

BOTTOM

(O-96-92 Cor.

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ORDINANCE NUMBER O-18236 (NEW SERIES)
ADOPTED ON DECEMBER 4, 1995

AN ORDINANCE SUBMITTING TO THE QUALIFIED VOTERS OF THE CITY OF SAN DIEGO AT THE SPECIAL MUNICIPAL ELECTION TO BE HELD ON MARCH 26, 1996, ONE PROPOSITION AMENDING THE CITY CHARTER BY ADDING SECTION 92.1 TO ALLOW THE CITY TO UTILIZE SHORT TERM BORROWING PROCEDURES FOR ITS ENTERPRISE FUNDS.

WHEREAS, pursuant to Section 223 of the San Diego City Charter, Section 3(b), Article XI, of the California Constitution, and Sections 34450 and 34458 of the California Government Code, the City Council has authority to place Charter amendments on a ballot to be considered at a Special Municipal Election; and

WHEREAS, by Ordinance No. O-18238, adopted on December 4, 1995, the Council of The City of San Diego called a Special Municipal Election to be held in the City on March 26, 1996, for the purpose of submitting to the qualified voters of the City one or more ballot propositions; and

WHEREAS, the City Council desires to submit to the voters at that Special Municipal Election one proposition amending the Charter of The City of San Diego by adding Section 92.1, which will allow the City to utilize short term borrowing procedures for its enterprise funds; NOW, THEREFORE,

BE IT ORDAINED, by the Council of The City of San Diego, as follows:

Section 1. One proposition amending the City Charter by adding Section 92.1 is hereby submitted to the qualified voters of the City at the Special Municipal Election to be held March 26, 1996, the proposition to read as follows:

Section 92.1 OTHER BORROWING

(a) For purposes of this Section, the term "Revenue Fund" means any enterprise fund of the City established to account for

the costs and expenses of a City operation supported primarily by fees and charges imposed on users of that operation.

(b) Notwithstanding any other provision of this Charter to the contrary, and subject to the limits contained in this Section, the City shall have the power to borrow money and incur indebtedness from time to time for any lawful purpose for which revenue from a Revenue Fund may be expended. This indebtedness shall be denominated as and evidenced by revenue certificates ("Revenue Certificates") to be issued in the manner and subject to the limitations set forth in this Section.

(c) Revenue Certificates issued by the City pursuant to this Section may be negotiable or nonnegotiable. All Revenue Certificates shall be payable as to principal, premium, if any, and interest solely from a specified Revenue Fund, or from any of the following sources:

- (1) the proceeds of sale of other Revenue Certificates issued pursuant to this Section and payable from the same Revenue Fund, or
- (2) amounts drawn under credit arrangements made pursuant to this Section, or
- (3) any other lawfully available source of funds.

(d) In order to borrow money pursuant to this Section, the Council shall adopt an ordinance authorizing the sale and issuance of Revenue Certificates for such purpose, which shall specify:

- (1) the particular Revenue Fund from which the Revenue Certificates shall be repaid, and the priority of such re-payment in relation to any other payments from the same Revenue Fund;
- (2) the maximum interest cost that may be incurred upon such Revenue Certificates;
- (3) the method of the sale of the Revenue Certificates; and
- (4) any other terms, covenants, and conditions as

the Council may deem appropriate.

(e) The City may obtain credit arrangements from one or more banks, insurance companies or other types of credit providers, for the purpose of providing an additional source of repayment for Revenue Certificates issued under this Section, provided that:

- (1) such credit arrangements are authorized pursuant to the ordinance required by Section 92.1(d);

(2) amounts repayable under credit arrangements are payable from the same Revenue Fund as the related Revenue Certificates;

evidence (3) the final maturity of any note or other of indebtedness issued to evidence any amount borrowed under this Section is no later than seven (7) years after the initial date of such borrowing; and

such (4) the rate or rates of interest payable on any borrowing are as specified in the ordinance.

(f) The maximum principal amount of Revenue Certificates payable from the same Revenue Fund that may be authorized shall not exceed twenty-five percent (25%) of the value of the total assets of the enterprise from whose Revenue Fund the Revenue Certificates will be repaid. This limitation shall:

required (1) be applied once at the time the ordinance by Section 92.1(d) is adopted; and

previously (2) take into account the maximum amount of authorized Revenue Certificates which authorization is still in effect; and

(3) be determined by reference to audited financial statements for the applicable Revenue Fund for the most recent fiscal year for which audited financial statements are available at the time the ordinance required by Section 92.1(d) is adopted.

(g) This Section is complete authority to issue Revenue Certificates and to obtain credit arrangements authorized in this Section, and only the actions or proceedings required by this Section shall be necessary for the valid authorization of Revenue Certificates. Nothing contained in this Section shall be construed to authorize the City to incur an obligation in excess of that authorized to be incurred by the Constitution of the State of California.

Section 2. The proposition shall be presented and printed upon the ballot and submitted to the voters in the manner and form set out in Section 3 of this ordinance.

Section 3. On the ballot to be used at this Special Municipal Election, in addition to any other matters required by law, there shall be printed substantially the following:

PROPOSITION . AMENDS SAN DIEGO
CITY CHARTER
SHALL THE SAN DIEGO CITY CHARTER BE

AMENDED TO ADD SECTION 92.1 TO
AUTHORIZE SHORT TERM BORROWING TO
ALLOW THE CITY TO TAKE ADVANTAGE OF
MORE FAVORABLE SHORT TERM BORROWING
RATES FOR CITY ENTERPRISE FUNDS?

YES

NO

Section 4. An appropriate mark placed in the voting square after the word "YES" shall be counted in favor of the adoption of this proposition. An appropriate mark placed in the voting square after the word "NO" shall be counted against the adoption of the proposition.

Section 5. The City Clerk shall cause this ordinance to be published once in the official newspaper.

Section 6. Pursuant to section 17 of the San Diego City Charter, this ordinance relating to elections shall take effect on December 4, 1995, which is the day of its introduction and passage.

APPROVED: JOHN W. WITT, City Attorney

By

Kelly J. Salt

Deputy City Attorney

CCM:KJS:jbl:pev

11/28/95

12/01/95 Cor.Copy

Or.Dept:Mayor

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