



Deschutes County Board of Commissioners
1300 NW Wall St., Suite 200, Bend, OR 97701-1960
(541) 388-6570 - Fax (541) 385-3202 - www.deschutes.org

AGENDA REQUEST & STAFF REPORT

For Board Business Meeting of May 23, 2016

Please see directions for completing this document on the next page.

DATE: May 11, 2016

FROM: Wayne Lowry  Finance (541) 388-6559

TITLE OF AGENDA ITEM:

Consideration and signature of Resolution #2016-025, budget adjustment appropriating the proceeds of Full Faith and Credit Refunding Series 2007.

PUBLIC HEARING ON THIS DATE? NO

BACKGROUND AND POLICY IMPLICATIONS:

Consideration of Resolution #2016-025. The Board of County Commissioners approved the refunding of the Full Faith and Credit Series 2007 bonds. This agenda item makes the necessary budget adjustments to complete the transaction.

FISCAL IMPLICATIONS:

The County will realize savings on interest of \$1,073,591 over the remaining life of the debt.

RECOMMENDATION & ACTION REQUESTED:

Approval and signature of Resolution #2016-025.

ATTENDANCE: Wayne Lowry

DISTRIBUTION OF DOCUMENTS:

Wayne Lowry, Finance Department 388-6559

REVIEWED

LEGAL COUNSEL

For Recording Stamp Only

BEFORE THE BOARD OF COUNTY COMMISSIONERS OF DESCHUTES COUNTY, OREGON

A Resolution Appropriating Refunding Proceeds *
to the Deschutes County 2015-2016 Budget * RESOLUTION NO. 2016-025
*

WHEREAS, Deschutes County will receive refunding proceeds totaling \$6,277,000; and

WHEREAS, these refunding proceeds need to be appropriated; and

WHEREAS, ORS 294.338(4)(c) allows the appropriation and expenditures of refunding proceeds designated to specific purposes; now, therefore,

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF DESCHUTES COUNTY, OREGON, as follows:

Section 1. That the following refunding proceeds be budgeted:

Revenue

601-0000-393.12-00	Bond Proceeds	\$ 556,806
610-0000-393.12-00	Bond Proceeds	\$ 5,285,895
618-0000-393.12-00	Bond Proceeds	\$ 434,299
TOTAL REVENUE:		<u>\$ 6,277,000</u>

Section 2. That the following appropriations be made within the 2015-2016 County Budget:

Expenditures

Materials & Services:

601-1000-452.33-28	Bond Issuance Costs	\$ 2,285
610-6200-432.33-28	Bond Issuance Costs	\$ 21,691
618-9600-453.33-28	Bond Issuance Costs	<u>\$ 1,782</u>
TOTAL MATERIALS & SERVICES		\$ 25,758

Debt Service:

601-1000-471.81-01	Principal	\$ 553,081
610-6200-471.81-01	Principal	\$ 5,250,526
618-1000-471.81-01	Principal	\$ 431,393
601-1000-472.81-02	Interest	\$ 1,441
610-9200-472.81-02	Interest	\$ 13,678
618-1000-472.81-02	Interest	<u>\$ 1,123</u>

TOTAL DEBT SERVICE \$ 6,251,242

TOTAL EXPENDITURES \$ 6,277,000

Section 2. That the Finance Director make the appropriate entries in the Deschutes County Budget document to show the above appropriations.

DATED this _____ rd day of May, 2016.

BOARD OF COUNTY COMMISSIONERS OF
DESCHUTES COUNTY, OREGON

ALAN UNGER, Chair

ATTEST:

TAMMY BANEY, Vice-Chair

Recording Secretary

ANTHONY DEBONE, Commissioner

Lacy Nichols

From: Jeanine Faria
Sent: Tuesday, May 03, 2016 3:57 PM
To: Wayne Lowry
Cc: Lacy Nichols
Subject: Supplemental Budget
Attachments: Supplemental Budget Fund 601, 610, 618.xls

Follow Up Flag: Follow up
Flag Status: Flagged

Attached is the Excel file as support for the resolution to appropriate the refunding proceeds. While preparing this schedule, I realized that Kieu-Oanh has a minor error in the closing memorandum. There is no impact on any of the amounts to be paid. The costs of issuance total \$25,757.85. This is \$7,500 to the bank and closing, \$18,000 for financial advisor and legal and \$257.85 to be applied to future debt service. The reference is to \$18,500 in item #3 on the closing memorandum. This need to be \$18,000. I've sent an email to Kieu-Oanh.

Bond Proceeds \$6,277,000

Principal refunded \$6,235,000

Interest – June 1, 2016 – June 24, 2016 \$16,242.15

Bank Fee \$7,500

Other cost of issuance \$18,000

Additional for next debt service \$257.85

Jeanine
Deschutes County Finance
541-385-1411

Deschutes County
Supplemental Budget Request

RESOURCES

Item	Line Number (HTE 14 digit code)	Description	Current Budgeted Amount	To (From)	Revised Budget
1	601-0000-393.12-00	Issuance LT Debt	1,367,174	556,806	556,806
2	610-0000-393.12-00	Issuance LT Debt	-	5,285,895	5,285,895
3	618-0000-393.12-00	Issuance LT Debt	482,531	434,299	434,299
TOTAL			1,849,705	6,277,000	8,126,705

REQUIREMENTS

Item	Line Number (HTE 14 digit code)	Category (Pers, M&S, Cap Out, Contingency)	Description (Element-Object, e.g. Time Mgmt, Temp Help, Computer Hardware)	Current Budgeted Amount	To (From)	Revised Budget
4	601-1000-452.33-28	Materials & Services	Bond Issuance Costs	9,416	2,285	11,701
5	610-6200-432.33-28	Materials & Services	Bond Issuance Costs	-	21,691	21,691
6	618-9600-453.33-28	Materials & Services	Bond Issuance Costs	3,324	1,782	5,106
7	601-1000-471.81-01	Debt Service	Principal	1,514,515	553,081	2,067,596
8	610-6200-471.81-01	Debt Service	Principal	569,606	5,250,526	5,820,132
9	618-1000-471.81-01	Debt Service	Principal	550,335	431,393	981,728
10	601-1000-472.81-02	Debt Service	Interest	84,988	1,441	86,429
11	610-9200-472.81-02	Debt Service	Interest	363,310	13,678	376,988
12	618-1000-472.81-02	Debt Service	Interest	45,581	1,124	46,705
TOTAL			3,141,075	6,277,000	9,418,075	

A supplemental budget is required for the following reason and will be used for the following purpose:

The Board approved the refunding of the 2007 Full Faith and Credit bonds in the total amount of \$6,277,000 in order to achieve savings due to lower interest rates. Proposals were solicited from several Banks interested in providing the financing of the transaction. Bank of the Cascades had the proposal with the greatest savings to the County. ORS 294.338(4)(c) provides an exception to the need for a supplemental budget to provide the budget authority for refunding bonds and requires instead a resolution. The attached resolution creates the necessary adjustments to the FY 2016 adopted budget to provide for this transaction. The County will realize savings of \$1,073,591 over the remaining life of the debt.

Fund:	RV/Solid Waste/F&E
Dept:	Prop/SW/F&E
Requested by:	Wayne Lowry
Date:	6/1/2016