# PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

#### **AGENDA ITEM SUMMARY**

**Meeting Date:** 

February 4, 2020

Consent [X]

Regular []

Public Hearing []

Department:

**Water Utilities Department** 

#### I. EXECUTIVE BRIEF

**Motion and Title:** Staff recommends motion to approve: A) a Budget Amendment of \$51,972,374 in the \$44,105,000 Water and Sewer Revenue Refunding Bonds, Series 2019 debt service fund to budget bond proceeds, refund bond premium, transfer from the Water and Sewer Revenue fund, costs of issuance, payment to refunding bond escrow agent, and interest expense; B) a Budget Amendment of \$3,218,700 in the Water and Sewer Revenue Bond, Series 2009 debt service fund to decrease the interest payment and decrease the transfer from the Water and Sewer Revenue fund; and C) a Budget Transfer of \$3,218,700 in the Water and Sewer Revenue Bond, Series 2009 debt service fund to decrease the transfer to the Water and Sewer Revenue Bond, Series 2009 debt service fund, increase the transfer to the \$44,105,000 Water and Sewer Revenue Refunding Bonds, Series 2019 debt service fund.

**Summary:** On October 22, 2019, the Board of County Commissioners (Board) authorized the issuance of the Water and Sewer Revenue Refunding Bonds, Series 2019 for a current refunding of the Water and Sewer Revenue Bond, Series 2009 through a competitive sale as recommend by the County Financing Committee (CFC) and the County's financial advisors. Through a competitive negotiated bid process, the County awarded the sale to Fidelity Capital Markets. The refunding resulted in Net Present Value savings of \$12,500,000 (25.65%) in debt service over the life of the bonds. Countywide (MJ)

Background and Justification: On May 20, 2008, the Board approved an agreement with Florida Power & Light Company (FPL) to supply reclaimed water for FPL's West County Energy Center. In conjunction with the agreement on July 22, 2009, the Palm Beach County Water Utilities Department (WUD) issued the \$68,115,000 Water and Sewer Revenue Bond, Series 2009 to finance the project. Under the agreement, FPL reimburses WUD for debt service costs related to these bonds. On October 17, 2019, 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 CFC, the refunding was done through a competitive sale. The Bonds are secured by a pledge of water utility revenues.

#### Attachments:

- 1. Budget Amendment in Fund 4049
- 2. Budget Amendment in Fund 4042
- 3. Budget Transfer in Fund 4000

Recommended By:		1,8,2020	
•	Department Director	Date	
Approved By:	Well & Blue	1/22/2020	
., , ,	Assistant County Administrator	Date	

## II. FISCAL IMPACT ANALYSIS

## A. Five Year Summary of Fiscal Impact:

Fiscal Years	2020	2021	2022	2023	2024
Bond Proceeds Premium on Bonds Issue Costs Payment to Escrow Agent Debt Service Payments	(44,105,000) (4,648,674) 364,319 49,129,355* (1,028,461)	0 0 0 0 0 (1,189,704)	0 0 0 0 0 (1,161,951)	0 0 0 0 0 (1,149,962)	0 0 0 0 0 (1,120,099)
NET FISCAL IMPACT No. ADDITIONAL FTE POSITIONS (Cumulative)	(288,461)	(1,189,704)	(1,161,951)	(1,149,962)	(1,120,099)

Budget Account No.:	Fund	Dept	Unit	Object	Various Budgets
Is Item Included in Curre	nt Budget?		Yes	No X	
Does this item include th	e use of fede	ral funds?	Yes	No X	

## Reporting Category N/A

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

The debt service payments are secured by water utility revenues. FPL will reimburse WUD for future debt service payments. \*Includes trustee transfer of \$740,000 accrued interest to escrow.

C. Department Fiscal Review:

# III. REVIEW COMMENTS

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

OFMB JC 18 9MM

ontract Development and Control

B. Legal Sufficiency:

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 AMENDMENT

#### FUND 4049 - Debt Serv 44.105M WS Rev Ref 2019

BGRV 111519\*108 BGEX 111519\*364

AC	CCOUNT NAME AND NUMBER	ORIGINAL BUDGET	CURRENT BUDGET	INCREASE	DECREASE	ADJUSTED BUDGET	EXPENDED/ ENCUMBERED AS OF 11/14/2019	REMAINING BALANCE
Revenues								
800-4200-8208	Transfer from Fund 4000	0	0	3,218,700	0	3,218,700		
720-4200-8401	Proceeds of Refunding Bonds	0	0	44,105,000	0	44,105,000		
720-4200-8411	Refunding Premium/Discount Revenue	0	0	4,648,674	0	4,648,674		
TOTAL RECE	IPTS & BALANCES	0	0	51,972,374	0	51,972,374		
<u>Expenditures</u>								
720-7540-7101	Principal Expense	0	0	1,495,000	0	1,495,000	0	1,495,000
720-7540-7201	Interest Expense	0	0	1,453,855	0	1,453,855	0	1,453,855
720-7540-7204	Amortization of Bond Premium	0	0	0	397,400	-397,400	0	-397,400
720-7540-7209	Amortization of Refunding Loss	0	0	0	74,400	-74,400	0	-74,400
720-7540-7304	Paying Agent Fees	0	0	1,645	0	1,645	0	1,645
720-7540-7305	Issue Costs	0	0	364,319	0	364,319	0	364,319
720-7540-9450	Payment Refunding Bond Escrow Agent	0	0	49,129,355	0	49,129,355	0	49,129,355
TOTAL APPRO	OPRIATIONS & EXPENDITURES	0	0	52,444,174	471,800	51,972,374		
0.00	271		G:	0 D 4		DWDOARD	NE COLINIEN COLOR	CCLONEDC
Office of	of Financial Management and Budget		Signature	& Dates		BY BOARD (	OF COUNTY COMMI	SSION

INITIATING DEPARTMENT/DIVISION

Administration/Budget Department Approval

**OFMB Department - Posted** 

1/8/2020.

BY BOARD OF COUNTY COMMISSIONERS
AT MEETING OF

February 11, 2020

Deputy Clerk to the

**Board of County Commissioners** 

#### BOARD OF COUNTY COMMISSIONERS PALM BEACH COUNTY, FLORIDA BUDGET AMENDMENT

## FUND 4042 - Debt Serv 68M W&S Rev Bonds 2009

BGRV 010920\*159 BGEX 111519\*364

ACCOUNT NAME AND NUMBER	ORIGINAL BUDGET	CURRENT BUDGET	INCREASE	DECREASE	ADJUSTED BUDGET	EXPENDED/ ENCUMBERED AS OF 1/20/20220	REMAINING BALANCE
Revenues							
800-4200-8208 Transfer from Fund 4000	3,871,900	3,871,900	0	3,218,700	653,200		
TOTAL RECEIPTS & BALANCES	3,871,900	3,871,900	0	3,218,700	653,200		
Expenditures							
720-7534-7101 Principal Expense	1,590,000	1,590,000	0	1,590,000	0	0	0
720-7534-7201 Interest Expense	2,450,000	2,450,000	0	1,695,300	754,700	374,356	380,344
720-7534-7204 Amortization of Bond Premium	-79,300	-79,300	67,800	0	-11,500	-11,441	-59
720-7534-7304 Paying Agent Services	1,200	1,200	0	1,200	0		0
TOTAL APPROPRIATIONS & EXPENDITURES	3,961,900	3,961,900	67,800	3,286,500	743,200		
Office of Financial Management and Budget		Signatures	'		BY BOARD (	OF COUNTY COMMI	ISSIONERS
INITIATING DEPARTMENT/DIVISION		1/0	7/2020.			February 11, 2020	
Administration/Budget Department Approval			1			<b>Deputy Clerk to the</b>	
OFMB Department - Posted					Board	l of County Commissio	ners

#### BOARD OF COUNTY COMMISSIONERS PALM BEACH COUNTY, FLORIDA BUDGET TRANSFER

# FUND 4000 - Water Utilities Revenue Fund

BGEX 111519\*363

ACCOUNT NAME AND NUMBER	ORIGINAL BUDGET	CURRENT BUDGET	INCREASE	DECREASE	ADJUSTED BUDGET	EXPENDED/ ENCUMBERED AS OF 01/09/2020	REMAINING BALANCE
Expenditures							
820-9000-9369 Transfer to Fund 4042 820-9000-9768 Transfer to Fund 4049	3,871,900	3,871,900 0	0 3,218,700	3,218,700 0	653,200 3,218,700	645,317 321,870	7,883 2,896,830
TOTAL APPROPRIATIONS & EXPENDITURES	3,871,900	3,871,900	3,218,700	3,218,700	3,871,900		
Office of Financial Management and Budget		Signatures	) / /		BY BOARD	OF COUNTY COMM AT MEETING OF	ISSIONERS
INITIATING DEPARTMENT/DIVISION		1/9/2020.			February 11, 2019		
Administration/Budget Department Approval				· · · · · · · · · · · · · · · · · · ·		Deputy Clerk to the	
<b>OFMB Department - Posted</b>					Board	l of County Commissio	ners