

Meeting Date
December 19, 2017



AGENDA	
Section	New Business
Item No.	<i>V.I.F.1</i>

AGENDA REPORT

BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS

SUBJECT:	Authorize County Staff and Financing Team to undertake a Request For Proposals to identify a financial institution to provide a loan to refinance outstanding commercial paper and fund new money needs related to Valkaria Airport projects.
DEPT/OFFICE:	County Finance/Budget Office

Requested Action:

It is requested that the Board authorize County Staff and the County's financing team (Public Financial Management – Financial Advisor and Nabors, Giblin & Nickerson – Bond Counsel) to undertake a request for proposals to identify a financial institution to provide a loan to refund outstanding commercial paper and fund new money needs related to Valkaria Airport projects. Following completion of the RFP, the results along with a Bond Resolution will be brought back to the Board for consideration at a future meeting.

Summary Explanation & Background:

The County has approximately \$19.5 million of commercial paper (CP) outstanding through the Florida Association of Counties Commercial Paper Program. This CP was used to provide interim financing for projects related to the Emergency Management 800 MHz radio system, Valkaria Airport, Mosquito Control helicopters, Sheriff CAD/RM/JM and Natural Resources stormwater improvements. The CP accrues interest at a short term variable rate. Given the expectation of rising short term variable rates and the low current long term fixed interest rates, it is an opportune time for the County to refinance the CP with a long term fixed interest rate bank loan. The County also has additional new money needs for hangars and administration/aviation building at the Valkaria Airport in the approximate amount of \$1.2 million, which were previously approved by the Board of County Commissioners on October 10, 2017 and May 17, 2016 respectively. Due to the economies of scale, it is in the County's best interest to combine the re-financing of the CP with the new money needs into one bank loan financing. The bank loan will be secured by a covenant to budget and appropriate from legally available non ad valorem revenues. The actual repayment will come from dedicated revenue streams associated with each project, as are currently being funded. Debt service associated with the Valkaria Airport projects will be funded through Valkaria Airport operating revenue. Assuming a favorable proposal is received, the financing team will prepare all financing documents, including a Bond Resolution, for consideration at a future meeting. This opportunity has been discussed with County Finance and they concur with the plan of finance.

Fiscal Impact:

Based on current market conditions, the estimated annual debt service is \$2,000,000 based on a 15 year re-payment term.

Contact: Steve Burdett, Finance Director; Jill Hayes, Budget Director

Clerk to the Board Instructions:

Exhibits Attached:

Contract /Agreement (If attached): Reviewed by County Attorney Yes No PR

County Manager	Assistant County Manager	Department Director / Extension
Frank Abbate <i>F.A.</i>	Interim Assistant County Manager	<i>Jill Hayes</i>



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December 20, 2017

M E M O R A N D U M

TO: Jill Hayes, Budget Office Director

RE: Item VI.F.1., Authorization of Staff and Financing Team to Undertake a Request for Proposals to Identify a Financial Institution to Provide a Loan to Refinance Outstanding Commercial Paper and to Fund New Money Needs for Valkaria Airport Projects

The Board of County Commissioners, in regular session on December 19, 2017, authorized County staff and the County's financing team (Public Financial Management-Financial Advisor and Nabors, Giblin & Nickerson – Bond Counsel) to undertake a Request for Proposals (RFP) to identify a financial institution to provide a loan to refund outstanding commercial paper and to fund new money needs related to Valkaria Airport Projects; and following completion of the RFP, the results along with a bond resolution will be brought back to the Board for consideration at a future meeting.

Your continued cooperation is always appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
SCOTT ELLIS, CLERK

Tammy Rowe

Tammy Rowe, Deputy Clerk

/kp

cc: Finance
Budget