



City of Pembroke Pines, FL

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Agenda Request Form

Agenda Number: 15.

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Type: Public Improvements

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**Agenda
Section:**

In Control: City Commission

File Created: 04/09/2019

Short Title: 2008 Charter School Bonds

Final Action: 04/17/2019

Title: DISCUSSION AND POSSIBLE ACTION TO REFUND CHARTER SCHOOL REVENUE BONDS, SERIES 2008.

Internal Notes:

Attachments: 1. Commissioner Summary - Pines CSRB 2019_2, 2. 12-19-2018 Agenda Item - Resolution 3631, 3. 06-20-2018 Agenda Item - Resolution 3603

2		04/17/2019	
2	City Commission	04/17/2019 approve	Pass

Action Text: A motion was made by Commissioner Castillo, seconded by Commissioner Siple to accept the consultants' and City Manager's recommendation to move to a fixed rate in regard to the Charter School Revenue Bonds, Series 2008. The motion carried by the following votes:
Aye: - 4 Mayor Ortis, Commissioner Castillo, Vice Mayor Schwartz, and Commissioner Siple
Nay: - 1 Commissioner Good Jr.

Text of Legislative File 19-0425

DISCUSSION AND POSSIBLE ACTION TO REFUND CHARTER SCHOOL REVENUE BONDS, SERIES 2008.

SUMMARY EXPLANATION AND BACKGROUND:

- Over 20 years ago, the City took the bold initiative to build Charter Schools to meet the needs of our growing student population, and the over-crowding within the existing school system. This commitment was done by issuing various bonds in order to fund the construction of the charter schools.
- On March 25, 2008, the City issued \$64,095,000 bonds to refund 2001A & 2001B Charter Schools Bonds and to finance the acquisition, construction, and equipping of the Charter Schools.
- The Series 2008 Bonds were issued as variable rate bonds supported by a Letter

of Credit and later converted to a Floating Rate Note. Rates were synthetically fixed via swaps with half of the swaps at 3.324% that expired on July 1, 2018 and the other half of the swaps at 3.794% that expire on July 1, 2038.

4. On May 21, 2014, the City reissued the Charter School Revenue Bonds, Series 2008 as a direct purchase commitment with PNC Bank, National Association (PNC) for a 4 year term expiring on July 1, 2018. The Series 2008 Bonds currently have an outstanding balance of \$62,395,000, with a final maturity of July 1, 2038.
5. On June 20, 2018, the City extended the initial bank rate purchase date to December 31, 2018.
6. On December 19, 2018, the City Commission passed Resolution No. 3691 that extended the initial bank rate purchase date to July 1, 2019.
7. The Financial Advisor is presenting two options to refund the Charter School Revenue Bonds, Series 2008.
 - a. Hybrid - remarket the hedged 2008 Charter School Revenue Bonds (swaps that will expire on July 1, 2038) with a new fixed rate note and refinance the unhedged portion (swaps that expired July 1, 2018) with a fixed rate debt, or
 - b. Fixed - terminate the interest rates swaps that will expire on July 1, 2038 and refinance the entire Series 2008 Bonds with a single fixed rate debt.
8. Once an option has been selected by the City Commission, Administration and the Financing team will move forward with the refinancing documents that will presented to Commission.

FINANCIAL IMPACT DETAIL:

- a) Initial Cost: None at this time, options will be presented by the Financial Advisor
- b) Amount budgeted for this item in Account No: Not Applicable.
- 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.