



Finance Memo 18-71

Date: March 30, 2018

To: Mayor and City Commission

From: Andrew Jean-Pierre, Finance Director *AS*

Via: Greg Harrison, City Manager

Re: Consideration of Approval of General Obligation Bonds Master Bond Ordinance

The qualified electors of the City voting in a referendum held on March 13, 2018 (the "Referendum") approved the issuance of General Obligation Bonds (the "Bonds") to finance the following capital projects (i) the "Public Safety Projects" (consisting generally of police, fire, emergency management and lifeguard facilities and related costs); (ii) the "Parks, Recreation and Leisure Projects" (consisting generally of parks, recreation and leisure facilities and related costs); and (iii) the "Streets, Sidewalks, Bridges and Streetscaping Projects" (consisting generally of streets, sidewalks, bridges and streetscaping, related utilities and drainage and related costs) (collectively, the "Projects").

This proposed Master Bond Ordinance (the "Bond Ordinance") authorizes the judicial validation of the Bonds and the issuance of the Bonds in one or more Series (as defined in the Bond Ordinance) to pay, together with other legally available funds of the City, the Cost (as defined in the Bond Ordinance) of financing or refinancing the Projects and to pay costs of issuance of the Bonds. The Bond Ordinance provides that the aggregate principal amount of the Bonds to be issued thereunder (excluding Bonds issued for refunding purposes) in connection with: (1) the Public Safety Projects shall not exceed \$46,000,000; (2) the Park, Recreation and Leisure Projects shall not exceed \$56,000,000; and (3) the Streets, Sidewalks, Bridges and Streetscaping Projects shall not exceed \$79,000,000, all as approved at the Referendum. The Bond Ordinance further establishes three separate accounts in the Construction Fund created under the Bond Ordinance for each category of the Projects.

The Bond Ordinance provides that before any Bonds shall be issued under the provisions thereof, the City Commission shall adopt a Series Ordinance authorizing the issuance of such Bonds, fixing (or providing for the fixing of) the amount and the details thereof, and describing in brief and general terms the portions of the Projects to be constructed or acquired or refinanced, consistent with the authorization of the Referendum. As such, at future City Commission meetings, staff will be requesting that the City Commission adopt a Series Ordinance.

The Bond Ordinance irrevocably pledges the City's full faith, credit and taxing power for the prompt payment of the principal of and interest on the Bonds and all expenses incurred by the City in carrying out the Bond Ordinance and creates a lien upon the Ad Valorem Taxes (as defined in the Bond Ordinance) and other monies on deposit from time to time in the funds and accounts established thereunder (subject to the provisions of the Bond Ordinance respecting the use of funds in the accounts in the Construction Fund), including, without limitation, the investment earnings thereon, to secure the payment of the principal of and interest on the Bonds and to pay other expenses related thereto.

The Ad Valorem Taxes consist of the ad valorem taxes assessed, levied and collected, on all taxable property within the City sufficient in amount to pay the principal of and interest on the Bonds as the same shall become due, after deducting therefrom any other funds which may be available for such principal and interest payments and which shall actually be so applied. The City covenants in the Bond Ordinance that the Ad Valorem Taxes shall be assessed, levied and collected and the proceeds of said Ad Valorem Taxes shall be applied solely to the payment of principal of and interest on the Bonds and that the proceeds of such Ad Valorem Taxes shall be deposited, as received, into the Ad Valorem Taxes Fund established under the Bond Ordinance.

The Approval of this Master Bond Ordinance by the City Commission is the first step in a sequence of events necessary to facilitate the sale of the Bonds. Staff currently anticipates that the Bonds would be sold around or prior to September 30, 2018, at which point the City would have the bond proceeds in hand. During the months leading up to the sale of the bonds, staff will be working diligently to lay the foundation necessary to be able to hit the ground running, once bond proceeds are in hand, in terms of project deployment. Staff will also be developing a mechanism to ensure the public is kept apprised of developments throughout this process, as well as post issuance of the bonds.