



## BOARD OF COMMISSIONERS

# AGENDA REQUEST & STAFF REPORT

**MEETING DATE:** July 14, 2021

**SUBJECT:** Series 2012 Full Faith and Credit Obligation Refunding Proposal

**RECOMMENDED MOTION:**

Move approval of Resolution No. 2021-056 authorizing the County's refinancing of its Series 2012 Full Faith and Credit Obligations.

**BACKGROUND AND POLICY IMPLICATIONS:**

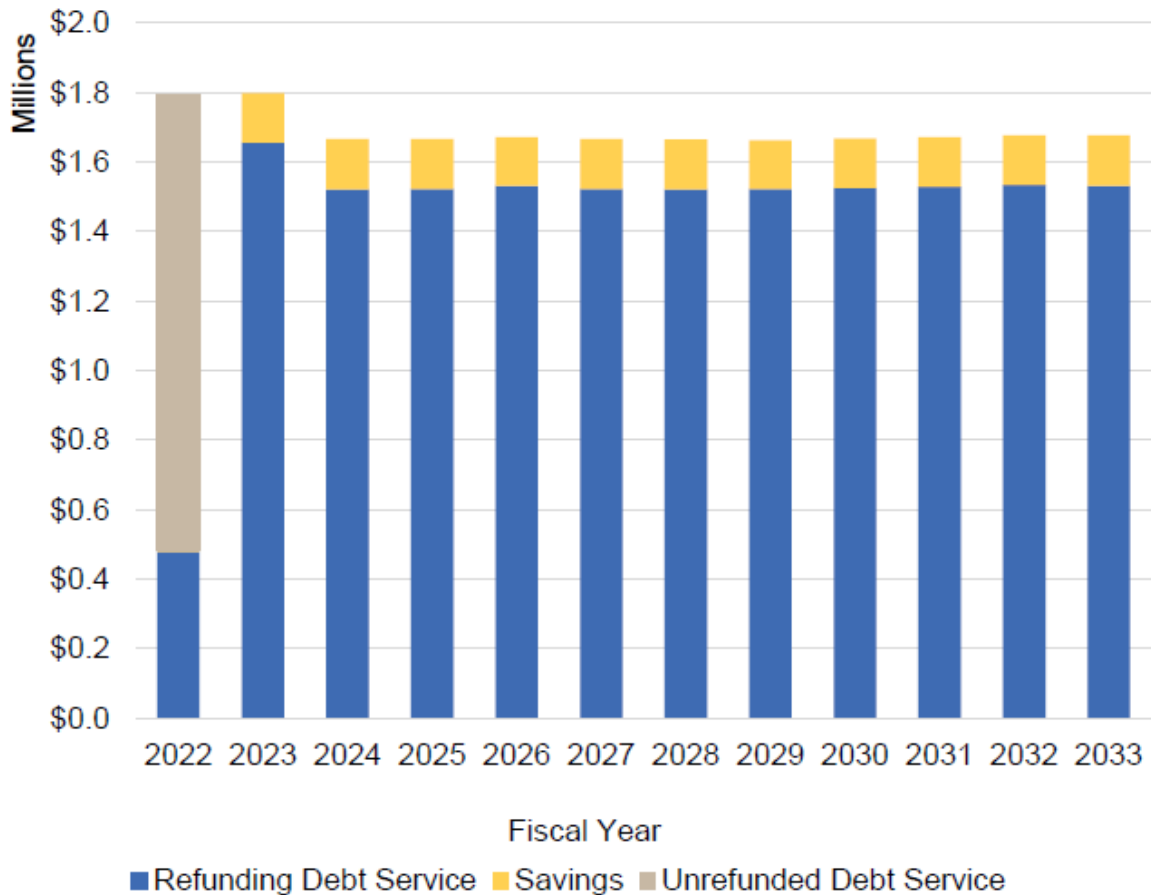
The County has a number of outstanding bond issues at various rates of interest. When bonds are issued, the terms of the issue include a date at which time the bonds can be paid off early or refinanced. This is referred to as the "call date".

In 2012, the County issued its Series 2012 Full Faith and Credit Refunding Obligations. These bonds are callable on December 1, 2021. The County can refund the bonds with tax-exempt debt beginning on September 2, 2021 which is 90 days from the call date.

The 2012 bonds were issued to refund the County's Series 2003 Full Faith and Credit Obligations which were issued to finance the construction of the Deschutes Services Building, the La Pine Service Center, the County warehouse, storage buildings for the Fair & Expo Center, sewer system improvements for the La Pine Sewer District, Solid Waste facilities, improvements to the County Sheriff radio system and various property acquisition, remodeling and infrastructure projects.

There are approximately 12 years remaining on the term of the 2012 bonds. In the current interest rate environment, the County can refinance the bonds to achieve debt service savings. The preliminary savings estimate of refunding the debt for the remaining term is approximately \$1.4 million.

## Estimated Savings



The County solicited proposals from 25 commercial banks to provide financing terms in connection with the considered refinance. Proposals are due July 7, 2021 and will be evaluated shortly thereafter.

If approved, this resolution gives the County Administrator or the County Treasurer and Chief Financial Officer the authority to make all necessary decisions to proceed with refunding the Series 2012 bonds.

### **BUDGET IMPACTS:**

Refunding the Series 2012 bonds will save the County an estimated \$1.4 million in debt interest expense over the remaining twelve years of the bond term.

### **ATTENDANCE:**

Greg Munn, County Treasurer and Chief Financial Officer