

# TOWN OF PALM BEACH

Information for Town Council Meeting on: November 12, 2019

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To: Mayor and Town Council

Via: Kirk Blouin, Town Manager

From: Jane Le Clainche, Director of Finance

Re: Refunding of the 2013 Bonds  
**Resolution No. 142-2019**  
**Resolution No. 143-2019**

Date: October 31, 2019

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## **STAFF RECOMMENDATION**

Staff requests Town Council approval of Resolution No. 142-2019 and Resolution No. 143-2019 which would allow for the refinancing of a portion of the Town's Public Improvement Revenue Bonds, Series 2013 (Capital Improvement and Coastal Management Program) (the "2013 Bonds").

## **GENERAL INFORMATION**

At the October 10, 2019, Town Council meeting, the Town Council voted to move forward with the documents necessary to refinance the 2013 Bonds. The Resolutions are attached for your review and approval.

The first Resolution (No.142-2019) is the "Bond Authorizing Resolution," which sets forth the basic terms and provisions of the Public Improvement Revenue Refunding Bonds, Federally Taxable Series 2019 (Capital Improvement and Coastal Management Program) (the "2019 Bonds), application of 2019 Bonds proceeds and the 2019 Bond form. The second Resolution (No.143-2019) is the "Parameters Award Resolution," which supplements the Bond Authorizing Resolution by setting forth certain details of the 2019 Bonds and providing for the public sale of the 2019 Bonds and authorizing the issuance thereof on a delegated award basis, subject to meeting certain parameters, including, meeting net present value debt service savings of not less than five percent (5%) of the principal amount of the Refunded 2013 Bonds as confirmed by the Town's Financial Advisor, rate or rates of interest on the 2019 Bonds such that the true interest cost shall not be in excess of 5.00% per annum, principal and maturity limitations. The Parameters Award Resolution delegates authority to the Director of Finance to determine certain initial details of the 2019 Bonds in connection with the public sale thereof and authorizes the Mayor or Town Manager to award the 2019 Bonds subject to meeting the parameters. Furthermore, the Parameters Award Resolution approves the Preliminary Official Statement, Summary Notice of Sale, Official Notice of Sale and Escrow Deposit Agreements in substantially the forms attached. Additionally, the Parameters Award Resolution authorizes the purchase of escrow securities, appoints a paying

agent, registrar and escrow agent for the 2019 Bonds, and authorizes certain Town officials to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by such Resolution.

The Town's Financial Advisor, Mr. Jay Glover with PFM, will be in attendance to make a brief presentation regarding the refinancing and provide an update on the current refunding position. Mr. Mark-David Adams, the Town's Bond Counsel will also be in attendance to answer any questions.

#### **TOWN ATTORNEY REVIEW**

The attached Resolutions were prepared by the Town's Bond Counsel, Locke Lord LLP.

#### **FUNDING/FISCAL IMPACT**

**Based on market conditions as of October 31, the estimated net present value debt service savings the Town could achieve is \$3.8 million or 9% of the Refunded 2013 Bonds par amount. This equates to approximately \$230,000 annually through 2043 (no extension of the final maturity).** The actual savings realized will depend on the market conditions at the time the 2019 Bonds are sold.

Attachments

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