



# STAFF REPORT

## CITY OF GREEN COVE SPRINGS, FLORIDA

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**TO:** Regular Session **MEETING DATE:** June 15, 2021  
**FROM:** Marlena Guthrie, Finance Director  
**SUBJECT:** Approval of Resolution No. R-08-2021, a Resolution authorizing the issuance of its Electric Utility Revenue Refunding Note, Series 2021 in the principal amount of \$9,800,000 for the purpose of refunding the Electric Utility Revenue Note, Series 2018

### BACKGROUND

On June 1, 2021, City Council authorized staff to award the refunding of Electric Utility Revenue Note, Series 2018 to Key Government Finance, Inc. ("KGF"). KGF was chosen to finance the Electric Utility Revenue Refunding Note, Series 2021 with a fixed 1.712% interest rate for 12 years without premium or prepayment penalty. This loan is secured solely by a senior pledge of the net revenues of the City's Electric Utility System. The net revenues pledge for the Electric Utility Revenue Refunding Note, Series 2021 will be obligated for the twelve year term of the loan. The maturity date for this loan is July 1, 2033.

The attached Resolution and loan documents need to be signed tonight since the bank loan is set to close on Monday, June 21, 2021.

Mr. George Smith with Bryant Miller Olive P.A. will be in attendance to answer any questions the Council may have. The City's attorney, Jim Arnold, has reviewed the Resolution and Loan documents and made any changes as necessary.

### FISCAL IMPACT

The annual average debt service payments are estimated to be \$850,000 of net revenues of the City's Electric Utility System. The note is expected to be repaid by July 1, 2033; at an interest rate of 1.712%. The total interest expected to be paid over the life of the Note will be approximately \$1,060,143.

### RECOMMENDATION

Approve Resolution No. R-08-2021, a Resolution authorizing the issuance of its Electric Utility Revenue Refunding Note, Series 2021 in the principal amount of \$9,800,000 for the purpose of refunding the Electric Utility Revenue Note, Series 2018, and to pay associated transactional costs.