Agenda Request Form

Agenda Number: 24.

File ID: 2019-R-09	**Type:** Resolution	**Status:** Passed
Version: 1	**Agenda Section:**	**In Control:** City Commission
		File Created: 05/07/2019
Short Title:		**Final Action:** 05/15/2019

Title: MOTION TO ADOPT PROPOSED RESOLUTION 2019-R-09.

PROPOSED RESOLUTION 2019-R-09 IS A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF PEMBROKE PINES, FLORIDA; ESTABLISHING THE CITY'S INTENT TO REIMBURSE CERTAIN CAPITAL IMPROVEMENT PROJECT COSTS INCURRED WITH PROCEEDS OF FUTURE TAX-EXEMPT FINANCING OR OTHER OBLIGATIONS; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

Enactment Date: 05/15/2019

Enactment Number: 3641

Internal Notes:

Attachments: 1. 2019-R-09 Reimbursement Resolution, 2. Letter of Recommendation from Ford and Assoc, 3. Charter School Bonds Approved Agenda Item 4-17-19

1	City Commission	05/15/2019	adopt	Pass

Action Text: A motion was made by Commissioner Castillo, seconded by Commissioner Siple, to adopt Proposed Resolution 2019-R-09 establishing the City's intent to reimburse certain capital improvement project costs incurred with proceeds of future tax-exempt financing or other obligations. City Attorney Goren clarified that Proposed Resolution 2019-R-09 was a companion to Proposed Ordinance 2019-09 read as first reading in Item #22 of the agenda. The motion carried by the following vote:

Aye: - 4   Mayor Ortis, Commissioner Castillo, Vice Mayor Schwartz, and Commissioner Siple

Nay: - 1   Commissioner Good Jr.

Text of Legislative File 2019-R-09

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OF THE CITY OF PEMBROKE PINES, FLORIDA; ESTABLISHING THE CITY'S INTENT TO REIMBURSE CERTAIN CAPITAL IMPROVEMENT PROJECT COSTS INCURRED WITH PROCEEDS OF FUTURE TAX-EXEMPT FINANCING OR OTHER OBLIGATIONS; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

SUMMARY EXPLANATION AND BACKGROUND:

1.   On April 17, 2019, the City Commission authorized the City Administration and its financial advisors to pursue a fixed-rate refinancing of the City's Charter School Revenue Bonds, Series 2008; and to terminate the two swap agreements.

2.   As recommended by the Financial Advisor, since the SWAPs are not "integrated" with the bonds for tax purposes, the City cannot issue tax-exempt debt to finance the termination payments. Instead the SWAPs would be terminated using existing reserves and issue tax-exempt debt to finance other suitable capital expenditures (see attached letter of recommendation).

3.   The Enterprise Resource Planning (ERP) system upgrade approved by the City Commission on April 17, 2019 in the amount of $7.3 million; qualifies as a well suited capital expenditure.

4.   This resolution establishes the City's intent to reimburse certain capital improvement project costs, related to the Enterprise Resource Planning (ERP) system with the proceeds of the future tax-exempt capital improvement bonds.

5.   Proposed Ordinance No 2019-09 is on the agenda, authorizing the issuance of the debt.

6.   The Financial Advisor is recommending that the City name PNC Capital Markets LLC as Senior Manager, and Bank of America Merrill Lynch, as the co-manager

7.   Recommend adopting Proposed Resolution 2019-R-09.

FINANCIAL IMPACT DETAIL:

a) Initial Cost: None at this time. The cost of the refinancing and issuance of the bonds will be included as part of the total debt. Closing costs are diffcult to estimate at this time but will be finalized closer to closing the transaction.

b) Amount budgeted for this item in Account No: Upon termination of the SWAPs

and issuance of the debt the City administration will need to increase the budget in various accounts and funds to reflect these transactions.

c) **Source of funding for difference, if not fully budgeted**: Not Applicable

d) **5 year projection of the operational cost of the project**: Not Applicable

e) **Detail of additional staff requirements:** Not Applicable