



City of Hollywood

Hollywood City Hall
2600 Hollywood Blvd
Hollywood, FL 33020
<http://www.hollywoodfl.org>

Legislation Text

File #: R-2015-224, **Version:** 1

A Resolution Of The City Commission Of The City Of Hollywood, Florida, Authorizing The Issuance Of Not More Than \$44,400,000.00 In Initial Principal Amount Of The City Of Hollywood, Florida General Obligation Refunding Note, Series 2015, For The Purpose Of Refunding On A Current Basis, All Of The City's Outstanding General Obligation Bonds, Series 2005, And Paying Costs Of Issuance; Providing The Form And Terms Of The Series 2015 Note; Providing For The Payment Of The Series 2015 Note From A Tax On All Taxable Property In The City Of Hollywood; Determining The Need For A Negotiated Sale Of Such Series 2015 Note To Raymond James Capital Funding, Inc.; Designating The City's Financial Services Department To Act As Paying Agent; Approving The Form Of And Authorizing The Execution And Delivery Of A Note Purchase Agreement; Providing For The Rights And Remedies Of The Holders Of The Series 2015 Note; Providing For Certain Other Matters Deemed Necessary; Making Certain Covenants Relating To The Issuance Of The Series 2015 Note, Authorizing The Proper Officers Of The City To Do All Other Things Deemed Necessary Or Advisable In Connection With The Issuance Of The Series 2015 Note; And Providing For An Effective Date.

Staff Recommends: Approval of the Resolution

Explanation:

In June 2005, the City issued its Series 2005 General Obligation ("GO") Bonds in the amount of \$53,680,000.00 to finance various Fire Rescue and Parks facilities. The outstanding bonds can be called and refunded on a current basis (meaning that the outstanding bonds will be called and defeased within 90 days) in order to provide debt service savings.

In July 2014, the City established a financing team consisting of a Financial Advisor and a pool of three Bond Underwriters. The Bond Underwriter next up in the rotation of the three firms is Raymond James and Associates.

The City's Financial Advisor, First Southwest Company, recommends that the refunding bond issue be award to Raymond James and Associates on a negotiated basis in the form of a private placement. Under this financing arrangement, the cost and effort associated with the preparation of a public offering document (i.e., an Official Statement) is avoided. The recommendation of First Southwest is based on current market conditions, the type of debt (General Obligation), and the remaining term of the outstanding bonds.

With a locked-in interest rate of 2.92% based on the term sheet provided by Raymond James and

Associates, the refunding of the Series 2005 GO Bonds will generate debt service saving of approximately 12.5 percent or \$5.5 million on a net present value basis. The refunding will provide annual debt service savings of approximately \$462,000 through fiscal year 2030.

Recommended for inclusion on the agenda by:
Wazir Ishmael, Ph.D., City Manager
George R. Keller, Jr. Assistant City Manager
Matthew Lalla, Financial Services Director