTMENT OF FINANCE AND THE DEPARTMENT OF WATERSHED MANAGEMENT DATED DECEMBER 23, 2008, ESTABLISHING THE TERMS AND CONDITIONS FOR THE REPAYMENT OF AN OBLIGATION OWED BY THE GENERAL FUND TO THE WATERSHED FUND MANAGEMENT ENTERPRISE FUND, **ADOPTED BY** OTHER PURPOSES.

SUBSTITUTE JUN 0 1 2009

COUNCIL

- CONSENT REFER
- REGULAR REPORT REFER
- ADVERTISE & REFER
- 1st ADOPT 2nd READ & REFER
- PERSONAL PAPER REFER

Date Referred: 08/16/09
Referred To: Finance/Exec.
Date Referred:
Referred To:
Date Referred:
Referred To:

First Reading
Committee: Finance/Executive
Date: 8/16/09
Chair: [Signature]
Referred To: Finance/Executive

Committee
Date
Chair

Action
Fav. Adv. (Hold (see rev. side)
Other
Members

Refer To

Committee
Date
Chair

Action
Fav. Adv. Hold (see rev. side)
Other
Members

Members
[Signatures]
Refer To

- FINAL COUNCIL ACTION
- 2nd
 - 1st & 2nd
 - 3rd
 - Consent
 - V Vote
 - RC Vote

CERTIFIED

JUN 0 1 2009

CERTIFIED
JUN 0 1 2009
[Signature]
MUNICIPAL CLERK

MAYOR'S ACTION

APPROVED
[Signature]
MAYOR

Exhibit A



CITY COUNCIL
ATLANTA, GEORGIA

09-O-0277

A SUBSTITUTE ORDINANCE

BY FINANCE/EXECUTIVE COMMITTEE

AN ORDINANCE TO RATIFY AND AFFIRM THAT CERTAIN INTERDEPARTMENTAL MEMORANDUM OF UNDERSTANDING BETWEEN THE DEPARTMENT OF FINANCE AND THE DEPARTMENT OF WATERSHED MANAGEMENT DATED DECEMBER 23, 2008, ESTABLISHING THE TERMS AND CONDITIONS FOR THE REPAYMENT OF AN OBLIGATION OWED BY THE GENERAL FUND TO THE WATERSHED MANGAGEMENT ENTERPRISE FUND; AND FOR OTHER PURPOSES.

WHEREAS, the City of Atlanta ("City") Governmental Funds have accumulated an obligation to the Watershed Management Enterprise Fund and which was quantified on December 23, 2000 as \$116, 199,000 for June 30, 2008, in order to issue Audited Financial Statements for the Department of Watershed Management; and

WHEREAS, the City seeks to establish a repayment plan to eliminate such deficits recognizing that amounts owed will fluctuate based on daily cash flows; and

WHEREAS, this obligation is attributable to subsidies made by the Governmental Funds to cover various City debts; and

WHEREAS, fundamental changes have been made to the operation of certain funds and fund related budgeting practices to ensure the repayment of the accrued debts; and

WHEREAS, the Department of Watershed Management and the Department of Finance have established a Memorandum of Understanding to set forth the terms and conditions for repayment of the obligation.

THE CITY COUNCIL OF THE CITY OF ATLANTA, GEORGIA HEREBY ORDAINS AS FOLLOWS:

SECTION 1: That the City Council hereby ratifies and affirms that certain Memorandum of Understanding dated December 23, 2008 (attached hereto), between the Department of Finance and the Department of Watershed Management, which establishes the terms and conditions for the repayment of cash deficits in the cash pool owed by the Governmental Funds to the Watershed Management Enterprise Fund.

SECTION 2: That this obligation shall be repaid at the rate of \$10,000,000 per year plus 3% annum from the General Fund.

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

A true copy,

Rhonda Daughin Johnson
Municipal Clerk

ADOPTED by the Atlanta City Council
APPROVED by Mayor Shirley Franklin

JUN 01, 2009
JUN 09, 2009



**CITY OF ATLANTA INTER-DEPARTMENTAL
MEMORANDUM OF UNDERSTANDING BETWEEN THE DEPARTMENT OF FINANCE
AND THE DEPARTMENT OF WATERSHED MANAGEMENT**

This Inter-Departmental Memorandum of Understanding ("Memorandum") is entered into this ~~23~~ day of December, 2008 between the City of Atlanta Department of Finance ("DOF") and the City of Atlanta Department of Watershed Management ("DWM").

BACKGROUND:

The City of Atlanta (the "City") maintains a cash pool account into which funds from the General Fund and the Watershed Management Enterprise Fund (the "Watershed Fund") are deposited for permitted investment purposes. Over the course of time, the General Fund has accumulated an obligation to the Watershed Fund in the aggregate amount of the final audited balance in Attachment "A".

This obligation is attributable to, among other reasons, subsidies that the General Fund has made to cover long-standing systemic operational deficits in the Solid Waste Fund and the E911 Fund; to cover timing differences in the financing of the new Public Safety Headquarters; and to finance rolling stock acquisitions more appropriately financed through the Georgia Municipal Association. It is reasonable to expect the City to repay the aggregate amount as it corrects these three circumstances. Having made fundamental changes to the operations of the Solid Waste and E911 Funds, and corrected certain fund-related budgeting practices, the City reasonably expects these funds to generate cash flow to repay the accrued debts. Further, it is expected that the sale of City Hall East will cover any amounts attributable to the Public Safety Headquarters. Finally, the City is pursuing long-term financing of recent rolling stock purchases through the Georgia Municipal Association.

The purpose of this Memorandum is to set forth the terms and conditions of repayment of the aggregate amount noted above.

REPAYMENT SCHEDULE:

The Chief Financial Officer will cause the principal amount of the final audited balance in Attachment "A" to be repaid at the rate of \$10,000,000 per year plus 3% interest per annum. Interest will begin to accrue upon execution of this Memorandum. Funds will be transferred from the appropriate General Fund account(s) to the appropriate Watershed Fund account(s) until the total obligation, including accrued interest, is repaid.

These sums shall be paid on an annual basis by inter-departmental journal transfers. Transfer requests shall be prepared by DWM and submitted to the DOF for processing. Payments shall commence on July 1, 2009 and shall continue until the later of July 2, 2018 or until the obligation is fully repaid.



Approved By:

James W. Glass

James W. Glass
Chief Financial Officer

Robert J. Hunter

Robert J. Hunter, Commissioner
Department of Watershed Management

Gregory J. Giornelli

Gregory J. Giornelli
Chief Operating Officer



Attachment A
MOU Between Department of Finance and DWM

Interest per annum

3%

	<u>Interest Pmt</u>	<u>Principal Pmt</u>	<u>Total Annual Payment</u>	<u>Outstanding Balance</u>
Total Amount Payable as of 6/30/2008				\$ 116,199,000
July 1, 2009	\$ 3,485,970	\$ 10,000,000	\$ 13,485,970	\$ 106,199,000
July 1, 2010	3,185,970	10,000,000	13,185,970	\$ 96,199,000
July 1, 2011	2,885,970	10,000,000	12,885,970	\$ 86,199,000
July 1, 2012	2,585,970	10,000,000	12,585,970	\$ 76,199,000
July 1, 2013	2,285,970	10,000,000	12,285,970	\$ 66,199,000
July 1, 2014	1,985,970	10,000,000	11,985,970	\$ 56,199,000
July 1, 2015	1,685,970	10,000,000	11,685,970	\$ 46,199,000
July 1, 2016	1,385,970	10,000,000	11,385,970	\$ 36,199,000
July 1, 2017	1,085,970	10,000,000	11,085,970	\$ 26,199,000
July 1, 2018	785,970	10,000,000	10,785,970	\$ 16,199,000
July 1, 2019	485,970	10,000,000	10,485,970	\$ 6,199,000
July 1, 2020	185,970	6,199,000	6,384,970	\$ -

Payable annually by Inter-departmental journal transfers commencing on July 1, 2009.
Payments shall continue until the later of July 2, 2018 or until the obligation is fully repaid.

RCS# 3010
6/01/09
3:22 PM

Atlanta City Council

REGULAR SESSION

CONSENT I

EXCEPT 09-R-0946,09-R-0934

ADOPT

YEAS: 14
NAYS: 0
ABSTENTIONS: 0
NOT VOTING: 2
EXCUSED: 0
ABSENT 0

Y Smith	Y Archibong	Y Moore	Y Mitchell
NV Hall	Y Fauver	Y Martin	Y Norwood
Y Young	Y Shook	Y Maddox	Y Willis
Y Winslow	Y Muller	Y Sheperd	NV Borders

CONSENT I

ITEMS ADOPTED ON CONSENT		6-01-09
1. 09-O-0848 2. 09-O-0849 3. 09-O-0998 4. 09-O-0902 5. 09-O-0277 6. 09-O-0278 7. 09-O-0910 8. 09-O-0912 9. 09-O-0913 10. 09-R-0668 11. 09-R-0938 12. 09-R-0939 13. 09-R-0940 14. 09-R-0941 19. 09-R-0942 20. 09-R-1000 21. 09-R-0681 22. 09-R-0999 23. 07-R-0977 24. 09-R-0978 25. 09-R-0979 26. 09-R-0980 27. 09-R-0981 28. 09-R-0982 29. 09-R-0983 30. 09-R-1002 31. 09-R-1004 32. 09-R-0785 33. 09-O-0836 34. 09-R-0838 35. 09-R-0850 36. 09-R-0856 37. 09-R-0857 38. 09-R-0858 39. 09-R-0859 40. 09-R-0860		



FIRST AMENDMENT ("AMENDMENT #1") OF THE CITY OF ATLANTA INTER-DEPARTMENTAL MEMORANDUM OF UNDERSTANDING BETWEEN THE DEPARTMENT OF FINANCE AND THE DEPARTMENT OF WATERSHED MANAGEMENT

This First Amendment ("Amendment #1") of the Inter-Departmental Memorandum of Understanding (the "Memorandum") is entered into this _____ day of _____, 20____ between the City of Atlanta Department of Finance ("DOF") and the City of Atlanta Department of Watershed Management ("DWM").

BACKGROUND:

The City of Atlanta (the "City") maintains a cash pool account into which funds from the City's General Fund and the Watershed Management Enterprise Fund (the "Watershed Fund") are deposited for permitted investment purposes. Over the course of time, the General Fund accumulated an obligation to the Watershed Fund in the aggregate amount of \$116,199,000. On December 23, 2008, DOF and DWM entered into an interdepartmental agreement whereby the principal amount was to be repaid at the rate of \$10,000,000 per year plus 3% interest per annum. Funds were to be transferred from the appropriate General Fund account(s) to the appropriate Watershed Fund account(s) until the total obligation, including accrued interest, is repaid.

This obligation was attributable to, among other reasons, subsidies that the General Fund made to cover long-standing systemic operational deficits in the City's Solid Waste Fund and the E911 Fund; to cover timing differences in the financing of the new Public Safety Headquarters; and to finance rolling stock acquisitions more appropriately financed through the Georgia Municipal Association. It was reasonable to expect the City to repay the aggregate amount as it corrected these three circumstances. Having made fundamental changes to the operations of the Solid Waste and E911 Funds and corrections to certain fund-related budgeting practices, the City reasonably expected these funds to generate cash flow to repay the accrued debts. Further, it was expected that the sale of City Hall East would cover any amounts attributable to the Public Safety Headquarters. Finally, the City continues to pursue long-term financing of recent rolling stock purchases through the Georgia Municipal Association. To date, certain expectations have not been met. As a result, the 3% interest rate is a significant obligation to the General Fund and necessitates this Amendment #1 to the original Memorandum.

Heretofore, the purpose of this Memorandum is to set forth the revised terms and conditions of repayment of the obligation, which has an outstanding balance of \$76,199,000 as of July 1,

Exhibit B

2012, per the original repayment schedule. Attachment A contains the proposed repayment schedule for the \$76,199,000).

REPAYMENT SCHEDULE:

The Chief Financial Officer will cause the current outstanding principal amount of the final audited balance in Attachment "A" to be repaid at the rate of \$10,000,000 per year plus 1.25% interest per annum. Interest will begin to accrue upon execution of this Amendment #1. Funds will be transferred from the appropriate General Fund account(s) to the appropriate Watershed Fund account(s) until the total obligation, including accrued interest, is repaid.

These sums shall be paid on an annual basis by inter-departmental journal transfers. Transfer requests shall be prepared by DWM and submitted to the DOF for processing. Payments shall commence on July 1, 2013 and shall continue until the later of July 2, 2018 or until the obligation is fully repaid.

Approved By:

J. Anthony "Jim" Beard
Chief Financial Officer

JoAnn J. Macrina, Commissioner
Department of Watershed Management

Duriya Farooqui
Chief Operating Officer

Attachment A
MOU Between Department of Finance and the Department of Watershed
(Rounded)

Interest per annum: 1.25%

	<u>Interest Payment</u>	<u>Principal Payment</u>	<u>Total Annual Payment (2) (3)</u>	<u>Outstanding Balance</u>
Total Amount Payable as of 6/30/2013 (1)				\$ 76,199,000
July 1, 2013	\$952,488	\$10,000,000	\$10,952,488	\$66,199,000
July 1, 2014	\$827,488	\$10,000,000	\$10,827,488	\$56,199,000
July 1, 2015	\$702,488	\$10,000,000	\$10,702,488	\$46,199,000
July 1, 2016	\$577,488	\$10,000,000	\$10,577,488	\$36,199,000
July 1, 2017	\$452,488	\$10,000,000	\$10,452,488	\$26,199,000
July 1, 2018	\$327,488	\$10,000,000	\$10,327,488	\$16,199,000
July 1, 2019	\$202,488	\$10,000,000	\$10,202,488	\$6,199,000
July 1, 2020	\$77,488	\$6,199,000	\$6,276,488	\$0

Legend

- (1) Beginning total amount payable as of June 30, 2008 was \$116,199,000
(2) Payable annually by Inter-departmental journal transfers commencing July 1, 2013
(3) Payments shall continue until the later of July 2, 2018 or until the obligation is fully repaid

LEGISLATIVE COUNSEL
REQUEST FOR LEGISLATION

For Legislative Counsel Use Only

_____ Date Received _____ Complete _____ Incomplete (Date returned: _____)

_____ Date of Department Consultation _____ Date of Finance Department Consultation

Commissioner Notified: ___ Yes ___ No If No, Why? _____

Legislation Required
___ Yes ___ No

Legislation Type
___ Resolution ___ Ordinance

Amends the Code
___ Yes ___ No

Blueback Prepared
___ Yes ___ No

Commissioner Signature _____

Council Members Only:

Authority to speak to Subject Matter Attorney ___ Yes ___ No

Authority to speak to Department ___ Yes ___ No

Date Submitted: 12/20/2013

Department Submitting Request: Finance - Department of Treasury, Debt & Investments

Person Submitting Request: Cornell Hazelton Extension: 8980

Bureau/Division Manager: Paul Kwaw Extension: 6956

Requesting preliminary meeting with Legislative Counsel attorney? Yes No

Subject Matter of the Meeting To Amend Ordinance 13-O-0599 to correctly reflect the rate to be charged on MOU between Finance and Department of Watershed

Cycle Number/Requested Full Council Date (not earlier than 4 weeks from date of submission):

If this must be submitted to Council in fewer than 4 weeks explain why. Please identify consequences if legislation is not submitted for requested cycle. Also, if applicable, please state why the Legislative Request Form was submitted after the Cycle deadline. All non-conforming requests must have Commissioner approval.

**LEGISLATIVE COUNSEL
REQUEST FOR LEGISLATION**

Part I: Legislative Request Form:

Instructions: Please answer all questions fully before submitting. Attach additional pages if necessary. All requests for legislation must have approval of a manager prior to submission. All incomplete requests will be returned. Send request via electronic mail to Legislative Counsel. No hard copies will be accepted. Please refer to attached deadlines for the relevant Chief of Staff submission guidelines.

1. Legislation Name/Project Name:

2. What is the purpose of this legislation? (check one)

- Accept a grant or donation
- Amend budget
- Amend Code of Ordinances
- Amend Contract
- Anticipate funds
- Appropriate funds
- Apply for a grant or donation
- Authorize/renew Contract
- Fines/penalties
- Human Resources related
- Make a purchase
- New project
- Procuring goods
- Procuring services
- Other, please explain To amend Ordinance 13-O-0599

- Please describe in detail the purpose of your legislation? To correct Ordinance 13-O-0599 by correctly reflecting the interest rate to be paid per annum in accordance with an inter-departmental Memorandum of Understanding between the City of Atlanta's Department of Finance and the Department of Watershed Management as reflected in Attachment A.

- If this legislation is to award/amend/renew a contract, please provide the following:

Expiration date of contract: N/A

Contract Term (months/yr): N/A

**LEGISLATIVE COUNSEL
REQUEST FOR LEGISLATION**

3. Please describe why legislation is required rather than administrative action by the Department (please cite any relevant code sections or internal policies).

Legislation is required because Ordinance 13-O-0599 was previously passed containing Attachment A which displayed an incorrect interest rate (1.02%) to be paid by the General Fund to the Watershed Management Enterprise Fund. The purpose of this legislation is to allow for the correction of Appendix A to reflect the correct annual interest rate (1.25%).

4. If there is an existing process, will this legislation impact that process? How?

No

5. Please explain and estimate any financial impact on the City or your Department.

- Will the City need to appropriate or transfer funds to accomplish this purpose?
No
- Has this purpose already been set forth in the budget?
Yes
- Will there be a fee or charge assessed by the City?
- If so, how much? N/A
 - How was the fee or charge determined? N/A
- What FAC #'s are needed for this legislation? Also, please provide the associated amounts. N/A
- Is a grant required for this legislation? Yes No
- If so, is a matching grant required? Yes No
- Will there be an increase or decrease in personnel? No
- Has HR been made aware of the need for personnel changes? Yes No
If so, who is the contact person? _____ at extension
 - Will positions be created or abolished?
- Will additional resources be required to achieve this purpose? No
-
- If yes, what are those resources?

**LEGISLATIVE COUNSEL
REQUEST FOR LEGISLATION**

- Has the Department estimated the cost of those resources?

- Will revenue be generated for the City? No.

6. **If there has been previous or similar legislation, please describe and cite the relevant legislation (e.g., 04-R-0001).** Ordinance 13-O-0599 serves as previous legislation which authorized Amendment number 1 to the interdepartmental Memorandum of Understanding which established the terms and conditions for repayment of the obligation owed by the General Fund to the Watershed Management Enterprise Fund between the City of Atlanta's Department of Finance and Department of Watershed Management for the purpose of decreasing the repayment interest rate from 3% per annum to 1.25% per annum.
7. **Is this a computer/technology purchase?** Yes No
If so, please forward ISR (Information System Hardware/Software Request) along with a copy of this Legislative Request Form via inter-office mail to: Legislative Counsel, Suite 4100, Law Department.

Please forward any additional pertinent or supporting documents (e.g. contracts, exhibits, requisitions, copies of any old ordinances/resolutions pertaining to this issue, etc.) along with a copy of this Legislative Request Form and legislative white paper via email to legislative_counsel or via inter-office mail to: Legislative Counsel, Suite 4100, Law Department.

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:

Caption:

Council Meeting Date:

Requesting Dept.:

B. To be completed by the department :

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

Example: The purpose of this legislation is to anticipate funds from a local assistance grant to purchase child safety seats.

The purpose of this legislation is to correct Ordinance 13-O-0599 by reflecting the correct interest rate to be paid per annum in accordance with an inter-departmental Memorandum of Understanding between the City of Atlanta's Department of Finance and the Department of Watershed Management as reflected in Attachment A to Ordinance 13-O-0599.

2. Please provide background information regarding this legislation.

Example: The task force of homelessness conducted a study regarding homelessness, its impact and consequences on the City. This resolution reflects the Mayor's desire to open a twenty-four hour center that will respond to the needs of the homelessness in Atlanta.

Ordinance 13-O-0599 was previously adopted containing an error within Attachment A which displayed an incorrect interest rate to be paid per annum on and inter-departmental Memorandum of Understanding. After adoption of the Ordinance, the error was noticed, and this legislation is for the purpose of correcting that error within Attachment A of Ordinance 13-O-0599.

3. If Applicable/Known:

(a) **Contract Type (e.g. Professional Services, Construction Agreement, etc):**

(b) **Source Selection: N/A**

- (c) Bids/Proposals Due: N/A
- (d) Invitations Issued: N/A
- (e) Number of Bids: N/A
- (f) Proposals Received: N/A
- (g) Bidders/Proponents: N/A
- (h) Term of Contract: N/A

4. Fund Account Center: N/A

5. Source of Funds: *Example: Local Assistance Grant* N/A

6. **Fiscal Impact:** Annual transfer payments from the General Fund to the Watershed Management Enterprise Fund

Example: This legislation will result in a reduction in the amount of _____ to Fund Account Center Number _____.

7. Method of Cost Recovery:

Examples:

- a. *Revenues generated from the permits required under this legislation will be used to fund the personnel needed to carry out the permitting process.*
- b. *Money obtained from a local assistance grant will be used to cover the costs of this Summer Food Program.*

This Legislative Request Form Was Prepared By: Cornell Hazelton