

14. DISCUSSION REGARDING REVENUE REFUNDING BOND

As we discussed at your retreat on August 10, Davenport & Company sought to obtain proposals to refinance our Series 2007 Water and Sewer Revenue Bond in order to potentially reduce the term, the rate, the annual debt service, or any combination thereof. This bond was last refinanced in 2007, just ahead of the market meltdown, reducing the term of the debt at the time from 27 to 20 years and saving more than \$534,000 in interest charges over the life of the loan. In addition, that refinancing freed up more than \$130,000 of water/sewer revenues over a 3 year period that were utilized to address system deficiencies.

- The principal balance of this bond as of 6/30/2013 was \$1,577,440;
- The interest rate is currently fixed at 4.12% through 2019;
- On 8/1/2019 the rate adjusts to 67% of LIBOR swap rate + 62 basis points;
- It currently has a final maturity date of June 30, 2028;
- Annual debt service on this bond is \$140,965.

Refinancing proposals were due at 11:00 a.m. on August 22.

Regrettably, no proposals were received. I suspect the lack of interest in the financial marketplace is directly related to the County's declining fund balance and the associated cash flow issues we've experienced each of the past 2 years.

NO MOTION REQUIRED