

Meeting Date
November 7, 2017



AGENDA	
Section	New Business
Item No.	VI A 1

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 willing to provide a loan to refund the outstanding Barefoot Bay Water and Sewer District Utility Revenue Bonds, Series 2000 for debt service savings.
DEPT/OFFICE:	Utility Services Department

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 that is willing to provide a loan to refund outstanding Barefoot Bay Water and Sewer District Utility Revenue Bonds, Series 2000 for debt service savings. 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:

Due to the low interest rate environment, there currently exists an opportunity to refund the Barefoot Bay Water and Sewer District Utility Revenue Bonds, Series 2000 to achieve a significant net present value debt service saving which would reduce the annual debt payments on the bonds. The bonds are outstanding in the par amount of \$9,820,000 with interest rates ranging from 5.00% to 5.25% and have a final maturity of October 1, 2029. The bonds are secured by the net revenues of the Barefoot Bay Water and Sewer District. In order to secure the most favorable financing proposals, the refunding bonds would have a secondary pledge of net revenues of the County's main utility system on a subordinate basis to existing debt obligations.

Based on current market conditions, PFM is estimating the County could achieve \$1,000,000 of net present value debt service savings or 10.18% of the refunded bonds par amount. There would be no extension of maturity and no new money proceeds generated by the refunding. Assuming a favorable proposal is received, the financing team will prepare all financing documents, including a Bond Resolution, for consideration at a future meeting. The refunding opportunity has been discussed with County Finance and they concur that the opportunity is worth pursuing.

Fiscal Impact:

The refunding is expected to generate \$1,000,000 of net present value debt service savings or 10.18% of the refunded bonds par amount. This equates to approximately \$100,000 annually through 2029. This level of savings is well in excess of the minimum target set for refundings which is savings in excess of 3.0% of the refunded bonds par amount.

Contact: Jim Helmer, Utility Services Director, 321-633-2091, Jim.Helmer@brevardfl.gov

Clerk to the Board Instructions:

Exhibits Attached: Affordable Structures Lease Agreement

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

County Manager Frank Abbate	Assistant County Manager John Denninghoff	Department Director / Extension
	Interim Assistant County Manager Jim Liesenfelt	 Jim Helmer, Utility Services Director / x52091



Tammy Rowe, Clerk to the Board, 400 South Street • P.O. Box 999, Titusville, Florida 32781-0999

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November 8, 2017

MEMORANDUM

TO: Jim Helmer, Utility Services Director

RE: Item VI.A.1., Authorize County Staff and Financing Team to Undertake a Request for Proposals (RFP) to Identify a Financial Institution Willing to Provide a Loan to Refund the Outstanding Barefoot Bay Water and Sewer District Utility Revenue Bonds, Series 2000, for Debt Service Savings

The Board of County Commissioners, in regular session on November 7, 2017, authorized County staff and the County's Finance Team (Public Financial Management – Financial Advisor and Nabors, Giblin & Nickerson – Bond Counsel) to undertake a RFP to identify a financial institution that is willing to provide a loan to refund outstanding Barefoot Bay Water and Sewer District Utility Revenue Bonds, Series 2000, for debt service savings; and approved following the 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, Deputy Clerk

cc: Finance
Budget