

RESOLUTION NO. 2020-05

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VENICE, FLORIDA, ACCEPTING A PROPOSAL OF SYNOVUS BANK TO PROVIDE THE CITY WITH A TERM LOAN IN ORDER TO REFUND ALL OF THE CITY'S OUTSTANDING RECREATION CAPITAL IMPROVEMENT GENERAL OBLIGATION BOND, SERIES 2014 WHICH WAS ISSUED TO REFINANCE COSTS OF THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF VARIOUS RECREATIONAL FACILITIES; APPROVING THE FORM OF A LOAN AGREEMENT; AUTHORIZING THE ISSUANCE OF A CITY OF VENICE, FLORIDA RECREATION CAPITAL IMPROVEMENT GENERAL OBLIGATION REFUNDING BOND, SERIES 2020 PURSUANT TO SUCH LOAN AGREEMENT IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$3,500,000 IN ORDER TO EVIDENCE SUCH LOAN; AUTHORIZING THE REPAYMENT OF SUCH BOND FROM AD VALOREM TAXATION WITHOUT LIMIT ON ALL TAXABLE PROPERTY IN THE CITY; DELEGATING CERTAIN AUTHORITY TO THE MAYOR, CITY MANAGER AND OTHER OFFICERS OF THE CITY FOR THE AUTHORIZATION, EXECUTION AND DELIVERY OF THE LOAN AGREEMENT, THE BOND AND VARIOUS OTHER DOCUMENTS WITH RESPECT THERETO; AND PROVIDING FOR AN EFFECTIVE DATE.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VENICE, FLORIDA:

SECTION 1. AUTHORITY FOR THIS RESOLUTION.

This Resolution is adopted pursuant to the provisions of the State of Florida Constitution, Chapter 166, Florida Statutes, the Charter of the City of Venice, Florida, the Referendum Ordinance (as defined herein) and other applicable provisions of law.

SECTION 2. DEFINITIONS.

When used in this Resolution, capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement (as defined herein), unless the context clearly indicates a different meaning.

"Act" shall mean the State of Florida Constitution, Chapter 166, Florida Statutes, the Charter of the City, the Referendum Ordinance and other applicable provisions of law.

"Bond Counsel" shall mean Nabors, Giblin & Nickerson, P.A.

"Bondholder" shall mean Synovus Bank and its successors and assigns.

"City" shall mean the City of Venice, Florida, a municipal corporation duly organized and validly existing under the laws of the State of Florida.

"City Manager" shall mean the City Manager of the City and such other person as may be duly authorized to act on his or her behalf.

"Clerk" shall mean the City Clerk of the City and such other person as may be duly authorized to act on her or his behalf.

"Council" shall mean the City Council of the City of Venice, Florida.

"Finance Director" shall mean the Finance Director of the City and such other person as may be duly authorized to act on her or his behalf.

"Financial Advisor" shall mean the City's financial advisor, Larson Consulting Services, LLC.

"Loan Agreement" shall mean the Loan Agreement to be executed between the Bondholder and the City, which shall be substantially in the form attached hereto as Exhibit B.

"Mayor" shall mean the Mayor of the City and in his or her absence or unavailability, the Vice-Mayor of the City and such other person as may be duly authorized to act on his or her behalf.

"Project" shall mean the acquisition, construction and equipping of various recreational capital improvements within the City as more particularly described in the Referendum Ordinance and the plans and specifications on file with the City, which improvements were originally financed with proceeds of the Series 2004 Bonds.

"Referendum Ordinance" shall mean Ordinance No. 2003-20 adopted by the Council on August 12, 2003.

"Refunded Bond" shall mean the City's outstanding Recreation Capital Improvement General Obligation Refunding Bond, Series 2014 issued under the authority of the Referendum Ordinance to refund the Series 2004 Bonds and refinance costs of the Project.

"Series 2020 Bond" shall mean the City of Venice, Florida Recreation Capital Improvement General Obligation Refunding Bond, Series 2020, as such Series 2020 Bond is more particularly described in the Loan Agreement.

"Series 2004 Bonds" shall mean the City's Recreation Capital Improvement General Obligation Bonds, Series 2004 issued under the authority of the Referendum Ordinance to finance costs of the Project.

The words "herein," "hereunder," "hereby," "hereto," "hereof," and any similar terms shall refer to this Resolution.

Words importing the singular number include the plural number, and vice versa.

SECTION 3. RESOLUTION TO CONSTITUTE CONTRACT.

In consideration of the purchase and acceptance of the Series 2020 Bond by the Bondholder, the provisions of this Resolution shall be a part of the contract of the City with the Bondholder, and shall be deemed to be and shall constitute a contract between the City and the Bondholder. The pledge made in this Resolution and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the City shall be for the benefit, protection and security of the Bondholder.

SECTION 4. FINDINGS.

It is hereby ascertained, determined and declared that:

(A) Pursuant to the Referendum Ordinance, the Council ordered the holding of a bond referendum election to determine if the qualified electors of the City would approve the issuance of not exceeding \$10,000,000 in aggregate principal amount of general obligation bonds payable from ad valorem taxes levied without limit against all taxable property within the City for the principal purpose of financing costs of the Project.

(B) On November 4, 2003, a bond referendum election was held and the issuance of not exceeding \$10,000,000 in aggregate principal amount of general obligation bonds payable from ad valorem taxes levied without limit against all taxable property within the City for the principal purpose of financing costs of the Project was approved by a majority of the qualified electors of the City voting in said referendum election.

(C) On February 12, 2004, the City issued the Series 2004 Bonds in the aggregate principal amount of \$10,000,000 to finance costs of the Project.

(D) In order to achieve debt service savings, the City issued the Refunded Bond on January 8, 2014, in the principal amount of \$6,458,000 to refund the outstanding Series 2004 Bonds and refinance costs of the Project.

(E) The City has determined that it is in its best interest to refund the Refunded Bond in order to achieve further debt service savings.

(F) Pursuant to a competitive solicitation process, the City's Financial Advisor solicited proposals from financial institutions to provide a term loan to currently refund the Refunded Bond.

(G) The Bondholder submitted its proposal to provide the City with a term loan in the amount of not to exceed \$4,000,000 principal amount to currently refund the Refunded Bond, which proposal was the most favorable proposal received by the City and is attached hereto as Exhibit A.

(H) The Series 2020 Bond shall be a general obligation of the City, legally secured by and payable from ad valorem taxes levied without limit against all taxable property within the City.

(I) The Council hereby determines that the refunding of the Refunded Bond shall only occur if such refunding will result in a lower net average interest cost rate for the Series 2020 Bond as compared to the Refunded Bond and shall not exceed any debt limitation prescribed by law.

(J) Due to the potential volatility of the market for tax-exempt obligations such as the Series 2020 Bond, the complexity of the transactions relating to such Series 2020 Bond and the proposed private placement of the Series 2020 Bond to the Bondholder following a competitive solicitation process, it is in the best interest of the City to issue the Series 2020 Bond by a negotiated sale to the Bondholder, permitting the City to obtain the best possible price, terms and interest rate for the Series 2020 Bond.

SECTION 5. AUTHORIZATION OF THE REFUNDING; CONDITIONAL NOTICE OF REDEMPTION.

(A) The refunding of the Refunded Bond through the issuance of the Series 2020 Bond and the use of other legally available moneys of the City is hereby authorized and approved. The maximum principal amount of the Series 2020 Bond authorized to be issued hereunder is \$3,500,000; provided, however, the actual principal amount of the Series 2020 Bond that may be issued in accordance with the provisions of this Resolution shall not exceed the limitations imposed by Section 132.35, Florida Statutes. The Refunded Bond will be refunded from proceeds of the Series 2020 Bond and certain other legally available moneys of the City. The Series 2020 Bond will not be issued unless it bears a lower net average interest cost rate than the Refunded Bond.

(B) The City Manager is hereby authorized and directed to issue or cause to be issued a notice of optional prepayment in accordance with the provisions of the loan agreement for the Refunded Bond that is expressly conditioned on the successful issuance of the Series 2020 Bond on or before the redemption date for the Refunded Bond. The City Manager is hereby authorized and directed to coordinate, with the assistance of the Financial Advisor and Bond Counsel, to determine the redemption date for the Refunded Bond and to coordinate the issuance of the conditional notice of redemption referred to in the immediately preceding sentence.

SECTION 6. ACCEPTANCE OF PROPOSAL.

The City hereby accepts the proposal of the Bondholder, attached as Exhibit A, to provide the City with a term loan to currently refund the Refunded Bond. The Mayor, the City Manager and the Finance Director are each hereby authorized to execute and deliver any documents required to formally accept such proposal and the terms thereof. All actions taken by such officers or their designees and the Financial Advisor and Bond Counsel with respect to such proposal prior to the date hereof are hereby authorized and ratified. To the extent of any

conflict between the provisions of this Resolution or the Loan Agreement and the proposal, the provisions of this Resolution and the Loan Agreement shall prevail.

SECTION 7. FINANCIAL PLAN.

The financial plan described by Section 132.36(1)(d), Florida Statutes, was prepared by the Financial Advisor to the City based upon the information provided herein and current market conditions and is attached hereto as Exhibit C. Such financial plan demonstrates, among other things, that the Series 2020 Bond will bear a lower net average interest cost rate than the Refunded Bond.

SECTION 8. APPROVAL OF FORM OF LOAN AGREEMENT AND SERIES 2020 BOND.

The City hereby approves a term loan from the Bondholder in the principal amount of not to exceed \$3,500,000 and such principal amount does not exceed the limitations imposed by Section 132.35, Florida Statutes. The City Manager and the Finance Director are hereby authorized to determine, upon the advice of the Financial Advisor and Bond Counsel, the actual principal amount of the Series 2020 Bond provided such principal amount shall not exceed \$3,500,000 and all legally required debt limitations. The terms and provisions of the Loan Agreement in substantially the form attached hereto as Exhibit B are hereby approved by the City, with such changes, insertions and additions as the Mayor may approve. The City hereby authorizes the Mayor to execute and deliver, and the Clerk to attest and affix the City seal to, the Loan Agreement substantially in the form attached hereto as Exhibit B, with such changes, insertions and additions as the City Attorney and Bond Counsel to the City may approve, the Mayor's execution thereof being evidence of such approval. In order to evidence the loan under the Loan Agreement, it is necessary to provide for the execution and delivery of the Series 2020 Bond. The Mayor and the Clerk are authorized to execute and deliver the Series 2020 Bond substantially in the form attached to the Loan Agreement as Exhibit A with such changes, insertion and additions as the City Attorney and Bond Counsel to the City may approve, the Mayor's execution thereof being evidence of such approval.

Notwithstanding the foregoing, the Loan Agreement shall not be executed by the City nor shall the Series 2020 Bond be issued unless the following conditions are satisfied:

(A) The principal amount of the Series 2020 Bond shall not exceed the amount sufficient to pay (i) the principal amount of the Refunded Bond, (ii) the aggregate amount of unmatured interest payable on the Refunded Bond to the date of its redemption or maturity, whichever is earlier, (iii) the prepayment premium, if any, on the Refunded Bond, and (iv) the costs and expenses for issuing the Series 2020 Bond and refunding the Refunded Bond.

(B) The issuance of the Series 2020 Bond shall not exceed any debt limitation prescribed by law and such Series 2020 Bond, when issued, will be within the limits of all constitutional or statutory debt limitations.

(C) Receipt of a final financial plan prepared by the Financial Advisor complying with said Section 132.36(1)(d), Florida Statutes.

(D) Receipt of a certification of debt service savings as provided in Section 132.39, Florida Statutes, executed by the City Manager or his designee.

(E) The Series 2020 Bond shall bear a lower net average interest cost rate than the Refunded Bond.

SECTION 9. GENERAL OBLIGATION.

The obligation of the City to repay the Series 2020 Bond is a general obligation payable from ad valorem taxes levied without limit on all taxable property in the City, in the manner set forth in the Loan Agreement, and the full faith, credit and taxing power of the City are hereby pledged for the full and prompt payment of the principal of and interest on the Series 2020 Bond.

SECTION 11. GENERAL AUTHORIZATION.

The Mayor, the City Manager, the Finance Director and the Clerk are authorized to execute and deliver such documents, instruments and contracts, whether or not expressly contemplated hereby, and the City Attorney and other employees or agents of the City are hereby authorized and directed to do all acts and things required hereby or thereby as may be necessary for the full, punctual and complete performance of all the terms, covenants, provisions and agreements herein and therein contained, or as otherwise may be necessary or desirable to effectuate the purpose and intent of this Resolution.

SECTION 12. SEVERABILITY OF INVALID PROVISIONS.

If any one or more of the covenants, agreements or provisions of this Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements and provisions of this Resolution and shall in no way affect the validity of any of the other covenants, agreements or provisions hereof or of the Series 2020 Bond authorized to be issued hereunder.

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SECTION 13. REPEAL OF INCONSISTENT DOCUMENTS.

All ordinances, resolutions or parts thereof in conflict herewith are hereby superseded and repealed to the extent of such conflict.

SECTION 14. EFFECTIVE DATE.

This Resolution shall take effect immediately upon its adoption.

ADOPTED BY THE COUNCIL OF THE CITY OF VENICE, FLORIDA, THIS 28th DAY OF JANUARY, 2020.

(SEAL)

CITY OF VENICE, FLORIDA

By: _____
Ron Feinsod, Mayor

ATTEST:

Lori Stelzer, MMC, City Clerk

I, **LORI STELZER**, MMC, City Clerk of the City of Venice, Florida, a municipal corporation in Sarasota County, Florida, do hereby certify that the foregoing is a full and complete, true and correct copy of a Resolution duly adopted by the City Council of said city at a meeting thereof duly convened and held on the 28th day of January 2020, a quorum being present.

WITNESS my hand and the official seal of said City this ____ day of January 2020.

(SEAL)

Lori Stelzer, MMC, City Clerk

Approved as to form:

Kelly M. Fernandez, City Attorney

EXHIBIT A

Proposal of Synovus Bank

EXHIBIT B

Form of Loan Agreement

EXHIBIT C

Financial Plan