RESOLUTION 2018-14242

A RESOLUTION AMENDING THE FY 2017-18 BUDGET ADOPTED BY RESOLUTION 2017-14027 TO APPROPRIATE FUNDS FOR CERTAIN FY 2017-18 DEBT SERVICE COSTS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the original FY 2017-18 budget included debt and interest costs that were known at the time of budget adoption; and

WHEREAS, debt for Fire Station 1 was issued in March 2018 with the requirement of a debt service payment in the amount of $105,487 in July 2018 that was not included in the adopted budget; and

WHEREAS, bond closing costs of $43,748, included in the bond issuance, must be appropriated as part of the Fire Station 1 project; and

WHEREAS, the terms of the documents governing the City’s STI tax exempt financing provide that the interest rate applicable to the financing be increased if there was a decrease in the maximum federal corporate income tax rate; and

WHEREAS, the interest rate on the STI loan increased on January 1, 2018 due to the federal government tax law change decreasing the corporate income tax rate from 35 percent to 21 percent, resulting in an increase in the applicable interest rate by a factor of 1.21538; and

WHEREAS, the interest rates increased from 1.42 percent to 1.72584 percent on the Public Service Tax Revenue Note Series 2013 causing FY 2017-18 interest costs to increase $12,125; and

WHEREAS, the FY 2017-18 budget requires amendment to fund these increased costs of debt service expenses;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NAPLES, FLORIDA:

Section 1. That the FY 2017-18 budget of the Public Service Tax Funds adopted by Resolution 2017-14027 is hereby amended by increasing principal expense by $79,825, interest expense by $37,784, and appropriating $117,609 of previously unappropriated Public Service Tax revenue.

Section 2. That the FY 2017-18 budget of the Public Service Tax fund, adopted by Resolution 2017-14027, is hereby amended to appropriate $43,748 of bond proceeds to project 15E15/issuance Costs for Fire Station 1.

Section 3. This resolution shall become effective immediately upon adoption.
Resolution 2018-14242


Attest:

Patricia L. Rambosk, City Clerk

Bill Barnett, Mayor

Approved as to form and legality:

Robert D. Pritt, City Attorney

Date filed with City Clerk: 11-8-18