




FINANCE DEPARTMENT  
MEMO 21-101

Date: July 20, 2021

To: Mayor and Commissioners

From: Andrew Jean-Pierre, Finance Director   
Via: Greg Harrison, City Manager  
Suzette Sibble, Assistant City Manager

Re: General Obligation Bonds, Series 2021 – Series Ordinance

Bond Referendum

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”).

Master Bond Ordinance

Ordinance No. 2018-49 (the “Bond Ordinance”) enacted on April 24, 2018 by the City Commission, authorized 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.

#### Pledge Under the Bond 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, without limitation as to rate or amount, 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.

#### 2018 Series Ordinance

Pursuant to Series Ordinance No. 2018-58 enacted on June 26, 2018, as amended by Series Ordinance No. 2020-34 enacted on January 28, 2020 (collectively, the "2018 Series Ordinance"), the City has previously issued its initial Series of Bonds in the aggregate principal amount of \$99,375,000 (the "Series 2018 Bonds"), the proceeds of which, together with \$6,128,245.55 of original issue premium, was allocated to certain of the Projects (collectively, the "Series 2018 Projects") as follows: (1) \$16,864,071.00 was allocated to certain Public Safety Projects, (2) \$46,220,235.40 was allocated to certain Parks, Recreation and Leisure Projects and (3) \$42,418,939.15 was allocated to certain Streets, Sidewalks, Bridges and Streetscaping Projects.

#### 2021 Series Ordinance

The 2021 Series Ordinance is required by the Master Bond Ordinance to provide for the issuance of the second Series of the Bonds (referred to as the General Obligation Bonds, Series 2021 or the 2021 Bonds). No further action by the City Commission subsequent to the enactment of the 2021 Series Ordinance will be required to accomplish the issuance and sale of the 2021 Bonds. It is expected that the 2021 Bonds will be issued no later than October, 2021.

Principally, the 2021 Series Ordinance:

- Authorizes the issuance of the 2021 Bonds, subject to certain parameters set forth in the Series Ordinance, including with respect to the not to exceed principal amounts, maturity and interest rate.
- Sets forth the list of Projects to be financed, all or in part, by the 2021 Bonds.
- Authorizes the City Manager, in consultation with the City Attorney, Bond Counsel and the City's Financial Advisor, to make certain determinations with respect to the 2021 Bonds, subject to the parameters, including the date on which the 2021 Bonds will be sold.
- Authorizes the competitive sale of the 2021 Bonds, subject to the parameters, and approves the forms of certain documents to be used to market the 2021 Bonds, including an Official Notice of Sale, a Summary Notice of Sale and a Preliminary Official Statement, and authorizes the preparation of a final Official Statement.
- Approves the forms, and authorizes the execution and delivery of, an award certificate to reflect matters resulting from the competitive sale of the 2021 Bonds and a continuing disclosure certificate, as required by SEC Rule 15c2-12, which provides for the City to annually update certain operating and financial data set forth in the Official Statement.
- Authorizes the Finance Director to appoint an initial paying agent and bond registrar for the 2021 Bonds and authorizes the engagement of a dissemination agent in connection with the continuing disclosure certificate.
- Authorizes appropriate representatives of the City to take actions that are necessary and appropriate to accomplish the issuance of the 2021 Bonds, consistent with the matters set forth in the 2021 Series Ordinance.

Attached as Exhibit A to the 2021 Series Ordinance is a list of projects and related components to be financed, all or in part, with the 2021 Bond issue/sale.

Project costs for these Phase II projects and their related components total \$79,386,855. The Series Ordinance authorizes the issuance of bonds not exceeding \$81,625,000, to allow for capacity to accommodate costs of issuance, underwriter fees and potential investor preference for original issue premium bonds, as it relates to the 2021 Bond sale. The amount of 2021 Bonds actually sold could be less, but may not be more than this maximum authorized amount. Final terms related to the sale of the 2021 Bonds will be determined at point of sale of the bonds.

Voters initially authorized the issuance of not to exceed \$181,000,000 in General Obligation Bonds. The City already issued not to exceed \$99,375,000 in bonds on October 2, 2018 (Phase I). The not to exceed \$81,625,000 represents the remaining authorized G.O. Bonds to be issued (Phase II) of which the amount allocated to (1) the Public Safety Projects shall not exceed \$30,115,000, (2) the Parks, Recreation and Leisure Projects shall not exceed \$12,465,000, and (3) the Streets, Sidewalks, Bridges and Streetscaping Projects shall not exceed \$39,045,000.

The City has broken the authorized G.O. Bonds into two separate sales in order to facilitate manageability and rollout of the 25 G.O. Bond projects throughout the City, facilitate timely completion of projects from the funding of bond proceeds and avoiding unnecessary carrying costs for debt service ahead of project completion.

All documents related to this agenda item have been prepared by bond counsel and reviewed by the City Attorney and the City's Financial Advisor, Public Financial Management team, in addition to the City's Finance Department staff.