

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY

Meeting Date: May 18, 2010 Consent Regular
 Ordinance Public Hearing
Department: Office of Financial Management & Budget

I. Executive Brief

Motion and Title: Staff recommends motion to adopt a Resolution authorizing the execution of a First Amendment to Loan Agreement in connection with the extension of the County's line of credit in the principal amount of \$38,776,332, dated May 21, 2009 with Wells Fargo Bank that satisfies the debt service reserve fund requirements for seven of the County's outstanding bond issues; authorizing the execution of a separate first amendment to Loan Agreement in the principal amount of \$22,568,948 in connection with the extension of the County's separate line of credit with Wells Fargo Bank (the Bank), dated June 4, 2009 that satisfies the debt service fund requirements for four other County bond issues and providing an effective date.

Summary: Under the terms of the loan agreements, the County requested that the Bank extend the maturity date for each loan agreement for one year. The Bank has agreed to extend the loans agreements for one year with all other terms and conditions remaining unchanged. The County will continue to pay an annual fee of .65% (\$398,774) for the letters of credit issued to satisfy the debt service reserve requirements under the loan agreements. The County expects to continue to renew the loan agreements each year. The annual fees will be included in the FY 2011 Budget.

Countywide (PFK)

Background and Justification: On May 19, 2009 (R-2009-0887) and on June 2, 2009 (R-2009-0953), the Board adopted Resolutions authorizing the County to obtain lines of credit in the amount of \$38,776,332 and \$22,568,948, respectively, to support the issuance of letters of credit to satisfy debt service requirements for various outstanding bond issues of the County. The Bonds originally had debt service reserves that were funded by surety policies issued by municipal bond insurance companies. When those companies had their AAA rating downgraded below a level specified in the bond resolutions, the County had to replace the surety policies with letters of credit. The County does not expect that any draws on the letters of credit will occur. The fees are paid from legally available non-ad valorem revenues.

Attachments:

- 1. Bond Resolutions

Recommended by: Elizabeth Blase 5/12/10
Department Director Date

Approved By: AW 5-12-10
County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
Debt Service Costs	<u>398,774</u>	<u>398,774</u>	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>398,774</u>	<u>398,774</u>	_____	_____	_____
No. ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included In Current Budget? Yes X No _____ (Various Budgets)
 Budget Account No.: Fund _____ Department _____ Unit _____
 Object _____ Reporting Category _____

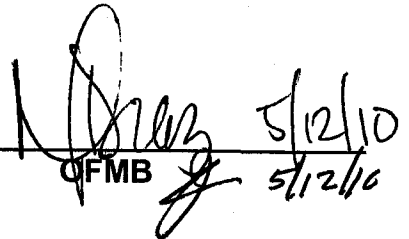
B. Recommended Sources of Funds/Summary of Fiscal Impact:

These fees are paid from available non-ad valorem revenues.

C. Departmental Fiscal Review: _____

III. REVIEW COMMENTS

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


N/A

 OFMB Contract Dev. and Control

B. Legal Sufficiency:



 Assistant County Attorney

C. Other Department Review:

 Department Director

EXECUTION COPY

RESOLUTION No. 2010-_____

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, AUTHORIZING THE EXECUTION OF A FIRST AMENDMENT TO LOAN AGREEMENT IN CONNECTION WITH THE EXTENSION OF THE COUNTY'S LINE OF CREDIT DATED MAY 21, 2009 WITH WELLS FARGO BANK, N.A., THAT SATISFIES THE DEBT SERVICE RESERVE FUND REQUIREMENTS FOR SEVEN OF THE COUNTY'S OUTSTANDING BOND ISSUES; AUTHORIZING THE EXECUTION OF A SEPARATE FIRST AMENDMENT TO LOAN AGREEMENT IN CONNECTION WITH THE EXTENSION OF THE COUNTY'S SEPARATE LINE OF CREDIT WITH WELLS FARGO BANK, N.A., DATED JUNE 4, 2009 THAT SATISFIES THE DEBT SERVICE RESERVE FUND REQUIREMENTS FOR FOUR OTHER COUNTY BOND ISSUES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Board of County Commissioners of Palm Beach County, Florida (the "County") has previously entered into those certain Loan Agreements, dated as of May 19, 2009 and June 4, 2009 (collectively, the "Loan Agreements") with Wachovia Bank, National Association (now Wells Fargo Bank, N.A.) (the "Bank") providing for the establishment by the Bank of a line of credit (the "Line of Credit") pursuant to which the Bank will issue certain letters of credit (the "Letters of Credit") in satisfaction of the debt service reserve fund requirements with respect to several series of revenue bonds previously issued by the County; and

WHEREAS, the Agreements specify that the respective Lines of Credit authorized thereunder have maturity dates of May 20, 2010 and June 3, 2010, respectively, which dates may be extended upon compliance with the terms thereof; and

WHEREAS, the County has received indication that the Bank is willing to extend such maturity dates;

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

SECTION 1. The First Amendment to Loan Agreement, dated as of May 20, 2010, between the County and the Bank, substantially in the form attached hereto as Exhibit A, is hereby authorized to be executed by the Chair and Clerk or their appropriate designees, with such modifications, insertions as deletions as approved by such parties, approval to be presumed by their execution thereof.

SECTION 2. The First Amendment to Loan Agreement, dated as of June 3, 2010, between the County and the Bank, substantially in the form attached hereto as

Exhibit B, is hereby authorized to be executed by the Chair and Clerk or their appropriate designees, with such modifications, insertions and deletions as approved by such parties, approval to be presumed by their execution thereof.

SECTION 3. If any provisions of this Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable in any context, the same shall not affect any other provisions herein or render any other provision (or such provision in any other context) invalid, inoperative or unenforceable to any extent whatever.

SECTION 4. This Resolution shall be governed by and construed in accordance with the laws of the State of Florida.

SECTION 5. All officials and employees of the County are authorized and empowered, collectively or individually, to take all action and steps and to execute all instruments, documents, and contracts on behalf of the County that are necessary or desirable in connection with the completion of the Loan.

SECTION 6. All resolutions or parts thereof in conflict herewith are hereby repealed.

SECTION 7. This Resolution shall take effect immediately upon its adoption.

The foregoing 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 Burt Aaronson – Chair
- Commissioner Karen T. Marcus – Vice Chair
- Commissioner Jeff Koons
- Commissioner Shelley Vana
- Commissioner Steven L. Abrams
- Commissioner Jess R. Santamaria
- Commissioner Priscilla A. Taylor

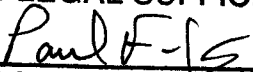
The Chair thereupon declared the Resolution duly passed and adopted this 18th day of May, 2010.

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

SHARON R. BOCK, CLERK AND
COMPTROLLER

By: _____
Deputy Clerk

**APPROVED AS TO FORM
AND LEGAL SUFFICIENCY**



COUNTY ATTORNEY

**EXECUTION COPY
Palm Beach County**

EXHIBIT A

FIRST AMENDMENT TO LOAN AGREEMENT

This First Amendment to Loan Agreement, dated as of May 20, 2010, by and between Palm Beach County, Florida, a political subdivision of the State of Florida, and its successors and assigns (the "County") and Wells Fargo Bank, N.A., a national banking association, as successor to Wachovia Bank, National Association, its successors and assigns (the "Bank");

WITNESSETH:

WHEREAS, the parties hereto have previously entered into that certain Loan Agreement, dated as of May 21, 2009 (the "Original Loan Agreement"), providing for the provision by the Bank of a Line of Credit to the County and the issuance pursuant thereto of certain Letters of Credit fulfilling the Debt Service Reserve Requirement for certain County bond issues; and

WHEREAS, the Line of Credit under the Original Loan Agreement expires May 20, 2010, subject to extension by the Bank; and

WHEREAS, the Bank has indicated its willingness to extend the Line of Credit and the Letters of Credit issued thereunder through May 20, 2011; and

WHEREAS, the County and the Bank desire to modify the Original Loan Agreement to reflect such extension;

The parties hereto, intending to be legally bound hereby and in consideration of the mutual covenants hereinafter contained, **DO HEREBY AGREE** as follows:

SECTION 1. The Maturity Date set forth in the Original Loan Agreement is hereby amended to be May 20, 2011.

SECTION 2. Except as modified hereby, all other provisions of the Original Loan Agreement shall remain in full force and effect.

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IN WITNESS WHEREOF, the parties have executed this Agreement to be effective between them as of the date first set forth above.

WELLS FARGO BANK, N.A.

By: _____
Name: _____
Title: _____

ATTEST:

Sharon R. Bock, Clerk & Comptroller

PALM BEACH COUNTY, FLORIDA

By: _____
Burt Aaronson, Chair
Board of County Commissioners

By: _____
Deputy Clerk

(SEAL)

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

County Attorney

EXECUTION COPY

EXHIBIT B

FIRST AMENDMENT TO LOAN AGREEMENT

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WELLS FARGO BANK, N.A.

By: _____
Name: _____
Title: _____

ATTEST:

PALM BEACH COUNTY, FLORIDA

Sharon R. Bock, Clerk & Comptroller

By: _____
Burt Aaronson, Chair
Board of County Commissioners

By: _____
Deputy Clerk

(SEAL)

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

County Attorney