

TOWN COUNCIL MINUTES OF FEBRUARY 19, 1992

A Special Town Council Meeting was called to order by President Heeke at 3:07 PM on February 19, 1992 in the Town Hall Council Chambers. On roll call, the following elected officials were found to be in attendance: Mayor Marix, President Heeke, President Pro Tem Weinberg, Councilwoman Douthitt and Wiener. (Councilman Ilyinsky was not in attendance). Also attending were Mr. Doney, John McCracken of the Town Attorney's Office, Mrs. Crozier, Mrs. Peters and Mr. Jakubiak.

Invocation was given by Mrs. Peters. Pledge of Allegiance was led by President Pro Tem Weinberg.

Approval of
Agenda

APPROVAL OF AGENDA: Mr. Weinberg moved for approval of the agenda. Seconded by Mrs. Douthitt. On roll call, the motion carried unanimously.

Res. 14-92

RESOLUTION NO. 14-92. 1992 GENERAL OBLIGATION REFUNDING BONDS. Mr. McCracken read the Resolution by title:

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF PALM BEACH, FLORIDA, AMENDING AND SUPPLEMENTING TOWN RESOLUTION NO. 8-92 ENTITLED, "A RESOLUTION OF THE COUNCIL OF THE TOWN OF PALM BEACH, FLORIDA, AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$12,000,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 1992, OF THE TOWN OF PALM BEACH, FLORIDA FOR THE PURPOSE OF REFUNDING ALL OR A PORTION OF THE TOWN'S OUTSTANDING 1973 LAND ACQUISITION BONDS, 1975 SEWER BONDS AND 1980 SEWER BONDS; PROVIDING THE FORM AND TERMS OF THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS FROM A TAX ON ALL TAXABLE PROPERTY IN SAID TOWN; PROVIDING FOR THE RIGHTS, REMEDIES AND SECURITY OF THE HOLDERS OF THE BONDS; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; PROVIDING FOR CERTAIN OTHER MATTERS DEEMED NECESSARY AND PROPER IN CONNECTION WITH THE ISSUANCE OF THE BONDS; AND PROVIDING FOR AN EFFECTIVE DATE"; AUTHORIZING THE NEGOTIATED SALE OF \$10,125,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 1992, OF THE TOWN OF PALM BEACH, FLORIDA, TO REFUND THE TOWN'S TO REFUND THE TOWN'S OUTSTANDING 1975 SEWER BONDS AND 1980 SEWER BONDS; PROVIDING FOR THE TERMS AND OTHER DETAILS OF SUCH BONDS; APPOINTING A PAYING AGENT AND A REGISTRAR FOR SAID BONDS; APPOINTING AN ESCROW AGENT; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT AND APPROVING, CONFIRMING AND RATIFYING THE PRIOR USE BY THE UNDERWRITERS OF THE PRELIMINARY OFFICIAL STATEMENT; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE CONTRACT TO EFFECT THE NEGOTIATED SALE OF THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT RELATING TO THE PRIOR BONDS; AUTHORIZING PROPER OFFICIALS OF THE TOWN TO DO ALL OTHER THINGS DEEMED NECESSARY OR ADVISABLE IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SAID BONDS; AND PROVIDING AN EFFECTIVE DATE.

Mr. Michael Hole of Smith, Barney addressed the Council, noting there was a slight change in the market since the last meeting of the Council on the bond refinancing, and although they had planned to refinance the 1973 Bonds, those bonds were quite marginal as to the amount of savings they were bringing and when the yield curve changed slightly, there was a loss, so the 1973 Bonds were eliminated from the refunding program and they proceeded to structure the issue to refund the 1975 and 1980 Bonds.

He distributed a hand-out which showed the present value savings would be \$437,676 of total savings by refunding the two issues described and on a present value basis, it would be \$374,003. He advised in January, interest rates dropped dramatically and refunding became attractive and it was brought before the Council and authorized and since that time interest rates have continued to rise slightly. He stated the trend in the market has been up and down and they have shown numbers from the high four hundred thousand dollars range down to a little over three hundred thousand dollars. He thought they were fortunate to enter the market yesterday and pressure was put on the staff to put this entire bond issue together in less than a month, which provided the opportunity for them to jump into the market yesterday.

He distributed another hand-out which showed where the market has been and the first column shows interest rates they locked in for Palm Beach County last week, which was a refunding of the Airport System Bonds. He noted the column on the right is a thirty eight million First Florida issue is a bond issue in the market at this present time at those interest rates and those are Triple A rated bonds, and very comparable to the Town's issue. He stated that they were able to get into the market with the Town's issues yesterday as interest rates have dropped and bottomed out yesterday and are on the rise again today.

He announced they have been able to lock in the rates and the orders are being held, subject to the approval today and he reminded them all of this has been provided to the Town and if the Resolution is not adopted, there is no obligation.

Mayor Marix recalled Mr. Hole stating there would be nothing done about the 1973 Bonds since there would be no savings, and asked why the Resolution refers to the refunding of all or portion of the 1973 Bonds.

Mr. Rick Miller of Madge, Rose addressed the Council advised that particular resolution was the title of the resolution that is amended and if they would look further it states they are only refunding the 1975 and 1980 Bonds.

Mr. Weinberg asked if the bonds were insured to which Mr. Hole responded they are not, as they are confirmed at a double A rating by Standard and Poor's and a triple A rating from Moody's, without insurance. Mr. Heeke advised the Town is the only municipality with that rating to which Mr. Hole agreed with regards to the triple A.

Mr. Hole advised there was a \$50,000 savings because of the Town having the Triple A Rating on its own.

Mrs. Wiener moved that Resolution No. 14-92 be adopted. Seconded by Mrs. Doughiest. On roll call, the motion carried unanimously.

Mr. Heeke thanked the Mayor for bringing this matter to their attention several Council meetings ago and congratulated Mrs. Crozier on getting it all together for the bond counsel and the underwriters to represent the Town.

Mayor Marix thanked and congratulated Mrs. Crozier for a job well done.

ADJOURNMENT: Meeting was adjourned at 3:20 PM.

Grace T. Peters
Town Clerk

Adjournment