



City of Clearwater

Main Library - Council
Chambers
100 N. Osceola Avenue
Clearwater, FL 33755

Legislation Text

File #: ID#16-3135, **Version:** 1

SUBJECT/RECOMMENDATION:

Authorize the negotiated sale of not-to-exceed \$100,000,000 of Water and Sewer Refunding Bonds, Series 2017, and adopt Resolution 17-02.

SUMMARY:

Currently there is outstanding \$67,715,000 of Water and Sewer Revenue Bonds, Series 2009A, with interest rates ranging from 4.325% to 5.250%. Additionally, there is currently outstanding \$39,640,000 of Water and Sewer Revenue Refunding Bonds, Series 2011, with interest rates ranging from 4.00% to 5.00%. Current market conditions suggest the City may have an opportunity to refinance all or a portion of these bonds in the near future to achieve an acceptable present value savings in accordance with the City's debt management policy.

The City's debt management policy states: "As a general rule, the present value savings of a particular refunding should exceed 5%." Due to the relatively large size of this potential refunding, the sale resolution authorizes a minimum net present value savings of 4%.

This resolution authorizes the negotiated sale of not-to-exceed \$100,000,000 of Water and Sewer Revenue Refunding Bonds, Series 2017, and authorizes awarding the sale to Merrill Lynch, Pierce, Fenner & Smith (broker dealer subsidiary of Bank of America) and the co-managers selected by the City. Only the amount of bonds needed to optimize the refunding of all or a portion of the outstanding balances of the Water and Revenue Bonds, Series 2009A and Series 2011, and to cover associated issuance costs, will be issued.

APPROPRIATION CODE AND AMOUNT:

N/A