

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

Meeting Date:

September 18, 2018

X Consent

Ordinance

Regular **Public Hearing**

Department:

Office of Financial Management & Budget

I. Executive Brief

Motion and Title: Staff recommends motion to adopt:

a Resolution of the Board of County Commissioners of Palm Beach County, Florida, authorizing the issuance of not exceeding \$23,000,000 in original aggregate principal amount of Palm Beach County, Florida, Revenue Refunding Bonds, Series 2018, in one or more Series (the "Bonds") for the purpose of currently refunding all of the County's outstanding Revenue Improvement Bonds, Series 2011 (Ocean Avenue Lantana Bridge and Max Planck Corporation Projects); paying certain costs related thereto; providing for the terms and payment of such Series 2018 Bonds; providing for the rights, security and remedies of the holder thereof; approving the sale of the Bonds to STI Institutional & Government, Inc. (The "Bank") pursuant to a direct private placement; approving the form of and delegating to the Mayor or Vice Mayor the authority to execute and deliver a bond purchase agreement to be used for the negotiated sale of the Bonds to the Bank; 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 the Series 2018 Bonds; providing for certain other matters in connection therewith; and providing for an effective date.

Summary: On August 16, 2018, the County Financing Committee (CFC) approved the current refunding of all of the County's Revenue Improvement Bonds, Series 2011 based on a target net present value savings of not less than \$400,000. The bonds originally funded a grant to Max Planck and the Ocean Avenue Lantana Bridge project. Based on the recommendations of the County's Financial Advisor, and due to timing issues and volatile market conditions, it would be in the best interest of the County that the Series 2018 Bonds be sold on a negotiated private placement basis. Countywide (DB)

Background continued on page 3

Attachments:

1. Bond Resolution.

2. List of RFP Respondents

Recommended by:

Approved By:

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact: Fiscal Years 2018 2019 2020 2021 2022 Capital Expenditures Operating Costs **Debt Service Costs 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 ____ Does this item include the use of federal funds? Yes __ No __ Fund_ **Budget Account No.:** Department _____ Unit Object __ Reporting Category _ Recommended Sources of Funds/Summary of Fiscal Impact: The Resolution authorizes the sale of Bonds. The debt service payments are secured by a covenant to budget and appropriate. *Debt service payments will decrease in future years; however, the amounts are not known until the bonds are sold. C. Departmental Fiscal Review: _ Ш. **REVIEW COMMENTS** A. OFMB Fiscal and/or Contract Dev. and Control Comments: **Contract Dey** and Control В. Legal Sufficiency: sistant County Attorney C. Other Department Review:

THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.

WPB 383257753v5/013000.012700

Department Director

Background and Justification: The County's Debt Management Policy stipulates that the net present value savings on the debt service of the refunding bonds is at least 5% unless interest rates are at historically low levels and future opportunities to achieve more savings are not likely to occur. The County's financial advisors informed the CFC that interest rates are near historically low levels, and refunding the Series 2011 Bonds will produce a significant dollar amount of savings and relief from the Series 2011 Bond covenant interest rate increase triggered by the recent reduction in the corporate federal marginal income tax rate. The CFC voted to move forward with the current refunding through a negotiated direct bank placement predicated on a net present value savings of at least \$400,000 and instructed the financial advisors to issue the related RFP.