

**SEMINOLE COUNTY GOVERNMENT  
AGENDA MEMORANDUM**

**SUBJECT:** Refinancing the Solid Waste Revenue Bonds and the Tourist Development Tax Bonds

**DEPARTMENT:** Fiscal Services      **DIVISION:** Administration

**AUTHORIZED BY:** Ray Hooper      **CONTACT:** \_\_\_\_\_ **EXT.** 7172

<b>Agenda Date</b> <u>7/22/03</u>	<b>Regular</b> <input type="checkbox"/>	<b>Consent</b> <input checked="" type="checkbox"/>	<b>Work Session</b> <input type="checkbox"/>	<b>Briefing</b> <input type="checkbox"/>
	<b>Public Hearing – 1:30</b> <input type="checkbox"/>		<b>Public Hearing – 7:00</b> <input type="checkbox"/>	

**MOTION/RECOMMENDATION:**

Request authorization for the Financial Advisor (Stifel, Nicolaus & Company, Inc.) to proceed with an RFP to banks for the refinancing of the County's Solid Waste Revenue Bonds and the Tourist Development Tax Bonds. The size of these financings does not justify a public offering of bonds.

**BACKGROUND:**

**Analysis for the refunding the County's Solid Waste Revenue Bonds:**

Assuming a contribution of available cash of \$18,000,000, the refunding results in a net present value savings of \$3,480,000 which is 17.20%. The average annual cash flow reduction in debt service is estimated to be \$1,648,000 which totals \$28,022,000 over the life of the existing debt (2020). The net cash flow savings is \$10,022,000 after deducting the county's \$18,000,000 contribution. The new financing is for a 10-year term which assumes a privately placed "Bank Qualified" issue with a bank at 3.00%. The estimated financing requirement is \$2,685,000.

**Analysis for the refunding of the County's Tourist Development Tax Bonds:**

The refunding results in a net present value savings of \$194,282 which is 11.56%. The average annual cash flow reduction in debt service is estimated to be \$24,800 which totals \$223,205 over the life of the existing debt (2012). The new financing is for a 9-year term which assumes a "Bank Qualified" issue which is privately placed with a bank at 3.00%. The estimated financing requirement is \$1,725,000.

<b>Reviewed by:</b> <b>Co Atty:</b> _____ <b>DFS:</b> _____ <b>Other:</b> _____ <b>DCM:</b> _____ <b>CM:</b> _____ <b>File No.</b> <u>CFSA00</u>
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**SOURCES AND USES OF FUNDS****Seminole County, Florida  
Solid Waste Disposal System Revenue Refunding Bonds,  
Series 2003  
Bank Rates  
10 Years****Dated Date** 10/01/2003  
**Delivery Date** 10/01/2003**Sources:**

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<b>Bond Proceeds:</b>	
<b>Par Amount</b>	<b>2,685,000.00</b>
<b>Other Sources of Funds:</b>	
<b>County Cash Contribution</b>	<b>18,000,000.00</b>
	<b>20,685,000.00</b>

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**Uses:**

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<b>Refunding Escrow Deposits:</b>	
<b>Cash Deposit</b>	<b>20,639,700.00</b>
<b>Delivery Date Expenses:</b>	
<b>Cost of Issuance</b>	<b>45,000.00</b>
<b>Other Uses of Funds:</b>	
<b>Additional Proceeds</b>	<b>300.00</b>
	<b>20,685,000.00</b>

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## BOND SUMMARY STATISTICS

Seminole County, Florida  
Solid Waste Disposal System Revenue Refunding Bonds,  
Series 2003  
Bank Rates  
10 Years

Dated Date	10/01/2003
Delivery Date	10/01/2003
Last Maturity	10/01/2013
Arbitrage Yield	3.000000%
True Interest Cost (TIC)	3.000000%
Net Interest Cost (NIC)	3.000000%
All-In TIC	3.330252%
Average Coupon	3.000000%
Average Life (years)	5.741
Duration of Issue (years)	5.212
Par Amount	2,685,000.00
Bond Proceeds	2,685,000.00
Total Interest	462,450.00
Net Interest	462,450.00
Total Debt Service	3,147,450.00
Maximum Annual Debt Service	316,700.00
Average Annual Debt Service	314,745.00
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bonds	2,685,000.00	100.000	3.000%	5.741
	2,685,000.00			5.741

	TIC	All-In TIC	Arbitrage Yield
Par Value	2,685,000.00	2,685,000.00	2,685,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-45,000.00	
- Other Amounts			
Target Value	2,685,000.00	2,640,000.00	2,685,000.00
Target Date	10/01/2003	10/01/2003	10/01/2003
Yield	3.000000%	3.330252%	3.000000%

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**SUMMARY OF REFUNDING RESULTS****Seminole County, Florida  
Solid Waste Disposal System Revenue Refunding Bonds,  
Series 2003  
Bank Rates  
10 Years**

Dated Date	10/01/2003
Delivery Date	10/01/2003
Arbitrage yield	3.000000%
Escrow yield	
Bond Par Amount	2,685,000.00
True Interest Cost	3.000000%
Net Interest Cost	3.000000%
All-In TIC	3.330252%
Average Coupon	3.000000%
Average Life	5.741
Par amount of refunded bonds	20,235,000.00
Average coupon of refunded bonds	5.284904%
Average life of refunded bonds	10.225
PV of prior debt to 10/01/2003 @ 3.000000%	24,164,729.53
Net PV Savings	3,480,029.53
Percentage savings of refunded bonds	17.198070%
Percentage savings of refunding bonds	129.610038%

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**SUMMARY OF BONDS REFUNDED**

Seminole County, Florida  
Solid Waste Disposal System Revenue Refunding Bonds,  
Series 2003  
Bank Rates  
10 Years

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
<b>SW Disposal System Rev. Ref. Bonds, Series 1993, 1993:</b>					
<b>SERIAL</b>	10/01/2004	5.125%	765,000.00	10/01/2003	102.000
	10/01/2005	5.250%	805,000.00	10/01/2003	102.000
	10/01/2006	5.250%	845,000.00	10/01/2003	102.000
	10/01/2007	5.250%	885,000.00	10/01/2003	102.000
	10/01/2008	5.250%	940,000.00	10/01/2003	102.000
<b>2014TERM</b>	10/01/2014	5.375%	6,765,000.00	10/01/2003	102.000
<b>2020TERM</b>	10/01/2020	5.250%	9,230,000.00	10/01/2003	102.000
			<b>20,235,000.00</b>		

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## SAVINGS

Seminole County, Florida  
Solid Waste Disposal System Revenue Refunding Bonds,  
Series 2003  
Bank Rates  
10 Years

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 10/01/2003 @ 3.0000000%
10/01/2004	1,834,837.50	315,550.00	1,519,287.50	1,481,916.24
10/01/2005	1,835,631.26	313,500.00	1,522,131.26	1,440,891.52
10/01/2006	1,833,368.76	316,300.00	1,517,068.76	1,393,747.92
10/01/2007	1,829,006.26	313,800.00	1,515,206.26	1,350,959.01
10/01/2008	1,837,543.76	316,150.00	1,521,393.76	1,316,404.97
10/01/2009	1,833,193.76	313,200.00	1,519,993.76	1,276,353.31
10/01/2010	1,830,250.00	315,100.00	1,515,150.00	1,234,701.89
10/01/2011	1,834,618.76	316,700.00	1,517,918.76	1,200,380.61
10/01/2012	1,835,762.50	313,000.00	1,522,762.50	1,168,580.84
10/01/2013	1,833,681.26	314,150.00	1,519,531.26	1,131,601.20
10/01/2014	1,833,375.00		1,833,375.00	1,324,281.77
10/01/2015	1,834,575.00		1,834,575.00	1,285,908.15
10/01/2016	1,833,700.00		1,833,700.00	1,247,226.77
10/01/2017	1,829,150.00		1,829,150.00	1,207,267.89
10/01/2018	1,830,925.00		1,830,925.00	1,172,609.00
10/01/2019	1,833,500.00		1,833,500.00	1,139,421.87
10/01/2020	1,836,612.50		1,836,612.50	1,107,476.56
	<b>31,169,731.32</b>	<b>3,147,450.00</b>	<b>28,022,281.32</b>	<b>21,479,729.53</b>

Savings Summary

PV of savings from cash flow	21,479,729.53
Less: Prior funds on hand	-18,000,000.00
Plus: Refunding funds on hand	300.00
<b>Net PV Savings</b>	<b>3,480,029.53</b>

ESCROW REQUIREMENTS

Seminole County, Florida  
 Solid Waste Disposal System Revenue Refunding Bonds,  
 Series 2003  
 Bank Rates  
 10 Years

Period Ending	Principal Redeemed	Redemption Premium	Total
10/01/2004	20,235,000.00	404,700.00	20,639,700.00
	20,235,000.00	404,700.00	20,639,700.00

## BOND PRICING

Seminole County, Florida  
Solid Waste Disposal System Revenue Refunding Bonds,  
Series 2003  
Bank Rates  
10 Years

Bond Component	Maturity Date	# Bonds	Amount	Rate	Yield	Price
<b>Serial Bonds:</b>						
	10/01/2004	47	235,000	3.000%	3.000%	100.000
	10/01/2005	48	240,000	3.000%	3.000%	100.000
	10/01/2006	50	250,000	3.000%	3.000%	100.000
	10/01/2007	51	255,000	3.000%	3.000%	100.000
	10/01/2008	53	265,000	3.000%	3.000%	100.000
	10/01/2009	54	270,000	3.000%	3.000%	100.000
	10/01/2010	56	280,000	3.000%	3.000%	100.000
	10/01/2011	58	290,000	3.000%	3.000%	100.000
	10/01/2012	59	295,000	3.000%	3.000%	100.000
	10/01/2013	61	305,000	3.000%	3.000%	100.000
		<b>537</b>	<b>2,685,000</b>			

Dated Date	10/01/2003	
Delivery Date	10/01/2003	
First Coupon	04/01/2004	
Par Amount	2,685,000.00	
Original Issue Discount		
Production	2,685,000.00	100.000000%
Underwriter's Discount		
Purchase Price	2,685,000.00	100.000000%
Accrued Interest		
Net Proceeds	2,685,000.00	



## BOND DEBT SERVICE

Seminole County, Florida  
 Solid Waste Disposal System Revenue Refunding Bonds,  
 Series 2003  
 Bank Rates  
 10 Years

Period Ending	Principal	Coupon	Interest	Debt Service
10/01/2004	235,000	3.000%	80,550	315,550
10/01/2005	240,000	3.000%	73,500	313,500
10/01/2006	250,000	3.000%	66,300	316,300
10/01/2007	255,000	3.000%	58,800	313,800
10/01/2008	265,000	3.000%	51,150	316,150
10/01/2009	270,000	3.000%	43,200	313,200
10/01/2010	280,000	3.000%	35,100	315,100
10/01/2011	290,000	3.000%	26,700	316,700
10/01/2012	295,000	3.000%	18,000	313,000
10/01/2013	305,000	3.000%	9,150	314,150
	<b>2,685,000</b>		<b>462,450</b>	<b>3,147,450</b>

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**SOURCES AND USES OF FUNDS****Seminole County, FL  
Tourist Develop. Tax Ref. Rev. Bonds, Series 2002  
Refunding of Outstanding Bonds (2004-2012)  
Bank Rates**

Dated Date 10/01/2003  
Delivery Date 10/01/2003

**Sources:**

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<b>Bond Proceeds:</b>	
Par Amount	1,725,000.00
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	1,725,000.00

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**Uses:**

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<b>Refunding Escrow Deposits:</b>	
Cash Deposit	1,680,000.00
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<b>Delivery Date Expenses:</b>	
Cost of Issuance	45,000.00
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	1,725,000.00

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## SUMMARY OF REFUNDING RESULTS

Seminole County, FL  
 Tourist Develop. Tax Ref. Rev. Bonds, Series 2002  
 Refunding of Outstanding Bonds (2004-2012)  
 Bank Rates

Dated Date	10/01/2003
Delivery Date	10/01/2003
Arbitrage yield	3.000000%
Escrow yield	
Bond Par Amount	1,725,000.00
True Interest Cost	3.000000%
Net Interest Cost	3.000000%
All-In TIC	3.565766%
Average Coupon	3.000000%
Average Life	5.200
Par amount of refunded bonds	1,680,000.00
Average coupon of refunded bonds	5.933793%
Average life of refunded bonds	5.390
PV of prior debt to 10/01/2003 @ 3.000000%	1,919,282.49
Net PV Savings	194,282.49
Percentage savings of refunded bonds	11.564434%
Percentage savings of refunding bonds	11.262753%

## SUMMARY OF BONDS REFUNDED

Seminole County, FL  
 Tourist Develop. Tax Ref. Rev. Bonds, Series 2002  
 Refunding of Outstanding Bonds (2004-2012)  
 Bank Rates

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
<b>Tourist Development Tax Revenue Bonds, Series 1992, 1992:</b>					
<b>SERIAL</b>	10/01/2004	5.600%	145,000.00	10/01/2003	100.000
	10/01/2005	5.700%	155,000.00	10/01/2003	100.000
	10/01/2006	5.800%	165,000.00	10/01/2003	100.000
	10/01/2007	5.800%	175,000.00	10/01/2003	100.000
	10/01/2008	5.900%	185,000.00	10/01/2003	100.000
	10/01/2009	5.900%	195,000.00	10/01/2003	100.000
	10/01/2010	6.000%	205,000.00	10/01/2003	100.000
	10/01/2011	6.000%	220,000.00	10/01/2003	100.000
	10/01/2012	6.000%	235,000.00	10/01/2003	100.000
			<b>1,680,000.00</b>		

## SAVINGS

Seminole County, FL  
 Tourist Develop. Tax Ref. Rev. Bonds, Series 2002  
 Refunding of Outstanding Bonds (2004-2012)  
 Bank Rates

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 10/01/2003 @ 3.0000000%
10/01/2004	243,695.00	221,750.00	21,945.00	21,642.93
10/01/2005	245,575.00	221,650.00	23,925.00	22,852.15
10/01/2006	246,740.00	221,400.00	25,340.00	23,451.19
10/01/2007	247,170.00	221,000.00	26,170.00	23,472.21
10/01/2008	247,020.00	220,450.00	26,570.00	23,098.52
10/01/2009	246,105.00	219,750.00	26,355.00	22,208.31
10/01/2010	244,600.00	223,900.00	20,700.00	16,931.32
10/01/2011	247,300.00	222,750.00	24,550.00	19,432.16
10/01/2012	249,100.00	221,450.00	27,650.00	21,193.69
	2,217,305.00	1,994,100.00	223,205.00	194,282.49

Savings Summary

PV of savings from cash flow	194,282.49
Net PV Savings	194,282.49

## BOND PRICING

Seminole County, FL  
 Tourist Develop. Tax Ref. Rev. Bonds, Series 2002  
 Refunding of Outstanding Bonds (2004-2012)  
 Bank Rates

Bond Component	Maturity Date	# Bonds	Amount	Rate	Yield	Price
<b>Serial Bonds:</b>						
	10/01/2004	34	170,000	3.000%	3.000%	100.000
	10/01/2005	35	175,000	3.000%	3.000%	100.000
	10/01/2006	36	180,000	3.000%	3.000%	100.000
	10/01/2007	37	185,000	3.000%	3.000%	100.000
	10/01/2008	38	190,000	3.000%	3.000%	100.000
	10/01/2009	39	195,000	3.000%	3.000%	100.000
	10/01/2010	41	205,000	3.000%	3.000%	100.000
	10/01/2011	42	210,000	3.000%	3.000%	100.000
	10/01/2012	43	215,000	3.000%	3.000%	100.000
		<b>345</b>	<b>1,725,000</b>			

Dated Date	10/01/2003	
Delivery Date	10/01/2003	
First Coupon	04/01/2004	
Par Amount	1,725,000.00	
Original Issue Discount		
Production	1,725,000.00	100.000000%
Underwriter's Discount		
Purchase Price	1,725,000.00	100.000000%
Accrued Interest		
Net Proceeds	1,725,000.00	

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**BOND DEBT SERVICE**

Seminole County, FL  
Tourist Develop. Tax Ref. Rev. Bonds, Series 2002  
Refunding of Outstanding Bonds (2004-2012)  
Bank Rates

Period Ending	Principal	Coupon	Interest	Debt Service
10/01/2004	170,000	3.000%	51,750	221,750
10/01/2005	175,000	3.000%	46,650	221,650
10/01/2006	180,000	3.000%	41,400	221,400
10/01/2007	185,000	3.000%	36,000	221,000
10/01/2008	190,000	3.000%	30,450	220,450
10/01/2009	195,000	3.000%	24,750	219,750
10/01/2010	205,000	3.000%	18,900	223,900
10/01/2011	210,000	3.000%	12,750	222,750
10/01/2012	215,000	3.000%	6,450	221,450
	<b>1,725,000</b>		<b>269,100</b>	<b>1,994,100</b>

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**ESCROW REQUIREMENTS**

Seminole County, FL  
Tourist Develop. Tax Ref. Rev. Bonds, Series 2002  
Refunding of Outstanding Bonds (2004-2012)  
Bank Rates

Period Ending	Principal Redeemed	Total
10/01/2004	1,680,000.00	1,680,000.00
	1,680,000.00	1,680,000.00