

RESOLUTION NO. 2026-01

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE CITY OF MADEIRA BEACH, FLORIDA AUTHORIZING THE EXECUTION AND DELIVERY OF THE FORM OF ATTACHED LOAN DOCUMENTS BETWEEN THE CITY AND THE STATE OF FLORIDA, DEPARTMENT OF COMMERCE FOR A PRINCIPAL AMOUNT OF \$3,148,500.00 TO FUND GOVERNMENTAL OPERATIONS; MAKING CERTAIN FINDINGS OF PARAMOUNT PUBLIC PURPOSE; COVENANTING TO BUDGET AND APPROPRIATE LEGALLY AVAILABLE NON-AD VALOREM REVENUES TO PAY THE INDEBTEDNESS; PROVIDING FOR THE RIGHTS, SECURITIES AND REMEDIES FOR THE OWNER OF THE PROMISSORY NOTE; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; DESIGNATING AN OFFICIAL WITH AUTHORITY TO EXECUTE DOCUMENTS WITH RESPECT TO THE LOAN; PROVIDING FOR SEVERABILITY; AND AN EFFECTIVE DATE.

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CITY OF MADEIRA BEACH, FLORIDA AS FOLLOWS:

Section 1: *Authority for this Resolution.* This Resolution is adopted pursuant to the provisions of the Constitution of the State of Florida, Chapter 166, Florida Statutes, as amended and other applicable provisions of law.

Section 2: *Definitions.* The following words and phrases shall have the following meanings when used herein:

“*Local Government*” means City of Madeira Beach, Florida, with its office at 300 Municipal Drive, Madeira Beach, Florida 33708, a general purpose local government established under the legal authority of the Constitution of the State of Florida.

“*Debt*” or “*Loan*” means the \$3,148,500.00 in loan funds applied for by the Local Government and awarded by the Department, and subject to the terms and conditions of the Loan Agreement and the Promissory Note.

“*Debt Service Fund*” means the Local Government’s Debt Service Fund held by the Finance Director of the Local Government.

“*Department*” means the Department of Commerce, with its principal office at 107 East Madison Street, MSC 160, The Caldwell Building, Tallahassee, Florida, 32399.

“*Governmental Fund Revenues*” means the total revenues of the Local Government derived from any source whatsoever and that are allocated and accounted for in the “governmental funds” as shown in the annual audited financial statements of the Local Government for the applicable fiscal year, excluding any ad valorem revenues, grants, and restricted gifts.

“*Governmental Operations*” means costs associated with continuing, expanding, or modifying local governmental operations to meet disaster-related needs, and includes costs such as, but not necessarily limited

to, staff salaries and payroll. This term does not include capital and equipment costs associated with the construction, repair, or renovation of damaged public facilities or infrastructure.

“Loan Agreement” means the loan agreement entered into by and between the Local Government and the Department, a form of which is attached hereto as Exhibit A.

“Loan Documents” means collectively the Loan Agreement and the Promissory Note.

“Non-Ad Valorem Revenues” means all Governmental Fund Revenues, other than (1) revenues generated from ad valorem taxation on real or personal property, (2) grants, and (3) restricted gifts, which are legally available to make the payments required herein.

“Pledgeable Non-Ad Valorem Revenues” means all legally available Non-Ad Valorem Revenues of the Local Government, including any funds received from any federal programs for disaster-related expenses, which are legally available to make the payments required by the Resolution.

“Promissory Note” means the promissory note evidencing the indebtedness of the Local Government to the Department for the Loan amount, a form of which is attached hereto as Exhibit B.

“Resolution” means this Resolution, including any supplemental resolution(s) hereto.

“State” means the State of Florida.

Section 3: Findings. It is hereby ascertained, determined, and declared that:

(A) It is necessary and desirable for the benefit of its inhabitants and the continued preservation of the economic welfare, and the health, welfare, and safety of the Local Government and its inhabitants, to obtain a loan from the Department through the Local Government Emergency Bridge Loan Program, section 288.066, Florida Statutes, in the amount of \$3,148,500.00, to provide funds that the Local Government may use for Governmental Operations.

(B) It is necessary and desirable to provide for the execution and delivery of the Loan Documents to implement and deliver the Loan.

Section 4: Loan Documents and Payment.

(A) The Local Government shall accept, subject to the terms and conditions of the Loan Documents, the Loan amount, for the purposes described above. The Loan amount shall bear interest not to exceed the maximum legal rate per annum, and shall be payable, mature, and be subject to redemption and such other characteristics as provided in the Loan Documents.

(B) Amounts due under the Loan Documents shall be payable from Pledgeable Non-Ad Valorem Revenues of the Local Government derived from the Local Government’s covenant to budget and appropriate from Pledgeable Non-Ad Valorem Revenues each year such monies sufficient to pay principal and interest on the Promissory Note.

(C) The Local Government expects that sufficient Pledgeable Non-Ad Valorem Revenues will be available to pay the principal and interest due and payable on the Promissory Note as of the date such payment is due.

(D) The Local Government will maintain all unexpended Loan funds received from the Department in bank accounts separate from its other operating or other special purposes accounts. The Local Government will not commingle the Loan funds with any other funds, projects, or programs. Any interest earned on unexpended Loan funds remain State funds, pursuant to section 288.006, Florida Statutes.

(E) The Mayor, Vice-Mayor, City Clerk, City Manager, Acting City Manager and Director of Finance/City Treasurer are hereby authorized to take such further actions and execute and deliver such further documents, certificates and agreements as are necessary to facilitate the purposes of this Resolution.

Section 5: *Covenant to Budget and Appropriate; Establish Debt Service Fund.*

(A) There is hereby created and established the Debt Service Fund, which fund shall be a trust fund held by the Director of Finance/City Treasurer office, for the benefit of the Department and solely for the payment of the Debt. The Debt Service Fund shall be deemed to be held in trust for the purposes provided herein. The money in the Debt Service Fund shall be continuously secured in the same manner as state and municipal deposits are authorized to be secured by the laws of the State of Florida, and as evidenced and more completely described in the Loan Documents. The Local Government may at any time and from time to time appoint one or more depositaries to hold, for the benefit of the Department, the Debt Service Fund established hereby. Such depository or depositaries shall perform at the direction of the Local Government the duties of the Local Government in depositing, transferring and disbursing moneys to and from the Debt Service Fund as herein set forth, and all records of such depository in performing such duties shall be open at all reasonable times to inspection by the Local Government and its agents and employees. Any such depository shall be a bank or trust company duly authorized to exercise corporate trust powers and subject to examination by federal or state authority, of good standing, and having a combined capital, surplus and undivided profits aggregating not less than fifty million dollars (\$50,000,000). Notwithstanding anything herein to the contrary, the Local Government may invest amounts on deposit in the Debt Service Fund in accordance with the Investment of Local Government Surplus Funds Act, Florida Statutes 218.415, and the Local Government's investment policy.

(B) The Local Government covenants and agrees to appropriate in its annual budget, by amendment if necessary, from Pledgeable Non-Ad Valorem Revenues, and to deposit into the Debt Service Fund hereinafter created, Pledgeable Non-Ad Valorem Revenues sufficient to pay principal of and interest on the Promissory Note as the same shall become due. Such covenant and agreement on the part of the Local Government to budget, appropriate, and deposit such amounts of Pledgeable Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Pledgeable Non-Ad Valorem Revenues in amounts sufficient to make all such required payments shall have been budgeted, appropriated, deposited and actually paid. The Local Government further acknowledges that the obligations of the Local Government to include the amount of any deficiency in payments in each of its annual budgets and to pay such deficiencies from Pledgeable Non-Ad Valorem Revenues may be enforced in a court of competent jurisdiction in accordance with the remedies set forth in the Loan Documents.

(C) The Local Government is not prohibited from pledging future Non-Ad Valorem Revenues, nor is the Local Government required to levy and collect any particular Non-Ad Valorem Revenues, nor does the Local Government give the Department a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general secured creditors of the Local Government. All obligations of the Local Government hereunder shall be payable from the Pledgeable Non-Ad Valorem Revenues budgeted, appropriated, and deposited as provided herein and nothing herein shall be deemed to be a general obligation of the Local Government or to pledge ad valorem taxing power or ad valorem tax revenues, or to permit or constitute a mortgage or lien upon any assets owned by the Local Government. Neither the Department nor any other person may compel the levy of ad valorem taxes on real or personal property within the boundaries of the Local Government, or the use or application of ad valorem tax revenues in order to satisfy any payment obligations hereunder, or to maintain or continue any of the activities of the Local Government which generate user service charges,

regulatory fees, or any other Non-Ad Valorem Revenues. The obligation of the Local Government to budget, appropriate, deposit, and make payments hereunder from its Pledgeable Non-Ad Valorem Revenues is subject to the availability of Pledgeable Non-Ad Valorem Revenues after the satisfaction of the funding requirements for obligations incurred prior to or after the effective date of the Loan Documents, and the funding requirements for essential governmental services of the Local Government or for essential public purposes affecting the health, welfare, and safety of the Local Government's inhabitants. The Debt shall be payable as provided herein and is subject in all respects to the provisions of Chapter 166, Florida Statutes.

Section 6: *Anti-Dilution Test.* The Local Government may incur additional debt secured by all or a portion of the Non-Ad Valorem Revenues only if the total amount of Non-Ad Valorem Revenues for the prior Fiscal Year were at least 1.50 times the maximum annual debt service of all debt to be paid from Non-Ad Valorem Revenues (collectively, "Debt"), including any Debt payable from one or several specific revenue sources.

For purposes of calculating maximum annual debt service if the terms of the Debt are such that interest thereon for any future period of time is to be calculated at a rate which is not then susceptible of precise determination ("Variable Rate Debt"), interest on such Variable Rate Debt shall be computed as follows:

(a) if the principal amount of Variable Rate Debt (including any Variable Rate Debt proposed to be incurred) is less than or equal to 25% of the principal amount of all Debt (including the Debt proposed to be incurred), an interest rate equal to the higher of 8% per annum or The Bond Buyer 40 Index shall be assumed; or

(b) if the principal amount of Variable Rate Debt (including any Variable Rate Debt proposed to be incurred) is more than 25% of the principal amount of all Debt (including the Debt proposed to be incurred), the maximum rate which could be borne by such Variable Rate Debt shall be assumed.

For purposes of calculating maximum annual debt service, balloon indebtedness shall be assumed to amortize in up to 20 years (from the date of calculation) on a level debt service basis. In the event that the Local Government is required to fund a reserve fund, the funding of such reserve fund shall be included in the calculation of debt service. For purposes of this paragraph, "balloon indebtedness" includes indebtedness if 25% or more of the principal amount thereof comes due in any one year.

Section 7: *Budget, Financial, and Other Information.*

(A) The Local Government shall provide the Department with a copy of its annual budget, prepared in accordance with Florida law, within thirty (30) days of its adoption date by the Local Government's Board of Commissioners, and such other financial information regarding the Local Government as the Department may reasonably request.

(B) Not later than thirty (30) days following the Local Government Auditor's presentation of the Local Government's annual audited financial statements to the Local Government's [Board of Commissioners the Local Government shall provide the Department with its Audited Annual Financial Report including annual financial statements for each fiscal year of the Local Government, prepared in accordance with applicable law and generally accepted accounting principles and audited by an independent certified public accountant, including calculations detailing the financial covenant in Section 6.

Section 8: *Impairment of Contract.* The Local Government will not, without the written consent of the Department, amend this Resolution, or enact any ordinance or adopt any resolution which could reasonably be

considered to repeal, impair, or amend in any manner the rights granted to the Department hereunder and under the Loan Documents.

Section 9: Limitation of Rights. With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Loan Documents is intended or shall be construed to give to any person other than the Local Government and the Department any legal or equitable right, remedy, or claim under or with respect to this Resolution, the Loan funds, the Loan Documents, or any covenants, conditions and provisions herein contained; this Resolution and all of the covenants, conditions, and provisions hereof being intended to be and being for the sole and exclusive benefit of the Local Government and the Department.

Section 10: Severability; Repealer. If any portion of this Resolution is determined to be invalid, illegal, or unconstitutional by a court of competent jurisdiction, such decision shall not affect the remaining portion of this Resolution, which shall otherwise remain in full force and effect. All resolutions or parts thereof in conflict herewith are hereby repealed.

Section 11: Delegation of Authority. The Mayor of the City of Madeira Beach has the authority to execute any and all necessary documents relative to the Loan, including but not limited to the Promissory Note and the Loan Agreement.

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

CITY OF MADEIRA BEACH, FLORIDA

By: _____
Name: Anne-Marie Brooks
Title: Mayor

ATTEST:

By: _____
Name: Clara VanBlargan, MMC, MSM
Title: City Clerk

I HEREBY CERTIFY that I have approved this Resolution as to form.

By: _____
Name: Thomas J. Trask, Esquire
Title: City Attorney