



Legislation Text

File #: 18-2191, Version: 1

ITEM: RESOLUTION NO. R2018-31 (PUBLIC SERVICE REVENUE BONDS DEBT PAYOFF)

A RESOLUTION OF WELLINGTON, FLORIDA'S COUNCIL AMENDING THE DEBT SERVICE FUND BUDGET FOR FISCAL YEAR 2018 BY TRANSFERRING FUND BALANCE RESERVES FROM GENERAL FUND, GAS TAX ROAD CAPITAL FUND, ROAD IMPACT CAPITAL FUND, AND RECREATION IMPACT FUND TO THE DEBT SERVICE FUND FOR THE EARLY RETIREMENT OF WELLINGTON'S PUBLIC SERVICE TAX REVENUE BONDS, AND ADJUST RECREATION IMPACT FUND BALANCE; AND PROVIDING AN EFFECTIVE DATE.

REQUEST: Approval of Resolution No. R2018-31 and associated budget amendment to authorize the early retirement of Wellington's Public Service Tax Revenue Refunding Bonds, Series 2014.

EXPLANATION: Staff proposes to pay off the Public Service Tax Revenue Bonds that were issued in 2014. The early retirement of debt is a debt management strategy that would yield a cost savings of \$16,568 and, additionally, reduce the FY 2019 budget by the debt payment and associated transfer. The final pay off amount is \$1,683,788.

Attached below is a fiscal analysis indicating costs and savings from the early retirement of debt.

| Public Service Revenue Refunding Bonds 2014 | |
|--|---------------------|
| Original Debt | \$ 5,445,000 |
| Balance Remaining | 1,674,200 |
| Interest | 26,090 |
| Total Owed if Held to Maturity | \$1,700,390 |
| Total Cost to Repay Bonds | \$ 1,683,788 |
| Savings | \$ 16,568 |

BUDGET AMENDMENT REQUIRED: YES

PUBLIC HEARING: NO

QUASI-JUDICIAL:

FIRST READING:

SECOND READING:

LEGAL SUFFICIENCY: YES

FISCAL IMPACT: Village of Wellington will pay off \$1,683,788 in debt related to the Public Service Revenue Refunding Bonds, Series 2014 and retain no governmental debt other than the Saddle Trail Park Improvement bonds issued in 2016. The payoff requires a net total of \$1,116,910 in reserves from the General Fund, Gas Tax Road Capital Fund, the Road Impact Capital Fund, and the Recreation Impact Fund. The remaining payoff amount of \$566,878 is budgeted in Debt Service fund for FY 2018. Wellington will save approximately \$16,568 from early retirement of debt and reduce the FY 2019 budget in debt payments and transfers. Additionally, the Recreation Impact Fund will be adjusted in order to replenish its portion of fund balance.

WELLINGTON FUNDAMENTAL: Responsive Government

RECOMMENDATION: Approval of Resolution No. R2018-31 and associated budget amendment to authorize the early retirement of Wellington's Public Service Tax Revenue Refunding Bonds, Series 2014.