

September 29, 2015

**MEMORANDUM TO THE FINANCE COMMITTEE**

**FROM BRIAN MCELROY, TREASURER**

**SUBJECT: ISSUANCE OF THE SERIES 2015 REVENUE BONDS**

Below is a summary of the actions to be put before the Board of Trustees at the September 29, 2015 meeting in connection with the issuance of the Series 2015 Revenue Bonds (“Series 2015 Bonds”). The Committee is requested to recommend adoption by the Board of Trustees of the related resolutions.

**A. 2015 BONDS**

The Staff of the Authority proposes the issuance of the Series 2015 Bonds, in an aggregate principal amount not to exceed \$80 million, for the purpose of (i) refunding up to \$74.590 million of the Authority’s Series 2006 A Revenue Bonds; and (ii) pay the costs of issuance of the Series 2015 Bonds.

The Series 2015 Bonds would be issued as senior lien revenue bonds under the Authority’s General Resolution Authorizing Revenue Obligations, adopted February 24, 1998, as amended and supplemented. The Authority proposes to issue the Series 2015 Bonds either as fixed rate or variable rate bonds or a combination thereof.

The purpose of the 2015 plan of finance is to produce present value savings on debt service.

**B. THE RESOLUTIONS**

A summary of the principal terms of the resolutions to be put before the Board of Trustees for consideration is set forth below:

**1) Tenth Supplemental Resolution**

Adoption of the Tenth Supplemental Resolution Authorizing Series 2015 Revenue Bonds (“Tenth Supplemental Resolution”), which authorizes the issuance of the Series 2015 Bonds, in an aggregate principal amount not to exceed \$80 million, to refund the Authority’s Series 2006 A Revenue Bonds and pay the costs of issuance of the Series 2015 Bonds.

## **2) 2015 Bonds**

- a) The sale of the Series 2015 Bonds to one or more underwriters as may be selected by the Chairman, President and Chief Executive Officer, Executive Vice President and Chief Financial Officer or Treasurer from the prequalified underwriting pool approved by the Trustees at their July 29, 2014 Board meeting, at such prices as any such officer may accept and as will be in compliance with the requirements of the Tenth Supplemental Resolution is authorized.
- b) The Chairman, President and Chief Executive Officer, Executive Vice President and Chief Financial Officer or Treasurer and other specified officers to execute a Contract of Purchase, providing for the sale of the Series 2015 Bonds to such underwriters, a Continuing Disclosure Agreement with The Bank of New York Mellon relating to the Series 2015 Bonds and miscellaneous other documents and instruments is authorized.
- c) The Chairman, President and Chief Executive Officer, Executive Vice President and Chief Financial Officer or Treasurer and other specified officers are authorized to approve the issuance of the Preliminary Official Statement and final Official Statement relating to the Series 2015 Bonds.

## **3) Registrar and Paying Agent**

The Bank of New York Mellon is appointed as Registrar and Paying Agent for the Series 2015 Bonds.

### **RECOMMENDATION:**

For the reasons stated, I recommend approval of the above requested action by adoption of a resolution in the form of the attached draft resolution.

Brian McElroy  
Treasurer

## **RESOLUTION**

RESOLVED, that the Finance Committee recommends that the Board of Trustees approve the 2015 plan of finance and its related resolutions, as discussed in the attached memorandum of the Treasurer, at the Board's September 29, 2015 meeting.



# **Issuance of the Series 2015 Revenue Bonds**

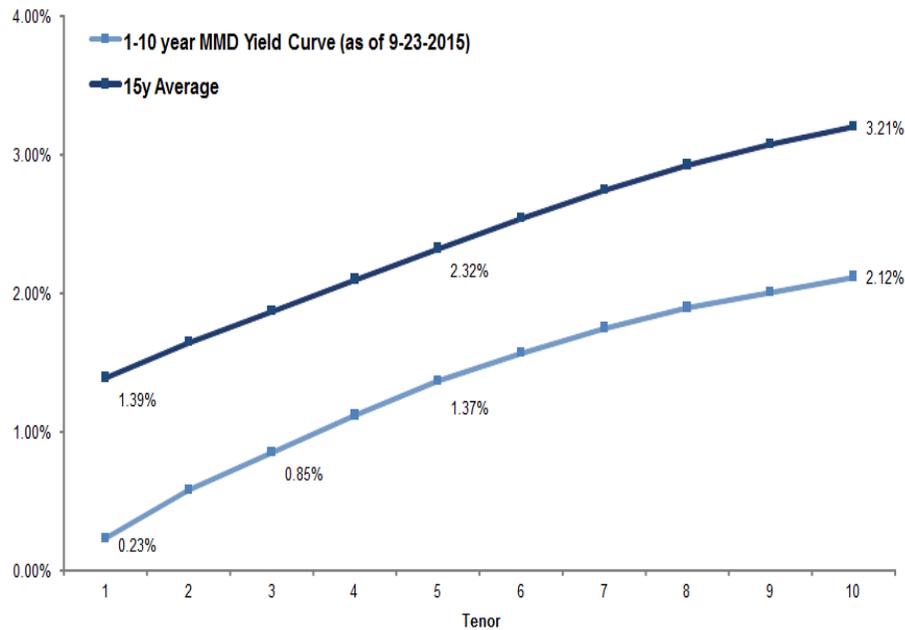
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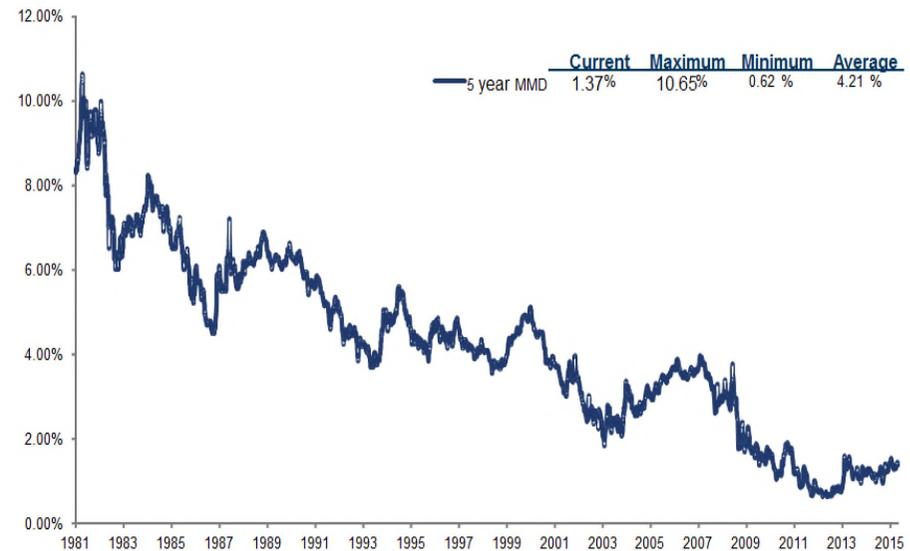
## Issuance of the Series 2015 Revenue Bonds

Low interest rates present an opportunity for the Authority to refinance its Series 2006 A Revenue Bonds at significant savings.

**MMD Yield Curve (Years 1 – 10)**



**Historic 5-Year MMD**



# Issuance of the Series 2015 Revenue Bonds Refunding Overview <sup>1</sup>

Refunding Type	Current (11/15/2015)
Call Provisions	30 to 45 Days Notice
Par Amount to be Refunded	Up to \$74.590 million
Estimated NPV Savings (\$)	\$7.5 million of Refunded Par
Estimated NPV Savings (%)	10.1% of Refunded Par
Structure	Fixed Rate Serial Bonds

1) *Refunding contingent upon market interest rates at time of pricing*