



V I L L A G E O F K E Y B I S C A Y N E

Office of the Village Manager

MEMORANDUM

Village Council
Mayra P. Lindsay, *Mayor*
Edward London, *Vice Mayor*
Franklin H. Caplan
Luis E de la Cruz
Gary R. Gross
Theodore Holloway
Michael E. Kelly

Village Manager
John C. Gilbert

DATE: April 26, 2016

TO: Honorable Mayor and Members of the Village Council

FROM: John C. Gilbert, Village Manager

RE: Refinancing of the State Revolving Fund Loan, Series 2009

RECOMMENDATION

It is recommended that the Village Council authorize the issuance of a loan amount not to exceed \$3,500,000 for the purpose of refinancing the outstanding Clean Water State Revolving Fund Loan, Series 2009 (SRF Loan WW850050) of the Village of Key Biscayne.

BACKGROUND

In June 2009, the Village entered into a revolving loan agreement with the State of Florida Water Pollution Control Financing Corporation in a total amount of \$5,215,500 for the financing of the sanitary sewer construction project. Total principal due under the loan was \$5,318,500 which included loan servicing fees. The loan is secured by the Communications Service Tax. The loan was structured with semi-annual payments over 20 years beginning on August 15, 2010 and is payable each August 15 and February 15 at an interest rate of 3.39% per annum. The loan matures on February 15, 2030.

There is an opportunity to take advantage of the current prevailing low interest rates and also achieve debt service savings. This opportunity has been presented by our Financial Advisor, Ms. Lourdes Abadin from Estrada Hinojosa & Company and reviewed by our Finance Director. The bonds may be prepaid at any time. This ordinance authorizes the issuance of the bonds and the Village Manager to negotiate with banks or other financial institutions to purchase the bonds, and to enter into a rate lock agreement to achieve savings.

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

ORDINANCE NO. 2016-

AN ORDINANCE OF THE VILLAGE OF KEY BISCAYNE, FLORIDA AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$3,500,000 OF SEWER IMPROVEMENT REVENUE BONDS OF THE VILLAGE OF KEY BISCAYNE, FLORIDA; PROVIDING FOR A SUPPLEMENTAL RESOLUTION SETTING FORTH THE DETAILS OF SAID BONDS; AUTHORIZING THE VILLAGE MANAGER TO NEGOTIATE WITH FINANCIAL INSTITUTIONS FOR PURCHASE OF THE BONDS AND TO ENTER INTO A RATE LOCK AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on June 23, 2009, the Village of Key Biscayne, Florida (the "Village") entered into a Clean Water State Revolving Fund Loan Agreement (WW850050), as amended by Amendment 1 to Loan Agreement WW850050, with the Florida Water Pollution Control Financing Corporation in a total amount of \$5,215,500 (the "Loan") for the financing of a sanitary sewer construction project (the "Project"); and

WHEREAS, in order to take advantage of the current prevailing low interest rates and thereby achieve debt service savings, the Village Council (the "Council") desires to authorize the issuance of not exceeding \$3,500,000 of bonds (the "Bonds") for the purpose of prepaying the Loan and paying costs of issuance of the Bonds; and

WHEREAS, the Council desires that the Bonds be secured in the same manner as the Loan, by a pledge of the Communication Services Tax, 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. Each of the above-stated recitals is hereby adopted and confirmed.

Section 2. 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 the Bonds, in an aggregate principal amount not to exceed \$3,500,000, in one or more series, for the purpose of prepaying the Loan and paying costs of issuance of the Bonds. The Bonds shall be designated "Village of Key Biscayne, Florida Sewer Improvement Revenue Bonds, Series 20__," 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 no later than October 1, 2030 and 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 "Bond Resolution"). The Bond Resolution may be adopted, and the

Bonds may be issued, at any time after the effective date of this Ordinance.

Section 3. The Village Manager, the Village Finance Director, the Village Attorney, Bond Counsel to the Village 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 Manager is hereby authorized to accept the commitment from the institution offering, in his opinion, after consultation with the Financial Advisor, the best terms for the purchase of the Bonds, and to enter into an agreement locking in the interest rate as soon as possible. The final terms of the Bonds, as so agreed to by the Village Manager, shall be set forth, and presented to Council, in the Bond Resolution. 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 4. This Ordinance will become effective immediately upon adoption on second reading.

PASSED AND ADOPTED on first reading this ____ day of _____, 2016.

PASSED AND ADOPTED on second reading this ____ day of _____, 2016.

MAYOR MAYRA PEÑA LINDSAY

ATTEST:

CONCHITA H. ALVAREZ, MMC, VILLAGE CLERK

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

VILLAGE ATTORNEY