

**GOVERNMENT OF PUERTO RICO
MUNICIPALITY OF GUAYNABO
MUNICIPAL LEGISLATURE**

RESOLUTION

Resolution Number: 45
Presented by: Administration

Serie 2017-2018

RESOLUTION TO AUTHORIZE THE AUTONOMOUS MUNICIPALITY OF GUAYNABO TO SIGN THE OFFICIAL DOCUMENTS ON COLLATERAL SECURITY AND PROMISSORY NOTE FOR THE REPAYMENT OF THE APPROVED LOAN UNDER THE "COMMUNITY DISASTER LOAN PROGRAM" OF THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) FOR THE AMOUNT OF \$5,000,000.00 ACCORDINGLY WITH SECCION 417 OF THE STAFFORD DISASTER RELIEF AND EMERGENCY ASSISTANCE ACT, PUBLIC LAW 93-288, AS AMENDED AND FEMA REGULATION UNDER THE 44 CFR 206, SUBPART K AND FOR OTHER PURPOSES.

WHEREAS: The Act No. 81-1991, as amended, known as Autonomous Municipality Law of the Government of Puerto Rico, states in Article 2.001, that the municipalities will have the necessary and convenient powers to execute all the powers corresponding to a local government and achieve its purposes and functions. In particular, establishes that municipalities may contract debts in the form of loans, bond issues or promissory notes, subject to applicable laws;

WHEREAS: The Federal Emergency Management Administration (FEMA), through the "Community Disaster Loans" program (CDL Program), is authorized to grant low-interest loans to help municipalities that have demonstrated economic need because of the substantial loss of income as a result of a major disaster. Through the use of the CDL Program funds, the municipalities will be able to continue carrying out their operational functions and expand such functions to meet the needs related to the disaster.

WHEREAS: The Autonomous Municipality of Guaynabo (the Municipality) through Resolution, authorized the Mayor, Honorable Ángel A. Pérez Otero to make the necessary and convenient to submit to the Federal Emergency Management Agency (FEMA), the formal request for a loan under the Community Disaster Loans (CDL) Program, in an amount that does not exceed \$5,000,000.00; subject to applicable laws and regulations.

WHEREAS: After having completed the financial analysis presented by the Municipal Administration before FEMA, the financial need of the Municipality could be demonstrated because of the substantial loss of income as a result of Hurricane Maria. Consequently, on April 19, 2018, the Municipality received notification indicating that it qualifies for the CDL loan in the amount of \$ 5,000,000.00. The Municipality will have to complete several at the Mayor's level and approval of the loan collateral by the Municipal Legislature.

WHEREAS: Under the regulation of the CDL program, the Municipality undertakes to pay to the Order of the United States of America, through FEMA, the sum of the principal in the amount of \$5,000,000.00, plus interest applicable to the loan, as determined by the Treasury of the United States, of the portion which is not canceled in accordance with FEMA regulations on the due date of the loan, unless the expiration term has been extended at the discretion of the Federal Government.

WHEREAS: In order to complete the process of final approval of the CDL loan in favor of the Municipality, it is necessary to authorize the collateral to the Federal Emergency Management Agency (FEMA), on the note or promissory note of the CDL loan in the amount of \$ 5,000,000.00, in accordance with Section 417 of the "Stafford Disaster Relief and Emergency Assistance Act, Public Law 93-288," as amended and the FEMA regulation, under "44 CFR 206, Subpart K". In this way, the Municipality will obtain the funds for the assistance of our residents, to respond the decrease of projected revenues and continue operating the Municipality at a time when the provision of basic services are extremely necessary.

NOW, THEREFORE: BE IT RESOLVED BY THE MUNICIPAL LEGISLATURE OF THE AUTONOMOUS MUNICIPALITY OF GUAYNABO, PUERTO RICO, AS FOLLOWS:

SECTION 1: The Autonomous Municipality of Guaynabo is authorized to grant the collateral security that is indicated on the form identified as "FEMA Form 085-0-1" to the Federal Emergency Management Agency (FEMA) on the note or promissory note (promissory note) of the loan, under the "Community Disaster Loan" program, in the amount of \$ 5,000,000.00, in accordance with Section 417 of the "Stafford Disaster Relief and Emergency Assistance Act, Public Law 93-288", as amended and the regulation of FEMA, according to "44 CFR 206, Subpart K".

SECTION 2: The form identified as "FEMA Form 085-0-1" (Local Government Resolution -Collateral Security), for the Autonomous Municipality of Guaynabo, as well as its content, is an integral part of this Resolution.

SECTION 3: That the Mayor is hereby authorized and appointed as representative of the Municipality and, as such, may provide to FEMA any additional information, as required, including all agreements and guarantees related to the CDL loan.

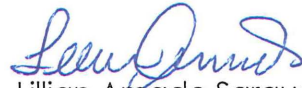
SECTION 4: A copy of this Resolution, duly approved by the Municipal Legislature, will be sent to the Finance and Budget departments, to the Municipality's Legal Office; to authorized FEMA officials of the Community Disaster Loans Program, to the Office of Management and Budget of the Government of Puerto Rico and to any other Agency with interference in the process

SECTION 5: This Resolution together with the document "FEMA Form 085-0-1" (Local Government Resolution -Collateral Security), will take effect immediately after being approved by the Municipal Legislature and signed by the Mayor.

Approved by the Municipal Legislature of Guaynabo, Puerto Rico, today, June 14, 2018.

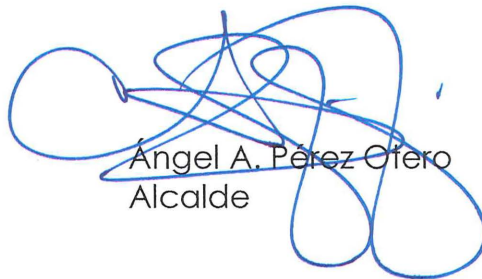


Carlos H. Martínez Pérez
Acting President



Lillian Amado Sarquella
Auxilian Secretary

Approved by the mayor of the Municipality of Guaynabo, Puerto Rico, today June 15, 2018.



Ángel A. Pérez Otero
Alcalde



Estado Libre Asociado de Puerto Rico
Municipio Autónomo de Guaynabo
Legislatura Municipal

CERTIFICACIÓN

I, Lillian Amado Sarquella, Auxilian Secretary of the Municipal Legislature of Guaynabo, Puerto Rico, CERTIFY, that the foregoing is a true and accurate copy of Resolution No. 45, Series 2017-2018, approved by the Municipal Legislature in its Extraordinary Session held on Thursday, June 14, 2018.

I also CERTIFY that the Resolution was approved by the following members, whom were present on the stated Extraordinary Session:

Luis C. Maldonado Padilla
Carmen Báez Pagán
Natalia Rosado Lebrón
Miguel A. Negrón Rivera
Antonio O'Neill Cancel
Carlos M. Santos Otero

Guillermo Urbina Machuca
Héctor M. Landrau Clemente
Jorge R. Marquina González-Abreu
Ángel L. O'Neill Pérez
Alexandra Rodríguez Burgos
Carlos H. Martínez Pérez

Excused: Lilliana Vega González, Roberto Lefranc Fortuño, Javier Capestany Figueroa and Carlos J. Álvarez González.

It was approved by the Hon. Ángel A. Pérez Otero, Mayor, June 15, 2018

In testimony of which, I hereby sign under the official seal of the Municipality of Guaynabo, on June 15, 2018.

Lillian Amado Sarquella
Auxilian Secretary

**ESTADO LIBRE ASOCIADO DE PUERTO RICO
GOBIERNO MUNICIPAL AUTONOMO DE GUAYNABO
LEGISLATURA MUNICIPAL**

RESOLUCIÓN

Número: 45

Presentada por: Administración

Serie 2017-2018

RESOLUCIÓN PARA AUTORIZAR AL MUNICIPIO AUTONOMO DE GUAYNABO A OTORGAR EL COLATERAL (COLLATERAL SECURITY) A LA AGENCIA FEDERAL PARA EL MANEJO DE EMERGENCIAS (FEMA) SOBRE LA NOTA O PAGARÉ (PROMISSORY NOTE) DEL PRESTAMO, BAJO EL PROGRAMA "COMMUNITY DISASTER LOAN", POR LA CANTIDAD DE \$5,000,000.00, DE CONFORMIDAD CON LA SECCIÓN 417 DEL "STAFFORD DISASTER RELIEF AND EMERGENCY ASSISTANCE ACT, PUBLIC LAW 93-288", SEGÚN ENMENDADA Y LA REGULACIÓN DE FEMA BAJO EL "44 CFR 206, SUBPART K"; Y PARA OTROS FINES.

POR CUANTO: La Ley Núm. 81-1991, según enmendada, conocida como Ley de Municipios Autónomos de Puerto Rico, establece en el Artículo 2.001, que los municipios tendrán los poderes necesarios y convenientes para ejercer todas las facultades correspondientes a un gobierno local y lograr sus fines y funciones. En particular, se establece que los municipios podrán contraer deudas en forma de préstamos, emisiones de bonos o de pagarés, con sujeción a las leyes aplicables;

POR CUANTO: La Administración Federal para el Manejo de Emergencias (FEMA), a través del programa "*Community Disaster Loans*" (Programa CDL), está facultada para conceder préstamos de bajo interés para ayudar a los municipios que hayan demostrado necesidad económica a causa de la pérdida sustancial de ingresos como resultado de un desastre mayor. Mediante el uso de los fondos del Programa CDL, los municipios podrán continuar sobrellevando sus funciones operacionales y expandir tales funciones para atender las necesidades relacionadas al desastre;

POR CUANTO: El Municipio Autónomo de Guaynabo (el Municipio) mediante Resolución al efecto, autorizó al Alcalde, Honorable Ángel Pérez Otero a realizar las gestiones necesarias y convenientes para presentar ante FEMA, la solicitud formal para un préstamo bajo el Programa CDL, por una cantidad que no exceda los \$5,000,000.00; con sujeción a las leyes y regulaciones aplicables.

POR CUANTO: Luego de haberse culminado con el análisis financiero presentado por la Administración Municipal ante FEMA, pudo demostrarse la necesidad económica del Municipio a causa de la pérdida sustancial de ingresos como resultado del paso del Huracán María. En consecuencia, el pasado 19 de abril de 2018, el Municipio recibió notificación indicando que cualifica para el préstamo CDL por la cantidad de \$5,000,000.00, restando por completar varios trámites procesales a nivel del Alcalde y la aprobación del colateral del préstamo por parte de la Legislatura Municipal.

POR CUANTO: Bajo la regulación del programa CDL, el Municipio se compromete a pagar a la Orden de los Estados Unidos de América, a través de FEMA, la suma del principal por la cantidad de \$5,000,000.00, más los intereses aplicables al préstamo, según determinados por el Tesoro de los Estados Unidos,¹ de aquella porción que no sea cancelada de acuerdo a la regulación de FEMA, a la fecha de vencimiento del préstamo, a no ser que el término de vencimiento haya sido extendido a discreción del Gobierno Federal.

POR CUANTO: A los fines de completar el proceso de aprobación final del préstamo CDL en favor del Municipio, es necesario autorizar el colateral a la Agencia Federal para el Manejo de Emergencias (FEMA), sobre la nota o pagaré del préstamo CDL por la cantidad de \$5,000,000.00, de conformidad con la Sección 417 del "Stafford Disaster Relief and Emergency Assistance Act, Public Law 93-288", según enmendada y la regulación de FEMA, bajo el "44 CFR 206, Subpart K". De esta manera, el Municipio obtendrá los fondos para la ayuda y asistencia de nuestros residentes, para atender la disminución de los ingresos proyectados y continuar operando el Municipio en un momento donde la prestación de los servicios básicos son sumamente necesarios.

POR TANTO: RESUÉLVASE POR LA LEGISLATURA MUNICIPAL DEL MUNICIPIO AUTONOMO DE GUAYNABO, PUERTO RICO, LO SIGUIENTE:

SECCIÓN 1: Se autoriza al Municipio Autónomo de Guaynabo a otorgar el colateral (*collateral security*) que se indica en el formulario identificado como "**FEMA Form 085-0-1**" a la Agencia Federal para el Manejo de Emergencias (FEMA) sobre la nota o pagaré (*promissory note*) del préstamo, bajo el programa "Community Disaster Loan", por la cantidad de \$5,000,000.00, de conformidad con la Sección 417 del "Stafford Disaster Relief and Emergency Assistance Act, Public Law 93-288", según enmendada y la regulación de FEMA, según el "44 CFR 206, Subpart K".

SECCIÓN 2: El formulario identificado como "**FEMA Form 085-0-1**" (*Local Government Resolution -Collateral Security*), para el Municipio Autónomo de Guaynabo, así como su contenido, se hace formar parte integral de esta Resolución.

SECCIÓN 3: Que el Alcalde queda por este medio autorizado y designado como representante del Municipio y como tal, podrá proveer ante FEMA cualquier información adicional, según sea requerido, incluyendo todos los acuerdos y garantías relacionado al préstamo CDL.

SECCION 4: Copia de esta Resolución debidamente aprobada por la Legislatura Municipal se enviará a los departamentos de Finanzas y Presupuesto, a la Oficina de Legales del municipio; a los funcionarios autorizados de FEMA del Programa "Community Disaster Loans", a la Oficina de Gerencia y Presupuesto del Gobierno de Puerto Rico y a cualquier otra Agencia con injerencia en el proceso.

¹ U.S Department of the Treasury; Treasury Yield Curve Rates; <https://www.treasury.gov/resource-center/data-chart-center/interest-rates/>.

SECCION 5: Esta Resolución junto con el documento "**FEMA Form 085-0-1**" (*Local Government Resolution -Collateral Security*), entrará en vigor inmediatamente después de ser aprobada por la Legislatura Municipal y firmada por el Alcalde.

Aprobada por la Legislatura Municipal de Guaynabo, Puerto Rico, hoy 14 de junio de 2018.

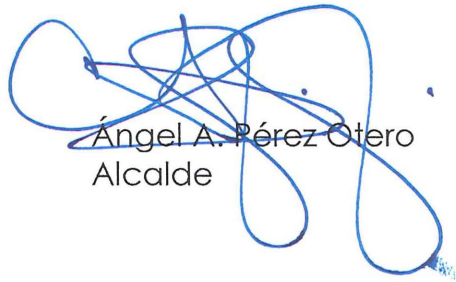


Carlos H. Martínez Pérez
Presidente en funciones



Lillian Amado Sarquella
Secretaria Auxiliar

Fue aprobada por el Hon. Ángel A. Pérez Otero, Alcalde, el día 15 de junio de 2018.



Ángel A. Pérez Otero
Alcalde



Estado Libre Asociado de Puerto Rico
Municipio Autónomo de Guaynabo
Legislatura Municipal

CERTIFICACIÓN

Yo, Lillian Amado Sarquella, Secretaria Auxiliar de la Legislatura Municipal de Guaynabo, Puerto Rico, por medio de la presente CERTIFICO que la que antecede es una copia fiel y exacta de la Resolución Núm. 45, Serie 2017-2018, aprobada por la Legislatura Municipal de Guaynabo, Puerto Rico, reunida en Sesión Extraordinaria el día 14 de junio de 2018.

CERTIFICO, ADEMÁS, que la misma fue aprobada por los miembros presentes en dicha Sesión Extraordinaria, los Honorables:

Luis C. Maldonado Padilla
Carmen Báez Pagán
Natalia Rosado Lebrón
Miguel A. Negrón Rivera
Antonio O'Neill Cancel
Carlos M. Santos Otero

Guillermo Urbina Machuca
Jorge R. Marquina González- Abreu
Héctor M. Landrau Clemente
Ángel L. O'Neill Pérez
Alexandra Rodríguez Burgos
Carlos H. Martínez Pérez

Excusados: Honorables Lilliana Vega González, Roberto Lefranc Fortuño, Javier Capestany Figueroa y Carlos J. Álvarez González.

Fue aprobada por el Hon. Ángel Pérez Otero, Alcalde, el 15 de junio de 2018.

EN TESTIMONIO DE TODO LO CUAL, libro la presente certificación bajo mi firma y el sello oficial de esta municipalidad de Guaynabo, Puerto Rico, el 15 de junio de 2018.

Lillian Amado Sarquella
Secretaria Auxiliar

DEPARTMENT OF HOMELAND SECURITY
Federal Emergency Management Agency
LOCAL GOVERNMENT RESOLUTION - COLLATERAL SECURITY

OMB Control Number: 1660-0083
Expiration: 11/30/2018

RESOLUTION

BE IT RESOLVED BY MUNICIPAL LEGISLATURE OF MUNICIPALITY OF GUAYNABO
(Governing Body) (Public Entity)

THAT we pledge the following listed collateral security to the Federal Emergency Management Agency (FEMA) on the Promissory Note for a Community Disaster Loan for \$ 5,000,000.00 executed on June 14, 2018 pursuant to Section 417 of the

Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 93-288, as amended, and FEMA Regulation, 44 CFR 206, Subpart K. We further understand that failure to repay any outstanding principal and related interest on those portions of the loan which do not qualify for loan cancellation as determined by FEMA or any successor agency will result in forfeiture of as much as the listed collateral security as is necessary to collect such outstanding principal and interest. (List the collateral security below. Use additional sheets if needed.)

The promissory note is payable from and secured by a pledge of the applicant's revenues for each fiscal year while any of the loan is outstanding, after a provision has been made for the payments required in connection with any outstanding indebtedness of the application.

Passed and approved this 14 day of June, 2018.

Carlos Martinez, Vice President

(Name and Title)

Miguel Negron, Legislator

(Name and Title)

Guillermo Urbina Machuca, Legislator

(Name and Title)

CERTIFICATION

I, Lilliam Amado, duly appointed and AUXILIAN SECRETARY of

(Title)

MUNICIPAL LEGISLATURE, do hereby certify that the above is a true and correct copy of a

resolution passed and approved by the MUNICIPAL LEGISLATURE of MUNICIPALITY OF GUAYNABO

(Governing Body)

(Public Entity)

on the 14 day of JUNE, 2018.

DATED: JUNE 14, 2018

AUXILIAN SECRETARY OF MUNICIPAL LEGISLATURE

(Official)



(Signature)

[SEAL]



RECORDED

I, Lilliam Amado, AUXILIAN SECRETARY, a responsible and
(Name) (Title)

authorized official of MUNICIPALITY OF GUAYNABO, do hereby attest that the
(Public Entity)

Collateral Security Resolution which accompanies this form has been duly recorded at
RESOLUTION # 45 2017-18, MUNICIPAL LEGISLATURE SECRETARY OFFICE
(Indicate where Recorded)

The Collateral Security Resolution was recorded on the 14 day of JUNE, 20 18.

DATED: _____

AUXILIAN SECRETARY
(Official Position)

Lilliam Amado
(Signature)

[SEAL]



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