



# Pinellas County

## Staff Report

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File #: 22-0721A, Version: 1

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### **Subject:**

Resolution authorizing the County to irrevocably exercise its option to exchange the Sewer Revenue Refunding Note, Series 2021A for the Sewer Revenue Refunding Note, Series 2022; issue the Notice to Exchange; and the issuance of not to exceed \$40,900,000.00 Sewer Revenue Refunding Note, Series 2022 to refund the County's outstanding Taxable Sewer Revenue Refunding Note, Series 2021A.

### **Recommended Action:**

Adoption of a Resolution authorizing the County to irrevocably exercise its option to exchange the Series 2021A Note for the Series 2022 Note; and the issuance of not to exceed \$40,900,000.00 Sewer Revenue Refunding Note, Series 2022 to refund the County's outstanding Taxable Sewer Revenue Refunding Note, Series 2021A.

- Authorization for the Board to irrevocably exercise its option to exchange the Series 2021A Note for the Series 2022 Note on July 5, 2022 or such other time, as determined to be practical pursuant to the terms of that certain Forward Delivery Agreement in order to achieve a lower interest rate.
- Authorization of the Board to issue Notice to Exchange the Series 2021A Note for the Series 2022 Note.
- Authorization for the Board to issue not to exceed \$40,900,000.00 Sewer Revenue Refunding Note, Series 2022 to refund the County's outstanding Taxable Sewer Revenue Refunding Note, Series 2021A.

### **Strategic Plan:**

Deliver First Class Services to the Public and Our Customers

5.2 Be responsible stewards of the public's resources

### **Summary:**

This Resolution will authorize the County to irrevocably exercise its option to exchange the taxable Sewer Revenue Refunding Note, Series 2021A Note for the Sewer Revenue Refunding Note, Series 2022 Note on or about July 5, 2022, with a new tax-exempt rate of 1.17%. The taxable interest rate on the Series 2021A Note is 1.44%. The cost of interest on the 2022 Note is \$539,591.84 lower than the 2021A Note.

This resolution will also authorize the Board to issue a Notice to Exchange to TD Bank at least 30 days prior to the exchange as required in the Series 2021A Note.

### **Background Information:**

In August 2020, the County's Financial Advisor, Public Resources Advisory Group (PRAG) presented the County with a potential opportunity to refund certain indebtedness secured by sewer system

revenues. After discussions with PRAG, internal departments, County Attorney's office, and the Clerk of the Circuit Court and Comptroller's Finance Division, it was recommended that a Request for Proposal (RFP) be released. Ultimately, the County received eight responses and the bid recommended by PRAG was received by TD Bank.

The Sewer Revenue Refunding Notes, Series 2021A were issued as additional bonds under the Bond Resolution on parity with the County's outstanding Sewer Revenue Bonds, Series 2008A and Series 2008B, and Sewer Revenue Refunding Note, Series 2016, which were not refunded and remain outstanding. The Series 2021A Notes, bearing interest currently at 1.44% will be authorized to be exchanged for the County's Series 2022 Note which will bear interest at 1.17%. The payment of the principal and interest on the Sewer bonds and loans are payable from a pledge of the net revenues derived from the operation of the Pinellas County Utilities Sewer System. This is outlined in the attached Resolution, which supplements and amends previously approved Resolution No. 93-292 (as supplemented by Resolutions 93-322, 94-77, 06-201, 08-109, 2011-56, 2012-35, and 15-71.)

**Fiscal Impact:**

Exchanging the taxable Sewer Revenue Refunding Note, Series 2021A for a tax-exempt Sewer Revenue Refunding Note, Series 2022 on July 5, 2022 will reduce the interest cost of the outstanding loan by \$539,591.84 over the life of the Note.

The County's cost of issuance for the Sewer Revenue Refunding Note, Series 2022 is \$41,100, which includes services provided by the County's bond counsel and financial advisor, and the lender's counsel. This expense will be paid from the department's FY22 Adopted Budget.

**Staff Member Responsible:**

Jim Abernathy, Budget & Financial Management Analyst  
Office of Management & Budget

**Partners:**

N/A

**Attachments:**

Resolution  
Executed Forward Delivery and Direct Purchase Agreement  
Written Notice of Exchange