


ADDENDUM No. 1

TO: ALL BIDDERS  
FROM: CITY OF HIALEAH  
RFEI NO. 2010/11-0210-00-006  
RE: Refunding for the City of Hialeah, FL Loan with the Florida Municipal Loan Council (FMLC)  
DATE: July 11, 2011

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The original contract documents for the entitled: **Refunding for the City of Hialeah, FL Loan with the Florida Municipal Loan Council (FMLC)** need to be amended as noted in this Addendum No. 1.

This Addendum No. 1 consists of 1 typed page. All other items and conditions of the original Contract Documents shall remain unchanged. This Addendum shall become a part of the Contract Documents.

Approved for issue:  \_\_\_\_\_ Date: July 11 2011  
Michael Flores – Purchasing Director

ACKNOWLEDGMENT

Receipt of this Addendum No. 1 shall be acknowledged in the space provided on the ADDENDUM RECEIPT form – ARF (Copy attached) now a part of the Contract Documents to be faxed immediately to the City of Hialeah Purchasing Division (305) 883-5871 and submitted with sealed bids.

Questions and Answers:

- Q1. What is the original date of the loan?  
A1. See attached page from Fiscal 2010 CAFR.
- Q2. What is the original amount of the loan?  
A2. See attached page from Fiscal 2010 CAFR.
- Q3. What is the current amount outstanding?  
A3. See attached page from Fiscal 2010 CAFR.
- Q4. What is debt schedule?  
A4. See attached excel spreadsheet named FMLC 1999.
- Q5. What is the security pledge and covenants?  
A5. Covenant to budget and appropriate all non-ad valorem.

END OF ADDENUM No. 1

CITY OF HIALEAH

Refunding for the City of Hialeah, FL Loan with the Florida Municipal Loan Council (FMLC)

2010/11-0210-00-006

ADDENDUM No. 1

CONTRACTOR'S NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

PHONE NO. \_\_\_\_\_

CONTACT NAME \_\_\_\_\_ SIGNATURE \_\_\_\_\_

THE BIDDER ACKNOWLEDGES RECEIPT OF THE FOLLOWING ADDENDUM BY SIGNING AND DATING BELOW:  
(Copy of this form must be faxed immediately to the City of Hialeah at (305) 883-5871).

ADDENDUM

SIGNATURE

DATE

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ARF

# CITY OF HIALEAH, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### NOTE 10. LONG-TERM DEBT (Continued)

#### *State of Florida*

In fiscal year 1977, the Water and Sewers Fund borrowed \$43,490,000 from the State of Florida toward the construction of the East Side Sewer System. Construction of the East Side Sewer System was completed during 1980. Interest on the loan from the State of Florida, amounting to approximately \$5,602,000, has been capitalized and included in construction costs and will be expensed over the estimated useful life of the system (50 years).

The loan agreement provides that the State will deposit the loan proceeds in a restricted, interest-bearing investment account to be used by the Water and Sewers Fund as debt service reserves and for future construction requirements. Interest earned on the construction funds during the time the East Side Sewer was being built, which is credited to the Water and Sewers Fund, has been deferred and is being amortized to income over the same period that the related capitalized interest is being expensed (50 years). At September 30, 2010, the unamortized deferred interest balance was \$1,573,039. The City paid off the State of Florida loan in 2008.

#### *Notes Payable*

##### 1) Florida Municipal Loan Council

On April 28, 1999, the City executed a loan agreement with the Florida Municipal Loan Council to borrow \$30,000,000 from the proceeds of the Florida Municipal Loan Council Revenue Bonds, Series 1999 for major roadway improvements and infrastructure projects. The loan has an outstanding balance of \$16,660,000 and calls for semi-annual payments due on April 1 and October 1, commencing on October 1, 1999 through April 1, 2019 and bears interest at varying rates ranging from 3.2% to 5.1%.

Annual debt service requirements to maturity for the Series 1999 note payable are as follows:

| <u>September 30,</u> | <u>Principal</u>    | <u>Interest</u>    | <u>Total</u>        |
|----------------------|---------------------|--------------------|---------------------|
| 2011                 | \$1,525,000         | \$807,588          | \$2,332,588         |
| 2012                 | 1,595,000           | 738,963            | 2,333,963           |
| 2013                 | 1,665,000           | 667,188            | 2,332,188           |
| 2014                 | 1,740,000           | 592,263            | 2,332,263           |
| 2015                 | 1,830,000           | 503,088            | 2,333,088           |
| 2016-2019            | <u>8,305,000</u>    | <u>1,032,731</u>   | <u>9,337,731</u>    |
|                      | <u>\$16,660,000</u> | <u>\$4,341,819</u> | <u>\$21,001,819</u> |

FMLC 1999  
Debt Service

| FY   | FMLC 1999<br>30-Sep |
|------|---------------------|
| 2011 | 2,298,275.00        |
| 2012 | 2,298,075.00        |
| 2013 | 2,294,725.00        |
| 2014 | 2,287,675.00        |
| 2015 | 2,286,193.75        |
| 2016 | 2,284,971.88        |
| 2017 | 2,283,753.13        |
| 2018 | 2,281,393.75        |
| 2019 | 2,282,962.50        |