



City of Naples

City Council Chambers
735 Eighth Street South
Naples, Florida 33940

-SUBJECT-	Ord. No.	Res. No.	Page
<p><u>RESOLUTIONS</u></p> <p>- APPROVE the award of \$3,500,000 Water and Sewer Revenue Bonds, Series 1987, of the City of Naples, Florida.</p>		87-5446	1-2

City Council Chambers
735 Eighth Street South
Naples, Florida 33940



Time 10:25 a.m.

Date 12/09/87

Mayor Putzell called the meeting to order and presided as Chairman:

Present: Edwin J. Putzell, Jr.
Mayor

Kim Anderson-McDonald
William E. Barnett
William F. Bledsoe
Alden R. Crawford, Jr.
John T. Graver
Lyle S. Richardson,
Councilmen

Also Present:

Franklin C. Jones, City Manager
David W. Rynders, City Attorney
Mark W. Wiltsie, Assistant City Manager
James L. Chaffee, Utilities Director
Christopher L. Holley, Com. Services Dir.
Frank W. Hanley, Finance Director
Jodie M. O'Driscoll, Deputy Clerk
George Henderson, Sergeant-At-Arms

Peter L. Dame, Freeman, Richardson,
Watson & Kelly, P.A. (bond counsel)
Stanley E. Ross, Dean Wittier Reynolds,
Inc. (financial consultant)

John Reynolds
Charlotte Westman
W. W. Haardt
Tom Olliff

News Media:

Marty Bonvechio, Naples Daily News
Bob Goldberger, WBBH-TV

---RESOLUTION NO. 87-5446

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NAPLES, FLORIDA, AWARDED \$3,500,000 WATER AND SEWER REVENUE BONDS, SERIES 1987, OF THE CITY OF NAPLES, FLORIDA; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE CONTRACT FOR THE SALE OF SUCH BONDS TO THE PURCHASERS THEREOF PURSUANT TO THE TERMS AND CONDITIONS STATED THEREIN; FIXING THE DATE, MATURITIES, MANDATORY AMORTIZATION, INSTALLMENTS, INTEREST RATES AND REDEMPTION PROVISIONS WITH RESPECT TO SUCH BONDS; AUTHORIZING USE OF A FINAL OFFICIAL STATEMENT FOR THE BONDS; DESIGNATING THE PAYING AGENT AND BOND REGISTRAR; AUTHORIZING THE APPROPRIATE OFFICIALS OF THE CITY TO TAKE ALL ACTION NECESSARY IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE BONDS; AND PROVIDING AN EFFECTIVE DATE.

Title read by City Attorney Rynders.

Financial Consultant Stanley Ross explained that approval of this resolution would authorize execution of a Purchase Contract and award the \$3.5-million bond issue, Series 1987. Bonds

COUNCIL MEMBERS	M O T I O N	S E C O N D	VOTE		A B S E N T
			Y E S	N O	

CITY OF NAPLES, FLORIDA

City Council Minutes

Date 12/09/87

VOTE 5

COUNCIL MEMBERS

M O T I O N	S E C O N D	Y E S	N O	A
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maturing from 1989-1997, Mr. Ross said, would be serial bonds; however, maturities from 1998-2006 would be comprised of two term bonds, due on 2003 and 2006, respectively. He then reviewed the resolution and Debt Service Schedule (Attachment #1) for Council.

In response to Mr. Crawford, Mr. Ross advised that the underwriters' discount would be \$9.80/\$1,000. The orders which have been placed for these bonds, he continued, are subject to change upon approval of the resolution.

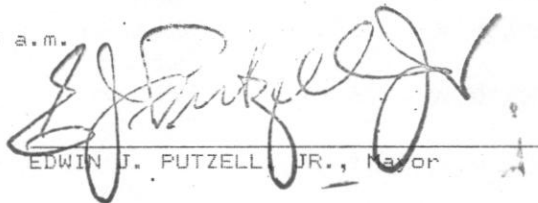
Mr. Bledsoe referred to a recent Triple A bond issued by Collier County wherein the interest rate was approximately 8.31%. Mr. Ross pointed out, however, that the County's issue was \$80-million and not of the same quality as the City's because it was not bank qualified.

City Attorney Rynders summarized the resolution and advised that it provided for the award of the bonds and also the Purchase Contract. At the Mayor's request, Attorney Peter L. Dame, representing the City's bond counsel, placed his firm's legal opinion into the record (Attachment #2) and also as an exhibit to the resolution.

MOTION: To APPROVE the resolution as presented.


*** *** ***

ADJOURN: 10:35 a.m.



EDWIN J. PUTZELL, JR., Mayor

JANET CASON
CITY CLERK



JODIE M. O'DRISCOLL
DEPUTY CLERK

These minutes of the Naples City Council were approved on 1/06/88.

Anderson-
McDonald
Barnett
Bledsoe
Crawford
Graver
Richardson
Putzell
(7-0)

				X
				X
X				X
				X
				X
	X			X
				X

DATED DATE: 12/01/87
DELIVERY DATE: 12/01/87

DATE	PRINCIPAL	RATE	INTEREST	TOTAL	FISCAL TOTAL
03/01/88			65,900.00	65,900.00	
09/01/88			131,800.00	131,800.00	157,700.00
03/01/89			131,800.00	131,800.00	
09/01/89	100,000.00	5.500	131,800.00	231,800.00	353,500.00
03/01/90			129,050.00	129,050.00	
09/01/90	100,000.00	5.700	129,050.00	229,050.00	353,100.00
03/01/91			125,200.00	125,200.00	
09/01/91	100,000.00	6.000	125,200.00	225,200.00	352,400.00
03/01/92			123,200.00	123,200.00	
09/01/92	100,000.00	6.200	123,200.00	223,200.00	345,400.00
03/01/93			120,100.00	120,100.00	
09/01/93	100,000.00	6.400	120,100.00	220,100.00	340,200.00
03/01/94			115,900.00	115,900.00	
09/01/94	100,000.00	6.500	115,900.00	215,900.00	333,800.00
03/01/95			113,500.00	113,500.00	
09/01/95	200,000.00	6.800	113,500.00	313,500.00	427,200.00
03/01/96			105,800.00	105,800.00	
09/01/96	200,000.00	7.000	105,800.00	305,800.00	413,500.00
03/01/97			99,800.00	99,800.00	
09/01/97	200,000.00	7.200	99,800.00	299,800.00	395,500.00
03/01/98			92,500.00	92,500.00	
09/01/98	200,000.00	8.000	92,500.00	292,500.00	385,200.00
03/01/99			84,500.00	84,500.00	
09/01/99	200,000.00	8.000	84,500.00	284,500.00	355,200.00
03/01/00			75,500.00	75,500.00	
09/01/00	200,000.00	8.000	75,500.00	275,500.00	353,200.00
03/01/01			58,500.00	58,500.00	
09/01/01	250,000.00	8.000	58,500.00	318,500.00	387,200.00
03/01/02			58,500.00	58,500.00	
09/01/02	250,000.00	8.000	58,500.00	308,500.00	387,200.00
03/01/03			48,500.00	48,500.00	
09/01/03	250,000.00	8.100	48,500.00	298,500.00	347,200.00
03/01/04			38,475.00	38,475.00	
09/01/04	300,000.00	8.100	38,475.00	338,475.00	375,950.00
03/01/05			25,325.00	25,325.00	
09/01/05	300,000.00	8.100	25,325.00	325,325.00	352,650.00
03/01/06			14,175.00	14,175.00	
09/01/06	350,000.00	8.100	14,175.00	364,175.00	378,350.00
TOTAL ACCRUED	3,500,000.00		3,349,750.00	6,849,750.00	
NET COST	3,500,000.00		3,349,750.00	6,849,750.00	

AVERAGE COUPON 7.82195
TIC 7.75851 (FROM DELIVERY DATE)
BOND YEARS 42,825.00000 (FROM DATED DATE)
AVERAGE LIFE 12.23571
NIC 7.82195 (FROM DATED DATE)

Freeman, Richardson, Watson & Kelly, P.A.

ATTORNEYS AT LAW
 2100 FLORIDA NATIONAL BANK TOWER
 JACKSONVILLE, FLORIDA 32202
 (904) 353-1264

RAY W. RICHARDSON, JR.
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 A. GRAHAM ALLEN
 JOHN L. McWILLIAMS, III
 JUDSON FREEMAN, JR.
 ROBERT O. FREEMAN
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 PETER L. DAME
 SIDNEY S. SIMMONS, II
 SHARON B. MILNE
 KIMBERLY L. KING
 PATRICIA H. CLARKSON

OF COUNSEL
 JUDSON FREEMAN
 FRANK L. WATSON
 ———
 GILES J. PATTERSON
 (1885-1963)
 ———
 TELECOPIER NO:
 (904) 356-2986

Mayor
 City of Naples, Florida

Dear Sir:

We have examined certified copies of the proceedings of the City Council of the City of Naples, Florida (the "City"), and other proofs submitted to us relative to the issuance and sale of

\$3,500,000
 CITY OF NAPLES, FLORIDA
 WATER AND SEWER REVENUE BONDS, SERIES 1987
 Dated December 1, 1987

Fully registered bonds, subject to transfer and exchange as provided in the Ordinance hereinafter described, in the denomination of \$5,000 each or integral multiples thereof, consisting of \$1,200,000 serial bonds, bearing interest at the rates per annum set forth below and maturing on September 1 in the years and amounts as follows:

<u>YEAR</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>YEAR</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>
1989	\$100,000		1993	\$100,000	
1990	100,000		1994	100,000	
1991	100,000		1995	200,000	
1992	100,000		1996	200,000	
			1997	200,000	

Mayor
City of Naples, Florida
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and of \$1,100,000 term bonds maturing on September 1, 2002, bearing interest at the rate of ___% per annum. Said term bonds are subject to mandatory redemption at par plus accrued interest through amortization installments on September 1, in the following years and amounts:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
1998	\$200,000	2000	\$200,000
1999	200,000	2001	250,000
		2002	250,000

and of \$1,200,000 term bonds maturing on September 1, 2006, bearing interest at the rate of ___% per annum. Said term bonds are subject to mandatory redemption at par plus accrued interest through amortization installments on September 1, in the years and amounts as follows:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
2003	\$250,000	2005	\$300,000
2004	300,000	2006	350,000

Interest is payable on the bonds on March 1, 1988, and semiannually thereafter on September 1 and March 1 of each year. Certain of the bonds are subject to redemption prior to their stated dates of maturity, other than by operation of the Bond Amortization Fund created by the Ordinance, as described below, upon the terms and conditions and in the manner stated in the bonds. We have examined a specimen bond of said issue.

The bonds are issued pursuant to Chapter 166, Florida Statutes, as amended, and other applicable provisions of law, and Ordinance No. 84-4448, duly enacted by the City on March 21, 1984, as amended and restated in Ordinance No. 84-4564, duly enacted by the City on October 3, 1984, and as supplemented by Ordinance No. 87-5419, duly enacted by the City on November 4, 1987 (hereinafter collectively referred to as the "Ordinance"), to finance the cost of the acquisition and construction of additions, extensions and improvements to the City's water and sewer system (the "System").

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City of Naples, Florida
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The bonds are payable solely from and secured by a prior lien upon and pledge of the net revenues (the "Net Revenues") derived by the City from the operation of the System on a parity with the outstanding Water and Sewer Revenue Bonds, Series 1984-B, and Water and Sewer Revenue Refunding Bonds, Series 1985, of the City (the "Outstanding Parity Bonds"), all in the manner provided in the Ordinance.

The Ordinance provides that the bonds shall not constitute a general obligation or indebtedness of the City within the meaning of any constitutional or statutory provision and the holders thereof shall never have the right to require or compel the exercise of the ad valorem taxing power of the City for the payment of the principal of and interest on the bonds or the making of any sinking fund, reserve or other payments provided for in the Ordinance. The Ordinance further provides that the bonds and the obligation evidenced thereby shall not constitute a lien upon the System, or any part thereof, or on any other property of or in the City, but shall constitute a lien only on the Net Revenues, in the manner provided in the Ordinance.

The City has reserved the right to issue additional parity obligations payable on a parity as to lien and security with the bonds and the Outstanding Parity Bonds, provided certain requirements of the Ordinance are complied with.

The City is required and has covenanted to comply with the provisions of the Tax Reform Act of 1986 in order to maintain the exclusion of the interest on the bonds from federal income taxation. In rendering the opinion set forth in paragraph (3) below, we have assumed continuing compliance with such requirement and covenant.

The City has entered into certain additional covenants with the holders of the bonds for the terms of which reference is made to the Ordinance.

We are of the opinion that:

1. The bonds are legal, valid and binding special obligations of the City payable solely from the Net Revenues described above. The City is legally obligated to collect, receive, hold and apply such Net Revenues in accordance with the provisions of the Ordinance.

Mayor
City of Naples, Florida
Page Four

2. The City has full legal right, power and authority to enact the Ordinance and to issue the bonds and the Ordinance has been duly enacted and the bonds have been duly authorized and issued by the City. The Ordinance and the bonds are legal, valid, binding and enforceable in accordance with their terms, except to the extent that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization or other laws or equitable principles affecting creditors' rights generally.

3. The interest on the bonds is excluded from gross income for federal income tax purposes under existing statutes, regulations and court decisions; however, a portion of the interest on the bonds held by corporations is includable in the adjusted alternative minimum taxable income for the purpose of calculating (i) an alternative minimum tax for taxable years beginning after 1986, and (ii) an environmental tax for taxable years beginning after 1986 and before 1992 (subject to earlier termination of such environmental tax), and such interest may be included in "effectively connected earnings and profits" subject to a branch profits tax levied on certain foreign corporations.

4. The bonds and the interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations.

Respectfully submitted,