Agenda Item #: **36-/** 

## PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS AGENDA ITEM SUMMARY

Meeting Date: Nov. 20, 2007 [X] Consent [ ] Regular [ ] Ordinance [ ] Public Hearing Department: Office of Financial Management & Budget
I. Executive Brief
Motion and Title: Staff recommends motion to select Merrill Lynch as Senior Manager and Wachovia Securities, Raymond James, Jackson Securities and Citigroup as co-managers for the estimated \$170 Million Public Improvement Revenue Bonds, Series 2008 for the jail expansion and other government facilities.
Summary: On September 11, 2007, the Board adopted a Resolution authorizing the issuance of a Public Improvement Revenue Bond Anticipation Note (BAN), Series 2007 in the principal amount not to exceed \$20,100,000 for funding the costs of the projects prior to the expected issuance of the Bonds in February, 2008. Bond counsel and disclosure counsel were previously appointed to provide services for the BAN. Over the next three months, staff will be preparing documents related to the bond issue and recommends that the Board appoint the underwriting team at this time. The above firms are next on the Senior Manager Underwriter Rotation List. Countywide (PFK)
Background and Justification: On July 24, 2007. the Board adopted a Resolution authorizing the issuance of Public Improvement Revenue Bonds in the principal amount of not to exceed \$170 million for the purpose of financing the costs of the acquisition, renovation, construction and equipping of additional criminal justice and public improvement facilities. The projects include the final phases of the Public Facilities Development Program providing for several general government buildings as well as the design for a new Evidence Storage/Impound Facility and the Jail Expansion Program approved by the Board on April 24, 2007. The payment of debt service on the bonds will be secured by a pledge of the County's non-ad valorem revenues.
Attachments:
Senior Manager Underwriter Rotation List
Recommended by: Clipalittle Block "/15/07  Department Director Date
Approved By: County Administrator Date
Date

## II. FISCAL IMPACT ANALYSIS

A. FIV	e Year Summary of	r Fiscai impa	act:				
	Fiscal Years	2008	2009	<u>2010</u>	<u>2011</u>	<u>2012</u>	
Capital Expenditures Operating Costs Debt Service Costs External Revenues Program Income (County In-Kind Match (County)					1 <u>0,464,000</u> ———	10,458,000 	
NET FISCAL IMPACT							
No. ADDITIONAL FTE							
Is Item Included In Current Budget? Yes No Budget Account No.: Fund Department Unit Object Reporting Category							
В.	Recommended So	urces of Fur	nds/Summa	ary of Fiscal	Impact:		
The debt service on the bonds will be amortized over 30 years and is secured by a pledge of legally available non-ad valorem revenues.							
C.	Departmental Fisca	al Review:					
		III. <u>REV</u>	IEW COMM	ENTS			
<b>A</b> .	OFMB Fiscal and/o Budget will be included in the July A-7 OFMB	or Contract [ established corrent b My 11/15/	Dev. and Co at time udget. / /7 Coi	NA	nents: Debt Serv		
В.	Legal Sufficiency:						
	Assistant County	11 // Attorney	1507				
C.	Other Department	Review:					
	Department	Director	_				

REVISED 9/03 ADM FORM 01 (THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.)

## PALM BEACH COUNTY SENIOR MANAGER UNDERWRITER ROTATION LIST June 5, 2007

District 3	Merrill Lynch	Senior Manager on next issue
District 6	Loop Capital Markets	Not eligible to serve as co-manager
District 1	Citigroup	Eligible to serve as co-manager
District 4	Wachovia Securities (Note 2)	Eligible to serve as co-manager
District 2	Raymond James	Eligible to serve as co-manager
District 7	Jackson Securities	Eligible to serve as co-manager
District 5	Janney Montgomery	Not eligible to serve as co-manager

<u>Note 1</u> - One selection per Commissioner with the senior manager selected for an issue always going to the bottom of the rotation list for future issues. If a Commissioner changes underwriters after the initial appointment in October, 2003, the new appointee will be placed at the bottom of the list.

Note 2 - Depending on the size of the bond issue, additional co-managers will be selected from the above list as follows: The firm at the top of the list to be appointed as senior manager, the next firm in line to be senior manager and the last firm selected as senior are not eligible to serve as co-manager on the next bond issue. All firms on the senior manager rotation list are eligible to be co-manager. Eligible firm(s) will be selected to be co-managers in order from the senior rotation list. As of the June 5, 2007 appointment of Wachovia Securities, Raymond James, Loop Capital Markets and Citigroup as co-managers on the Series 2007 Bonds for Scripps Facilities at FAU, Wachovia Securities is the next firm to be selected as co-manager with others to be selected following in order. Selection as co-manager will not effect a firm's standing on the senior manager rotation list.

Note 3 - Staff and the County's Financial Advisor recommend the following guidelines for structuring teams for each bond issue: (1) Up to \$10 Million - 1 Senior, (2) \$10 to \$25 Million - 1 Senior, 1 Co-Manager; (3) \$25 to \$50 Million - 1 Senior, 2 Co-Managers; (4) \$50 to \$75 Million - 1 Senior, 3 Co-Managers; (5) Excess of \$75 Million 1 Senior, 4 or more Co-Managers, depending on the size of the issue.

<u>Note 4 - Proprietary Proposals</u> - The County will continue to consider new and innovative proposals from any underwriter. If the Board decides to move forward with a proposal, the underwriter will be given consideration as the book running manager on the bond issue without regard to the senior manager rotation list. If the underwriter selected to be bookrunning manager is on the County's senior rotation list, the underwriter will be moved to the bottom of the list for future issues. Refunding of outstanding bond issues and other proposals that are currently being done by other issuers are not considered proprietary proposals. Submission of these proposals will not necessarily be a factor in the selection of underwriting teams.