



City of Key West, Florida

Sewer System Refunding Revenue Bond, Series 2013



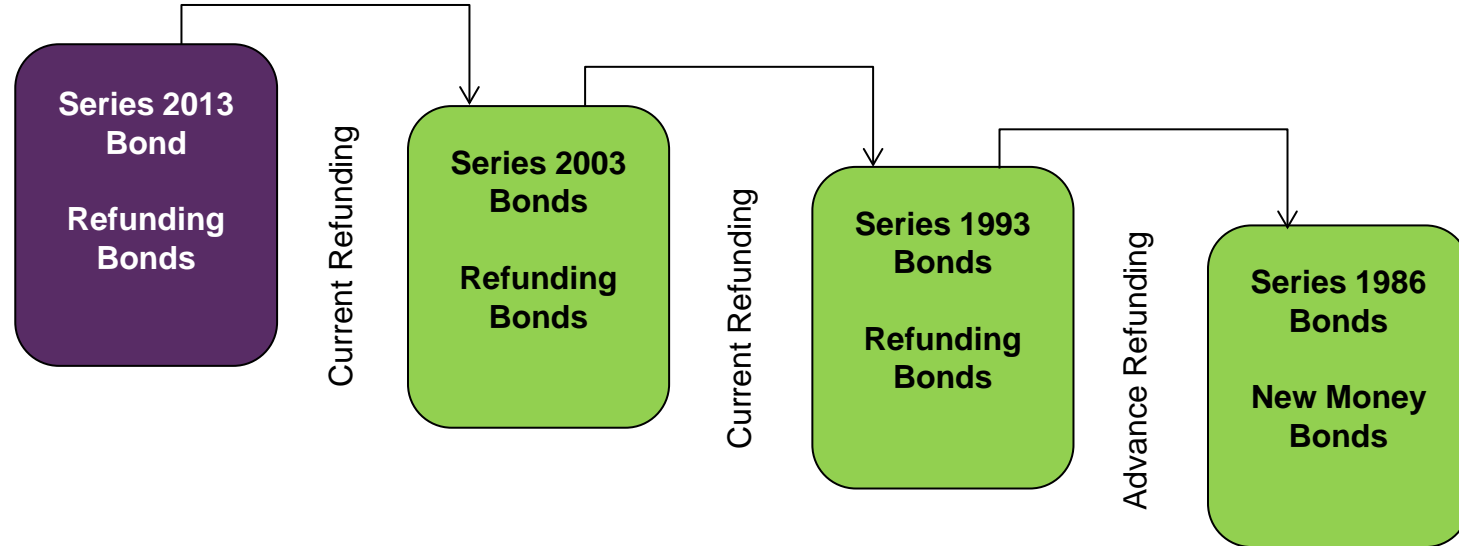
The PFM Group

Public Financial Management, Inc.
PFM Asset Management LLC
PFM Advisors

300 S. Orange Avenue
Suite 1170
Orlando, FL 32801
407-648-2208
407-648-1323 fax

Refunding of the Series 2003 Sewer Bonds

- PFM has actively monitored and provided the City updates on the Refunding of the Series 2003 Sewer Bonds since June 2012. These bonds are for sewer construction that has already been completed.
- The Series 2003 Bonds are not callable until 10/1/2013. Due to tax law the earliest the City could have closed the Refunding Bond would have been 7/3/2013 (allowed to refund up to 90 days before call date).
- Waiting for the Bonds to become currently callable has produced the City greatest savings when compared to the other previously presented alternative options (taxable or forward refunding).



Bank Loan Responses

- The City received eight (8) responses to its distributed Bank Loan RFP on July 31st.
- After a thorough review of all the proposals, it was determined **Regions Capital Advantage, Inc.** submitted the bid with the best combination of a low interest rate and favorable terms/conditions.
- The 2013 Bond will have a fixed rate of 2.65% through its final maturity of 2026.

Responsive Banks

- Bank of America, N.A.
- BBVA Compass
- First State Bank
- Pinnacle Public Finance
- Raymond James Capital Funding, Inc.
- **Regions Capital Advantage, Inc.**
- STI Institutional & Government, Inc. (STING)
- TD Bank

Expected Refunding Results

- The Refunding of the 2003 Bonds is expected to result in net present value savings of approximately \$2,200,000 (10.68% of the refunded par).
- Annual debt service payments will be reduced approximately \$200,000 per year 2014-2026. This anticipated savings was included in the City's sewer utility FY 2014 budget.

City of Key West	
Sewer System Refunding Revenue Bond, Series 2013	
Par Amount	\$19,970,253
True Interest Cost	2.65%
Annual Gross Savings	\$200,676
NPV Savings	\$2,208,135 (10.68%)

Next Steps

- August 6th - First Reading of Ordinance
- August 9th - Sign and Return the Regions Commitment Letter
- Week of August 12th - Finalize Documents
- August 20th - Second Reading of Ordinance and Series Resolution
- August 21st & 22nd - Pre-Close & Closing