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**AGENDA REPORT  
May 22, 2018**

**Resolution re: Accept the proposal of Sun Trust Bank to reduce the interest rate**



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**SUBJECT:**

Resolution accepting Sun Trust Bank reduction in the interest rate to 3.37% from 5.08% on the Subordinated Sales Tax Revenue Bond, Series 2009A (Series 2009A).

**FISCAL IMPACT:**

The County's Finance Team has negotiated with Sun Trust Bank for a reduction in the interest rate on the Series 2009A to 3.37% from 5.08%. This will provide a net present value debt service savings of approximately \$104,000 and the final maturity of the Series 2009A Bonds will remain unchanged.

**DEPT/OFFICE:**

County Manager

**REQUESTED ACTION:**

Request the Board of County Commission adopt a Resolution accepting the proposal from Sun Trust Bank to reduce the interest rate on the County's outstanding Subordinated Sales Tax Revenue Bond, Series 2009A to 3.37% per annum and the final maturities will remain unchanged. Delegate the authority to the Chair to execute the Resolution and to authorize the County Manager to approve all necessary budget change requests to implement this request.

**SUMMARY EXPLANATION and BACKGROUND:**

As a result of the reduction of corporate income tax rates pursuant to the Tax Cuts and Jobs Act of 2017, the interest rate on the Series 2009A Bond was increased to 5.08% from

4.18% in accordance with the terms and provisions of the Bond Resolution for the Series 2009A Bond.

Pursuant to negotiations between the County's Financial Team and Sun Trust Bank, Sun Trust Bank has proposed to reduce the interest rate on the Series 2009A Bond to 3.37% from 5.08% resulting in debt service savings for the County. The County will continue to fund the debt service on the Series 2009A Bond from revenues of the Barefoot Bay Wastewater Treatment system. The interest rate on the 2009A will be 3.37% and the final maturity has not changed from December of 2029.

This request has been reviewed and approved by the County Manager, County Attorney, the Finance Director, the Budget Director, the County's Bond Counsel and Financial Advisor.

**ATTACHMENTS:**

**Description**

- **Resolution to Lower Interest Rate on the Subordinated Sales Tax Revenue Bonds, Series 2009A**

**RESOLUTION NO. 2018-076**

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF BREVARD COUNTY, FLORIDA ACCEPTING THE PROPOSAL OF STI INSTITUTIONAL & GOVERNMENTAL, INC. TO REDUCE THE INTEREST RATE ON THE COUNTY'S OUTSTANDING SUBORDINATED SALES TAX REVENUE BOND, SERIES 2009A; AUTHORIZING THE REISSUANCE OF THE SERIES 2009A BOND TO STI INSTITUTIONAL & GOVERNMENTAL, INC.; AND PROVIDING FOR AN EFFECTIVE DATE.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF BREVARD COUNTY, FLORIDA that:

**SECTION 1. FINDINGS.** It is hereby found and determined that:

A. Brevard County, Florida (the "Issuer"), previously issued its Subordinated Sales Tax Revenue Bond, Series 2009A (the "Series 2009A Bond") to SunTrust Bank (the "Original Purchaser") pursuant to Resolution No. 93-431 adopted by the Board of County Commissioners (the "Board") of the Issuer on November 10, 1993, as it may be amended and supplemented from time to time (the "Master Resolution"), and Resolution No. 09-230, adopted by the Board on October 20, 2009 (the "Bond Resolution").

B. As a result of the reduction of corporate income tax rates pursuant to the Tax Cuts and Jobs Act of 2017, the interest rate on the Series 2009A Bond was increased in accordance with the terms and provisions of the Bond Resolution.

C. Pursuant to negotiations between the financial advisor for the Issuer, PFM Financial Advisors LLC (the "Financial Advisor"), and STI Institutional & Government, Inc., an affiliate of the Original Purchaser ("STI"), STI has proposed to reduce the interest rate on the Series 2009A Bond resulting in debt service savings for the Issuer (the "Proposal").

D. The Issuer now desires to accept STI's proposal to reduce the interest rate on the Series 2009A Bond and to approve the reissuance of the Series 2009A Bond to STI.

E. In consideration of the acceptance by STI of the Series 2009A Bond authorized to be reissued hereunder to STI, this Resolution, the Master Resolution and the Bond Resolution shall each constitute a contract between STI and the Issuer.

F. The Series 2009A Bond shall continue to be secured by and governed in accordance with the Master Resolution and the Bond Resolution, and the ad valorem taxing power of the Issuer will never be necessary or authorized to pay the principal of and interest on the Series 2009A Bond or to make any other payments provided for in the Master Resolution or the Bond Resolution or this Resolution, and the Series 2009A Bond shall not constitute a lien upon any property whatsoever of or in the Issuer, except as otherwise provided in the Master Resolution and the Bond Resolution.

**SECTION 2. AUTHORITY FOR THIS RESOLUTION.** This Resolution is enacted pursuant to the provisions of the Constitution of the State of Florida, Chapter 125, Florida Statutes, the Charter of the Issuer, and other applicable provisions of law. All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Bond Resolution and the Master Resolution.

**SECTION 3. PROPOSAL TO REDUCE INTEREST RATE.** The Issuer hereby accepts STI's proposal to reduce the interest rate on the Series 2009A Bond to 3.37% per annum.

**SECTION 4. AUTHORIZATION OF REISSUANCE OF SERIES 2009A BOND.** The Issuer hereby authorizes the "Brevard County, Florida Subordinated Sales Tax Revenue Bond, Series 2009A" to be reissued under the provisions of the Master Resolution and Bond Resolution to STI. Notwithstanding any provision of the Master Resolution or the Bond Resolution to the contrary, from the date of such reissuance, the Series 2009A Bond shall bear interest at the annual rate of 3.37%. All other terms and provisions of the Master Resolution and the Bond Resolution shall remain in full force and effect and will continue to apply with respect to the Series 2009A Bond. On or before the reissuance of the Series 2009A Bond, the Original Purchaser shall assign the Series 2009A Bond to STI. Upon the reissuance of the Series 2009A Bond to STI in accordance with the provisions hereof, STI shall be considered the "Owner" of the Series 2009A Bond pursuant to and in accordance with the Bond Resolution.

**SECTION 5. SEVERABILITY.** If any provision of this Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable in any context, the same shall not affect any other provision herein or render any other provision (or such provision in any other context) invalid, inoperative or unenforceable to any extent whatever.

**SECTION 6. RULES OF INTERPRETATION.** Unless expressly indicated otherwise, references to sections or articles are to be construed as references to sections or articles of this instrument as originally executed. Use of the words "herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter" and other equivalent words refer to this Resolution and not solely to the particular portion in which any such word is used.

**SECTION 7. CAPTIONS.** The captions and headings in this Resolution are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Resolution.

**SECTION 8. AUTHORIZATIONS.** The Chair and any member of the Board, the County Attorney, the Clerk, the County Manager and such other officials and employees of the Issuer as may be designated by the Issuer are each designated as agents of the Issuer in connection with the reissuance of the Series 2009A Bond and are authorized and empowered, collectively or individually, to take all action and steps and to execute all instruments, documents, and contracts on behalf of the Issuer that are necessary or desirable in connection with the execution and delivery of the Series 2009A Bond and which are specifically authorized or are not inconsistent with the terms and provisions of this Resolution.

**SECTION 9. REPEALER.** All resolutions or parts thereof in conflict herewith are hereby repealed.

**SECTION 10. EFFECTIVE DATE.** This Resolution shall be effective immediately upon its adoption.

This Resolution passed and adopted this 22nd day of May, 2018.

BOARD OF COUNTY COMMISSIONERS  
BREVARD COUNTY, FLORIDA,

(SEAL)

By:   
Rita Pritchett, Chair

ATTEST:

  
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Scott Ellis, Clerk of the Circuit Court  
and Ex-Officio Clerk to the Board of  
County Commissioners of Brevard  
County, Florida