



Legislation Details (With Text)

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Date	Ver.	Action By	Action	Result
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AIR

2 ORDINANCE NO. 25930
3
4 AN ORDINANCE of the City of Tacoma, Washington establishing a
5 telecommunications system as part of the Light Division, supplementing
6 Ordinance No. 23514 and providing for the issuance and sale of the
7 City's Electric System Revenue Bonds in the aggregate principal amount
8 of not to exceed \$1,000,000 to provide part of the funds necessary for
9 the acquisition, construction and installation of additions and
10 improvements to the telecommunications system.
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ORDINANCE NO. 25930

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4 AN ORDINANCE of the City of Tacoma, Washington establishing a

5 Ordinance No. 23514 and providing for the issuance and sale of the
City's Electric System Revenue Bonds in the aggregate principal amount

6 of not to exceed \$1,000,000 to provide part of the funds necessary for
7 the acquisition, construction and installation of additions and
improvements to the telecommunications system.

8 WHEREAS, the City of Tacoma (the "City") owns and operates an electric utility

~9 system (the "Electric System"); and

10 WHEREAS, the Ordinance provides that the City may create a separate system as part

~i ~i of the Electric System and pledge that the income of such separate system be paid into the

12 Revenue Fund; and

13 WHEREAS, ~RCW 3 ~5A. II. 020 authorizes the City to operate and supply utility and
14 municipal services commonly or conveniently rendered by cities or towns; and

15 WHEREAS, ~RCW 35.92.050 authorizes cities to construct and operate works and
16 facilities for the purpose of furnishing any persons with electricity and other means of power

17 and to regulate and control the use thereof or lease any equipment or accessories necessary and

a convenient for the use thereof, and

19 WHEREAS, the Utility Board and the Council have determined that it is in the best
20 interest of the City that it install a telecommunications system among all of its Electric System
21 substations in order to improve communications for automatic substation control; and

22 WHEREAS, the City has determined that it is prudent and economical to provide
23 additional capacity on such telecommunications system to provide the Electric System with
24 sufficient capacity to perform or enhance such functions as automated meter reading and
25 billing, appliance control, and load shaping; and

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1 ~WBEREAS, the Light Division may wish to connect such telecommunications system
2 to individual residences and businesses in its service area or to other providers of
3 telecommunications services; and

4 ~WBEREAS, the City has determined that it should create a telecommunications system
5 as part of the Electric System in order to construct these telecommunications improvements;
6 and

7 ~WBEREAS, the City by Ordinance No. 23514 passed November 20, 1985 (as
8 amended and supplemented, the "Ordinance"), authorized Electric System Revenue Bonds (the
9 Bonds") of the City to be issued in series, made covenants and agreements in connection with
~10 the issuance of such Bonds and authorized the sale and issuance of the first series of such
11 Bonds in the aggregate principal amount of \$125,505,000 (the "1985 Bonds") for the purpose
12 of refunding all of the City's then outstanding light and power revenue bonds; and

13 WBEREAS, the 1985 Bonds were issued under date of December 1, 1985 and are now
14 outstanding; and

15 ~WTIEREAS, the City has heretofore issued ten additional series of Bonds on a parity
16 with the 1985 Bonds, which bonds were issued and are now outstanding:

17

18	Authorizing Ordinance	Bonds Dated	Principal Amount Issued
19	23663	July 1, 1986	\$ 30,000,000
20	24073	May 1, 1988	60,400,000
21	24296	May 1, 1989	48,500,000
	25004	December 1, 1991	13,800,000
22	25004	December 5, 1991	42,400,000
	25004	December 5, 1991	42,400,000
23	25089	May 1, 1992	31,295,000
24	25165	September 1, 1992	131,675,000
	25333	August 1, 1993	3,318,500
25	25489	May 10, 1994	135,665,000

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1 WHEREAS, after due consideration, it appears to the City Council and the Public
2 Utility Board (the "Board") that it is in the best interest of the City to create and construct a
3 telecommunications system and to issue Electric System Revenue Bonds to finance a portion
4 of the costs of such construction and that the exact amount of Bonds and terms of the Bonds
5 shall be determined by resolution of the Council; and

6 WHEREAS, Section IO. I of the Ordinance provides that the City may, without the
7 consent of the owners of any Bonds, adopt an ordinance supplemental to or amendatory of the
8 Ordinance to provide for the issuance of Future Parity Bonds and to prescribe the terms and
9 conditions pursuant to which such Bonds may be issued, paid or redeemed; and

10 WHEREAS, the City desires to provide that the issuance and sale of the Bonds will be
11 issued and secured under the Ordinance as amended and supplemented by Ordinance
12 No. 23663, Ordinance No. 24073, Ordinance No. 24296, Ordinance No. 25004, Ordinance
13 No. 25089, Ordinance No. 25165, Ordinance No. 25333, Ordinance No. 25489 and this
14 Ordinance;

15 NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF TACOMA:

16 ARTICLE I

17 DEFINITIONS AND AUTHORITY

18 Section 1. 1. Supplemental Ordinance. This Ordinance No. 25930 is supplemental to
19 and is adopted in accordance with Section 5.1 and Article ~X of the Ordinance and shall be
20 known as the Eighth Supplemental Electric System Revenue Bond Ordinance (the "Eighth
21 Supplemental Ordinance").

22 Section 1.2. Definitions.

23 A. All terms that are defined in Section 1. I of the Ordinance shall have the same
24 meanings, respectively, in this Eighth Supplemental Ordinance as such terms are given in
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Section 1. I of the Ordinance, as amended and supplemented by the First, Second, Third,
2 Fourth, Fifth, Sixth, and Seventh Supplemental Ordinances.

3 B. In this Eighth Supplemental Ordinance:

4 "Arbitrage and Tax Certification" means the certificate executed by the Director of
5 Finance of the City pertaining to the calculation and payment of any Rebate Amount with
6 respect to the Bonds.

7 "Bond Sale Resolution" means the resolution to be adopted by the City Council setting
8 forth the final terms of the Bonds.

9 "Bonds" means the Electric System Revenue Bonds, 199 , of the City issued pursuant
~10 to the Ordinance and this Eighth Supplemental Ordinance.

11 "Code" means the Internal Revenue Code of 1986, as amended, together with
12 corresponding and applicable final, temporary or proposed regulations and revenue rulings
13 issued or amended with respect thereto by the United States Treasury or the Internal Revenue
14 Service, to the extent applicable to the Bonds.

15 "Eighth Supplemental Ordinance" means this Ordinance No. 25930.

16 "Rebate Amount" means the amount, if any, determined to be payable~with respect to
17 the Bonds by the City to the United States of America in accordance with Section ~148(f) of the
18 Code.

19 Section 1.3. ~Authori1y for this Eighth Supplemental Ordinance. This Eighth
20 Supplemental Ordinance is adopted pursuant to the provisions of the laws of the State of
21 Washington, the Tacoma City Charter and the Ordinance.

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ARTICLE II

2 FINDINGS; ESTABLISHMENT OF THE TELECOMMUNICATIONS PROJECT AS A
3 SEPARATE SYSTEM; AND ADOPTION OF PLAN AND SYSTEM
4 Section 2. 1. Establishment of Telecommunication System. The City hereby creates a
5 separate system of the City's Light Division to be known as the telecommunications system
6 (the "Telecommunications System"). The public interest, welfare, convenience and necessity
7 require the creation of the Telecommunications System, contemplated by the plan adopted by
8 Section 2.2 hereof, for the purposes set forth in Exhibit A. The City hereby covenants that all
9 revenues received from the Telecommunications System shall be deposited into the Revenue
10 Fund.
11 Section 2.2. Adoption of Plan, Estimated Cost. The City hereby specifies and adopts
12 the plan set forth in Exhibit A for the acquisition, construction and implementation of the
13 Telecommunications System (the "Telecommunications Project"). The City may modify
14 details of the foregoing plan when deemed necessary or desirable in the judgment of the City.
15 The estimated cost of the Telecommunications Project, including funds necessary for the
16 payment of all costs of issuing the Bonds, is expected to be approximately \$40,000,000.
17 Section 2.3. Findings of PAft. The Council hereby finds and determines as required
18 by Section 5.2 of the Ordinance as follows:
19 A. The Bonds will be issued for financing capital improvements to the Electric
20 System.
21 B. At the time of issuance and delivery of the Bonds, there will be no deficiency in
22 the Bond Fund and no Event of Default shall have occurred.
23 C. At the time of issuance and delivery of the Bonds, there will be on file with the
24 City Clerk the certificate of the Director of Finance required by Section 5.2(B)(1) or
25 Section 5.2(C) of the Ordinance.
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The applicable limitations contained in Section 5.2 of the Ordinance having been
2 complied with in the issuance of the Bonds, the Bonds will have a lien upon the Net Revenues
3 of the Electric System for the payment of principal thereof and interest thereon equal in priority
4 to the lien upon the Net Revenues of the Electric System for the payment of the principal of
5 and interest on the 1985 Bonds, the 1986 Bonds, the 1988 Bonds, the 1989 Bonds, the 1991
6 Bonds, the 1992 Bonds, the 1992B Bonds, the 1993 Bonds and the 1994 Bonds.
7 Section 2.4. Due Regard. The Council and Board hereby find and determine that due
8 regard has been given to the cost of the operation and maintenance of the Electric System and
9 that it has not obligated the City to set aside into the Bond Fund for the account of the Bonds a
10 greater amount of the revenues and proceeds of the Electric System than in its judgment will
11 be available over and above such cost of maintenance and operation.
12 Section 2.5. Findings. The Council and Board hereby find it to be necessary and in the
13 best interests of the City to issue the Bonds in order to provide part of the funds necessary to
14 finance the Telecommunications Project.

ARTICLE III

AUTHORIZATION OF BONDS

17 Section 3. 1. Principal Amount, Designation and Series. Pursuant to the provisions of
18 the Ordinance, a series of Bonds of the City entitled to the benefit, protection and security of
19 such provisions is hereby authorized in the aggregate principal amount of not to exceed
20 \$1,000,000. Such Bonds shall be designated as, and shall be distinguished from the Bonds of
21 all other series by the title, "City of Tacoma, Washington Electric System Revenue Bonds,
22 199

23 Section 3.2. PuEpose. The purpose of the Bonds is to provide part of the funds
24 necessary to finance the Telecommunications Project, make any necessary deposit to the
25 Reserve Account and to pay the costs of issuance and sale of the Bonds.
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Section 3.3. Date. Maturities and Interest. The Bonds shall be issued in the aggregate
2 principal amount of not to exceed \$1,000,000 and shall be dated as of the date provided in the
3 Bond Sale Resolution and shall bear interest from their dated date to their stated dates of
4 maturity or prior redemption. The exact principal amount of the Bonds shall be established by
5 the Bond Sale Resolution. The Bonds shall mature on the dates of the years and in the
6 principal amounts and shall bear interest payable semiannually on the dates and at the rates per

7 annu~m set forth in the Bond Sale Resolution.

8 Section 3.4. ~Derioniination and Numbers. The Bonds shall be issued in fully registered
9 form in the denominations of \$5,000 or any integral multiple of \$5,000 within a maturity. The
10 Bonds shall be numbered separately in such manner and with any additional designation as the
11 Registrar deems necessary for purposes of identification. The Bond Sale Resolution may
12 provide for the Bonds to be held in book-entry only ~fori-n.

13 Section 3.5. Redemption Terms. By the Bond Sale Resolution, the City Council may
14 determine that all or a portion of the Bonds shall be subject to redemption prior to maturity at
15 the option of the City, in whole or in part, on any date and at the respective redemption prices
16 specified in the resolution. The City Council may designate certain Bonds as Term Bonds that
17 will be subject to redemption by operation of the Bond Retirement Account through Sinking
18 Fund Requirements in the years and an~iounts set forth in the resolution.

19 Section 3.6. Reservation of ~RiWit to Purchase. The City reserves the right to use
20 money in the Revenue Fund or any other legally available funds at any time to purchase any of
21 the Bonds in the open market provided there is no deficiency in the accounts within the Bond
22 Fund. Any purchases of Bonds may be made with or without tenders of Bonds and at either
23 public or private sale.

24 Section 3.7. Tax Exemption. The City shall comply with the provisions of this section
25 unless, in the written opinion of nationally-recognized Bond Counsel to the City, such
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compliance is not required in order to maintain the exemption of the interest on the Bonds
2 from federal income taxation.

3 The City hereby covenants that it will not make any use of the proceeds from the sale
4 of the Bonds or any other funds of the City which may be deemed to be proceeds of such
5 Bonds pursuant to Section 148 of the Code and the applicable regulations thereunder which
6 will cause the Bonds to be "arbitrage bonds" within the meaning of said Section and said
7 regulations. The City will comply with the applicable requirements of Section 148 of the Code
8 (or any successor provision thereof applicable to the Bonds) and the applicable regulations
9 thereunder throughout the term of the Bonds.

10 The City further covenants that it will not take any action or permit any action to be
11 taken that would cause the Bonds to constitute "private activity bonds" under Section 141 of
12 the Code.

13 Section 3.8. Arbitrage Rebate. The City will pay the Rebate Amount, if any, to the
14 United States of America at the times and in the amounts necessary to meet the requirements
15 of the Code to maintain the federal income tax exemption for interest payments on the Bonds,
16
in accordance with the Arbitrage and Tax Certification.

17 ARTICLE IV
18 REGISTRATION, FORM AND GENERAL TERMS
19 Section 4.1. Registrar and Paying Agent shall
20 be the fiscal agencies for the state of Washington in Seattle, Washington, and New York, New
21 York.

22 Section 4.2. Transfer and Exchange. So long as the Bonds are not in book-entry form,
23 any Bond may be transferred pursuant to its provisions at the Registrar's principal office for
24 such purpose by surrender of such Bond for cancellation, accompanied by a written instrument
25 of transfer, in form satisfactory to the Registrar, duly executed by the registered owner in

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1 person or by the registered owner's duly authorized attorney. Upon payment of any applicable
2 tax or governmental charge, the City will execute and the Registrar will authenticate and
3 deliver at the principal office of the Registrar (or send by registered mail to the owner thereof
4 at the owner's expense), in the name of the transferee or transferees, a new Bond or Bonds in
5 authorized denominations of the same interest rate, aggregate principal amount and maturity,
6 dated as of the last interest payment date to which interest has been paid so that there shall
7 result no gain or loss of interest as a result of such transfer. To the extent of authorized
8 denominations, one Bond may be exchanged for several bonds of the same interest rate and
9 maturity, and for a like aggregate principal amount, and several Bonds of the same interest rate
10 and maturity may be exchanged for one or several Bonds, respectively, of the same interest
11 rate and maturity and for a like aggregate principal amount.
12 In every case of a transfer or exchange of any Bonds, the surrendered Bonds shall be
13 canceled by the Registrar and a certificate evidencing such cancellation shall be promptly
14 transmitted by the Registrar to the City. As a condition of any such transfer or exchange, the
15 City at its option may require the payment of a sum sufficient to reimburse it for any tax or
16 other governmental charge that may be imposed thereon. All Bonds executed, authenticated
17 and delivered in exchange for or upon transfer of Bonds so surrendered shall be valid
18 obligations of the City evidencing the same debt as the Bonds surrendered, and shall be entitled
19 to all the benefits and protection of the Ordinance to the same extent as the surrendered
20 Bonds.
21 Section 4.3. Limitation on Transfer or Exchange of Bonds. The City shall not be
22 required to (a) issue, transfer, or exchange Bonds after the 15th day of the month prior to any
23 interest payment date therefor, or (b) to register, discharge from registration, transfer or
24 exchange any Bonds which have been designated for redemption within a period of 30 days
25 next preceding the date fixed for redemption.
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Section 4.4. Effect of Payment. All payments of or on account of interest to any
2 registered owner of any Bond, and all payments of or on account of principal to any registered
3 owner of any Bond (or to his or her assigns), shall be valid and effectual and shall be a
4 discharge of the City, the Paying Agent and the Registrar in respect of the liability upon the
5 Bonds or claims for interest, as the case may be, to the extent of the sum or sums paid.
6 AU Bonds upon the payment or redemption thereof shall be canceled and destroyed by
7 the Paying Agent, and a certificate evidencing such payment, cancellation and destruction shall
8 be promptly transferred by the Paying Agent to the City.
9 Section 4.5. Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall at
10 any time become mutilated or be lost, stolen or destroyed, the City in the case of such
11 mutilated Bond shall, and in the case of such lost, stolen or destroyed Bond in its discretion
12 may, execute and direct the Registrar to authenticate and deliver a new Bond of the same
13 interest rate and maturity and of like tenor and effect in exchange or substitution for and upon
14 surrender and cancellation of such mutilated Bond, or in lieu of or in substitution for such
15 destroyed, stolen or lost Bond. If such stolen, destroyed or lost Bond shall have matured or
16 have been called for redemption, instead of issuing a substitute therefor, the City may without
17 the surrender of such Bond at its option pay the same (in which case the City shall promptly
18 file a certificate to that effect with the Paying Agent and Registrar) or cause the same to be
19 paid by the Paying Agent by a certificate of the City directing such payment filed with the
20 Paying Agent. Except in the case where a mutilated Bond is surrendered, the applicant for the
21 issuance of a substitute Bond shall furnish to the City and the Registrar evidence satisfactory to

22 them of the theft, destruction or loss of the original Bond, and also such security and indemnity
23 as may be required by the City or the Registrar, and no such substitute Bond shall be issued
24 unless the applicant for the issuance thereof shall reimburse the City and the Registrar for the
25 expenses incurred in connection with the preparation, execution, authentication, issuance and
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delivery of the substitute Bond. Any such substitute Bond shall be equally and proportionately
2 entitled to the security of the Ordinance with all other Bonds issued hereunder, whether or not
3 the Bond alleged to have been lost, stolen or destroyed shall be found at any time. The

4 Registrar shall cancel all mutilated Bonds surrendered to it.

5 Section 4.6. Execution and Authentication of Bonds. The Bonds shall be executed on
6 behalf of the City with the manual or facsimile signature of the Mayor and attested with the

7 manual or facsimile signature of the City Clerk and the seal of the City shall be imprinted or

8 impressed on each of the Bonds. The Bonds shall bear thereon a certificate of authentication,

9 in the form set forth in Section 4.7 of this Eighth Supplemental Ordinance, executed manually
~10 by the Registrar. Only such Bonds as shall bear thereon such certificate of authentication shall
11 be entitled to any right or benefit under the Ordinance and no Bond shall be valid or obligatory

12 for any purpose until such certificate of authentication shall have been duly executed by the

13 Registrar. Such certificate of the Registrar upon any Bond executed on behalf of the City shall

14 be conclusive evidence that the Bond so authenticated has been duly authenticated and

15 delivered under the Ordinance and that the owner thereof is entitled to the benefits of the

16 Ordinance.

17 In case any of the officers who shall have signed or attested any of the Bonds shall

18 cease to be such officers before the Bonds so signed or attested shall have been actually

19 delivered, such Bonds shall be valid nevertheless and may be issued by the City with the same

20 effect as though the persons who had signed or attested such Bonds had not ceased to be such

21 officers.

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Section 4.7. Form of Bonds.

2 (a) The Bonds shall be in substantially the following form:

3 UNITED STATES OF AMERICA
 4 STATE OF WASHINGTON
 5 CITY OF TACOMA
 ELECTRIC SYSTEM REVENUE BOND, 199_

6
 No. \$

7 Interest Rate: Maturity Date: CUSIP No:

8 %

9 Registered Owner:

10 Principal Amount: DOLLARS

11 The City of Tacoma, a municipal corporation of the State of Washington (hereinafter
 called the "City"), for value received, hereby promises to pay to the Registered Owner
 12 identified above, or registered assigns, on the Maturity Date identified above, the Principal
 Amount indicated above and to pay interest on such principal amount from the date hereof or
 13 the most recent date to which interest has been paid or duly provided for, at the Interest Rate
 14 set forth above per annum, payable, 199--, and semiannually thereafter on the
 first day of each and until payment shall have been made or provided
 15 for.

16 Principal of and interest on this bond are payable solely out of the special fund of the
 17 City known as the "Electric System Revenue Bond Fund" created and established by Ordinance
 No. 23514 of the City (the "Bond Fund"). Both principal of and interest on this bond are
 18 payable in lawful money of the United States of America. Interest shall be paid by mailing a
 check or draft or by wire transfer as provided in the Bond Ordinance (as hereinafter defined) to
 19 the registered owner or assigns at the address shown on the bond register as of the 15th day of
 20 the month prior to the interest payment date. Principal shall be paid to the registered owner or
 assigns upon presentation and surrender of this bond at the principal office of the Paying Agent
 21 or Agents which initially are the fiscal agencies of the State of Washington in Seattle,
 Washington, and New York, New York. (Such fiscal agencies also act, and are hereinafter
 22 referred to collectively, as the "Bond Registrar").

23 This bond shall not be valid or become obligatory for any purpose or be entitled to any
 24 security or benefit under the Bond Ordinance until the Certificate of Authentication hereon
 shall have been manually signed by the Bond Registrar.

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This bond is one of a duly authorized series of bonds aggregating \$
 2 in principal amount and designated as "Electric System Revenue Bonds, 199 --." This bond and
 the bonds of this series (the "Bonds") are issued under and pursuant to Ordinance No. 23514
 3 as amended and supplemented by Ordinance No. 23663, Ordinance No. 24073, Ordinance No.
 4 24296, Ordinance No. 25004, Ordinance No. 25089, Ordinance No. 25165, Ordinance
 No. 25489 and Ordinance No. 25930 of the City (together the "Bond Ordinance"), and under
 5 the authority of and in full compliance with the Constitution and laws of the State of
 Washington.

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7 The Bonds are issued for the purpose of providing part of the funds necessary for
 financing capital improvements to the Electric System. The Bond Ordinance permits the
 8 issuance of Future Parity Bonds payable from the Bond Fund ranking on a parity with the 1985
 Bonds, the 1986 Bonds, the 1988 Bonds, the 1989 Bonds, the 1991 Bonds, the 1992 Bonds,
 9 the 1992B Bonds, the 1993 Bonds, the 1994 Bonds and the Bonds and secured by an equal
 10 charge and lien on the Net Revenues and permits the costs associated with certain Contract
 Resource Obligations to be included in the Electric System's Operating Expenses (as such
 11 terms are defined in the Bond Ordinance). The 1985 Bonds, the 1986 Bonds, the 1988 Bonds,
 the 1989 Bonds, the 1991 Bonds, the 1992 Bonds, the 1992B Bonds, the 1993 Bonds, the
 12 1994 Bonds, the Bonds and any Future Parity Bonds are hereinafter collectively referred to as
 13 the "Parity Bonds."

14 Copies of the Bond Ordinance are on file at the office of the City Clerk and at the
 principal office of each Paying Agent for this bond. Reference is hereby made to the Bond
 15 Ordinance and to any and all modifications and amendments thereof for a more complete
 description of the Revenues available for the payment of the principal of and interest on the
 16 Bonds and the rights and remedies of the owners of the Bonds with respect thereto, the terms

17 and conditions upon which the Bonds have been issued, and the terms and conditions upon
which this bond shall no longer be secured by the Bond Ordinance or deemed to be
18 outstanding thereunder if money or certain specified securities sufficient for the payment of this
bond shall have been set aside in a special account and held in trust for the payment thereof
19 Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the
Bond Ordinance.
20

21 Under the Bond Ordinance, the City is obligated to set aside and pay into the Bond
Fund out of the Revenues of said Electric System certain fixed amounts sufficient to pay the
22 principal of and interest and premium, if any, on all Parity Bonds at any time outstanding as the
23 same become due and payable, all as is more fully provided in the Bond Ordinance. The Bonds
and the interest thereon constitute the only charge against the Bond Fund and the amount of
24 the Net Revenues pledged to said Bond Fund, as provided in the Bond Ordinance.

25 In and by the Bond Ordinance, the City covenants to establish, maintain and collect
rates and charges for electric energy sold through the ownership or operation of the Electric
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1 System and all other services, facilities and commodities sold, furnished or supplied by the City
2 in connection with the ownership or operation of the Electric System which shall be fair and
adequate to provide Revenues sufficient for the payment of the Parity Bonds and all payments
3 which the City is obligated to set aside in the Bond Fund and for the proper operation and
4 maintenance of the Electric System, including payment of certain Contract Resource
Obligations, all necessary repairs, replacements and renewals thereof and other costs thereof,
5 as provided in the Bond Ordinance.

6 The Bonds maturing on and after 1, _ are subject to redemption prior

7 to maturity at the option of the City on any date on and after 1, 20____~, in whole or
in part, upon written notice as provided hereinafter, at the redemption prices with respect to

8 each Bond (expressed as a percentage of the principal amount of the Bonds to be redeemed)
set forth below, together with the interest, if any, accrued thereon to the date fixed for
9 redemption:

~10 Redemption Period Redemption Price

12

13

If less than all of the Bonds subject to optional redemption are to be called for
14 redemption, the City shall choose the maturities to be redeemed. In the event that less than all
15 of the Bonds of any maturity are called for redemption, the particular Bonds of such maturity
to be redeemed shall be selected by lot by the Bond Registrar, or, so long as the Bonds are
16 held in book-entry form, by the Securities Depository.

1~7 The Bonds maturing on _ 1, erred to as the "Tenn Bonds")
_ (hereinafter re~f

18 shall be redeemed prior to maturity by lot, not later than I in the years through
~^ inclusive, from amounts credited to the Bond Retirement Account in the Bond Fund as

19 sinking fund installments therefor (to the extent such amounts have not been used to redeem or
purchase such Bonds as provided below) and in the principal amounts as set forth below, upon

20 written notice as provided hereinafter by payment of the principal amount thereof, together
with the interest, if any, accrued thereon to the date fixed for redemption.

21

22 Year Amount

23

24

25 The City may purchase or redeem the Term Bonds through the application of part or all

26 of the respective sinking fund installments therefor at any time prior to any I due date.

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Any money not so used to redeem or to purchase such Term Bonds shall be substantially
2 exhausted by application to the redemption of such bonds on such succeeding 1. If, as

3 of any ., 1, the principal amount of Tenn Bonds retired by purchase or redemption from
any source exceeds the cumulative requirement for sinking fund installments through such
4 date, such excess may be credited against the sinking fund installment for the next fiscal year.

5 Written notice of redemption shall be given by first class mail, postage prepaid, not less
than 30 days nor more than 60 days before the redemption date to the registered owners of the
6 Bonds to be redeemed in whole or in part at their last addresses, if any, appearing on the Bond
7 Register, but any defect with respect to the redemption of any bond shall not invalidate the
redemption of any other bond. Notice of redemption having been given by mailing, as
~g aforesaid, the Bonds so called for redemption shall on the date specified in such notice become
due and payable at the applicable redemption price herein provided, and from and after the date
9 so fixed for redemption (except as to any bond, or portion of any bond, not so redeemed in
10 ~accordance with such call for redemption) interest on said Bonds so called for redemption shall
cease to accrue.

11

12 A portion of the principal sum of this bond in the amount of \$5,000, or any integral
multiple thereof, may be redeemed, and if less than all of the principal sum hereof is to be

13 redeemed, in such case upon the surrender of this bond at the principal office of the Bond
Registrar, there shall be issued to the registered owner, without charge therefor, for the then
14 ~unredeemed balance of the principal sum hereof, fully registered bonds of like series, maturity
and interest rate in any of the denominations authorized by the Bond Ordinance.

15

16 This bond shall be transferable by the registered owner at the principal offices of the
Bond Registrar upon surrender and cancellation of this bond, and thereupon a new registered
17 bond or bonds of the same principal amount and interest rate and maturity will be issued to the
transferee as provided in the Bond Ordinance. The City, the Bond Registrar, the Paying
18 Agents and any other person may treat the person in whose name this bond is registered as the
absolute owner hereof for the purpose of receiving payment hereof and for all purposes and
19 shall not be affected by any notice to the contrary, whether this bond be overdue or not.

20 It is hereby certified, recited and declared that all acts, conditions and things required
21 by the Constitution and statutes of the State of Washington to exist, to have happened and to
have been performed precedent to and in the issuance of this bond do exist, have happened and

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have been performed in due time, form and manner as prescribed by law, and that the amount
2 of this bond, together with all other obligations or indebtedness of the City, does not exceed
any constitutional or statutory limitations of indebtedness.

3

4 IN WITNESS ~WJHEREOF, the City of Tacoma, by its City Council, has caused this
bond to be executed in its name with the facsimile or manual signature of its Mayor, and
5 attested by the facsimile or manual signature of its Clerk, and the seal of said City to be
imprinted or impressed hereon, all as of the day of .199-.

6

~7

CITY OF TACOMA, ~WASIUNGTON

8

By

9

Mayor

10 (SEAL)

11 Attest:

12

13 City Clerk

14 Authentication Date:

15 CERTIFICATE OF AUTHENTICATION

16 This bond is one of the bonds described in the within-mentioned Bond Ordinance and is
17 one of the Electric System Revenue Bonds, 199_ of the City of Tacoma, Washington, dated
~199

18

~WASIUNGTON STATE FISCAL
AGENCY, Bond Registrar

19

20

21

By

Authorized Officer

22

23

24

25

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ASSIGNMENT

2

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

3

4

PLEASE INSERT SOCIAL SECURITY OR TAXPAYER
IDENTIFICATION NUMBER OF TRANSFEREE

5
6
7 (Please print or typewrite name and address, including zip code, of Transferee)
the
within bond and does hereby irrevocably constitute and appoint
~attorney-in-fact to transfer said bond on the books kept for registration thereof with full power
9 of substitution in the premises.
10 DATED:
11

SIGNATURE GUARANTEED:

12
13
14 NOTE: The signature on this Assignment
15 must correspond with the name of the
registered owner as it appears upon the
16 face of the within bond in every
17 particular, without alteration or
enlargement or any change whatever.

18
19 ARTICLE ~V

20 APPLICATION OF PROVISIONS OF ORDINANCE TO BONDS

21 Section 5. 1. Issuance of Future ~Parity Bonds. The provisions of Article ~V of the
22 Ordinance relating to the issuance of Future Parity Bonds shall apply to the Bonds.

23 Section 5.2. Contract Resource Obligations. The provisions of Article VI of the
24 Ordinance relating to Contract Resource Obligations shall apply to the Bonds.

25 Section 5.3. Application of Sections 7.1 through 7.3 of Ordinance Relating to Special
26 Funds and Accounts. Except as otherwise provided below in Section 5. 1 0, the provisions of

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Sections 7.1 through 7.3 of the Ordinance relating to the Revenue Fund and the accounts
2 therein, the Bond Fund and the accounts therein, the Cumulative Reserve Fund, and the
3 investment of money held for the credit of such Funds shall apply to the Bonds.
4 Section 5.4. Covenants to Secure Bonds. The provisions of Article ~IX of the
5 Ordinance setting forth the covenants to secure Bonds, as amended by Article ~VH of the First
6 Supplemental Ordinance, shall apply to the Bonds.
7 Section 5.5. Supplemental and Amendatory Ordinances. The provisions of Article ~X
8 of the Ordinance relating to supplemental and amendatory ordinances shall apply to the Bonds.
9 Section 5.6. Defaults and Remedies. The provisions of Article ~M of the Ordinance
~10 relating to defaults and remedies shall apply to the Bonds.
11 Section 5.7. Amendments and ~Bondowners' Meetings. The provisions of Article MI
12 of the Ordinance relating to amendments and ~bondowners' meetings shall apply to the Bonds.
13 Section 5.8. Miscellaneous. The provisions of Article ~MH of the Ordinance relating
14 to the City's contract with the owners of Bonds, money held by the Paying Agent one year
15 after the due date, the benefits of the Ordinance and ~severability shall apply to the Bonds.
16 Section 5.9. Rights of ~AMBAC. The provisions of Article ~X of the Second
17 Supplemental Ordinance and Article ~VII of the Fifth Supplemental Ordinance and Article ~VIII
18 of the Sixth Supplemental Ordinance relating to the rights of ~AMBAC Indemnity Corporation
19 are incorporated herein by reference and shall be in force and effect so long as any 1988 Bond,
20 1992 Bond or 1992B Bond, respectively, is Outstanding and insured by the municipal bond
21 guaranty insurance policy therein authorized.
22 Section 5. 10. Reserve ~Subaccount. There is hereby established within the Reserve

23 Account a special ~subaccount entitled the "199 Reserve ~Subaccount." Funds in such
24 Reserve ~Subaccount shall be treated in all respects as other funds in the Reserve Account. The

25 City shall make transfers into the Reserve ~Subaccount from money and investments in the
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Reserve Account, from proceeds of the Bonds, or from other available money in amounts
2 sufficient to satisfy the Reserve Account Requirement with respect to the Bonds.
3 The City is authorized to satisfy the requirements of Section 7.2 of the Ordinance with
4 respect to the Reserve Account as to the Bonds through the use of Qualified Insurance, or a
5 Qualified Letter of Credit, which may be purchased on the date of closing of the Bonds or after
6 the issuance of the Bonds and substituted for amounts in the Reserve ~Subaccount pursuant to
7 the provisions of Section 7.2 of the Ordinance.

8 ARTICLE VI
9

DISPOSITION OF BOND PROCEEDS

~10

Section 6. 1. Construction Account. A special fund of the City has heretofore been
11 created and designated the "City of Tacoma Electric System Construction Fund" (the
12 "Construction Fund"). There is hereby created within the Construction Fund a special account
13 to be known as the "199~ Bonds Construction Account" into which shall be deposited from
14 the proceeds of sale of the Bonds. Money in the Construction Account shall be used for
15 paying part of the costs of the acquisition, construction and installation of the additions and
16 improvements described in Exhibit A, and for paying all expenses incidental thereto (including
17 but not limited to costs of issuance of the Bonds, engineering, financing, legal or any other
18 incidental costs) and for repaying any advances heretofore or hereafter made on account of
19 such costs, and such money or so much thereof as may be necessary be and hereby is
20 appropriated for such purpose.

21 All proceeds of the Bonds so deposited in the Construction Account shall be
22 continuously and fully invested to the extent practicable in Permitted Investments. Interest
23 earned and income or profits derived by virtue of such investments shall remain in the account
24 and be used for the purposes for which the Bonds are issued or other lawful purposes. Money
25 in the Construction Account may be transferred to the Bond Fund in such amounts as shall be
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1 necessary to pay principal of and interest on Bonds, and may be used to pay any Rebate
2 Amount.

3 Section 6.2~. ~PiaDR ~@sition of Proceeds. The proceeds of the Bonds are hereby
4 appropriated for the following purposes and shall be deposited as follows:

5 ~1~. ~The amount equal to the interest accruing on the Bonds ~fi7orn their dated
6 date to the date of their delivery sha~H be deposited in the Interest Account in the Bond Fund
7 and invested in Permitted Investments.

8 2. To the extent permitted by the Code, the amount that when added to

9 other money in the Reserve Account will ensure that the total amount in the Reserve Account
 10 equals the Reserve Account Requirement shall be deposited in the Reserve Account in the
 11 Bond Fund.

12 3. The balance of the Bond proceeds shall be deposited in the Construction
 13 Account and used for the purposes specified in Sections 6. 1, including payment of costs of
 14 issuance of the Bonds.

15 ARTICLE ~VII
 16 SALE OF BONDS

17 ~Section 7.1. Sale ~f Bonds. The Bonds may be sold by competitive or negotiated sale,
 18 which sale shall be approved by the Bond Sale Resolution.

19 ~section 7~.2. Official St ~rance. The Director and/or Deputy Director of
 20 Utilities are authorized to prepare a preliminary official statement for the marketing of the
 21 Bonds and to solicit bids for bond insurance. The Bond Sale Resolution shall approve the
 22 preliminary and final official statements and any bond insurance.

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2 ARTICLE ~VIH
 3 ~NUSCELLANEOUS

4 Section 8. 1. ~Defeasance. In the event that the City, in order to effect the payment,
 5 retirement or redemption of any Bond, sets aside in the Bond Fund or in another special
 6 account, advance refunding bond proceeds or other money lawfully available or direct
 7 obligations of the Department of the Treasury of the United States of America ("Government
 8 Obligations"), or any combination of such proceeds, money and/or Gover~ment Obligations, in
 9 amounts which, together with known earned income from the investment thereof are sufficient
 10 to redeem~, retire or pay such Bond in accordance with its terms and to pay when due the
 11 interest and redemption premium, if any, thereon, and such proceeds, money and/or
 12 Government Obligations are irrevocably set aside and pledged for such purpose, then no
 13 further payments need be made into the Bond Fund for the payment of the principal of and
 14 interest on such Bond, and the owner of such Bond shall cease to be entitled to any lien,
 15 benefit or security of the Ordinance except the right to receive payment of principal, premium,
 16 if any, and interest from such special account, and such Bond shall be deemed not to be
 17 outstanding hereunder.

18 Section 8.2. Undertaking to Provide Ongoing Disclosure. In the Bond Sale

19 Resolution the City shall undertake to provide certain ongoing disclosure for the benefit of the
 20 owners of the Bonds as required by Section (~b)(5) of the Securities and ~Exchan ~e
 ~9

21 Commission's Rule 15c2~-12 under the Securities and Exchange Act of 1934.

22 Section 8.3. ~SeverabiliV. If any one or more of the provisions of this Eighth
 23 Supplemental Ordinance is or are held by any court of competent jurisdiction to be contrary to
 24 law, then such provision or provisions shall be null and void and shall be deemed separable
 25 from the remaining provisions and shall in no way affect the validity of the other provisions of
 26 this Eighth Supplemental Ordinance or the Bonds.

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 Section 8.4. Effective Date. This Eighth Supplemental Ordinance shall take effect and

2 be in force thirty days after its passage, approval and publication as required by law. Any
 3 actions taken pursuant to this Eighth Supplemental Ordinance before its effective date and
 4 after its passage are hereby ratified, approved and confirmed.

5 ~H~;T~RODUCED AND READ FOR THE FIRST TIME at a regular meeting of the City
 6 Council held the 16 ~t ~h day of ~J ~u 1 ~y1996.

7 PASSED by the City Council of the City of Tacoma, Washington, and authenticated by
 8 its Mayor at a regular meeting of the Council held this ~23rd day of July, 1996.

9
 10 CITY ~WASFENGTON
 *4

11 By Mayor

12 Attest:

13 soy, ~6&vd-

14 City Clerk

15 APPROVED AS TO FORM:

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CLERKS CERTIFICATE

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3 1, the undersigned, the duly chosen, qualified ~andaGtW City Clerk of the City of

4 Tacoma, Washington, and keeper of the records of the City Council (herein called the

5 "Council"), DO HEREBY CERTIFY:

6 ~1. That the attached Ordinance No. 25930 (herein called the "Ordinance") is a true

7 and correct copy of an Ordinance of the Council, as finally passed at a regular meeting of the

8 Council held on the ~@23r4day of July, 1996 and duly recorded in my office.

9 2. That said meeting was duly convened and held in all respects in accordance

~io with law, and to the extent required by law, due and proper notice of such meeting was given;

~n that a legal quorum was present throughout the meeting and a legally sufficient number of

12 members of the Council voted in the proper manner for the passage of said Ordinance; that all

13 other requirements and proceedings incident to the proper adoption of said Ordinance have

14 been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this

15 certificate.

16 IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of

17 the City as of this ~WI*day of July, 1996.

1~8

19 City Clerk
20 City of Tacoma, Washington

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EXHIBIT A

2 TELECOMMUNICATIONS PROJECT
3

4 The Telecommunications Project will include some or all of the following elements:

5 Infrastructure improvements

6 Construct a hybrid fiber coax ("B~FC") telecommunications infrastructure consisting of fiber

7 optic rings and branches connecting nodes throughout the Light Division service area. This telecommunications system will be ~asymmetrically two-way capable. It will interconnect all

8 Light Division substations. Connections may also be made with Light Division customers and with other providers of telecommunications infrastructure and services. This

9 telecommunications system will have 500 channels. It will utilize existing Light Division

10 ~rights-of-way.

11 Functions to be performed by infrastructure improvements

12 Through construction of the ~FIFC telecommunications system, the Light Division's

13 Telecommunications System will be capable of performing some or all of the following functions:

14 conventional substation communications functions

15 ~0 automated meter reading (electric and water)

16 ~0 automated billing (electric and water)

17 ~0 automated bill payment (electric and water)

18 ~0 demand side management ~(DSM) functions, such as automated load (e.g. water heater) control

19 ~0 provision of information to customers that is relevant to their energy and water

20 purchasing decisions (eg. information on time-of~-use or "green" power rates)

21 ~0 distribution automation

22 ~0 remote turn ~on/turn off for electric and water customers

~0 city government communications functions

- 23 ~CATV service
- 24 transport of signals for service providers offering telecommunications services
(e.g. Personal Communications Service ~(PCS), video on demand, high speed
- 25 data, as well as conventional wired and wireless telecommunications services)
- 26 Internet access service

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CITY CLERK USE
REQUEST FOR ~ORDINAN""

OR RESOLUT16W

Ordinance

~Resolubon

1. Date: June 21, 1996

Requesting Department~/Division/Program

Sponsored By

Phone/Extension

2. Tacoma Public Utilities/Light Division

Steve Klein

8203

Contact Person (for questions):

Phone/Extension

3. Steve Klein

502~-8203

4. Preparation of is requested for the City Council meeting of Tuesday July 16, 1~996.

5. Summary Title/Recommendation: (A concise sentence, as it will appear on the Council Agenda)

Authorize a Bond Ordinance for City of Tacoma, Washington, Department of Public Utilities, Light Division to clarify its legal authority to develop telecommunication capacity for cable television outside the City limits, certain telecommunications services, and other uses.

6. Background Information/General Discussion: (Why is this request necessary? Are there legal requirements? What are the viable alternatives? Who has been involved in the process?)

Approval of this Bond Ordinance is necessary to confirm Light Division authority to engage in certain telecommunications activities. This determination will facilitate the decision-making process at the conclusion of the feasibility studies currently underway.

7. Financial Impact: (Future impact on the budget.)

8. ~Listalimaterialavailableasbackupinformationfortherequestandindicatewherefiled:

Source Documents/Backup Material

Location of Document

Proposed Ordinance	Attached
Public Utility Board Resolution U~9198	Attached
Letter to City Council and Public Utility Board dated June 19, 1996.	Attached

9. Funding Source: (Enter amount of funding from each source)

Fund Number & Name:	State \$	City \$	Other \$	Total Amount
---------------------	----------	---------	----------	--------------

If an expenditure, is it budgeted? 13 Yes EI No Where? ~Org Ac~ct

prove ~1

10. ~@1 GI ~nager/Director

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~06t21M

Tacoma
Public
Utilities

Mark ~Crisson
Director

36~8 South 3~;th Street
P.O. Box 11007
Tacoma, WA 98411~-0007

June 19, 1996

Divisions
Light
Water
Belt Line

To the Mayor and Members of the City Council

and

To the Chairman and Members of the Public Utility Board

RE: Proposed Bond Ordinance Approval and Authorization to Proceed

With a Declaratory Judgment Legal Action to Confirm Authority to
Construct and Operate a Fiber Optics System With Cable Television
and Telecommunications Capabilities/Board Resolution U-91~98

As we previously discussed with you, the Light Division is proceeding to move forward with a further in-depth analysis of the feasibility of a fiber optics system. We will not move forward with this project until we have reviewed this future analysis with you and obtained your further appropriate approval.

This enabling legislation ordinance is specifically necessary at this time, however, in order to seek and obtain a declaratory judgment by the appropriate Washington State court to clarify the legal authority for certain aspects of the project. Chief

Assistant City Attorney Mark ~Bubenik's confidential memorandum dated June 21, 1996 which has been furnished to each of you delineates the legal issues and procedures involved.

~,Ver
~, ~@ truly ~yo

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Mark ~Crisson

Director of Utilities

~ft/cabletv2

Tacoma
Public
~im 7 Utilities MEMORANDUM

To: Rick ~Rosenblatt, City Clerk

From: Mark ~Bubenik, Chief Assistant City Attorney,

Date: June 27, 1996

Subject:

 Please place the following proposed ~resolution(s) ~ordinance(s)
on the agenda for the July 16, 1996 Council Meeting:

 U~-9198 Authorize approval of a proposed bond ordinance for
the City of Tacoma, Light Division to clarify its legal authority to
develop telecommunication capacity for cable ~tv outside the City limits

I TNT~' RESOLUTION NO. U~-9198

2 WHEREAS the Light Division has determined that a

3 telecommunications network system-wide will provide substantial benefits for

4 the Light Division for substation communications, meter reading, demand

5 side management, communications and other beneficial Light Division

6 Electric System uses, and

7 WHEREAS by the installation of additional telecommunications

8
~capacity, this system would have the capability of providing additional public

9
benefits for the City, and Light Division ratepayers, and

10 WHEREAS for the above-stated purposes it will be necessary to

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approve a plan and system ordinance declaring the estimated cost thereof
providing for the method of financing and providing for the adoption and
implementation thereof, and a proposed ordinance providing for the issuance
and sale of special obligation bonds of the City of Tacoma consisting of one
million dollars (\$1,000,000) of electric system revenue bonds to be issued to
provide funds for such purposes, all as more specifically stated in the said
proposed ordinance, which by this reference is incorporated herein, and

WHEREAS it is in the best public interest to approve the proposed
ordinance and to request its passage by the City Council; Now, therefore,
BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

That the findings, terms and conditions of said proposed ordinance is

approved and the Council of the City of Tacoma is requested to concur by
passing an ordinance substantially in the same form as attached and as
approved by the City Attorney.

Approved as to form & legality: Carl W. Virgil
mark ~Bubenik Chairman

~Bil Moss
Chief Assistant City Attorney
Act- in~g Secretary

~Lvdia Stevenson
Clerk
Adopted 6/26/96

~ASLRA

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~U-9199

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Ordinance No.

First Reading of Ordinance: ~j ~U1
~16 1996

Final Reading of Ordinance: JUL 23 ~lqq6

Passed: 23 ~1919,-@

Roll Call vote:

MEMBERS	~NAYS	ABSENT
Mr. ~Baarsma		
Mr. ~Crow@@@_		
Mr. ~DeForrest		
~Mr.Evans		
Mr. Kirby		
Dr. ~McGavick		
Mr. Miller		
Dr. Silas		
Mayor Moss		

MEMBERS	AYES	NAY~S	STAIN	ABSENT
Mr. ~Baarsma				
Mr				
~rM-r. ~DeForrest				
~Mr.Evans				
Mr. Kirby				
Dr. ~McGavick-..				
Mr. Miller				
Dr. Silas				
I Mayor Moss				