

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

Meeting Date: April 2, 2013 **Consent []** **Regular [X]**
Department: Water Utilities Department **Public Hearing []**

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: **A)** Budget Transfer of \$3,355,000 in the Water Utilities Revenue Fund (4000) to reflect the effect of the bond refunding; **B)** Budget Amendment of \$1,197,000 decreasing the Water Utilities Capital Improvement Fund (4011) to reflect the effect of the bond refunding; **C)** Budget Amendment of \$2,158,000 decreasing the Water Utilities Debt Service Series 2006 Fund (4039) to reflect the effect of the bond refunding; and **D)** Budget Amendment of \$92,033,000 increasing the Water Utilities Debt Service Series Refunding 2013 Fund (4047) to record the bond proceeds, debt service expenses and payments to escrow agent.

Summary: On October 16, 2012 (Agenda Item 5F-1), the Board authorized the issuance of the Series 2013 Refunding Bonds for a partial refunding for the Water & Sewer Revenue Bonds, Series 2006A through a competitive-negotiated sale as recommended by the County Financing Committee (CFC) and the County's Financial Advisor. Through a bid, the County awarded the sale to JP Morgan. The refunding will save the County \$6,086,272 in debt service over the life of the bonds. Countywide (MJ)

Background and Justification: On August 23, 2012, the County Financing Committee (CFC) met to discuss the financing alternatives and recommended that, due to the current period of low interest rates, the County should proceed with the refunding for potential savings. Upon the recommendation of the County's Financial Advisor and the CFC, the refunding was done through a competitive-negotiated sale. The Bonds are secured by a pledge of Water & Sewer revenues.

Attachments:

- A) Budget Transfer form in the Water Utilities Revenue Fund (4000)
- B) Budget Amendment form in the Water Utilities Capital Improvement Fund (4011)
- C) Budget Amendment form in the Water Utilities Series 2006 Debt Service Fund (4039)
- D) Budget Amendment form in the Water Utilities Series 2006 Debt Service Fund (4047)
- E) Summary of Transactions by Fund

Recommended By:  2/28/13
 Department Director Date

Approved By:  3/20/13
 Assistant County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2013	2014	2015	2016	2017
Debt Service	<u>\$89,875,000</u>	<u>(\$583,600)</u>	<u>(\$584,600)</u>	<u>(\$584,800)</u>	<u>(\$584,900)</u>
External Revenues	(<u>\$88,678,000</u>)	0	0	0	0
Program Income	0	0	0	0	0
(County)					
In-Kind Match County	0	0	0	0	0
NET FISCAL IMPACT	<u>\$1,197,000</u>	<u>(\$583,600)</u>	<u>(\$584,600)</u>	<u>(\$584,800)</u>	<u>(\$584,900)</u>
# ADDITIONAL FTE POSITIONS	0	0	0	0	0
(Cumulative)					

Budget Account No.: Fund ____ Dept ____ Unit ____ Rev Source ____

Is Item Included in Current Budget? Yes No ☒ (*)

*See attached budget transfer and budget amendments.

Reporting Category N/A

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

The refunding yields net present value savings of \$6,086,272. Debt service payments will be funded from Water Utilities Department user fees.

C. Department Fiscal Review: See Exhibit

III. REVIEW COMMENTS

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

OFMB 3/13/2013 3/13/2013 3/13/2013 3/13/2013 3/13/2013
Contract Development and Control 3/13/2013

B. Legal Sufficiency:

N/A
Assistant County Attorney

C. Other Department Review:

Department Director

This summary is not to be used as a basis for payment.

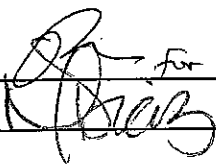
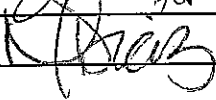
BOARD OF COUNTY COMMISSIONERS
PALM BEACH COUNTY, FLORIDA
BUDGET: TRANSFER
FUND 4000: Water Utilities Department Revenue Fund

BGEX 720 010913 *679

Use this form for items not anticipated in the budget

Account		Original Budget	Current Budget	Increase	Decrease	Adjusted Budget	Encumbered As of 1/8/13	Remaining Balance
Number	Name							
<u>Expenditures and Reserves</u>								
40008209000-9211	Transfer to Fund 4011	35,469,400	35,419,400		1,197,000	34,222,400	5,800,248	28,422,152
40008209000-9275	Transfer to Fund 4039	10,276,400	10,276,400	0	2,158,000	8,118,400	2,569,100	5,549,300
40008209000-9720	Transfer to Fund 4047	0	0	3,355,000	0	3,355,000	0	3,355,000
Total expenditures and reserves					<u>3,355,000</u>	<u>3,355,000</u>		

Water Utilities Department
Initiating Department/Division
Administration/Budget Department Approval
OFMB and Budget Department - Posted

Signatures	Date
	3/11/13
	3/6/2013

By Board of County Commissioners
At Meeting of _____
Deputy Clerk to the
Board of County Commissioners

BOARD OF COUNTY COMMISSIONERS
PALM BEACH COUNTY, FLORIDA
BUDGET: AMENDMENT
FUND 4011: Water Utilities Capital Improvement Fund

BGRX 720 01/09/13 *680
BGRV 720 01/09/13 *177

Use this form for items not anticipated in the budget

Account		Original Budget	Current Budget	Increase	Decrease	Adjusted Budget	Encumbered As of 1/8/2013	Remaining Balance
Number	Name							
<u>Receipts and Revenues</u>								
40118004211-8208	Transfer from Fund 4000	35,469,400	35,419,400	0	1,197,000	34,222,400		
Total receipts and revenues		185,860,182	180,439,330	0	1,197,000	179,242,330		
<u>Expenditures and Reserves</u>								
40117219900-9909	Reserves for Improvement Program	55,689,494,	55,639,494	0	1,197,000	54,442,494	0	54,442,49
Total expenditures and reserves		185,860,182	180,439,330	0	1,197,000	179,242,330	0	179,242,330

Water Utilities Department

Initiating Department/Division

Administration/Budget Department Approval

OFMB and Budget Department - Posted

Signatures

Date

By Board of County Commissioners

At Meeting of _____

Deputy Clerk to the

Board of County Commissioners

Benny Beaulieu 2/28/13
LP 1013 3/6/2013

BOARD OF COUNTY COMMISSIONERS
PALM BEACH COUNTY, FLORIDA
BUDGET: AMENDMENT
FUND 4039: Water Utilities Debt Service Series 2006

BGEX 720 01/11/13 * 699
BBRV 720 01/11/13 * 180

Use this form for items not anticipated in the budget

Account		Original Budget	Current Budget	Increase	Decrease	Adjusted Budget	Encumbered As of 1/8/2013	Remaining Balance
Number	Name							
<u>Receipts and Revenues</u>								
40398007531-8208	Transfer from Fund 4000	10,276,400	10,276,400	0	2,158,000	8,118,400		
Total receipts and revenues		10,358,400	10,358,400	0	2,158,000	8,200,400		
<u>Expenditures and Reserves</u>								
40397207531-7201	Interest - Bonds	6,024,000	6,024,000	0	2,246,000	3,778,000	1,506,050	2,271,950
40397207531-7204	Amortization of Bond Premium	(270,400)	(270,400)	119,000	0	(151,400)	(64,959)	(86,441)
40397207531-7206	Amortization of Issue Costs	79,100	79,100	0	31,000	48,100	18,640	29,460
Total expenditures and reserves		10,358,400	10,358,400	119,000	2,277,000	8,200,400	1,459,731	6,658,669

Signatures

Date

By Board of County Commissioners

At Meeting of _____

Water Utilities Department

Initiating Department/Division

Administration/Budget Department Approval

OFMB and Budget Department - Posted

B. G. [Signature]
N. Diaz

2/28/13
3/6/2013

Deputy Clerk to the
Board of County Commissioners

BOARD OF COUNTY COMMISSIONERS
PALM BEACH COUNTY, FLORIDA
BUDGET: AMENDMENT
FUND 4047: Water Utilities Debt Service 2013 Refunding Bonds

B6EX 720 01/11/13 * 704
B6RV 720 01/11/13 * 181

Use this form for items not anticipated in the budget

Account	Original Budget	Current Budget	Increase	Decrease	Adjusted Budget	Encumbered As of 3/4/13	Remaining Balance
Number Name							
<u>Receipts and Revenues</u>							
40477207538-8501 Proceeds of Refunded Bonds	0	0	72,430,000	0	72,430,000		
40477207538-8511 Bond Premium	0	0	16,248,000	0	16,248,000		
40478007538-8208 Transfer from Fund 4000	0	0	3,355,000	0	3,355,000		
Total receipts and revenues	<u>0</u>	<u>0</u>	<u>92,033,000</u>	<u>0</u>	<u>92,033,000</u>		
<u>Expenditures and Reserves</u>							
40477207538-7201 Interest-Bonds	0	0	2,079,000	0	2,079,000	0	2,079,000
40477207538-7204 Amortization of Bond Premium	0	0	0	676,000	(676,000)	0	(676,000)
40477207538-7206 Amortization of Issue Costs	0	0	17,000	0	17,000	0	17,000
40477207538-7209 Amortization of Refunding Loss	0	0	420,000	0	420,000	0	420,000
40477207538-7304 Paying Agent Services	0	0	5,000	0	5,000	0	5,000
40477207538-7305 Issue Costs	0	0	400,000	0	400,000	305,232	94,768
40477207538-9450 Payments to escrow agent	0	0	89,788,000	0	89,788,000	89,787,556	444
Total expenditures and reserves	<u>0</u>	<u>0</u>	<u>92,709,000</u>	<u>676,000</u>	<u>92,033,000</u>	<u>90,092,788</u>	<u>2,616,212</u>

Water Utilities Department

Initiating Department/Division

Administration/Budget Department Approval

OFMB and Budget Department - Posted

Signatures

Date

By Board of County Commissioners

At Meeting of _____

Deputy Clerk to the
Board of County Commissioners

Bonny Beaulieu 2/28/13
N. Diaz 3/6/2013

Water Utilities Department
Series 2013 Bond Refunding
Summary of Transactions by Fund
FY 2013 Budget Year

Description	Total	Fund			
		4000	4011	4039	4047
Revenue					
Transfer from fund 4000	0		(1,197,000)	(2,158,000)	3,355,000
Bond proceeds	72,430,000				72,430,000
Bond premium	16,248,000				16,248,000
Total revenue	88,678,000	0	(1,197,000)	(2,158,000)	92,033,000
Expenditures					
Transfer to fund 4011	(1,197,000)	(1,197,000)			
Transfer to fund 4039	(2,158,000)	(2,158,000)			
Transfer to fund 4047	3,355,000	3,355,000			
Interest-Bonds	(167,000)			(2,246,000)	2,079,000
Amortization of Bond Premium	(557,000)			119,000	(676,000)
Amortization of Issue Costs	(14,000)			(31,000)	17,000
Amortization of Refunding Loss	420,000				420,000
Paying Agent Services	5,000				5,000
Issue Costs	400,000				400,000
Payments to escrow agent	89,788,000				89,788,000
Reserves	(1,197,000)		(1,197,000)		
Total expenditures	88,678,000	0	(1,197,000)	(2,158,000)	92,033,000