



**CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING**

#21-0511

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

FROM: Chris Lagerbloom, ICMA-CM, City Manager

DATE: May 18, 2021

TITLE: Resolution Authorizing the Issuance of Water and Sewer Revenue
Refunding Bonds, Series 2021 in an Amount Not to Exceed \$42,500,000 –
(Commission Districts 1, 2, 3 and 4)

Recommendation

Staff recommends the City Commission approve a resolution authorizing the issuance of Water and Sewer Revenue Refunding Bonds, Series 2021 in an amount not to exceed \$42,500,000 for the purpose of refinancing all of the Water and Sewer Revenue Refunding Bonds, Series 2012, and pay the costs of issuance associated with the Series 2021 Bonds, as determined by the City Manager.

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 five series issued under the Master Bond Resolution:

- \$90 million Water and Sewer Revenue Bonds, Series 2003 (refunded with Series 2012 Bonds)
- \$100 million Water and Sewer Revenue Bonds, Series 2006 (partially refunded with Series 2014 Bonds; remainder refunded with Series 2016 Bonds)
- \$155 million Water and Sewer Revenue Bonds, Series 2008 (partially refunded with Series 2014 Bonds; remainder refunded with Series 2016 Bonds)
- \$82.3 million Water and Sewer Revenue Bonds, Series 2010 (refunded with Series 2016 Bonds)
- \$195 million Water and Sewer Revenue Bonds, Series 2018

The Series 2021 Bonds are payable from and secured by a lien on the pledge of the net revenues derived from the City's ownership or operation of the Water and Sewer System and certain other moneys held under the Master Bond Resolution, on a parity with the

Water and Sewer Revenue Refunding Bonds, Series 2014, Water and Sewer Revenue and Revenue Refunding Bonds, Series 2016, and Water and Sewer Revenue Bonds, Series 2018.

The City's staff and professional consultants have reviewed the economic environment; and based on current market conditions, a refunding of the remaining principal balance will provide an estimated present value savings of \$5,161,325 or 11.9% (as of May 7, 2021).

Resource Impact

There is a positive fiscal impact associated with this action. There will be an estimated savings of \$291,002 on the current year debt service payment and the refunding will generate approximately \$527,000 per year in fiscal years 2022 through 2031.

Strategic Connection

This item supports the *Press Play Fort Lauderdale 2024* Strategic Plan, specifically advancing:

- The Internal Support Focus Area
- Goal 8: Build a leading government organization that manages all resources wisely and sustainably
- Objective: Maintain financial integrity through sound budgeting practices, prudent fiscal management, cost effective operations, and long-term planning

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

Attachments

Exhibit 1 – Refunding Analysis

Exhibit 2 – Resolution

Exhibit 3 - Proposal of T.D. Bank, N.A.

Exhibit 4 - Form of Series 2021 Bond

Exhibit 5 - Form of Escrow Deposit Agreement

Exhibit 6 - Form of Purchaser's Letter

Prepared by: Linda Short, Deputy Director, Finance
Claudelle Rose, Sr. Admin Assistant, Finance

Department Director: Susan Grant, Finance