VILLAGE OF KEY BISCAYNE

Village Council
Mayra P. Lindsay, *Mayor*
Franklin H. Caplan
Luis F. de la Cruz
Theodore Holloway
Michael E. Kelly
Edward London
James Taintor

MEMORANDUM

DATE: December 2, 2014

TO: Honorable Mayor and Members of the Village Council

FROM: John C. Gilbert, Village Manager

RE: Purchase of Four (4) Police Vehicles, Emergency Equipment and Installation, Graphic Installation, Window Treatments, and Related Costs

RECOMMENDATION

It is recommended that the Village Council approve the attached Resolution authorizing to purchase four (4) police vehicles, accompanying emergency equipment and approve financing the purchase through a Municipal Lease Purchase Agreement with BB&T in an amount not to exceed $130,000.00 with a Non-Bank Qualified Tax Exempt interest rate of 1.99% for a four (4) year term and an annual payment of $34,132.80.

BACKGROUND

The Village of Key Biscayne's Police Department is in need of four (4) police vehicles and accompanying emergency equipment.

Estrada Hinojosa and Company, as the Village's Financial Advisor, through the Manager and Finance Director sent out a Request for Proposal to eighteen (18) banks. The recommendation is that the Village enters into a four (4) year Municipal Lease Purchase Agreement with BB&T to purchase the police vehicles and accompanying equipment at a fixed interest rate of 1.99%.

Reviewed by Mr. Jeff DeCarlo from Weiss Serota Helfman Pastoriza Cole & Boniske as to form and legal sufficiency.

RESOLUTION NO. 2014-___

A CAPITAL PROJECT AUTHORIZING RESOLUTION OF THE VILLAGE COUNCIL OF THE VILLAGE OF KEY BISCAYNE, FLORIDA, AUTHORIZING AND PROVIDING FOR THE VILLAGE TO LEASE/PURCHASE FOUR (4) POLICE VEHICLES, EMERGENCY EQUIPMENT AND INSTALLATION, GRAPHIC INSTALLATION AND WINDOW TREATMENTS, IN AN AMOUNT NOT EXCEEDING $130,000; AUTHORIZING THE VILLAGE MANAGER TO SELL ANY REPLACED VEHICLES; SELECTING PROPOSAL FROM BRANCH BANKING AND TRUST COMPANY TO PROVIDE FINANCING; AUTHORIZING THE VILLAGE MANAGER AND OTHERS TO NEGOTIATE FINAL TEMS AND PREPARE AND EXECUTE DOCUMENTS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Village Council as the governing body of the Village of Key Biscayne (the "Village") desires to obtain certain equipment described in Section 2 hereof (the "Equipment"); and

WHEREAS, the Equipment is essential for the Village to perform its governmental functions; and

WHEREAS, the Village recently sought proposals through a competitive bidding process for financing the cost of the Equipment; and

WHEREAS, the Village received a proposal (the "Proposal"), from Branch Banking and Trust Company (the "Bank"), to provide lease-purchase financing for the Equipment; and

WHEREAS, the Village Council desires to lease purchase the Equipment for an amount not exceeding $130,000 in substantial accordance with the terms of the Proposal; and

WHEREAS, the Village Council desires to authorize the Village Manager to enter into a lease purchase agreement and related documents in substantial accordance with the terms of the Proposal, subject to the approval of the Village Attorney as to form and legal sufficiency; and

WHEREAS, the Village Council finds that this Resolution is in the best interest and welfare of the residents of the Village.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE VILLAGE COUNCIL OF THE VILLAGE OF KEY BISCAYNE, FLORIDA, AS FOLLOWS:

Section 1. **Recitals Adopted.** Each of the recitals stated above is hereby adopted, confirmed and incorporated herein.

Section 2. **Capital Project Authorizing Resolution.** Pursuant to Section 3.07(b) of the Village Charter, this Resolution shall constitute a Capital Project Authorizing Resolution. The Capital Project is the purchase of four (4) new vehicles for the Village of Key Biscayne Police Department, emergency equipment and installation, graphic installation and window treatments (the "Equipment") at a projected cost of $128,513, with the actual cost not to exceed $130,000.

Section 3. **Acceptance of Proposal.** The Village Council hereby accepts the Proposal of the Bank to provide lease-purchase financing for the Equipment, a copy of which is attached as Exhibit "A" to this Resolution.

Section 4. **Sale of Replaced Equipment.** The Village Manager is authorized to sell any vehicles and/or equipment which are being replaced by the Equipment.

Section 5. **Village Manager and Others Authorized.** The Village Manager is hereby authorized to negotiate with the Bank the final terms of a lease-purchase agreement (the

"Lease"), the related project fund agreement, and other related documents, consistent with the Proposal. The Village Attorney and Bond Counsel to the Village are hereby authorized to draft documents and to do all other things necessary to accomplish the lease-purchase financing.

Section 6. Equipment Purchase Authorized; Execution of Documents. The acquisition of the Equipment is hereby authorized. The Village Council hereby authorizes the Village Manager to execute the Lease, the related project fund agreement, and other related documents, once approved by the Village Attorney for legal sufficiency, for the acquisition of the Equipment for a cost which is consistent with this Resolution and the Proposal. The Village Manager is authorized to take all action and execute all other documents necessary to implement this Resolution and the Lease, the related project fund agreement, and other related documents, and is authorized to expend Village funds for the purchase of the Equipment pursuant to the Lease and in accordance with Village budget appropriations. The Village Clerk of the Village is authorized to affix the official seal of the Village to the Lease, the related project fund agreement, and such other documents and attest the same. The proper officers of the Village are, and each of them hereby is, authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do or cause to be done any and all other acts and things necessary or proper for carrying out this Resolution and the Lease, the related project fund agreement, and other related documents, subject to the approval of the Village Attorney as to form and legal sufficiency.

Section 7. **Effective Date.** This Resolution shall be effective immediately upon adoption hereof.

PASSED AND ADOPTED this 2nd day of December, 2014.

_____
MAYOR MAYRA PEÑA LINDSAY

ATTEST:

_____
CONCHITA H. ALVAREZ, MMC
VILLAGE CLERK

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

_____
VILLAGE ATTORNEY

EXHIBIT "A"

BANK'S PROPOSAL

BB&T

Branch Banking & Trust Co.

Governmental Finance
P.O. Box 714
Columbia, SC 29202
(803) 251-1328
Fax (803) 251-1329

November 17, 2014

Ms. Vivian Parks
Finance Director
Village of Key Biscayne
88 W. McIntyre Street
Key Biscayne, FL 33149

Dear Ms. Parks:

Branch Banking and Trust Company ("BB&T") is pleased to offer this proposal for the financing requested by the Village of Key Biscayne, FL ("Village").

(1) **Project:** Lease Purchase Financing of 4 Vehicles (including emergency equipment and installation, graphic installation and window treatments)

(2) **Amount To Be Financed:** $130,000

(3) **Interest Rates, Financing Terms and Corresponding Payments:**

Final Maturity	NBQ Rate
December 4, 2018	1.99%

Principal and interest on this financing transaction shall be due annually on December 4, commencing December 4, 2015. Interest on the principal balance will accrue on a 30/360 day count basis. Please see the attached draft amortization schedule for information on payments.

In the event that the above mentioned vehicles have not been received by the Village prior to closing, the financing proceeds shall be deposited on behalf of the Village into a project fund account with BB&T. Earnings on the project fund shall accrue to the benefit of the Village for use on project costs or interest payments.

The interest rate stated above is valid for a closing not later than 45 days after today. Closing of the financing is contingent upon completing documentation acceptable to BB&T and upon the condition of the property acceptable to BB&T.

All applicable taxes, permits, costs of counsel for the Village and any other costs shall be the Village's responsibility and separately payable by the Village.

The financing documents shall allow prepayment of the principal balance in whole on a scheduled payment date with a 1% prepayment premium.

The stated interest rate above assumes that the Village expects to borrow more than $10,000,000 in calendar year 2014.

(4) Financing Documents:

BB&T shall use its standard form financing contracts and related documents for this installment financing. We shall provide a sample of those documents to you should BB&T be the successful proposer. BB&T shall also require that the Village's local counsel provide an acceptable legal opinion. A draft of this opinion will be provided with our documents.

(5) Security:

This financing shall be secured by a covenant of the Village to budget and appropriate from legally available non ad-valorem revenues.

BB&T appreciates the opportunity to make this financing proposal and requests to be notified within ten days of this proposal should BB&T be the successful proposer.

BB&T shall have the right to cancel this offer by notifying the Village of its election to do so (whether or not this offer has previously been accepted by the Village) if at any time prior to the closing there is a material adverse change in the Village's financial condition, if we discover adverse circumstances of which we are currently unaware, if we are unable to agree on acceptable documentation with the Village or if there is a change in law (or proposed change in law) that changes the economic effect of this financing to BB&T. We reserve the right to negotiate and/or terminate our interest in this transaction should we be the successful proposer.

Should we become the successful proposer, we have attached the form of a resolution that your governing board can use to award the financing to BB&T. If your board adopts this resolution, then BB&T shall not require any further board action prior to closing the transaction.

Please call me at (803) 251-1328 with your questions and comments. We look forward to hearing from you.

Sincerely,

BRANCH BANKING AND TRUST COMPANY

Andrew G. Smith
Sr. Vice President

Resolution Approving Financing Terms

WHEREAS: The Village of Key Biscayne, FL ("Village") has previously determined to undertake a project for the purchase of 4 vehicles ("Project"), and the Finance Officer has now presented a proposal for the financing of such projects.

BE IT THEREFORE RESOLVED, as follows:

1. The Village hereby determines to finance the Project through Branch Banking and Trust Company ("BB&T"), in accordance with the proposal dated November 17, 2014. The amount financed shall not exceed $130,000, the annual interest rate (in the absence of default or change in tax status) shall not exceed 1.99% and the financing term shall not exceed four (5) years from closing.

2. All financing contracts and all related documents for the closing of the financing (the "Financing Documents") shall be consistent with the foregoing terms. All officers and employees of the Village are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Projects as contemplated by the proposal and this resolution. The Financing Documents shall include a Financing Agreement and a Project Fund Agreement as BB&T may request.

3. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to such officer's satisfaction. The Finance Officer is authorized to approve changes to any Financing Documents previously signed by Village officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Finance Officer shall approve, with the Finance Officer's release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document's final form.

4. The Village shall not take or omit to take any action the taking or omission of which shall cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations.

5. The Village intends that the adoption of this resolution will be a declaration of the Village's official intent to reimburse expenditures for the Projects that are to be financed from the proceeds of the BB&T financing described above. The Village intends that funds that have been advanced, or that may be advanced, from the Village's general fund or any other Village fund related to the Projects, for project costs may be reimbursed from the financing proceeds.

6. All prior actions of Village officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

Approved this _____ day of _____, 2014.

By: _____ (Clerk)

By: _____ (Mayor)

SEAL

Village of Key Biscayne

Compound Period ..... : Annual

Nominal Annual Rate .... : 1.990 %

CASH FLOW DATA

	Event	Date	Amount	Number	Period	End Date
1	Loan	12/04/2014	130,000.00	1		
2	Payment	12/04/2015	34,132.80	4	Annual	12/04/2018

AMORTIZATION SCHEDULE - Normal Amortization

Date	Payment	Interest	Principal	Balance
Loan 12/04/2014				130,000.00
2014 Totals	0.00	0.00	0.00	
1 12/04/2015	34,132.80	2,587.00	31,545.80	98,454.20
2015 Totals	34,132.80	2,587.00	31,545.80	
2 12/04/2016	34,132.80	1,959.24	32,173.56	66,280.64
2016 Totals	34,132.80	1,959.24	32,173.56	
3 12/04/2017	34,132.80	1,318.98	32,813.82	33,466.82
2017 Totals	34,132.80	1,318.98	32,813.82	
4 12/04/2018	34,132.80	665.98	33,466.82	0.00
2018 Totals	34,132.80	665.98	33,466.82	
Grand Totals	136,531.20	6,531.20	130,000.00	