

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

Meeting Date: August 16, 2016 ☒ Consent ☐ Regular
 ☐ Ordinance ☐ Public Hearing

Department: Office of Financial Management & Budget

I. Executive Brief

Motion and Title: Staff recommends motion to approve:

- A) Budget Amendment of \$70,887,649 in the \$57M PBIA Revenue Refunding Bonds, Series 2016 debt service fund to budget bond proceeds, refunding bond premium, a transfer from the PBIA Operating fund, costs of issuance, payment to refunding bond escrow agent, and interest expense.
- B) Budget Amendment of \$854,620 in the \$69M PBIA Revenue Bond, Series 2006A debt service fund to decrease the interest payment and decrease the transfer from the PBIA Operating fund.
- C) Budget Transfer of \$854,620 in the PBIA Operating fund to decrease the transfer to the \$69M PBIA Revenue Bond, Series 2006A debt service fund, increase the transfer to the \$57M PBIA Revenue Refunding Bonds, Series 2016 debt service fund, and increase the PBIA Operating fund contingency reserves.

Summary: On June 21, 2016, the Board authorized the issuance of the PBI Series 2016 Revenue Refunding Bond for a current refunding for the PBI Revenue Bonds, Series 2006A through a negotiated sale as recommended by the County Financing Committee (CFC) and the County's Financial Advisors. Through a competitive negotiated bid process, the County awarded the sale to Raymond James. The refunding resulted in Net Present Value savings of \$15.63 million (22.62%) in debt service over the life of the bonds. **Countywide (PFK)**

Background and Justification: On April 21, 2016, 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 Advisors and the CFC, the refunding was done through a negotiated sale. The Bonds are secured by a pledge of airport revenues.

Attachments:

1. Budget Amendment in Fund 4139
2. Budget Amendment in Fund 4137
3. Budget Transfer in Fund 4100

Recommended by:

Department Director

Date _____

Approved By:

County Administrator

Date _____

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

| Fiscal Years | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|--------------|-----------|-----------|-----------|-----------|
| Bond Proceeds | (57,070,000) | | | | |
| Premium on Bonds | (13,303,336) | | | | |
| Sinking Fund Transfer | (854,620)* | | | | |
| Issue Costs | 469,888 | | | | |
| Payment to Escrow Agent | 69,903,448 | | | | |
| Debt Service Payments | 514,313 | (625,298) | (471,480) | (474,980) | (478,980) |
| NET FISCAL IMPACT | (340,307) | (625,298) | (471,480) | (474,980) | (478,980) |
| No. ADDITIONAL FTE POSITIONS (Cumulative) | | | | | |

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

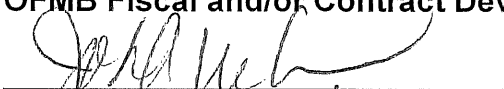
B. Recommended Sources of Funds/Summary of Fiscal Impact:

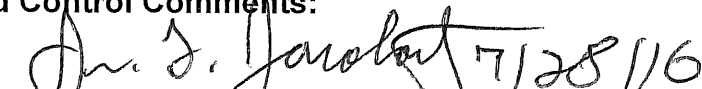
The debt service payments are secured by airport revenues.
*Trustee transfer of \$854,620 accrued interest to escrow.

C. Departmental Fiscal Review: _____

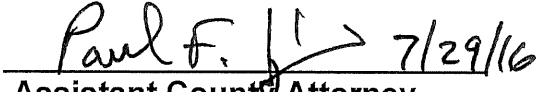
III. REVIEW COMMENTS

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


OFMB 7/26/16


Contract Dev. and Control 7/28/16

B. Legal Sufficiency:


Assistant County Attorney 7/29/16

C. Other Department Review:

Department Director

2016 - 0941

BOARD OF COUNTY COMMISSIONERS
PALM BEACH COUNTY, FLORIDA
BUDGET AMENDMENT

FUND 4139 - Debt Serv 57M PBIA Rev Ref 2016

BGRV 063016*0500
BGEX 063016*1582

| ACCOUNT NAME AND NUMBER | ORIGINAL BUDGET | CURRENT BUDGET | INCREASE | DECREASE | ADJUSTED BUDGET | EXPENDED/ ENCUMBERED AS OF 7/25/2016 | REMAINING BALANCE |
|---|--------------------|-------------------|------------|----------|--------------------|--|----------------------|
| <u>Revenues</u> | | | | | | | |
| 800-9100-8221 Transfer from Fund 4100 | 0 | 0 | 514,313 | 0 | 514,313 | | |
| 800-8000-8501 Proceeds of Refunding Bonds | 0 | 0 | 57,070,000 | 0 | 57,070,000 | | |
| 800-8000-8511 Refunding Premium/Discount Revenue | 0 | 0 | 13,303,336 | 0 | 13,303,336 | | |
| TOTAL RECEIPTS & BALANCES | 0 | 0 | 70,887,649 | 0 | 70,887,649 | | |
| <u>Expenditures</u> | | | | | | | |
| 120-7204-7201 Interest Expense | 0 | 0 | 514,313 | 0 | 514,313 | 0 | 514,313 |
| 120-7204-7305 Issue Costs | 0 | 0 | 469,888 | 0 | 469,888 | 0 | 469,888 |
| 120-7204-9450 Payment Refund Bond Escrow Agent | 0 | 0 | 69,903,448 | 0 | 69,903,448 | 0 | 69,903,448 |
| TOTAL APPROPRIATIONS & EXPENDITURES | 0 | 0 | 70,887,649 | 0 | 70,887,649 | | |

Office of Financial Management and Budget

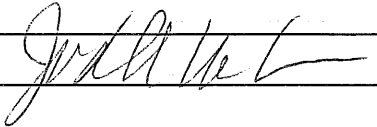
Signatures & Dates

BY BOARD OF COUNTY COMMISSIONERS
AT MEETING OF

INITIATING DEPARTMENT/DIVISION

Administration/Budget Department Approval

OFMB Department - Posted



August 16, 2016

Deputy Clerk to the

Board of County Commissioners

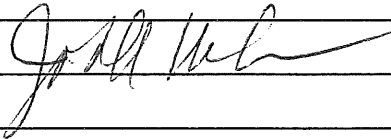
2016 - 0942

BOARD OF COUNTY COMMISSIONERS
PALM BEACH COUNTY, FLORIDA
BUDGET AMENDMENT

FUND 4137 - Debt Serv 69M PBIA Rev Bonds 2006A

BGRV 072516*0510
BGEX 063016*1585

| ACCOUNT NAME AND NUMBER | ORIGINAL BUDGET | CURRENT BUDGET | INCREASE | DECREASE | ADJUSTED BUDGET | EXPENDED/ ENCUMBERED AS OF 7/1/2016 | REMAINING BALANCE |
|--|--------------------|-------------------|----------|----------|--------------------|---|----------------------|
| <u>Revenues</u> | | | | | | | |
| 800-9100-8221 Transfer from Fund 4100 | 3,434,774 | 3,434,774 | 0 | 854,620 | 2,580,154 | | |
| TOTAL RECEIPTS & BALANCES | 3,435,274 | 3,436,833 | 0 | 854,620 | 2,582,213 | | |
| <u>Expenditures</u> | | | | | | | |
| 120-7204-7201 Interest Expense | 3,418,480 | 3,418,480 | 0 | 854,620 | 2,563,860 | 2,563,860 | 0 |
| TOTAL APPROPRIATIONS & EXPENDITURES | 3,435,274 | 3,436,833 | 0 | 854,620 | 2,582,213 | | |

| | | |
|---|---|----------------------------------|
| Office of Financial Management and Budget | Signatures & Dates | BY BOARD OF COUNTY COMMISSIONERS |
| INITIATING DEPARTMENT/DIVISION | | AT MEETING OF |
| Administration/Budget Department Approval |  | August 16, 2016 |
| OFMB Department - Posted | | Deputy Clerk to the |
| | | Board of County Commissioners |

2016 - 1012

BOARD OF COUNTY COMMISSIONERS
PALM BEACH COUNTY, FLORIDA
BUDGET TRANSFER

FUND 4100 - Airport Operations

BGEX 072516*1712

| ACCOUNT NAME AND NUMBER | ORIGINAL BUDGET | CURRENT BUDGET | INCREASE | DECREASE | ADJUSTED BUDGET | EXPENDED/ ENCUMBERED AS OF 7/25/2016 | REMAINING BALANCE |
|--|--------------------|-------------------|----------|----------|--------------------|--|----------------------|
| <u>Expenditures</u> | | | | | | | |
| 820-9000-9304 Transfer to Fund 4137 | 3,434,774 | 3,434,774 | 0 | 854,620 | 2,580,154 | 2,580,154 | 14,399 |
| 820-9000-9754 Transfer to Fund 4139 | 0 | 0 | 514,313 | 0 | 514,313 | 0 | 514,313 |
| 120-9900-9901 Contingency Reserves | 8,880,876 | 11,631,422 | 340,307 | 0 | 11,971,729 | 0 | 11,971,729 |
| TOTAL APPROPRIATIONS & EXPENDITURES | 79,572,312 | 82,323,281 | 854,620 | 854,620 | 82,323,281 | | |

Office of Financial Management and Budget

Signatures & Dates

BY BOARD OF COUNTY COMMISSIONERS

INITIATING DEPARTMENT/DIVISION

AT MEETING OF

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OFMB Department - Posted

Deputy Clerk to the

Board of County Commissioners