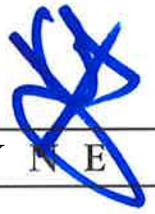




VILLAGE OF KEY BISCAYNE

Office of the Village Manager



MEMORANDUM

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

Village Manager
John C. Gilbert

DATE: May 24, 2016
TO: Honorable Mayor and Members of the Village Council
FROM: John C. Gilbert, Village Manager
RE: The Issuance of Not Exceeding \$5,625,000 of Capital Improvement Revenue Bonds, Series 2016

RECOMMENDATION

It is recommended that the Village Council authorize the issuance of a loan amount not to exceed \$5,625,000, for the purpose of prepaying and refinancing the outstanding Clean Water State Revolving Fund Loan (the "Loan"), reimbursing the Village for expenditures made in connection with land acquisition for a Village park (the "Project"), and paying costs of issuance of the Bonds.

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.

Additionally, subsequent to the adoption of Ordinance No. 2016-2, indicating the intent of the Village to issue tax-exempt bonds to reimburse the Village for expenditures made in connection with the Project, and pursuant thereto, the Village acquired land to be used for a Village park using general fund moneys, and desires to reimburse the general fund for such expenditure from the proceeds of bonds.

There is an opportunity to take advantage of the current prevailing low interest rates and thereby achieve debt service savings with respect to the Loan, and to reimburse the Village for expenditures made in connection with the Project. This opportunity has been presented by our Financial Advisor, Ms. Lourdes Abadin from Estrada Hinojosa & Company. 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.

The proposals are due on Friday, May 20th. The Council will be informed of the results at the Council meeting of Tuesday, May 24th.

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 BISCAIYNE, FLORIDA AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$5,625,000 OF CAPITAL IMPROVEMENT REVENUE BONDS OF THE VILLAGE OF KEY BISCAIYNE, FLORIDA FOR THE PURPOSE OF PREPAYING AND REFINANCING A STATE REVOLVING FUND LOAN AND REIMBURSING THE VILLAGE FOR EXPENDITURES MADE IN CONNECTION WITH LAND ACQUISITION FOR A VILLAGE PARK; 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; and

WHEREAS, on February 9, 2016, the Village Council (the "Council") adopted Resolution No. 2016-6 (the "Intent Resolution") indicating its intent to issue tax-exempt bonds for the purpose of financing the costs of various capital improvements and land acquisition, and use proceeds of the bonds to reimburse expenditures paid prior to the issuance thereof; and

WHEREAS, on February 23, 2016, the Council adopted Ordinance No. 2016-2 ("Ordinance No. 2016-2"), as a Capital Project Authorizing Ordinance pursuant to Charter Section 4.03(9), authorizing the acquisition of land as contemplated by the Intent Resolution; and

WHEREAS, subsequent to the adoption of Ordinance No. 2016-2 and pursuant thereto, the Village acquired land to be used for a Village park (the "Project") using general fund moneys, and desires to reimburse the general fund for such expenditure from the proceeds of bonds; and

WHEREAS, in order to take advantage of the current prevailing low interest rates and thereby achieve debt service savings with respect to the Loan, and in order to reimburse the Village for expenditures made in connection with the Project, the Council desires to authorize the issuance of not exceeding \$5,625,000 of bonds (the "Bonds") for the purpose of prepaying and refinancing the Loan, reimbursing the Village for expenditures made in connection with the Project, and paying costs of issuance of the Bonds; and

WHEREAS, the Council desires that the Bonds be secured by a covenant to budget and appropriate Non-Ad Valorem 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 BISCAZYNE, 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 is hereby authorized to be issued the Bonds, in an aggregate principal amount not to exceed \$5,625,000, in one or more series, for the purpose of prepaying and refinancing the Loan, reimbursing the Village for expenditures made in connection with the Project, and paying costs of issuance of the Bonds. The Bonds shall be designated "Village of Key Biscayne, Florida Capital Improvement Revenue Bonds, Series 2016," 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 26th day of April, 2016.

PASSED AND ADOPTED on second reading this 24th day of May, 2016.

MAYOR MAYRA PEÑA LINDSAY

ATTEST:

CONCHITA H. ALVAREZ, MMC, VILLAGE CLERK

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

VILLAGE ATTORNEY