
ORDINANCE NUMBER 71-O-00

AN ORDINANCE of the City of Evanston, Cook County, Illinois, in connection with its General Obligation Variable Rate Demand Bonds, Series 2000, authorizing one or more agreements to be made to limit the interest rate to be paid on a portion of said Bonds.

**Adopted by the City Council
on the 26th day of June 2000.**

**Published in Pamphlet Form
by the Authority of the City
Council on the 27th day of
June 2000.**

ORDINANCE NUMBER 71-O-00

AN ORDINANCE of the City of Evanston, Cook County, Illinois, in connection with its General Obligation Variable Rate Demand Bonds, Series 2000, authorizing one or more agreements to be made to limit the interest rate to be paid on a portion of said Bonds.

WHEREAS

A. The City of Evanston, Cook County, Illinois (the "City ") has a population in excess of 25,000 as determined by the last official census, and pursuant to the provisions of Section 6 of Article VII of the Constitution of the State of Illinois, the City is a home rule unit and may exercise any power or perform any function pertaining to its government and affairs including, but not limited to, the power to tax and to incur debt.

B. The City has the power to incur debt payable from ad valorem property tax receipts or from any other lawful source and maturing within 40 years from the time it is incurred without prior referendum approval.

C. Pursuant to the provisions of said Section 6, and Ordinance Number 68-O-00 , adopted by the City Council of the City (the "City Council") on June 26, 2000, the City intends to issue its General Obligation Variable Rate Demand Bonds, Series 2000, consisting of four series, 2000A, Taxable Series 2000B, 2000C and 2000D (collectively, the "Bonds"), which Bonds, as indicated, shall bear interest at a rate to be reset from time to time pursuant to the terms thereof.

D. Further, pursuant to the provisions of said Section 6, the City is authorized and empowered to enter into one or more interest rate transactions designed to limit the interest rate payable on variable rate obligations such as the Bonds (such agreements being "Interest Rate Cap Agreements"), which transactions are more fully described herein; and the City has

satisfied all conditions precedent to the exercise of such authority and made the appropriate determinations and findings required by such legal authority to enter into such transactions.

E. By engaging in the Interest Rate Cap Agreements, the City can limit its interest rate exposure on the Bonds and may reduce the cost of borrowing in certain high short-term interest rate markets, and thereby improve the City's ability to manage its funds and revenues during the period that the Bonds are outstanding.

F. The City Council of the City (the "*City Council*") has determined that it is desirable and in the best interests of the City to authorize entering into the Interest Rate Cap Agreements in accordance with the form for such agreement as promulgated by the International Swap Dealers Association, Inc. ("*ISDA*"), and known as the Master Agreement (Local Currency – Single Jurisdiction), 1991 ISDA Definitions, and 1992 ISDA U.S. Municipal Counterparty Definitions (collectively, the "*ISDA Form*"), substantially in the form attached to this Ordinance as *Exhibit A* and incorporated herein by reference, with successful bidders after a competitive offering to be made for the Interest Rate Cap Agreements (the "*Counterparties*").

NOW THEREFORE BE IT ORDAINED by the City Council of the City of Evanston, Cook County, Illinois, as follows:

Section 1. The City Council hereby finds that all of the recitals contained in the preambles to this Ordinance are full, true, and correct and does incorporate them into this Ordinance by this reference.

Section 2. Interest Rate Cap Agreements shall be sought by the City through Sound Capital Management, Inc., as agent, for such agreements in not to exceed the aggregate amounts, providing interest rate caps at not lower than the rates, allocable to the series of the Bonds, and having an up-front cost to the City of not to exceed the amounts, all as follows:

AGGREGATE AMOUNT (\$)	TO SERIES	LOWEST RATE (%)	MAXIMUM COST (\$)
15,000,000	2000A	7.000	125,000
2,700,000	Taxable 2000B	9.500	100,000

Section 3. The “*Designated Officers*” of the City shall be either the Mayor or the City Manager acting in concert with the Comptroller and Director of Finance. The Designated Officers are hereby authorized, on behalf of the City, to execute and deliver the Interest Rate Cap Agreements substantially in the form of the ISDA Form, with such changes, modifications, omissions, or insertions as the City Attorney shall approve and the Designated Officers shall approve not inconsistent with the provisions of this Ordinance; and the execution of the Interest Rate Cap Agreements by the Designated Officers shall be deemed to be full and complete approval of the City Council of any such change, modification, omission, or insertion.

Section 4. The net payments to be made or received by the City under the Interest Rate Cap Agreements shall be made from and be an obligation of the appropriate general funds of the City or received by such funds. Pursuant to the City’s home rule powers, no prior appropriation is needed for such payments; and the officers of the City are hereby authorized and directed from time to time to make such net payments from the appropriate general funds and from any other lawfully available source as may be necessary. Notwithstanding that no prior appropriation shall be needed for any such net payments, the officers of the City charged with the preparation of all future budget reports and appropriation ordinances shall include such appropriate line items and other entries making reasonable and adequate provision for the net payments, but such amounts so entered shall not constitute a limit on said net payments. Any obligations of the City under the Interest Rate Cap Agreements shall constitute a lawful corporate expenditure of the City payable from any funds lawfully available for that purpose.

Section 5. The Designated Officers of the City, and any other officers, employees, or agents of the City, are hereby authorized on behalf of the City to do all acts and things required or provided by the provisions of the Interest Rate Cap Agreements and this Ordinance and any certificates, agreements, consents, warrants, or documents executed and delivered on behalf of the City in connection therewith; to pay all fees and expenses in connection with the Interest Rate Cap Agreements as set forth or to purchase insurance policies in connection with any of the Interest Rate Cap Agreements authorized hereby, all such payments, however, to be within the limits on maximum cost as set forth above; and to take any other actions, which they or any of them deem necessary, desirable, or appropriate in order to effect any of the transactions contemplated by this Ordinance or the Interest Rate Cap Agreements approved pursuant to this Ordinance.

Section 6. It is the intention of the City Council that if any section, paragraph, clause, or provision of this Ordinance shall be ruled by any court of competent jurisdiction to be invalid, the invalidity of such section, paragraph, clause, or provision shall not affect any of the remaining provisions hereof.

Section 7. All ordinances, resolutions, and orders, or parts thereof, in conflict herewith are to the extent of such conflict hereby superseded; and this Ordinance shall be in full force and effect immediately upon its passage, approval, and publication.

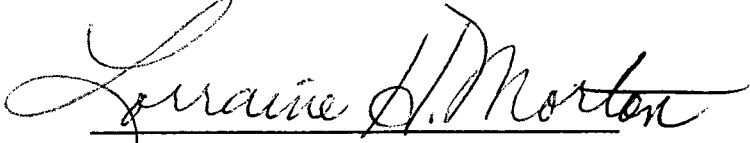
AYES: Aldermen Wynne, Kent, Moran, Engelman, Rainey, Feldman, Newman

NAYS: None

ABSENT: Aldermen Bernstein and Drummer

ADOPTED: June 26, 2000

APPROVED: June 27, 2000

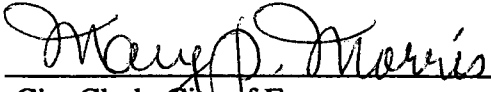


Mayor, City of Evanston
Cook County, Illinois

Recorded In City Records: June 27, 2000.

Published in pamphlet form by authority of the City Council on June 27, 2000.

ATTEST:



City Clerk, City of Evanston
Cook County, Illinois