



TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Lee R. Feldman, ICMA-CM, City Manager

DATE: November 4, 2014

TITLE: Authorization of the Issuance and Sale of Water and Sewer Revenue
Refunding Bonds, Series 2014, in an Aggregate Principal Amount not to
exceed \$110,000,000

Recommendation

It is recommended that the City Commission approve a resolution authorizing the issuance and sale of water and sewer revenue refunding bonds in an amount not to exceed \$110 million for the purpose of (i) refunding on an advanced basis a portion of the City's \$100 million and \$155 million original aggregate principal amount of Water and Sewer Revenue Bonds, Series 2006 and Series 2008, respectively and (ii) paying the cost of issuance of the Series 2014 bonds.

Background

In 2003, the City Commission adopted Resolution 03-29, which constitutes the Master Bond Resolution for the City's Water and Sewer Revenue Bonds. The Master Bond Resolution provides for the issuance, from time to time, of water and sewer revenue bonds; provides the source of security of and payment for such bonds; and contains covenants for the benefit of the bondholders. A series resolution is the vehicle used to authorize each specific series (or installment) of bonds. There were four series issued under the Master Bond Resolution:

- \$90 million Water and Sewer Revenue Bonds, Series 2003
- \$100 million Water and Sewer Revenue Bonds, Series 2006
- \$155 million Water and Sewer Revenue Bonds, Series 2008
- \$82.3 million Water and Sewer Revenue Bonds, Series 2010

In 2012, the City Commission adopted Resolution 12-75 which authorized the refunding of the Series 2003 Bonds. The City's staff and professional consultants have reviewed the current economic environment and determined that it would be beneficial to refinance a portion of the Water and Sewer Series 2006 and Series 2008 bonds. Refinancing of the current debt would result in lower interest rates and a substantial savings to the City.

Based on current market conditions, the City could advance refund \$31,865,000 of its Series 2006 bonds and \$72,120,000 of its Series 2008 bonds. This refunding has an estimated present value savings of \$8,462,746 or 8.14%, with an annual average savings of \$629,306.

Resource Impact

There is a positive fiscal impact associated with this action. There will be an estimated savings of \$335,889 on current year debt service payments.

Strategic Connections:

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included within the Internal Support Cylinder of Excellence, specifically advancing:

- Goal 12: Be a leading government organization, managing resources wisely and sustainably.
- Objective 1: Ensure sound fiscal management

This item advances the *Fast Forward Fort Lauderdale Vision Plan 2035: We are United*.

Attachment

Exhibit 1 – Resolution

Exhibit 2 – Refunding Analysis

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