

## **APPROPRIATING ORDINANCE #5**

### **AN ORDINANCE APPROPRIATING NOT EXCEEDING \$250,000,000 FOR DEPOSIT TO THE CITY OF NEW HAVEN'S RETIREMENT PLANS TO FUND A PORTION OF THE CITY'S UNFUNDED PAST BENEFIT OBLIGATION AND AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$250,000,000 TAXABLE GENERAL OBLIGATION BONDS OF THE CITY TO MEET SAID APPROPRIATION FISCAL YEAR 2019**

BE IT FURTHER ORDAINED by the New Haven Board of Alders, acting pursuant to the due authorization of the General Statutes and Special Acts of the State of Connecticut, that:

(a) Not exceeding **\$250,000,000** is hereby appropriated by the City for deposit to the City Employees' Retirement Fund and the Policemen and Firemen's Pension Fund (the "Retirement Plans") to fund a portion of the City's unfunded past benefit obligation, to finance any reserves necessary or desirable to secure the Pension Bonds (defined herein) and to pay all administrative, printing, legal and costs of issuance related thereto.

(b) To meet said appropriation, not exceeding **\$250,000,000** taxable general obligation bonds of the City (the "Pension Bonds") shall be issued as serial bonds or term bonds, or a combination thereof, in one or more series, maturing not later than the maximum maturity permitted by the General Statutes of Connecticut, Revision of 1958, as amended from time to time (the "Connecticut General Statutes"). The aggregate principal amount of the Pension Bonds of each series to be issued, the annual installments of principal, redemption provisions, if any, the certifying, registrar and transfer agent and paying agent, the date, time of issue and sale and other terms, details and particulars of the Pension Bonds, including the rate or rates of interest, shall be determined by the Bond Sale Committee in accordance with the Connecticut General Statutes.

(c) The Pension Bonds shall be executed in the name and on behalf of the City by the manual or facsimile signatures of the Mayor, City Treasurer and Controller, bear the City seal or a facsimile thereof, bear the Corporation Counsel's endorsement as to form and correctness, be certified by a bank or trust company, which bank or trust company may be designated the registrar and transfer agent, be payable at a bank or trust company designated by the Controller which bank or trust company may also be designated as the paying agent, registrar, and transfer agent, and be approved as to their legality by Robinson & Cole LLP, Bond Counsel. The Pension Bonds shall be general obligations of the City and each of the Pension Bonds shall recite that every requirement of law relating to its issue has been duly complied with, that such bond is within every debt and other limit prescribed by law, and that the full faith and credit of the City are pledged to the payment of the principal thereof and the interest thereon. The net proceeds of the sale of the Pension Bonds, after payment of underwriter's discount and other costs of issuance, shall be deposited in the Retirement Plans.

(d) The Pension Bonds may be sold in competitive offerings or negotiated underwritings, as shall be determined by the Mayor, with the approval of the Bond Sale Committee. If sold in a competitive offering, the Pension Bonds shall be sold at not less than par and accrued interest on the basis of the lowest net or true interest cost to the City, as shall be determined by the Mayor. A notice of sale or a

summary thereof describing the Pension Bonds and setting forth the terms and conditions of the sale shall be published at least five (5) days in advance of the sale in a recognized publication carrying municipal bond notices and devoted primarily to financial news and the subject of state and municipal bonds. If the Pension Bonds are sold in a negotiated underwriting, the provisions of the bond purchase agreement shall be approved by the Mayor with the approval of the Bond Sale Committee.

(e) Interest on the Pension Bonds may be includable in the gross income of the holders thereof under the Internal Revenue Code of 1986, as amended (the "Code"), and it is hereby determined that the issuance of the Pension Bonds bearing such rate or rates of interest includable in gross income under the Code is in the public interest.

(f) With respect to the issuance of the Pension Bonds, the Mayor and Controller, or either of them, shall take all actions necessary to comply with the terms of Section 7-374c of the Connecticut General Statutes (the "Pension Statute"), including making the necessary submissions to the State of Connecticut Office of Policy and Management and the Office of the Treasurer of the State of Connecticut in order to issue the Pension Bonds and comply with the requirements of the Pension Statute.

IN ACCORDANCE WITH SECTION 7-374c(c)(1)(G) OF THE PENSION STATUTE, THE CITY AGREES, AS LONG AS THE PENSION BONDS ARE OUTSTANDING AND TO THE EXTENT REQUIRED BY LAW, TO APPROPRIATE FUNDS IN AN AMOUNT SUFFICIENT TO MEET THE CITY'S ACTUARIALLY REQUIRED CONTRIBUTION AND CONTRIBUTE SUCH AMOUNTS TO THE RETIREMENT PLANS. IN THE EVENT THAT THE CITY FAILS TO APPROPRIATE SUFFICIENT FUNDS TO MEET THE ACTUARIALLY REQUIRED CONTRIBUTION IN ACCORDANCE WITH THE PENSION STATUTE, THERE SHALL BE DEEMED APPROPRIATED AN AMOUNT SUFFICIENT TO MEET SUCH REQUIREMENT NOTWITHSTANDING THE PROVISIONS OF THE CONNECTICUT GENERAL STATUTES, THE CITY CHARTER, OR OF ANY CITY ORDINANCE OR RESOLUTION.

(g) The Mayor and Controller, or either of them, are authorized to prepare and distribute one or more Preliminary Official Statements and final Official Statements of the City for use in connection with the offering and sale of the Pension Bonds.

(h) The Mayor and Controller, or either of them, are authorized to (a) negotiate with or cause the negotiation with financial institutions ("Bond Insurers") to obtain one or more financial guaranty insurance policies ("Insurance Policies") on such terms and conditions as shall be determined to be in the City's best interest, if feasible, (b) appoint one or more Bond Insurers to additionally secure the principal of and interest on the Bonds and (c) execute and deliver commitments and reimbursement agreements for Insurance Policies and such other documents pertaining thereto.

(i) The Mayor, the Controller and the Treasurer, or any two of them, are hereby authorized on behalf of the City to enter into agreements or otherwise covenant for the benefit of bondholders to provide information on an annual or other periodic basis to the Municipal Securities Rulemaking Board (the "MSRB") and to provide notices to the MSRB of events as enumerated in Securities and Exchange Commission Exchange Act Rule 15c2-12, as amended, as may be necessary, appropriate or desirable to effect the sale of the Pension Bonds authorized by this ordinance. Any agreements or representations to provide information to MSRB made prior hereto are hereby confirmed, ratified and approved.

(j) The Mayor, the Controller and the Treasurer, or any two of them, is authorized to, and if any such action shall heretofore have been taken by the Mayor, the Controller and the Treasurer, such action is hereby ratified and confirmed, (a) publish such notices, to hold such hearings, to make such representations and agreements, and to take such other actions as shall be necessary to enable Bond Counsel to render its opinions as to the validity of the Pension Bonds, (b) to make, execute and deliver all such additional and supplemental documents, including, but not limited to any tax compliance agreements, tax certificates, tax forms, investment agreements or assignments, and (c) to do and perform such acts and to take such actions as may be necessary or required for the consummation of the transactions provided for and contemplated by this ordinance.