

Memorandum



Date: September 28, 2012

To: Honorable Chairman Joe A. Martinez
Board of County Commissioners

Honorable Lynda Bell, Chairwoman
Internal Management and Fiscal Responsibility Committee

From: Carlos A. Gimenez
Mayor 

Subject: Request to Waive Resolutions Authorizing the Refunding of Bonds to the October 2, 2012 Board Meeting Agenda – Legistar 121641 and 121929

It is respectfully requested that the two items below be placed directly on the October 2, 2012 meeting agenda of the Board of County Commissioners (Board). Neither item has been discussed by the Internal Management and Fiscal Responsibility (IMFR) Committee; however, placement on the next available agenda is in the County's best interest. The first item was on the IMFR Committee agenda of September 11, 2012, but the meeting did not take place due to a lack of quorum and IMFR Committee Chairwoman Bell made a request to waive this item to the October 2, 2012 Board meeting. The second item, which was not previously requested for placement on the October 2, 2012 Board agenda, is a replacement of a resolution to authorize Convention Development Tax Refunding Bonds that was also on the agenda for the cancelled IMFR Committee meeting.

The two items deal with bond refinancings of Aviation and Convention Development Tax bonds so that the County can recognize significant debt service savings currently estimated at \$138 million and \$140 million over the 20 and 25 year life of the bonds, respectively. We are asking for this consideration because 1) we have teams of professionals working on the transactions and the bonds are scheduled for sale over the two-day periods of October 23 - 24 and October 31 - November 1. A delay in the timetable may cause other scheduling delays due to the logistics of completing bond transactions; 2) the County loses the differential savings between 'old' existing and 'new' current market interest rates everyday the transaction is delayed but more importantly; 3) although the conventional expectation is that current low interest rates will remain stable for the foreseeable future, the bond marketplace is subject to what is known as "headline risk". If bad economic news comes out of Europe, the U.S. bond market may respond negatively thereby endangering our potential debt service savings. In essence, the sooner we can execute these transactions, the higher the savings could be.

Legistar 121641

RESOLUTION AUTHORIZING ISSUANCE OF NOT TO EXCEED \$910,000,000 OF AVIATION REVENUE REFUNDING BONDS, IN ONE OR MORE SERIES, PURSUANT TO SECTION 211 OF AMENDED AND RESTATED TRUST AGREEMENT FOR PURPOSES OF CURRENT REFUNDING OR REDEEMING CERTAIN OUTSTANDING AVIATION REVENUE BONDS WITH ESTIMATED NET PRESENT VALUE SAVINGS OF 10.775%, ESTIMATED COSTS OF ISSUANCE OF \$2,750,000 AND ESTIMATED FINAL MATURITY OF OCTOBER 1, 2032, FUNDING RESERVE ACCOUNT, IF NECESSARY; PROVIDING FOR CERTAIN DETAILS OF BONDS AND THEIR SALE BY NEGOTIATION; AUTHORIZING COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE, WITHIN CERTAIN LIMITATIONS AND RESTRICTIONS, TO FINALIZE DETAILS, TERMS AND OTHER PROVISIONS OF BONDS; PROVIDING CERTAIN COVENANTS; APPROVING FORMS OF AND AUTHORIZING EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS; AUTHORIZING COUNTY OFFICIALS TO TAKE ALL NECESSARY ACTIONS IN CONNECTION WITH ISSUANCE, SALE AND DELIVERY OF BONDS; AND PROVIDING SEVERABILITY

Legistar 121929

RESOLUTION AUTHORIZING ISSUANCE OF NOT TO EXCEED \$550,000,000 AGGREGATE ORIGINAL PRINCIPAL AMOUNT OF MIAMI-DADE COUNTY, FLORIDA SUBORDINATE SPECIAL OBLIGATION REFUNDING BONDS, IN ONE OR MORE SERIES, PURSUANT TO SECTION 209 OF 1997 ORDINANCE, TO REFUND ALL OR PORTION OF OUTSTANDING 1997 AND 2005A BONDS, WITH ESTIMATED NET PRESENT VALUE SAVINGS OF 9.80%, ESTIMATED COSTS OF ISSUANCE OF \$3,790,000 AND ESTIMATED FINAL MATURITY OF OCTOBER 1, 2037; MAKING NECESSARY FINDINGS FOR EXTENSION OF MATURITIES; PROVIDING FOR CERTAIN DETAILS OF BONDS AND THEIR SALE BY NEGOTIATION; AUTHORIZING MAYOR OR MAYOR'S DESIGNEE, WITHIN CERTAIN LIMITATIONS AND RESTRICTIONS, TO FINALIZE DETAILS, TERMS AND OTHER PROVISIONS OF BONDS, THEIR NEGOTIATED SALE AND REFUNDING OF REFUNDED BONDS; APPROVING FORMS OF AND AUTHORIZING EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS; PROVIDING CERTAIN COVENANTS; AUTHORIZING COUNTY OFFICIALS TO TAKE ALL NECESSARY ACTIONS IN CONNECTION WITH ISSUANCE, SALE, EXECUTION AND DELIVERY OF BONDS AND REFUNDING OF REFUNDED BONDS; AND PROVIDING SEVERABILITY

If you have any questions or concerns, please feel free to contact Deputy Mayor Edward Marquez at 305-375-1451, or me directly.

Approved:

Disapproved:

Honorable Lynda Bell, Chairwoman
Internal Management and Fiscal
Responsibility Committee

Honorable Lynda Bell, Chairwoman
Internal Management and Fiscal
Responsibility Committee

Honorable Chairman Joe A. Martinez
Board of County Commissioners

Honorable Chairman Joe A. Martinez
Board of County Commissioners

c: Robert A. Cuevas, Jr., County Attorney
Edward Marquez, Deputy Mayor/Finance Director
Inson Kim, Director of Policy and Legislation, Office of the Mayor
Chris Agrippa, Division Chief, Clerk of the Board