

# RESOLUTION OF THE CITY COUNCIL

No. 260

Approved June 12, 2014

WHEREAS, The City of Providence (the "City") has previously issued its \$6,825,000 General Obligation Bonds dated August 1, 2000 (the "2000 Bonds"), its \$34,395,000 General Obligation Refunding Bonds dated September 16, 2004 (the "2004 Series A Bonds") and its \$12,135,000 General Obligation Taxable Refunding Bonds dated September 16, 2004 (the "2004 Series B Bonds" and together with the 2000 Bonds and the 2004 Series A Bonds, the "Prior Issue"); and

WHEREAS, The City desires to issue tax-exempt or taxable general obligation refunding bonds, as applicable, to refund all or any part of the Prior Issue (the "Refunding Bonds") in order to take advantage of the lower interest rates which currently are prevailing.

NOW THEREFORE, BE IT RESOLVED, That:

SECTION 1. Pursuant to Rhode Island General Laws Section 45-12-5.2, the City is authorized to issue Refunding Bonds of the City in an amount necessary to refund all or a portion of the Prior Issue and to provide for any principal of, redemption premium, and interest on the Prior Issue coming due on or prior to the date on which the Prior Issue is to be redeemed, and costs of issuance of the Refunding Bonds.

SECTION 2. The issuance of the Refunding Bonds will result in a financial benefit to the City.

SECTION 3. The Refunding Bonds will be within all debt and other limitations prescribed by the Constitution and laws of the State of Rhode Island.

SECTION 4. In the accordance with the provisions of Chapter 12 of Title 45 of the General Laws of Rhode Island, the manner of sale, amount, denominations, maturities, conversion or registration privileges, interest rates, medium of payment, and other terms, conditions and details of the Refunding Bonds authorized herein may be fixed by the City Treasurer and the Mayor.

SECTION 5. The City Council hereby authorizes the City Treasurer and the Mayor acting on behalf of the City, to issue the Refunding Bonds for the purposes set forth in this Resolution and to take all actions as they deem necessary to effect the issuance of the Refunding Bonds. The Refunding Bonds shall be issued by the City under its corporate name and seal or facsimile of such seal. The Refunding Bonds shall be signed by the manual or facsimile signature of the City Treasurer and the Mayor.

SECTION 6. The City Treasurer and the Mayor are hereby authorized to issue the Refunding Bonds and deliver them to the purchaser and said officers are hereby authorized and instructed to take all actions on behalf of the City necessary to ensure that interest on that portion of the Refunding Bonds issued as tax-exempt bonds will be excludable from gross income from federal income tax purposes and to refrain from all actions which would cause interest on that portion of the Refunding Bonds issued as tax-exempt bonds to become subject to federal income taxes.

**SECTION 7.** The proceeds arising from the sale of the Refunding Bonds, exclusive of any premium, accrued interest and costs of issuance, shall upon the receipt be paid immediately to the paying agent or paying agents for the Prior Issue, and such paying agents shall hold the proceeds in trust until they are applied to refund the Prior Issue. While such proceeds are held in trust, they may be invested as permitted by Chapter 12 of Title 45 of the General Laws of Rhode Island, as amended. Proceeds of the Refunding Bonds will be used for no purpose other than the refunding of the Prior Bonds as described in Section 1 hereof.

**SECTION 8.** The said officers and the City's Finance Director are authorized to take all actions necessary to comply with federal tax and securities laws including Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") and the City's Finance Director is authorized to execute and deliver a Continuing Disclosure Certificate in connection with the Refunding Bonds in the form as shall be deemed advisable by the City's Finance Director in order to comply with the Rule. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate, as it may be amended from time to time. Notwithstanding any other provision of this Resolution or the Refunding Bonds, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered an event of default; however, any bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section and under the Continuing Disclosure Certificate.


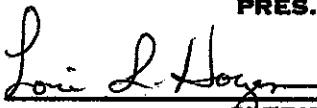
**SECTION 9.** The Refunding Bonds may be issued either alone or consolidated with other issues of notes or bonds of the City.

**SECTION 10.** The City Treasurer and the Mayor are also authorized, empowered and directed, on behalf of the City, to: (i) execute, acknowledge and deliver any and all other documents, certificates or instruments necessary to effectuate such borrowing, including, without limitation, a Preliminary Official Statement, a final Official Statement, all in such form and with such provisions as such officer shall deem advisable; (ii) amend, modify or supplement the bonds and any and all other documents, certificates or instruments at any time and from time to time, in such manner and for such purposes as such officers shall deem necessary, desirable or advisable; (iii) do and perform all such other acts and things deemed by such officers to be necessary, desirable or advisable with respect to any matters contemplated by this Resolution in order to effectuate said borrowing and the intent hereof.

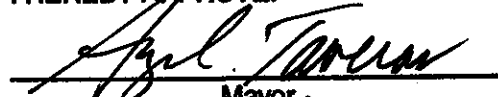
**IN CITY COUNCIL**

**JUN 05 2014**

**READ AND PASSED**

  
PRES.  
  
ACTING CLERK

**I HEREBY APPROVE.**

  
Mayor  
Date: 6/12/14



**Finance Department**  
*"Building Pride In Providence"*

FISCAL IMPACT NOTE

May 20, 2014

Councilman David A. Salvatore, Chairman  
Special Committee on Ways and Means  
Providence City Council  
Providence City Hall  
25 Dorrance Street  
Providence, Rhode Island 02903

Dear Chairman Salvatore:

Re: Proposed General Obligation Refunding Bonds

Set forth below is a fiscal impact note related to the proposed General Obligation Refunding Bonds (the "Bonds") of the City of Providence (the "City").

Upon authorization by the Providence City Council, it is anticipated that the Bonds will be issued by July 15, 2014.

The Bonds may be issued to refund all or a portion of the City's:

\$6,825,000 General Obligation Bonds dated August 1, 2000(15 year term at 5.371 @ 5.371 average interest rate)  
Current balance payable \$ 1,295,000.

\$34,395,000 General Obligation Refunding Bonds dated September 16, 2004 (20 year term @ 4.874 average interest rate) Current balance payable \$16,705,000.

\$12,135,000 General Obligation Taxable Refunding Bonds dated September 16, 2004 (20 year term @ 5.316%)  
Current balance payable \$ 6,065,000.

The bond issue is expected to mature not later than the bonds that are being refunded. The principal and interest payments are estimated as shown on the attached Schedule A based on an assumed net interest rate of 2.59%.

Lawrence J. Mancini  
Acting Director of Administration/Finance Director



Angel Taveras

Mayor

**Finance Department**  
*"Building Pride In Providence"*

The anticipated savings from the refunding for the City is shown on attached Schedule B.

Respectfully yours,

A handwritten signature in cursive script that reads "Lawrence J. Mancini".

Lawrence J. Mancini  
Acting Director of Administration/Finance Director

SCHEDULE A

BOND DEBT SERVICE

City of Providence, Rhode Island  
General Obligation Refunding Bonds, Series 2014A&B  
Current Refunding of Series 2000, 2004A&B Bonds  
'Baa1/BBB/BBB' Tax-Exempt & Taxable Market Rates as of May 6, 2014 + 25bps  
Preliminary / Subject to Change

Dated Date 07/08/2014  
Delivery Date 07/08/2014

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2015	3,630,000	** %	437,367.06	4,067,367.06
06/30/2016	4,315,000	** %	756,938.50	5,071,938.50
06/30/2017	3,780,000	** %	603,323.00	4,383,323.00
06/30/2018	3,925,000	** %	449,126.75	4,374,126.75
06/30/2019	4,015,000	** %	277,818.75	4,292,818.75
06/30/2020	4,165,000	** %	94,827.25	4,259,827.25
	23,830,000		2,619,401.31	26,449,401.31

SCHEDULE B

SAVINGS

City of Providence, Rhode Island  
General Obligation Refunding Bonds, Series 2014A&B  
Current Refunding of Series 2000, 2004A&B Bonds  
'Baa1/BBB/BBB' Tax-Exempt & Taxable Market Rates as of May 6, 2014 + 25bps  
Preliminary / Subject to Change

Date	Prior Debt Service	Refunding Debt Service	Savings
06/30/2015	5,073,339.76	4,067,367.06	1,005,972.70
06/30/2016	5,073,494.38	5,071,938.50	1,555.88
06/30/2017	4,386,008.00	4,383,323.00	2,685.00
06/30/2018	4,387,110.00	4,374,126.75	12,983.25
06/30/2019	4,387,543.00	4,292,818.75	94,724.25
06/30/2020	4,394,482.50	4,259,827.25	134,655.25
	27,701,977.64	26,449,401.31	1,252,576.33

Savings Summary

Savings PV date	07/08/2014
Savings PV rate	2.288028%
PV of savings from cash flow	1,224,533.64
Plus: Refunding funds on hand	4,958.71
Net PV Savings	1,229,492.35