

RESOLUTION NO. 2022-261

PASSED _____

A RESOLUTION OF THE CITY OF GAINESVILLE, FLORIDA AUTHORIZING AN AMENDMENT TO A SWAP TRANSACTION ENTERED INTO BETWEEN THE CITY D/B/A GAINESVILLE REGIONAL UTILITIES AND CITIBANK N.A., AMENDING THE FLOATING RATE PAYABLE TO THE CITY THEREUNDER; DELEGATING AUTHORITY TO DETERMINE CERTAIN OTHER MATTERS IN CONNECTION THEREWITH, SUBJECT TO CERTAIN DELEGATION PARAMETERS; AUTHORIZING CERTAIN CITY OFFICIALS TO TAKE OTHER ACTIONS IN CONNECTION WITH THE EXECUTION OF SWAP TRANSACTIONS THEREUNDER; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Gainesville, Florida (the "City") has heretofore entered into an ISDA Master Agreement and Schedule with Citibank, N.A. ("Citibank"), each dated as of November 7, 2017, (the "Swap Agreement") and a Confirmation thereunder with a trade date of December 18, 2019 and a termination date of October 1, 2047, Reference No. MS46729 (the "Confirmation"), pursuant to which the City makes fixed rate payments to Citibank of 1.410% and Citibank makes floating rate payments to the City of 70% of one month USD-LIBOR-BBA on an original notional amount of \$115,000,000 (the "Transaction"); and

WHEREAS, in anticipation of the expected cessation of publication of the US Dollar London Interbank Offered Rate, a benchmark rate administered by ICE Benchmark Administration Limited and commonly referred to as "LIBOR", on June 30, 2023, Citibank has offered to amend the Transaction to replace the floating rate payable by Citibank to the City, currently based on 1-month US Dollar LIBOR, with a floating rate based on the 10-year US Dollar SOFR ICE Swap Rate, another benchmark rate administered by ICE Benchmark Administration Limited; and

WHEREAS, the City has heretofore adopted Resolution No. 170395 incorporating by reference the Second Amended and Restated Utilities System Revenue Bond Resolution adopted by the City on September 21, 2017, as amended, authorizing the issuance of its Bonds and other obligations (as amended, the "General Bond Resolution"); and

WHEREAS, all capitalized undefined terms used herein shall have the meanings provided in the General Bond Resolution and in Section 1.02 hereof; and

WHEREAS, the Swap Agreement and Confirmation, as amended, will continue to constitute Qualified Hedging Contacts, and the obligations thereunder (to the extent scheduled) will continue to constitute Parity Hedging Contract Obligations under the General Bond Resolution and the termination payments and other Hedge Charges due thereunder shall continue to constitute Subordinated Hedging Contract Obligations for purposes of the General Bond Resolution; and

WHEREAS, the City desires to delegate to the General Manager for Utilities and Chief Financial Officer, or either of them, the authority to negotiate an amendment to the Confirmation in a manner they determine is in the best interest of the City, subject to the delegation parameters and limitations set forth herein;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF GAINESVILLE, FLORIDA THAT:

**ARTICLE I
DEFINITIONS AND STATUTORY AUTHORITY**

Section 1.01 Authority. This Resolution is adopted pursuant to the provisions of the Act.

Section 1.02 Definitions. In this Resolution, in addition to the terms elsewhere defined herein, the following terms shall have the meanings as set forth below:

"Chief Financial Officer" shall mean the Chief Financial Officer for Utilities and who is the Utility Finance Director as referenced in the General Bond Resolution.

"City Attorney" shall mean the City Attorney to the City or such other assistant City Attorney in the City Attorney's absence or unavailability.

"Clerk" shall mean the Clerk of the Commission or any Deputy Clerk or any Acting Clerk of the City.

"Financial Advisor" means PFM Financial Advisors LLC, PFM Swap Advisors, LLC or such other financial advisor as the City may designate.

"General Manager" shall mean the General Manager for Utilities.

"Mayor" shall mean the Mayor of the City or the Mayor-Commissioner Pro Tempore or such other member of the Commission delegated to act on behalf of the Mayor by the Commission.

ARTICLE II AUTHORIZATION TO AMEND CONFIRMATION; DELEGATION PARAMETERS

Section 2.01 Authorization of Amendments. The General Manager and the Chief Financial Officer are, or either of them is, upon the recommendation of the Financial Advisor, hereby authorized and directed to negotiate with Citibank and, subject to the delegation parameters set forth in Section 2.02, execute and deliver, an amendment to the Confirmation or an amended and restated Confirmation, and such other documents as may be required in connection therewith

(collectively, the "Amendment") pursuant to which the City would amend the floating rate index pursuant to which Citibank's payments to the City under the Confirmation are calculated.

The City hereby reaffirms the grant of a lien on the Trust Estate (as defined in the General Bond Resolution) to secure the City's obligations under the Transaction as a Parity Hedging Contract Obligation in the manner and to the extent provided in the General Bond Resolution. In furtherance of the foregoing, the obligations of the City to make monthly payments under interest rate hedging transactions entered into pursuant to the Swap Agreement and the Confirmation, as amended, have been and shall continue to be designated as Parity Hedging Contract Obligations under the General Bond Resolution and shall continue to be entitled to the rights and benefits of such obligations thereunder, and the obligations of the City to make any termination payments and any other Hedge Charges under the Transaction are and will continue to be designated as Subordinated Hedging Contract Obligations under the General Bond Resolution, entitled to the benefits thereof on a parity with other obligations issued or incurred by the City under the Subordinated Bond Resolution.

Section 2.02 Delegation Parameters. The Amendment shall not be executed by the General Manager or the Chief Financial Officer, until such time as the following conditions have been satisfied:

- (i) The floating rate payable by Citibank shall be based on the 10-year US Dollar SOFR ICE Swap Rate (the "Replacement Index"); and
- (ii) The percentage of the Replacement Index shall be not less than 70% plus or minus a spread, if any, that shall be recommended by the Financial Advisor to the City.

The Amendment described herein shall relate only to the Confirmation and shall not affect any other transactions of the City with Citibank or other parties.

The General Manager or the Chief Financial Officer may rely conclusively upon the Financial Advisor for a determination that the City has complied with the conditions above.

Section 2.03 Further Actions. The Mayor and Clerk, the General Manager, the Chief Financial Officer, or their respective designees (each an "Authorized Officer" and collectively, the "Authorized Officers"), and the City Attorney, are hereby authorized and empowered to execute and deliver or cause to be executed and delivered the Amendment and such other documents and opinions and to do all such acts and things as may be necessary or desirable in connection with the adoption of this Resolution and the execution and delivery of the Amendment, for the full punctual and complete performance of all the terms, covenants and agreements contained herein and in the Confirmation and Amendment, and the Clerk is hereby authorized to attest such signatures to the extent required by the Amendment, subject to the approval of the City Attorney as to form and legality. The Authorized Officers, or their respective designees, the Clerk and the City Attorney are each hereby authorized and directed to execute and deliver any and all papers, instruments and opinions and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereunder.

Section 2.04 Severability. If any one or more of the covenants, agreements or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void

and shall be deemed separate from the remaining covenants, agreements or provisions of this Resolution.

Section 2.05 No Third-Party Beneficiaries. Except as herein otherwise expressly provided, nothing in this Resolution expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the parties described herein, any right, remedy or claim, legal or equitable, under or by reason of this Resolution or any provision hereof, this Resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the parties described herein.

Section 2.06 Controlling Law; Members of Issuer Not Liable. All covenants, stipulations, obligations and agreements of the City contained in this Resolution shall be deemed to be covenants, stipulations, obligations and agreements of the City to the full extent authorized by the Act and provided by the Constitution and laws of the State. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent or employee of the City in his individual capacity, and neither the members of the City nor any official executing the Amendment shall be liable personally on the Swap Agreement or this Resolution or shall be subject to any personal liability or accountability by reason of the issuance or the execution by the City or such members thereof.

Section 2.07 Effective Date. This Resolution shall be fully effective immediately upon adoption.

[Signature Page Follows]

Passed and duly adopted in public session of the City Commission of the City of Gainesville, Florida on the 4th day of August, 2022.

CITY COMMISSION OF THE CITY OF
GAINESVILLE, FLORIDA

ATTESTED:

By: _____
Mayor

By: _____
City Clerk

APPROVED AS TO FORM AND
LEGALITY:

By: _____
City Attorney

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