### PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS <u>AGENDA ITEM SUMMARY</u>

Meeting Date:	May 5, 2015	Consent  [] Public Hearing	Regular

# Department: Water Utilities Department

## I. Executive Brief

**Motion and Title: Staff recommends motion to approve: A)** Budget Amendment of \$28,659,000 in the Water Utilities Revenue Refunding Bonds Series 2015 Debt Service Fund to budget bond proceeds, costs of issuance, and payment to the refunding bond escrow agent; **B)** Budget Amendment of \$674,000 in the Water Utilities Revenue Bonds Series 2006 Debt Service Fund to decrease the interest payment and decrease the transfer from the Utilities Revenue Fund; C) Budget Amendment of \$414,000 in the Water Utilities Capital Improvement Fund to decrease the reserves for the fund and decrease the transfer from the Utilities Revenue Fund; and D) Budget Transfer of \$1,088,000 in the Utilities Revenue Fund to reduce transfers to the Series 2006 Debt Service Fund and the Capital Improvement Fund and increase transfer to the Series 2015 debt service fund.

**Summary:** On December 16, 2014, (R2014-1909), the Board of County Commissioners authorized the issuance of the Series 2015 Refunding Bond for a partial refunding for the Water & Sewer Revenue Bonds, Series 2006A through a competitive sale as recommended by the County Financing Committee (CFC) and the County's Financial Advisor. Through an electronic bid process, the County awarded the sale to Morgan Stanley. The refunding will save the County approximately \$3.5 Million in debt service over the life of the bonds. <u>Countywide</u> (PFK)

**Background and Justification:** On November 24, 2014, the CFC met to discuss 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 sale. The Bonds are secured by a pledge of water revenues.

### Attachments:

- A. Budget Amendment form in Fund 4048 Water Utilities Debt Service 2015 Refunding Bonds
- B. Budget Amendment form in Fund 4039 Water Utilities Debt Service Series 2006
- C. Budget Amendment form in Fund 4011 Water Utilities Capital Improvement Fund
- D. Budget Transfer form in Fund 4000 Water Utilities Revenue Fund
- E. Summary of Transactions By Fund

Approved By:	Cim Stiles Department Director	<b>Y-23-15</b> Date
Approved By:	B.A.County Administrator	<u>4/30/15</u> Date

A. Five Year Summary of Fiscal Impact:

<b>Fiscal Years</b>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt Service External Revenues Program Income	<u>27,125,000</u> (27,571,000)	<u>(368,174)</u> 	( <u>222,001</u> )	<u>(247,054)</u>	<u>(247,054)</u>
(County) In-Kind Match County					
NET FISCAL IMPACT No. ADDITIONAL FTE POSITIONS (Cumulative	<u>446,000</u> 	<u>(368,174)</u> 	<u>(222,001)</u> 	<u>(247,054)</u> 	<u>(247,054)</u>
Budget Account No.:	Fund	_ Agency	Org	(	Object
	Reporting C	Category			
Is Item Included In Curre	ent Budget?	Yes	No <u>X</u> (Va	rious Budg	jets)
B. Recommended Se	ources of Fur	nds/Summar	y of Fiscal II	mpact:	
The debt service p the debt service sa	ayments will c vings are \$3.5	ontinued to b 5 million over	e secured by the life of the	/ pledge of Bonds.	water revenues and

Debra movest Departmental Fiscal Review: C.

III. REVIEW COMMENTS

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

**OFMB** 

08/15 act Developm

Legal Sufficiency: Β.

Poul Per 4/30/15 Assistant County Attorney

C. **Other Department Review:** 

**Department Director** 

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

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## Page 1 of 1 pages

## BOARD OF COUNTY COMMISSIONERS PALM BEACH COUNTY, FLORIDA BUDGET: AMENDMENT FUND 4048: Water Utilities Debt Service 2015 Refunding Bonds

Use this form for items not anticipated in the budget

Account		Original Current				Adjusted	Encumbered	Remaining	
Number	Name	Budget	Budget	Increase	Decrease	Budget	As of 2/11/15	Balance	
Receipts and Reve	nues								
720-4200-8401	Proceeds of Refunded Bonds	0	0	26,930,000	0	26,930,000			
720-4200-8411	Bond Premium	0	0	641,000	0	641,000			
800-4200-8208	Transfer from Fund 4000	0	0	1,088,000	0	1,088,000			
Total receipts and	revenues	0	0	28,659,000	0	28,659,000			
Expenditures and	<u>Reserves</u>								
720-7539-7201	Interest-Bonds	0	0	548,000	0	548,000	0	548,000	
720-7539-7204	Amortization of Bond Premium	0	0	0	20,000	(20,000)	0	(20,000)	
720-7539-7209	Amortization of Refunding Loss	0	0	25,000	0	25,000	0	25,000	
720-7539-7304	Paying Agent Services	0	0	7,000	0	7,000	0	7,000	
720-7539-7305	Issue Costs	0	0	452,000	0	452,000	0	452,000	
720-7539-9450	Payments to escrow agent	0	0	27,647,000	0	27,647,000	0	27,647,000	
	s and reserves	0	0	28,679,000	20,000	28,659,000			

Water Utilities Department

Initiating Department/Division

Administration/Budget Department Approval OFMB and Budget Department - Posted

Date Signatures

By Board of County Commissioners

At Meeting of \_\_\_\_\_

Deputy Clerk to the

**Board of County Commissioners** 

15 -BGRV 720 021215\*463 BGEX 720 021215\*934

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

Use this form for items not anticipated in the budget

Account		Original	Current			Adjusted	Encumbered	Remaining
Number	Name	Budget	Budget	Increase	Decrease	Budget	As of 2/11/15	Balance
Receipts and Reve	nues							
800-7531-8208	Transfer from Fund 4000	6,634,500	6,634,500	0	674,000	5,960,500		
Total receipts and	revenues	6,662,500	6,662,500	0	674,000	5,988,500		
Expenditures and	Reserves							
720-7531-7201	Bond interest	1,820,100	1,820,100	0	702,000	1,118,100	606,700	511,400
720-7531-7204	Amortization of Bond Premium	(64,500)	(64,500)	0	(28,000)	(36,500)	(20,502)	(15,998)
Total expenditures	and reserves	6,662,500	6,662,500	0	674,000	5,988,500		
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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** 

# 15 -BGRV 720 021215\*462 BGEX 720 021215\*933

Attachment 3 Page 1 of 1 pages

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

Use this form for items not anticipated in the budget

	Account	Original	Current			Adjusted	Encumbered	Remaining	
Number	Name	Budget	Budget	Increase	Decrease	Budget	As of 2/11/15	Balance	
Receipts and Rever	nues								
800-4211-8208	Transfer from Fund 4000	26,847,853	24,902,438	0	414,000	24,488,438			
Total receipts and	revenues	245,201,670	237,757,968	0	414,000	237,343,968			
Expenditures and I	Reserves								
721-9900-9909	Reserves for Improvement Program	69,564,731	69,160,789	0	414,000	68,746,789	0	68,746,789	
Total expenditures	and reserves	245,201,670	237,757,968	0	414,000	237,343,968	0	68,746,789	
	· · · · · · · · · · · · · · · · · · ·	Signat	ures	Date		By Board of Co	unty Commission	ers	
Water Utilities Dej Initiating Departm		Ci la	)	2/19/2019	5	At Meeting of _			
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OFMB and Budget	Department - Posted					Board of Count	y Commissioners		

Attachment 4

Page 1 of 1 pages

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

Use this form for items not anticipated in the budget

	Account	Original	Current			Adjusted	Encumbered	Remaining
Number	Name	Budget	Budget	Increase	Decrease	Budget	As of 2/11/15	Balance
Expenditures and 1	Reserves							
820-9000-9211	Transfer to Fund 4011	26,847,853	24,902,438	. 0	414,000	24,488,438	6,977,774	17,510,664
820-9000-9275	Transfer to Fund 4039	6,634,500	6,634,500	0	674,000	5,960,500	2,211,500	3,749,000
820-9000-	Transfer to Fund 4048	0	0	1,088,000	0	1,088,000	0	1,088,000
Total expenditures	s and reserves			1,088,000	1,088,000			
:								
Water Utilities De Initiating Departn	~	Signatu	ures	Date 2/18/201	"书	By Board of Co At Meeting of _	unty Commission	ers
Initiating Department/Division Administration/Budget Department Approval OFMB and Budget Department - Posted					_	Deputy Clerk to Board of Count	o the y Commissioners	· · · · · · · · · · · · · · · · · · ·

Attachment 5

## WATER UTILITIES DEPARTMENT OF PALM BEACH COUNTY, FLORIDA Calculation of Net Fiscal Impact of Series 2015 Issuance and Series 2006A Refunding

	 FY 2015	FY 2016	 FY 2017	 FY 2018	 FY 2019
Escrow payment to defease 2006A Bonds	\$ 27,646,556	0	0	0	0
Series 2015 interest	547,844	\$ 986,119	\$ 986,119	\$ 808,869	\$ 808,869
Series 2015 bond issuance costs	451,257	0	0	0	0
Interest on defeased 2006As	(1,550,300)	(1,411,050)	(1,264,800)	(1,111,300)	(1,111,300)
Series 2015 premium amortization	(20,518)	(36,939)	(36,939)	(30,300)	(30,300)
Series 2006A refunding loss amortization	24,555	44,183	44,183	36,241	36,241
Series 2006A post-refund premium amortization	(37,069)	(6,440)	-	. –	-
Series 2006A original premium amortization	62,157	55,953	49,436	49,436	49,436
Debt service	\$ 27,124,482	\$ (368,174).	\$ (222,001)	\$ (247,054)	\$ (247,054)
Bond proceeds	\$ 26,930,000				
Bond premium	640,813				
External revenues	\$ 27,570,813				
NET FISCAL IMPACT	\$ (446,331)	\$ (368,174)	\$ (222,001)	\$ (247,054)	\$ (247,054)

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