

## RESOLUTION NO. R-08-2021

A RESOLUTION OF THE CITY OF GREEN COVE SPRINGS, FLORIDA, SUPPLEMENTING ORDINANCE NO. O-13-2021, ENACTED ON JUNE 15, 2021, AUTHORIZING THE CITY TO BORROW UP TO \$9,800,000 TO REFUND THE CITY'S OUTSTANDING ELECTRIC UTILITY REVENUE NOTE, SERIES 2018; APPROVING THE PROPOSAL OF KEY GOVERNMENT FINANCE, INC. TO MAKE A LOAN TO THE CITY IN THE PRINCIPAL AMOUNT NOT EXCEEDING \$9,800,000; PROVIDING FOR THE ISSUANCE OF AN ELECTRIC UTILITY REFUNDING REVENUE NOTE, SERIES 2021, AS EVIDENCE OF THE CITY'S OBLIGATION TO REPAY SUCH LOAN; PROVIDING FOR THE PAYMENT OF THE NOTE AND THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT BETWEEN THE CITY AND THE LENDER CONTAINING TERMS AND CONDITIONS RELATING TO SUCH LOAN; PROVIDING FOR PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE NOTE; AUTHORIZING FURTHER OFFICIAL ACTION IN CONNECTION WITH THE DELIVERY OF THE NOTE AND THE LOAN AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GREEN COVE SPRINGS, FLORIDA:

**Section 1:** *Authority for this Resolution.* This Resolution is adopted pursuant to the Constitution of the State of Florida, Chapter 166, Part II, Florida Statutes, the municipal charter of the City of Green Cove Springs, Florida (the "City"), Ordinance No. O-13-2021 duly enacted by the City on June 15, 2021 (the "Ordinance"), and other applicable provisions of law (collectively, the "Act").

**Section 2:** *Definitions.* When used in this Resolution, the following terms shall have the meanings specified in this section, unless the context clearly requires otherwise. Words importing the singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations. All capitalized undefined terms used herein and not otherwise defined shall have the meanings set forth in the Loan Agreement.

"City Attorney" shall mean the City Attorney of the City.

"City Clerk" shall mean the City Clerk for the City or, in the City Clerk's absence, any Deputy Clerk duly authorized to execute documents or take other action, as the case may be, on the City Clerk's behalf.

*"City Manager"* shall mean the City Manager of the City, as the chief operating officer of the City or, in the City Manager's absence, any designee duly authorized to execute documents or take other action, as the case may be, on the City Manager's behalf.

*"Conditional Output Contract"* shall mean any contract or other arrangement with a supplier of electricity pursuant to which the City is obligated to purchase electric products or services, or both, and to make payment for such products or services or both with respect to any computation period (such computation period not to exceed one calendar month or 31 days) during any portion of which such products or services, or both, were made available to the City, regardless of whether such products or services were actually taken or used by the City and shall include, but not by way of limitation of the generality of the foregoing, (A) the All Requirements Power Supply Contract between the Florida Municipal Power Agency and the City, dated March 22, 1985, as amended, (B) St. Lucie Project Power Sales Contract between Florida Municipal Power Agency and the City, dated June 1, 1982, as amended.

*"Council"* shall mean the City Council of the City, as the governing body of the City.

*"Delivery Date"* shall mean June 25, 2021, or such other date as may be agreed to by both the City and the Lender.

*"Finance Director"* shall mean the Finance Director of the City or any assistant or deputy thereof.

*"Lender"* shall mean Key Government Finance, Inc., a Colorado corporation, and its successors and assigns.

*"Loan"* shall mean the advance of moneys from the Lender to the City made pursuant to the Loan Agreement for the purpose of financing costs of the Project.

*"Loan Agreement"* shall mean the Loan Agreement, dated as of the Delivery Date, between the Lender and the City setting forth the terms and details of the Loan, in substantially the form attached hereto as Exhibit A, with such changes, amendments, modifications, deletions, and additions thereto as shall be approved by the Mayor, upon the advice of the City Attorney, such approval to be evidenced by the Mayor's execution thereof.

*"Mayor"* shall mean the Mayor or Vice Mayor of the City, or his or her designee.

*"Net Revenues"* shall mean the Revenues after deducting therefrom the Operating Expenses.

*"Note"* shall mean the Electric Utility Refunding Revenue Note, Series 2021 of the City, which shall be in substantially the form attached to the Loan Agreement as Exhibit A, with such changes, amendments, modifications, deletions, and additions thereto as shall be approved by

the Mayor, upon the advice of the City Attorney, such approval to be evidenced by the Mayor's execution thereof, and acceptable to the Lender.

*"Note Counsel"* shall mean Bryant Miller Olive P.A., Tallahassee, Florida, or such other law firm having a nationally-recognized practice in the areas of local, state, and federal law related to the debt obligations of state and local governments.

*"Operating Expenses"* shall mean the current expenses, paid or accrued, of operation, maintenance, and repair of the System as calculated in accordance with generally accepted accounting principles, and shall include payments made pursuant to any Conditional Output Contracts and other payments for the purchase of electric capacity, energy, and transmission services, purchased at wholesale or otherwise, but shall not include expenses not annually recurring, such as any reserve for renewals and replacements, extraordinary repairs or conditions, any allowance for depreciation or amortization, any debt service requirements, any payments pursuant to any Unconditional Output Contracts, any payments in lieu of taxes, or any transfers to the general fund of the City not directly attributable to expenses or costs of operation of the System.

*"Paying Agent"* shall mean the Finance Director.

*"Project"* shall mean the acquisition and construction of additions, extensions, and improvements to the System, and all costs incidental thereto, as more particularly described in Exhibit B attached hereto.

*"Proposal"* shall mean the proposal submitted to the City by the Lender, dated May 20, 2021, and attached hereto as Exhibit C.

*"Refunded Note"* shall mean the Electric Utility Revenue Note, Series 2018 of the City.

*"Resolution"* shall mean this Resolution, pursuant to which the Note is authorized to be issued, and all resolutions amendatory thereof and supplemental thereto.

*"Revenues"* shall mean all income or earnings, including any income from the investment of funds received by or attributable or accruing to the City, from the ownership or operation of the System.

*"System"* shall mean the complete electric transmission and distribution system now owned, operated, and maintained by the City together with any and all improvements, extensions, and additions thereto or which may hereafter be constructed or acquired.

*"Unconditional Output Contract"* shall mean any contract or any other agreement with a supplier of electricity pursuant to which the City is obligated to purchase electric products or services, or both, and to make payment for such products or services or both with respect to any

computation period (such computation period not to exceed one month or 31 calendar days), regardless of whether such products or services or both are made available to the City during such computation period, and which the City cannot, at its option, terminate without giving at least one year's notice to the supplier of such products or services and shall include, but not by way of limitation of the generality of the foregoing, the St. Lucie Project Project Support Contract between the Florida Municipal Power Agency and the City, dated June 1, 1982, as amended.

**Section 3:**     Findings. It is hereby found, declared, and determined by the Council:

(A)     It is necessary, desirable, and in the best interests of the City and its inhabitants that the City refund the Refunded Note and, thereby, refinance the Project and the refunding of the Refunded Note and the issuance of the Series 2021 Note (as defined herein) will serve public purposes of the City. The City is authorized pursuant to the provisions of the Act to refund the Refunded Note.

(B)     The City is without adequate, currently available funds to refund the Refunded Note and to pay costs associated therewith, and it is necessary and desirable and in the best interests of the City that it borrow the moneys necessary therefor. The City is authorized pursuant to the provisions of the Act and the Ordinance to borrow moneys necessary to refund the Refunded Note.

(C)     Due to the present volatility of the market for tax-exempt obligations such as the Note and the complexity of the transactions relating to the Note and the refunding, the City has determined that it is necessary and desirable and in the best interest of the City to sell the Note at a private negotiated sale, allowing the City to enter the market at the most advantageous time, rather than at a specified advertised date, thereby permitting the City to obtain the best possible price and interest rate for the Note.

(D)     The City has requested and received proposals from various lending institutions in connection with the Project, and has determined that it is in the best interests of the City that the Proposal be accepted.

(E)     It is necessary and desirable and in the best interests of the City that the Note and Loan be secured solely by a first lien upon and a pledge of the Net Revenues of the System.

(F)     It is necessary and desirable and in the best interests of the City to authorize and approve the execution and delivery of the Loan Agreement and the Note and the taking of all other action in connection with the consummation of the Loan.

**Section 4:**     Authorization of Note. Subject and pursuant to the provisions hereof and in accordance with the provisions of the Loan Agreement and the Proposal, the City hereby

authorizes the issuance of its Electric Utility Refunding Revenue Note, Series 2021, in the principal amount of \$9,800,000, to be dated, to bear interest, to be payable, to mature, to be subject to redemption, and to have such other characteristics as provided in the Loan Agreement and the Proposal, and to be secured solely by the Net Revenues.

**Section 5:**     Approval of Proposal. The Proposal is hereby approved and accepted.

**Section 6:**     Approval of Form of Loan Agreement and Note. The form of the Loan Agreement and the form of the Note are hereby approved, and the Mayor and City Clerk are hereby authorized to execute and deliver the Loan Agreement and the Note to the Lender upon the advice of the City Attorney and Note Counsel.

**Section 7:**     Authorization of Other Action. The Mayor, the City Manager, and the Finance Director are each designated agents of the City in connection with the execution and delivery of the Loan Agreement and the Note and are authorized and empowered, collectively or individually, to take all action and steps to execute and deliver any and all instruments, documents, or contracts on behalf of the City which are necessary or desirable in connection with the execution and delivery of the Loan Agreement and the Note to the Lender, including, but not limited to, the making of changes, amendments, modifications, deletions, and additions to the Loan Agreement and the Note to conform the provisions thereof to the provisions of the Proposal.

**Section 8:**     Application of Proceeds of the Loan. The proceeds of the Loan shall be applied solely to refund the Refunded Note and pay the costs of issuance of the Note.

**Section 9:**     Repeal of Inconsistent Provisions. All resolutions or parts thereof in conflict with this Resolution are hereby repealed to the extent of such conflict.

**Section 10:**    Severability. If any one or more of the covenants, agreements, or provisions of this Resolution should 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 separate from the remaining covenants, agreements, or provisions, and in no way affect the validity of all other provisions of this Resolution or of the Note or Loan Agreement delivered hereunder.

**Section 11:**    Amendment. This Resolution may not be amended or repealed except with the prior written consent of the Lender.

**Section 12:**    Effective Date. This Resolution shall take effect immediately upon its adoption.

**Duly Passed And Adopted** this 15th day of June, 2021, at a regular meeting duly called and held.

CITY OF GREEN COVE SPRINGS, FLORIDA

(SEAL)

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Edward Gaw, Mayor

ATTEST:

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Erin West, City Clerk

APPROVED AS TO FORM AND CORRECTNESS:

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L.J. Arnold III, City Attorney

EXHIBIT A

FORM OF LOAN AGREEMENT

## EXHIBIT B

### DESCRIPTION OF PROJECT

The Project will consist of the acquisition and construction of additions, extensions, and improvements to the System that include, but are not limited to, all or a portion of the items listed below:

1. Magnolia Point 3rd Feed
2. Roberts Avenue Rebuild
3. Pole Inspection/Replacement Program
4. Fuse Coordination
5. Chapman Substation Maintenance
6. Magnolia Point UG Cable Sectionalizing/Testing and Replacement
7. Ground Resistance Measuring
8. Ground Resistance Remediation
9. Oak Street CSX Railroad Crossing
10. Conductor Replacement - Various
11. LED Program
12. North Substation Equipment Replacement and Upgrade
13. South Substation Equipment Replacement and Upgrade
14. Harbor Road Substation Equipment Replacement and Upgrade
15. Core City 23kV Conversion

EXHIBIT C

THE PROPOSAL