

**City of Coral Gables City Commission Meeting**  
**Agenda Item J-1**  
**February 27, 2018**  
**City Commission Chambers**  
**405 Biltmore Way, Coral Gables, FL**

**City Commission**

**Mayor Raul Valdes-Fauli**  
**Vice Mayor Pat Keon**  
**Commissioner Vince Lago**  
**Commissioner Frank Quesada**  
**Commissioner Michael Mena**

**City Staff**

**City Manager, Cathy Swanson-Rivenbark**  
**City Attorney, Miriam Ramos**  
**City Clerk, Walter J. Foeman**  
**Deputy City Clerk, Billy Urquia**  
**Finance Director, Diana Gomez**

**Public Speaker(s)**

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Agenda Item J-1 [2:27:48 p.m.]

A Resolution of the City of Coral Gables, Florida establishing its intent to reimburse certain project costs incurred with proceeds of future tax-exempt financing; providing for certain other matters in connection therewith and providing for an effective date.

Mayor Valdes-Fauli: Right. Let's postpone it for a while and then we'll go to Item J-1, Madam City Manager, it's your item.

City Manager Swanson-Rivenbark: I'm going to have Diana Gomez present. You'll recall when we presented the Public Safety Building, we also had a funding plan, including that funding plan was an announcement that we would come to you with an intent to borrow and this is the notice of intent.

Finance Director Gomez: So as you know, the City's tax exempt financing through the Sunshine State Governmental Financing Commission for the purpose of financing the Public Safety Building. A resolution authorizing those bonds will come at a subsequent meeting, most likely in April, and we plan to have these bonds issued in early May. In order to insure that funds are available prior to the date of issuance we need to, we are requesting this intent resolution so that we can, the idea is that we intend to reimburse ourselves for any funds that are spent prior to the date is issuing the bonds, pursuant to Internal Revenue regulations, the City must establish this resolution in order to exempt itself in the future. Additionally, City staff is working with PFM, which are financial advisors to determine the financial structure suited to the City's needs. We expect that to be a 30-year bond with using a covenant to budget appropriate from legally available non ad valorem revenues as security. Another thing that I wanted to mention that we bring back resolution, that bond resolution forward. We will also be bringing forward a resolution asking for refinancing request of a current existing debt, a loan, the 2012 loan. As a result of the recent tax reform, the corporate tax rate was lowered from 35 to 21 percent and so there is a provision in that loan that allows banks to make up that loss, and so they have a right to raise our interest rate on that loan. Currently that loan is at 2.67 percent interest rate and it will be adjusted to 3.25, which is expected to be adjusted to 3.25 (percent). So right now if we do a refinancing, we will still get a better rate, we should get somewhere around 2.97, so it benefits us to do a refinance of that one as well. As well as there is a put option on that bond, on that loan that in a couple of years they will require us to refinance anyways, so want to kind of get rid of all of that uncertainty in the future now that there is savings now. So, I just wanted to give you a heads up that that's going to be coming down when I do the bond resolution probably in early April, but this resolution as presented is for an intent resolution that says that, we are intending to issue bonds and we intend to be able to reimburse ourselves should we need to spend money prior to the date that we get the cash from the bonds.

Mayor Valdes-Fauli: Do I hear a motion?

Vice Mayor Keon: So moved.

Commissioner Mena: Second.

Mayor Valdes-Fauli: Will you call the roll please.

Commissioner Quesada: Yes

Vice Mayor Keon: Yes

Commissioner Mena: Yes

Mayor Valdes-Fauli: Yes

(Vote: 4-0)

(Commissioner Lago: Absent)

[End: 2:31:00 p.m.]