



Legislation Details (With Text)

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Title: Amended Interlocal Agreement - First Florida Governmental Financing Commission (B)

This item involves a proposal to adopt a resolution amending the existing interlocal agreement among the members of the First Florida Governmental Financing Commission.

Sponsors:

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Attachments: 1. 060820_200701081300.pdf, 2. 060820a_200801081300.pdf, 3. 060820b_200701081300.pdf, 4. 060820c_200701081300.pdf, 5. 060820_20070122.pdf, 6. 060820d_20060122.pdf, 7. 060820_Resolution Final_20070122

Date	Ver.	Action By	Action	Result
1/22/2007	0	City Commission	Adopted (Resolution) and Approved the Recommendation	Pass

Amended Interlocal Agreement - First Florida Governmental Financing Commission (B)

This item involves a proposal to adopt a resolution amending the existing interlocal agreement among the members of the First Florida Governmental Financing Commission.

The City of Gainesville has been a member of the First Florida Governmental Financing Commission (FFGFC) since 1987. The Commission is an independent public body formed in 1985 by an Interlocal Agreement between several Florida cities and counties with high investment grade ratings who desired to reduce the cost of borrowing by creating their own, captive pool financing program. Since then, the Commission has provided the City many opportunities to borrow money jointly with other governmental bodies which have similar, high credit ratings and save money by spreading the costs of issuing debt across all the borrowers. Each Member is responsible only for that portion of the proceeds of each series of bonds issued by the Commission which the Member in turn borrows from the Commission for the Member's own use. There is no cross-collateralization of Member loans.

The current Members of the Commission are the Cities of Boca Raton, Gainesville, Hollywood, St. Petersburg, Sarasota and Broward County, Florida. The Commission is governed by a board of Representatives, one appointed by each Member. Finance Director Mark Benton currently serves as the Representative of the City.

For several years, the Commission has discussed expanding the number of borrowers to include cities and counties who are not Members in order to share the benefits of the program with other local governments and expand the size of borrowings to enhance the economies of scale which led to the formation of the Commission in the first place. At a long range planning retreat held in the spring of 2006, the Commission unanimously decided to attempt to modernize its Interlocal Agreement to permit loans to be made to non-members and simplify its operations. Commission staff was directed to work with its Bond Counsel, General Counsel and Financial Advisor to develop and propose an Amended and Restated Interlocal Agreement for consideration. As a result of that process, in its regular meeting held September 15, 2006, the Commission Board unanimously approved the Amended and Restated Interlocal Agreement included in this package.

To become effective, the Amended and Restated Interlocal Agreement must be approved by every current Member of the Commission, and similar packages are simultaneously being presented by every Representative to the governing body of their respective Member.

Proposed Changes

Attached for your review and consideration are the following:

1. Amended and Restated Interlocal Agreement (proposed).
2. Draft credit-worthiness standard for non-member borrowers as recommended by the Commission's Financial Advisor and Executive Director for adoption as a rule.
3. Resolution approving Amended and Restated Interlocal.

A brief summary of the major elements of the Interlocal Agreement affected by the proposed amendments follows:

1. Eligibility in the Commission's financing program no longer requires a borrower to be a Member of the Commission. The credit worthiness standards for non-member borrowers will be established by Commission rule (see separate attachment). Admitting a new Member will continue to require unanimous consents from all existing Members resulting in an amendment to the Interlocal Agreement. Membership is limited to city and county governments.
2. Member's Representatives are authorized to approve loans to non-member governments upon the unanimous approval of those Member Representatives present at a meeting authorizing the issuance of Commission bonds at which a quorum is present. Loans to a Member can be approved by a majority vote of a quorum of Member Representatives.
3. Subject to State statutory requirements, the Commission would be authorized to make loans to qualified special districts and other public agencies as non-member borrowers. Current State law would require the Commission to have at least three county government members in order to make a loan to a public agency other than a city or county.
4. As a going concern, the Commission requires at least three Members to maintain appointed Representatives to its governing board in order to function.
5. Under new State law provisions incorporated into the Amended and Restated Interlocal Agreement, subsequent amendments may have to be filed only in the county where the Commission maintains its principal offices through the offices of its Executive Director, currently Leon County.
6. Officers of the Commission may be elected to one or two year terms.
7. The Commission is expressly authorized to adopt by two-thirds vote of its governing body by-laws governing the conduct of its affairs.
8. Additional refinements for clarity.

Appointment of Representatives

Since staff is presenting a Resolution concerning the Commission, we take this opportunity to also offer you the opportunity to reappoint your representative, either by named individual or by office. Staff recommends that whomever serves in the Office of Finance Director serve as the City's Representative, the Treasurer serve as the Alternate Representative, and the Controller serve as the Second Alternate Representative. The Interlocal Agreement requires that a Representative or Alternate Representative be either the Chief Executive Officer, the Chief Financial Officer, or an elected or appointed public official of the City.

Amending the interlocal agreement to provide for non-members to borrow should serve to expand borrower pools and further diminish issuance costs to participating borrowers.

The City Commission adopt Resolution No. approving the Amended and Restated Interlocal Agreement and authorizing the Mayor and other appropriate officers of the City to execute and deliver the Member's execution page in substantially the form attached as Exhibit A to the Amended and Restated Interlocal Agreement, with the understanding that the Amendment shall not become effective until after approval by all current Members of the First Florida Governmental Financing Commission, and appointing Ex Officio the Finance Director, Treasurer and Controller as Representative, Alternate Representative and Second Alternate Representative.