City Council Minutes

Special Meeting 04/24/89

City of Naples

City Council Chambers 735 Eighth Street South Naples, Florida 33940

-SUBJECT-	Ord. No.	Res.	P	
APPROVE resolution indicating no objection by Council for the Airport Authority to refinance \$2-million plus bonds.		89-5813	1-	
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CITY COUNCIL MINUTES Special Meeting

10:00 a.m.

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04/24/89 Date

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

Edwin J. Putzell, Jr., ROLL CALL: Present: Mayor 0 E T C William E. Barnett I 0 COUNCIT. (left 10:15 a.m.) 0 N MEMBERS Alden R. Crawford, Jr. N D John T. Graver Paul W. Muenzer Lyle S. Richardson, Councilmen Kim Anderson-McDonald. Absent: Councilman Also Present: Franklin C. Jones, City Manager David W. Rynders, City Attorney Jodie M. O'Driscoll, Deputy Clerk Ray Anderson, Manager of Administration for the Airport Robert Tiffany, Vice-Chairman Airport Authority Pat Wasson, WNOG ---RESOLUTION NO. 89-5813 ITEM 1 A RESOLUTION OF THE CITY COUNCIL IN AN ADVISORY CAPACITY APPROVING REFINANCING OF AN EXISTING DUTSTANDING \$2,000,000 OBLIGATION AND FINANCING OF APPROXIMATELY \$400,000 IN NEW CAPITAL PROJECTS AT THE NAPLES AIRPORT BY THE CITY OF NAPLES -AIRFORT AUTHORITY; AND PROVIDING AN EFFECTIVE DATE. Title not read. City Attorney Rynders cited Part C, Section 4(n) of the Naples City Charter which governs that the issuance of any obligation by the Airport Authority in excess of \$2-million requires the review of City Council in an advisory capacity. By refinancing these bonds, the Authority hopes to save approximately 10% of its debt service cost or approximately \$14- to \$15,000 per year. In response to Mayor Putzell, City Attorney Rynders advised this bond issue was only in draft form and could be subject to change. He further pointed out that Vice-Chairman Tiffany could also have a recommendation at the Authority's meeting that afternoon which would bring the amount to be financed under \$2-million and not require City Council approval. Airport Manager Anderson explained the monies were needed to refinance a current issue of

Councilman Crawford asked about the possible refunding of this issue and when such activity could

\$1.725-million and add \$600,000 to a capital project currently under way, namely for water line

development.

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	City Council Minutes Date 04/24/89		0	E			S
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	take place. Usually, these bonds can be refunded						
	after the callable date and in the case of advanced refunding, it can be done at any time, City Attorney						
3	Rynders said.						
13	Then, Mayor Putzell asked what the interest rate for						
22	this issue would be to which Mr. Anderson explained						
	that Barnett Bank had offered 8.35%; however, because of certain federal regulations they were						
	unable to honor that price. Therefore, it has						
	become necessary for the Authority to seek funding from other lending institutions, but it feels						
	confident that a rate close to the one previously						
2	quoted by Barnett Bank can be obtained. The term of this bond is presupposed to be fixed, he further						
2	advised.						
	In response to Mayor Putzell, City Attorney Rynders						
	advised the City Charter provision regarding such		-				
	activity by the Authority was a result of litigation between the City and the Authority. Some time			-			
	during the mid 1970's, the airport was considering			1		165	
	proposals for a new airline terminal which was to house a five star restaurant. City Council took			1			
	exception to this plan and began exercising its		1				
	power over the Authority. Mr. Barnett pointed out that Council would only be acting in an advisory						
	capacity today and regardless of its action, the		1				
	Authority could proceed as planned.						
	Vice-Chairman Tiffany spoke briefly about his plan						
7	to acquire less than the \$2-million which would not require Council approval. He advised that a local						
	bank had given the Authority a line of credit up to						
	\$2-million which could free up the reserves from this refunding, thereby, decreasing the total amount						
	of monie's needed. In response to Councilman						
	Muenzer, Mr. Tiffany said he believed the Airport's revenues sufficient to fund this activity.						
60°							
	Mavor Putzell suggested the resolution indicate that Council would not object to this refinancing, rather						
	than it approves of such activity inasmuch as so	Anderson- McDonald					x
	many items still were not clear with regard to this issue.	.Barnett					x
	MOTION. T- ACCOUNT AL	Crawford Graver	x		X		
	<u>MOTION</u> : To <u>APPROVE</u> the resolution with the aforementioned amendment.	Muenzer	1"		Х		
	***	Richardson Putzell		X	X		
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	EDWIN J. PUTZELL, Mayor						
	JANET CABON						
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