

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY

Meeting Date: Jan. 15, 2008 Consent Regular
 Ordinance Public Hearing
Department: Office of Financial Management & Budget

I. Executive Brief

Motion and Title: Staff recommends motion to adopt a Resolution amending an earlier Resolution entitled: "a Resolution authorizing the issuance of Public Improvement Revenue Bonds in the principal amount of not to exceed \$170,000,000 for the purpose of financing the costs of the acquisition, renovation, construction and equipping of additional criminal justice and public improvement facilities and all other costs necessary or incidental thereto; providing for the terms and payment of such Bonds; authorizing the issuance of Bond Anticipation Notes; providing for the rights, security and remedies of the holders thereof, making certain covenants and agreements in connection therewith; authorizing the proper officials of the County to do all other things deemed necessary or advisable in connection with the issuance of such Bonds; and providing for an effective date," to increase the amount of Public Improvement Revenue Bonds authorized by such Resolution to a principal amount of not to exceed \$180,000,000 and providing for an effective date.

Summary: On July 24, 2007, the Board approved a Resolution for not to exceed \$170 Million Public Improvement Revenue Bonds which included \$22 Million for several general government buildings, the design of a new Evidence Storage/Impound Facility and \$143 Million for the Jail Expansion Program 2 (JEP2). When the County issues bonds it must provide for a debt service reserve account either by borrowing additional funds to fund the reserve or purchasing a debt service reserve surety policy from a bond insurer. Historically, the County has purchased the surety policy so that it could avoid borrowing additional funds which could result in the County paying more in interest for the bonds than it receives in interest earnings from the invested debt service reserve bond proceeds. In recent months, the national rating agencies have been reviewing the financial strengths of all the municipal bond insurance companies with the possibility of future downgrades in their ratings because of their exposure in the sub-prime mortgage market. As a result, it has been more difficult for the County to obtain a debt service reserve policy. This resolution increases the authorization for Bonds so that the County can cash fund the debt service reserve, if necessary. **Countywide (PFK)**

Background and Justification: On September 11, 2007, the Board approved the execution of a \$20,045,000 Bond Anticipation Note for funding of the projects until the bonds are issued. According to Facilities, The County is on schedule to award the contracts in late February or early March. The County plans to issue the bonds on the day the contracts are to be awarded and close the bonds two weeks later.

- Attachments:**
1. Bond Resolution (On file in OFMB)

Recommended by: Richard Roberts 1/7/2008
Department Director Date

Approved By: Angela J. [Signature] 1/9/08
County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Capital	\$165M	_____	_____	_____	_____
D/S Reserve Fund	\$10.97M	_____	_____	_____	_____
Costs of issuance	\$1.286M	_____	_____	_____	_____
Debt Service Costs	\$2.013M	\$12.9M	\$10.9M	\$10.9M	\$10.9M
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	_____	_____	_____	_____	_____
No. ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included In Current Budget? Yes _____ No _____
 Budget Account No.: Fund _____ Department _____ Unit _____
 Object _____ Reporting Category _____

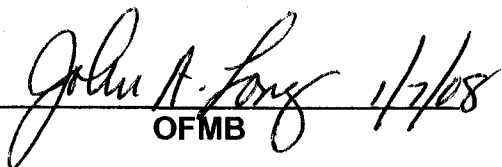

B. Recommended Sources of Funds/Summary of Fiscal Impact:

The County expects to issue non-ad valorem revenue bonds in February or March, 2008 to finance this project and pay the principal and accrued interest on the bond anticipation note.


C. Departmental Fiscal Review:

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

 1/7/08
 _____ OFMB

 _____ Contract Dev. and Control

B. Legal Sufficiency:

 1/7/08
 _____ Assistant County Attorney

C. Other Department Review:

 Department Director

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA AMENDING A RESOLUTION ENTITLED: "A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, AUTHORIZING THE ISSUANCE OF PUBLIC IMPROVEMENT REVENUE BONDS IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED ONE HUNDRED SEVENTY MILLION DOLLARS (\$170,000,000) FOR THE PURPOSE OF FINANCING THE COSTS OF THE ACQUISITION, RENOVATION, CONSTRUCTION AND EQUIPPING OF ADDITIONAL CRIMINAL JUSTICE AND PUBLIC IMPROVEMENT FACILITIES AND ALL OTHER COSTS NECESSARY OR INCIDENTAL THERETO; PROVIDING FOR THE TERMS AND PAYMENT OF SUCH BONDS; AUTHORIZING THE ISSUANCE OF BOND ANTICIPATION NOTES; PROVIDING FOR THE RIGHTS, SECURITY AND REMEDIES OF THE HOLDERS THEREOF, MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AUTHORIZING THE PROPER OFFICIALS OF PALM BEACH COUNTY TO DO ALL OTHER THINGS DEEMED NECESSARY OR ADVISABLE IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS; AND PROVIDING FOR AN EFFECTIVE DATE," TO INCREASE THE AMOUNT OF PUBLIC IMPROVEMENT REVENUE BONDS AUTHORIZED BY SUCH RESOLUTION TO A PRINCIPAL AMOUNT OF NOT EXCEED ONE HUNDRED EIGHTY MILLION DOLLARS (\$180,000,000) AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, on July 24, 2007 the Board of County Commissioners (the "Board") of Palm Beach County, Florida (the "County"), adopted Resolution No. R-2007-1228 (the "Authorizing Resolution") and authorized the issuance of not exceeding \$170,000,000 aggregate principal amount of Palm Beach County, Florida Public Improvement Revenue Bonds (the "Bonds") for the purpose of financing the costs of acquisition, renovation, construction and equipping of additional criminal justice and public improvement facilities and all other costs necessary or incidental thereto (as more fully described in the Authorizing Resolution, the "Project"); and

WHEREAS, because of turmoil in the financial markets, including financial problems of the providers of municipal bond insurance, the Board believes it to be advantageous and in the best interest of the County to increase the authorization of issuance of Bonds by ten million dollars (\$10,000,000) to an aggregate principal amount of not to exceed ONE HUNDRED EIGHTY MILLION DOLLARS (\$180,000,000) to provide sufficient monies to fund a cash debt service reserve, if necessary.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, AS FOLLOWS:

SECTION 1. AUTHORIZATION OF BONDS. Anything in the Authorizing Resolution to the contrary notwithstanding, the amount of Bonds authorized under the Authorizing Resolution shall be an aggregate principal amount of not exceeding ONE HUNDRED EIGHTY MILLION DOLLARS (\$180,000,000). All references to the amount of Bonds authorized to be issued under the Authorizing Resolution are hereby deemed amended to reflect such larger amount.

SECTION 2. RESOLUTION NO. R-2007-1228 REMAINS IN FULL FORCE AND EFFECT. Except as otherwise set forth in this Resolution, Resolution No. R-2007-1228 remains in full force and effect.

SECTION 3. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

The following resolution was offered by Commissioner _____ who moved its adoption. The motion was seconded by Commissioner _____, and upon being put to a vote, the motion passed as follows:

Commissioner ADDIE GREENE _____
Commissioner JEFF KOONS _____
Commissioner KAREN T. MARCUS _____
Commissioner ROBERT J. KANJIAN _____
Commissioner MARY MCCARTY _____
Commissioner BURT AARONSON _____
Commissioner JESS R. SANTAMARIA _____

The Chairperson thereupon declared the resolution duly passed and adopted this ___ day of January, 2008.

PALM BEACH COUNTY, FLORIDA,
BY ITS BOARD OF COUNTY COMMISSIONERS

Sharon R. Bock, Clerk & Comptroller

By: _____
Deputy Clerk

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

By: Paul F. J.
County Attorney