VILLAGE OF KEY BISCAYNE

Office of the Village Manager

Village Council
Robert L. Vernon, *Mayor*
Michael Davey, *Vice Mayor*
Enrique Garcia
Robert Gusman
Michael E. Kelly
Jorge E. Mendia
Thomas Thornton

Village Manager
Genaro "Chip" Iglesias

MEMORANDUM

DATE: August 18, 2009

TO: Honorable Mayor and Members of the Village Council

FROM: Genaro "Chip" Iglesias, Village Manager

RE: Sanitary Sewer Project- Zone 1 & 4 Loan/Conveyance

RECOMMENDATION

It is recommended that the Village Council approve the attached ordinance authorizing the execution of a bank loan to pay for the for the Zones 1 & 4 portions of the Sanitary Sewer Project in lieu of the previously approved State Revolving Fund.

BACKGROUND

On June 28, 2009, the Village Council authorized the Village to secure the long term financing from the State Revolving Fund Loan Program ("SRFL") in an amount not to exceed $5,318,500. This amount represents the Village's portion of the overall water and sewer improvement project for Zones 1, 2/3 and 4.

In the course of finalizing the various zones, it was determined that the SRFL monies could not be used to pay for the sewer improvements for Zones 1 and 4 due to the timing of the construction work relative to the SRFL documents. In recent communications with the Florida Department of Environmental Protection, the possibility of amending the SRFL documents to include Zones 1 and 4 was considered; however, due to the extended time period anticipated for this process, and the need to convey the sewer improvements for Zones 1 and 4 to Miami-Dade Water and Sewer Department as expeditiously as possible (therefore, allowing resident sewer hookups), it was determined that this would not be the best course of action. We are herewith requesting the Village Council's approval to allow the Village Manager to enter into negotiations for a $1.2 million bank loan to fund the Village's contribution towards the sewer improvements in Zones 1 and 4. The total amount to be borrowed from the SRFL would be reduced by the $1.2 million, thereby, not affecting the approved overall amount ($5,318,500) to be borrowed.

88 West McIntyre Street • Suite 210 • Key Biscayne, Florida 33149 • (305) 365-5500 • Fax (305) 365-8936

MISSION STATEMENT: "TO PROVIDE A SAFE, QUALITY COMMUNITY ENVIRONMENT FOR ALL ISLANDERS THROUGH RESPONSIBLE GOVERNMENT"
www.keybiscayne.fl.gov

ORDINANCE NO. _____

AN ORDINANCE OF THE VILLAGE OF KEY BISCAYNE, FLORIDA AUTHORIZING THE ISSUANCE OF NOT EXCEEDING $1,200,000 OF WATER AND SEWER REVENUE BONDS OF THE VILLAGE OF KEY BISCAYNE, FLORIDA; PROVIDING FOR A SUPPLEMENTAL RESOLUTION SETTING FORTH THE DETAILS OF SAID BONDS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Village Council (the "Council") of the Village of Key Biscayne, Florida (the "Village") desires to authorize the issuance of not exceeding $1,200,000 of bonds for the purpose of financing a portion of the costs of water and sewer system improvements within the Village, financing architectural, engineering, environmental, legal and other planning costs related thereto, and paying costs of issuance of the bonds; and

WHEREAS, the Council desires that the bonds be secured by the electric utility tax revenues of the Village, as further specified by subsequent resolution of the Council.

NOW, THEREFORE, BE IT ORDAINED BY THE VILLAGE COUNCIL OF THE VILLAGE OF KEY BISCAYNE, FLORIDA, AS FOLLOWS:

Section 1. In accordance with the provisions of the Charter of the Village of Key Biscayne, Florida and Chapter 166, Florida Statutes, there are hereby authorized to be issued Water and Sewer Revenue Bonds (the "Bonds") of the Village, in an aggregate principal amount not to exceed $1,200,000, in one or more series, for the purpose of financing a portion of the costs of water and sewer system improvements within the Village, financing architectural, engineering, environmental, legal and other planning costs related thereto, and paying costs of issuance of the Bonds. The Bonds shall be designated "Village of Key Biscayne, Florida Water and Sewer Revenue Bonds" (with appropriate series designation), or such other designation as may be approved by supplemental resolution, shall be dated such date, shall be in such denominations, shall be stated to mature in such year or years not later than twenty (20) years from their date of issuance, shall bear interest from their dated date at a rate or rates not exceeding the maximum rate permitted by law at the time of issuance of the Bonds, shall be subject to redemption at the option of the Village at such times and prices, and shall have such other details, all as shall hereafter be determined by the Council by supplemental resolution. The supplemental resolution may be adopted, and the Bonds may be issued, at any time after the effective date of this Ordinance.

Section 2. The Village Manager, the Village Finance Director and the Financial Advisor for the Village are each hereby authorized to negotiate with banks or other financial institutions for the purchase of the Bonds and with respect to the terms of the Bonds. 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 issuance and sale of the Bonds.

Section 3. This Ordinance will become effective immediately upon adoption on second reading.

PASSED AND ADOPTED on first reading this _____ day of _____, 2009.

PASSED AND ADOPTED on second reading this _____ day of _____, 2009.

_____
MAYOR ROBERT L. VERNON

ATTEST:

_____
CONCHITA H. ALVAREZ, CMC, VILLAGE CLERK

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

_____
VILLAGE ATTORNEY