

Memorandum



Date: April 21, 2015
To: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners
From: Carlos A. Gimenez
County Mayor
Subject: Updated Market Conditions for Item 8D3 on the April 21, 2015 Regular Meeting
Agenda of the Board of County Commissioners - Legistar 150764

This memorandum updates Attachment 1 to the Cover Memorandum for Item 8D3 (Legistar 150764) on the April 21, 2015 Board of County Commissioners (Board) meeting agenda. The item relates to the proposed issuance of not to exceed \$550 million aggregate principal amount of Miami-Dade County, Florida Water and Sewer Revenue Refunding Bonds, Series 2015.

Resolution R-1313-09 requires that an initial number run attached to a Series Resolution for a bond transaction be updated prior to the Board's meeting for final consideration. For refunding bonds, a number run must provide a comparison of the debt service on the bonds to be refunded with the estimated debt service of the proposed refunding bonds, the estimated net present value savings, the estimated cost of issuance and the estimated final maturity on the proposed refunding debt obligations.

The following table together with Attachment 1 to this memorandum summarizes the requirements of R-1313-09 for the proposed refunding transaction:

Number Run	Par Amount of Refunding Bonds to be Issued	Gross Debt Service Savings over Life of the Refunding Bonds	Net Present Value Savings	Estimated Issuance Cost	Estimated Final Maturity
Initial Number Run of Attachment 1 as of March 11, 2015	\$479,375,000.00 not to exceed \$550,000,000.00	\$37,806,549.71	6.37 percent; estimated at \$31,858,802.94	\$4,074,687.50 including Underwriter's Discount	October 1, 2026
Rerun of Attachment 1 as of April 14, 2015	\$475,250,000.00	\$43,497,924.71	7.42 percent; estimated at \$37,093,584.94	\$4,039,625.00 including Underwriter's Discount	October 1, 2026

The current market update (Attachment 1 to this update memorandum) is based on expected interest rates of April 14, 2015, with the same debt structure as the initial number runs of March 11, 2015. Page 3 of Attachment 1 provides the projected annual debt service savings debt service resulting by comparing the current debt service of the bonds to be refunded to the proposed Series 2014 Refunding Bonds.

Should you have any questions regarding this financial update on the proposed Series 2015 Revenue Refunding Bonds, please contact Deputy Mayor Edward Marquez at 305-375-1451.

Attachment

c: R.A. Cuevas, Jr., County Attorney
Office of the Mayor Senior Staff
Lester Sola, Director, Water and Sewer Department
Jennifer Moon, Director, Office of Management and Budget
Frank P. Hinton, Director of Bond Administration, Finance Department
Charles Anderson, Commission Auditor

SOURCES AND USES OF FUNDS

Miami-Dade County, Florida
Water and Sewer Refunding Revenue Bonds, Series 2015
Indicative Rates as of April 14, 2015

Dated Date 06/03/2015
Delivery Date 06/03/2015

Sources:

Bond Proceeds:	
Par Amount	475,250,000.00
Premium	<u>91,390,717.85</u>
	566,640,717.85

Other Sources of Funds:	
Debt Service Fund Release (2 months)	4,326,173.92
	<u>570,966,891.77</u>

Uses:

Refunding Escrow Deposits:	
SLGS Purchases	566,924,486.00
Delivery Date Expenses:	
Cost of Issuance	1,663,375.00
Underwriter's Discount	<u>2,376,250.00</u>
	4,039,625.00

Other Uses of Funds:	
Miscellaneous	2,780.77
	<u>570,966,891.77</u>

SUMMARY OF REFUNDING RESULTS

Miami-Dade County, Florida
Water and Sewer Refunding Revenue Bonds, Series 2015
Indicative Rates as of April 14, 2015

Dated Date	06/03/2015
Delivery Date	06/03/2015
Arbitrage yield	2.502845%
Escrow yield	0.774533%
Value of Negative Arbitrage	25,336,994.69
Bond Par Amount	475,250,000.00
True Interest Cost	2.604353%
Net Interest Cost	2.886152%
Average Coupon	4.989741%
Average Life	8.904
Par amount of refunded bonds	500,085,000.00
Average coupon of refunded bonds	5.185165%
Average life of refunded bonds	8.857
PV of prior debt to 06/03/2015 @ 2.502845%	609,913,099.09
Net PV Savings	37,093,584.94
Percentage savings of refunded bonds	7.417456%
Percentage savings of refunding bonds	7.805068%

SUMMARY OF BONDS REFUNDED

Miami-Dade County, Florida
 Water and Sewer Refunding Revenue Bonds, Series 2015
 Indicative Rates as of April 14, 2015

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Revenue Refunding Bonds, Series 2007, 2007:					
SERA	10/01/2018	5.000%	14,935,000.00	10/01/2017	100.000
	10/01/2019	5.000%	15,685,000.00	10/01/2017	100.000
	10/01/2020	5.000%	16,465,000.00	10/01/2017	100.000
	10/01/2021	5.000%	16,885,000.00	10/01/2017	100.000
	10/01/2022	5.000%	10,000,000.00	10/01/2017	100.000
	10/01/2023	5.000%	19,015,000.00	10/01/2017	100.000
	10/01/2024	5.000%	19,965,000.00	10/01/2017	100.000
	10/01/2025	5.000%	20,665,000.00	10/01/2017	100.000
	10/01/2026	5.000%	101,885,000.00	10/01/2017	100.000
	SERB	10/01/2021	4.200%	400,000.00	10/01/2017
10/01/2022		4.500%	8,150,000.00	10/01/2017	100.000
10/01/2025		4.375%	305,000.00	10/01/2017	100.000
			244,355,000.00		
Revenue Refunding Bonds, Series 2008C, 2008C:					
SERA	10/01/2019	5.000%	8,490,000.00	10/01/2018	100.000
	10/01/2020	5.500%	3,000,000.00	10/01/2018	100.000
	10/01/2021	5.500%	9,515,000.00	10/01/2018	100.000
	10/01/2022	5.250%	10,065,000.00	10/01/2018	100.000
	10/01/2023	5.625%	1,185,000.00	10/01/2018	100.000
	10/01/2024	5.375%	25,000,000.00	10/01/2018	100.000
	10/01/2025	5.500%	23,000,000.00	10/01/2018	100.000
	SERB	10/01/2020	5.500%	5,980,000.00	10/01/2018
10/01/2023		6.000%	31,900,000.00	10/01/2018	100.000
10/01/2024		5.000%	42,895,000.00	10/01/2018	100.000
SERC	10/01/2025	5.125%	53,845,000.00	10/01/2018	100.000
	10/01/2023	5.000%	10,000,000.00	10/01/2018	100.000
	10/01/2024	5.400%	5,000,000.00	10/01/2018	100.000
SERD	10/01/2023	6.000%	25,855,000.00	10/01/2018	100.000
			255,730,000.00		
			500,085,000.00		

SAVINGS

Miami-Dade County, Florida
Water and Sewer Refunding Revenue Bonds, Series 2015
Indicative Rates as of April 14, 2015

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 06/03/2015 @ 2.5028454%
10/01/2015	12,978,521.88	4,326,173.92	8,652,347.96	7,746,060.83	906,287.13	863,801.02
10/01/2016	25,957,043.76		25,957,043.76	23,632,050.00	2,324,993.76	2,263,537.76
10/01/2017	25,957,043.76		25,957,043.76	23,632,050.00	2,324,993.76	2,207,930.89
10/01/2018	40,892,043.76		40,892,043.76	36,677,050.00	4,214,993.76	3,893,549.88
10/01/2019	49,385,293.76		49,385,293.76	45,170,250.00	4,215,043.76	3,796,680.56
10/01/2020	49,446,543.76		49,446,543.76	45,232,250.00	4,214,293.76	3,702,173.48
10/01/2021	49,484,393.76		49,484,393.76	45,266,000.00	4,218,393.76	3,613,894.06
10/01/2022	49,515,018.76		49,515,018.76	45,300,000.00	4,215,018.76	3,521,449.27
10/01/2023	107,859,856.26		107,859,856.26	103,641,250.00	4,218,606.26	3,437,289.71
10/01/2024	107,782,150.00		107,782,150.00	103,566,250.00	4,215,900.00	3,347,141.24
10/01/2025	107,980,400.00		107,980,400.00	103,766,750.00	4,213,650.00	3,261,807.92
10/01/2026	106,979,250.00		106,979,250.00	102,763,500.00	4,215,750.00	3,181,548.40
	734,217,559.46	4,326,173.92	729,891,385.54	686,393,460.83	43,497,924.71	37,090,804.17

Savings Summary

PV of savings from cash flow	37,090,804.17
Plus: Refunding funds on hand	2,780.77
Net PV Savings	37,093,584.94

BOND SUMMARY STATISTICS

Miami-Dade County, Florida
 Water and Sewer Refunding Revenue Bonds, Series 2015
 Indicative Rates as of April 14, 2015

Dated Date	06/03/2015
Delivery Date	06/03/2015
Last Maturity	10/01/2026
Arbitrage Yield	2.502845%
True Interest Cost (TIC)	2.604353%
Net Interest Cost (NIC)	2.886152%
All-In TIC	2.644512%
Average Coupon	4.989741%
Average Life (years)	8.904
Duration of Issue (years)	7.450
Par Amount	475,250,000.00
Bond Proceeds	566,640,717.85
Total Interest	211,143,460.83
Net Interest	122,128,992.98
Total Debt Service	686,393,460.83
Maximum Annual Debt Service	103,766,750.00
Average Annual Debt Service	60,593,831.76
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	5.000000
Total Underwriter's Discount	5.000000
Bid Price	118.730030

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Bond Component	475,250,000.00	119.230	4.990%	8.904	408,921.25
	475,250,000.00			8.904	408,921.25

	TIC	All-In TIC	Arbitrage Yield
Par Value	475,250,000.00	475,250,000.00	475,250,000.00
+ Accrued Interest			
+ Premium (Discount)	91,390,717.85	91,390,717.85	91,390,717.85
- Underwriter's Discount	-2,376,250.00	-2,376,250.00	
- Cost of Issuance Expense		-1,663,375.00	
- Other Amounts			
Target Value	564,264,467.85	562,601,092.85	566,640,717.85
Target Date	06/03/2015	06/03/2015	06/03/2015
Yield	2.604353%	2.644512%	2.502845%