

ORDINANCE # 41, 2004

AN ORDINANCE authorizing the City of Valparaiso, Indiana to make temporary loans to meet current running expenses for the use of the General Fund of the Issuer, in anticipation of and not in excess of current taxes levied in the year 2004 and collectable in the year 2005 (including property tax replacement revenues): authorizing the issuance of temporary loan tax anticipation warrants to evidence such loans and the sale of such warrants to the Indiana Bond Bank; and appropriating and pledging the taxes to be received in such fund to the punctual payment of such warrants including the interest thereon.

WHEREAS, the Common Council (the "Fiscal Body") of the City of Valparaiso, Indiana (the "Issuer") has determined that there will be an insufficient amount of money in the General Fund of the Issuer (the "Funds") to meet the current running expenses of the Issuer payable from such Funds during the fiscal year ending on the last day of December 2005, and prior to the respective June 2005 (that is, the first) and December 2005 (that is, the second and final settlements and distribution of taxes levied for such Funds (including property tax replacement revenues); and

WHEREAS, the Fiscal Body now finds that an emergency exists for the borrowing of money to pay current running expenses and that temporary loans for the Funds for such purposes should be made and that temporary loan tax anticipation warrants evidencing such loans should be issued and sold, subject to the terms and conditions set forth herein and in accordance with the provisions of Indiana law; and

WHEREAS, the Fiscal Body has determined to participate in a 2005 Advance Funding Program (the "Program") established by the Indiana Bond Bank (the "Bond Bank") whereby the Bond Bank will purchase the temporary loan tax anticipation warrants and/or temporary interim warrants of the Issuer; and

WHEREAS, in order to participate in the Program, the Fiscal Body may be required to issue and sell its temporary loan tax anticipation warrants to the Bond Bank prior to the final certification of the annual budget levy and tax rates for such Funds for fiscal year 2005 by the Indiana Department of Local Government Finance; and

WHEREAS, the levy (including property tax replacement revenues) proposed for collection for the Funds in 2005 is estimated to produce in the aggregate, with respect to such Funds, an amount equal to or in excess of the principal of and interest on the temporary loans for such Funds; and

WHEREAS, a necessity exists for the making of temporary loans evidenced by temporary loan tax anticipation warrants for the Funds in anticipation of the receipt of current revenues for such Funds levied for the year 2004 and in the course of collection 2005 (including property tax replacement revenues) and the Fiscal Body desires to authorize the making of temporary loans to procure the amounts necessary, in combination with other available amounts, to meet such current running expenses for such Funds and to pay

necessary costs incurred in connection with the issuance and sale of temporary loan tax anticipation warrants to evidence such temporary loans; and

WHEREAS, the Issuer has not previously issued temporary loan tax anticipation warrants payable from 2005 tax revenues with respect to the Funds; and

WHEREAS, the Fiscal Body seeks to authorize the issuance of such temporary loan tax anticipation warrants and/or temporary interim warrants with respect to the Funds and the sale of such warrants to the Bond Bank pursuant to the provisions of Indiana Code 5-1.5, subject to and dependent upon the terms and conditions hereinafter set forth

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF VALPARAISO, INDIANA AS FOLLOWS:

Section 1. It is hereby found and declared that an emergency exists for the borrowing of money and therefore the Issuer is hereby authorized to make temporary loans to meet current running expenses for the use and benefit of each of the Funds of the Issuer in anticipation of estimated current tax revenues levied for the year 2004 and in the course of collection for such Funds in 2005 (including property tax replacement revenues), which loans shall be evidenced by temporary loan tax anticipation time warrants of the Issuers (the "warrants") issued pursuant to the provisions of Indiana Code 36-4-6-20 as in effect on the date of their respective issuance. A separate Warrant or Warrants shall be issued for each Fund and each maturity date and all Warrants shall be dated as of the date of delivery thereof to the Bond Bank. Subject to the provisions of Indiana Code 36-4-6-20 as in effect on the date of their respective issuance, the Issuer is authorized to issue Warrant maturing and payable on or before December 30, 2005, in aggregate amounts not to exceed the following for the respective identified funds:

General Fund: \$8,600,000.....
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