

LAKE COUNTY, FLORIDA



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REQUEST FOR PROPOSALS

FOR

Limited General Obligation Refunding Bond, Series 2015

Not to Exceed \$21,500,000

Due Date: Tuesday, April 28, 2015

Due Time: 2:00 PM

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I. INTRODUCTION

A. Objectives

Public Financial Management, Inc. (PFM) is submitting this request for proposals (the “RFP”) on behalf of Lake County, Florida (the “County”) to identify the institution (the "Bank") that can provide the County with a fixed rate, term loan (the “Loan”) at the lowest overall borrowing cost and terms most favorable to the County, pursuant to certain conditions as determined by the County. The financing will be a private placement to be held by the Bank and the County is not preparing any disclosure information. The winning bidder will be required to sign a certificate acknowledging that, among other things, no official statement or other formal disclosure information has or will be prepared.

The County will use the proceeds of the Loan to refund the County’s outstanding Limited General Obligation Bonds, Series 2007 maturing on and after June 1, 2018 and to pay associated costs of issuance. The Loan will be exclusively secured by a limited pledge of the faith, credit and taxing power of the County, provided that the amount of the levy in each year shall not exceed one third (1/3) of one mill on all taxable property in the County. The Loan will be on parity with the County’s outstanding Limited General Obligation Bonds, Series 2007 maturing June 1, 2015 through June 1, 2017 that are not refunded by the Loan. The Loan will be secured by a bond issued pursuant to the County’s Resolution No. 2007-51, which is attached to the RFP.

B. Bidding Instructions

1. Proposal

Response to this RFP should be submitted on or before 2:00 PM, Tuesday, April 28, 2015 to the following email addresses: Barnett Schwartzman at BSchwartzman@lakecountyfl.gov, Mr. Jay Glover at gloverj@pfm.com and Mr. Jeremy Niedfeldt at niedfeldtj@pfm.com.

The County reserves the right to reject any and all proposals, to waive any informalities or irregularities in any proposals received, or to take any other such actions that may be deemed to be in the best interest of the County.

2. Bid Response

Each proposal should address all pertinent areas and be specific and any conditions should be clearly stated. Proposer’s failure to disclose substantive terms, conditions and covenants may be considered cause for the proposal to be rejected by the County.

3. Questions, Additional Information

Proposers, their agents and/or associates shall refrain from contacting or soliciting any staff member or County Commissioner regarding this RFP during the selection process. Failure to comply with this provision may result in the disqualification of the Proposer. Any inquiries, suggestions or requests concerning clarification or solicitation for additional information shall be submitted to the County's Financial Advisor: Public Financial Management, Inc., 300 S. Orange Avenue, Suite 1170, Orlando, FL 32801 / (407) 406-5760, Attn: Jay Glover, gloverj@pfm.com.

4. Tentative Schedule

The County will attempt to adhere to the following schedule:

April 8, 2015	RFP Issued
April 28, 2015	Electronic responses due prior to 2:00 pm
April 30, 2015	Selection of Loan Provider (pending Commission approval)
May 19, 2015	Award of the Loan by Board of County Commissioners
May 29, 2015 (tentative)	Approximate closing on Loan

The County reserves the right to alter scheduled dates if necessary.

C. Security for the Loan

The Loan is a limited general obligation of the County. The principal of, redemption premiums, if any, and interest on the Loan are payable from and secured by a limited pledge of the faith, credit and taxing power of the County, provided that the amount of the levy in each year shall not exceed one third (1/3) of one mill on all taxable property in the County. Pursuant to the Resolution, but subject to the foregoing limitation, the County is obligated to levy ad valorem taxes on all taxable property in the County, in each year, at a rate as shall be necessary to provide for the prompt payment of all principal, redemption premiums, if any, and interest on the Loan and the un-refunded Series 2007 Bonds. The Resolution requires that provision shall be included and made in the annual budget and tax levy for the levy of the taxes as described above. Whenever the County shall, in any year, have irrevocably deposited in the Sinking Fund for the Loan and the un-refunded Series 2007 Bonds any moneys derived from sources other than the aforementioned property tax, said property tax may be correspondingly diminished; but any such diminution must leave available an amount of such taxes, after allowance for anticipated delinquencies in collection, fully sufficient, with such moneys so deposited from other sources, to assure the prompt payment of the principal of, redemption premium, if any, and interest on the Loan and the un-refunded Series 2007 Bonds falling due prior to the time that the proceeds of the next annual property tax levy will be

available. Such ad valorem taxes shall be levied and collected at the same time, and in the same manner, as other ad valorem taxes of the County are assessed, levied and collected.

The Loan is not a debt, liability or obligation of the State of Florida or any political subdivision thereof (except for the County, to the limited extent described herein) and neither the faith and credit nor the taxing power of the State of Florida or any political subdivision (except for the County, to the limited extent described herein) are pledged to the payment of the principal of the Loan or any interest or redemption premiums thereon.

D. Structure of the Financing

The following describes the County’s requirements in establishing the Loan:

1. Amount: Not to exceed principal amount of \$21,500,000.
2. Term: 11-year fully amortized with final maturity April 1, 2026.
3. Rate: Fixed Interest Rate quoted on a Non-Bank Qualified basis. The rates quoted may not exceed the maximum rate permitted under Florida Statute 215.84 applicable at the time of sale. In order to quantify and ensure debt service savings, the County desires a fixed rate Loan without capital adequacy or other rate adjustment language. Any proposal with rate adjustment language should clearly state the circumstances under which the rate could be adjusted and provide the adjusted rate or formula for determining the adjusted interest rate such that the adjusted rate, if subsequently applied, can be determined at the time of closing. Any adjustment based on a determination of taxability shall be based upon a determination of taxability resulting from an action or omission of the County, not that of any other entity. Ambiguities will be construed in favor of the County. Adjustments based on the County’s credit ratings will not be permitted.
4. Repayment Provisions: Interest payments on the outstanding principal balance of the Loan will be calculated on a 30/360 day-count basis and will be paid semiannually on June 1, and December 1 of each year, beginning December 1, 2015. The principal amount of the Loan will be payable annually on June 1 of each year beginning June 1, 2016 and ending on April 1, 2026 as shown below (estimated and subject to change).

6/1/2016	295,000	6/1/2022	2,270,000
6/1/2017	300,000	6/1/2023	2,325,000
6/1/2018	2,080,000	6/1/2024	2,375,000
6/1/2019	2,125,000	6/1/2025	2,425,000
6/1/2020	2,175,000	4/1/2026	2,495,000
6/1/2021	2,220,000		

5. Prepayment Options: Please specify any prepayment parameters. The County is interested in reviewing options to prepay the Loan without penalty and that contain the standard make whole prepayment language. Please include any other prepayment options that you might think are beneficial to the County.

II. EVALUATION OF PROPOSALS - CRITERIA

Proposals will be evaluated on the basis of cost and compliance with the proposed structure and terms of the Loan as outlined in this RFP.

A. Proposal Format

In order to streamline the review process, each proposal shall be prepared utilizing the following format and headings:

1. Contact Information - State the legal name of the financial institution or firm, current principal business address, contact person, telephone, email and facsimile numbers.
2. Rate Proposal - State fixed interest rates proposed for a tax-exempt bond on a non bank-qualified basis, with Prepayment Penalty Options. In addition, all interest rate adjustment provisions, including determination of taxability and change in corporate tax rate must be specifically outlined in the proposal if required by the proposer. The County will not accept proposal that require interest rate adjustments based on other changes in law, rule or regulation. Any adjustment based on a determination of taxability shall be based upon a determination of taxability resulting from an action or omission of the County, not that of any other entity. The County will accept proposals that include interest rate options determined with and without change in corporate tax rate adjustment.

The Non- Bank Qualified rate shall be expressed as a function of the yield for the U.S. Government Treasury obligation (or other nationally recognized index) having a maturity closest to the weighted average maturity of the Loan. Please specify whether the proposed rate will be held until closing or if it will be set three (3) business days prior to closing. If the rate is subject to a future rate lock, provide the formula used to calculate the rate.

3. Fees and Expenses - Describe in detail all fees and expenses which the County will be responsible for under the bank's proposal. The amounts stated in the proposal shall represent the maximum amounts payable to the proposer by the County. All fees and expenses in excess of those stated in the proposal shall be the sole responsibility of the proposer and will not be paid or reimbursed by the County. Bond Counsel fees and Financial Advisor fees will be paid by the County from proceeds derived from the Loan. The County's Bond Counsel, Nabors, Giblin, and Nickerson, P.A. will prepare the documents and deliver an opinion regarding the excludability of interest from gross income for federal income tax purposes on the Loan. Public Financial Management, Inc. will serve in the sole capacity of financial advisor to the County and not in the role as placement agent for the Loan.
4. Prepayment Options - Outline any prepayment provisions based on the related structure.
5. Conditions - Provide a listing of all conditions, terms or restrictions, other than those specified in this RFP, which would be included in your commitment to provide the Loan. The County is not interested in proposals that involve the use of interest rate swaps or other derivative products.

III. INSTRUCTIONS TO PROPOSERS

- A. Proposers shall thoroughly examine and be familiar with the bid specifications. Failure of any proposer to receive or examine this document shall in no way relieve any proposer of obligations pertaining to this bid or the subsequent contract.
- B. Any changes or modifications to the bid specifications can result in the rejection of the bid as not being responsive to this RFP.
- C. The responsibility for delivering the proposal on or before the specified date and time will be solely and strictly the responsibility of the proposer. The County will in no way be responsible for delays.
- D. The response deadline shall be strictly observed. Under no circumstances will a proposal delivered after the time specified be considered.
- E. Proposers will not be allowed to withdraw or modify their bids without approval by the County for a period of sixty (60) days after the opening time and date.
- F. The County reserves the right to reject the bid of any proposer who has previously failed in the proper performance of a contract or to deliver on time other contracts similar in nature, or who is not in a position to perform properly under this contract.
- G. Federal, state, county, and local laws, ordinances, rules and regulations that in any manner affect the items covered herein apply. Lack of knowledge by the Proposer will in no way be a cause for relief from responsibility.
- H. No successful Proposer may assign any portion of the contractual agreement between the parties without prior written authorization by the County.
- I. Changes to the RFP may be made by and at the sole discretion of the County.
- J. Warranties - The proposer, in submission of its proposal, warrants to the County that it will comply with all applicable federal, state and local laws, regulations and orders in providing the services under the proposed documents.
- K. Collusion - The Proposer, by affixing its signature to this proposal, certifies that its proposal is made without previous understanding, agreement, or connection either with any previous firms or corporations offering a Proposal for the same items, or with the County. The Proposer also certifies that its proposal is in all respects fair, without outside control, collusion, fraud or otherwise illegal action.
- L. Discrimination – Pursuant to Section 287.134(2)(a), Florida Statutes, an entity or affiliate who has been placed on the discriminatory vendor list may not submit a bid or proposal on a contract to provide any goods or services to a public entity, may not submit a bid or proposal on a contract with a public entity for the construction or repair of a public building or public work, may not submit bid or proposal on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity.

IV. OTHER INFORMATION

- A. The County reserves the right to accept or reject any and all bids, to waive any irregularities or informalities in any bid or in the bidding, and to accept or reject any items or combination of items. The award will be to the institution whose response complies with all of the requirements set forth in this RFP and whose bid, in the sole opinion of the County, is best taking into consideration all aspects of the Proposer's response.
- B. In the event that the successful proposer does not execute a contract within a timeframe acceptable to the County, the County may give notice of intent to award the bid to the next most qualified proposer or to call for new bids and may proceed to act accordingly.
- C. The table below provides the County's historical taxable assessed values and the funds that could have been generated if the maximum millage levy of one third (1/3) of one mill was assessed. Based on current maximum annual debt service of \$2,706,938 the maximum millage levy would generate 1.73 times debt service coverage.

	ASSESSED		ASSESSABLE
FISCAL	TAXABLE	MAXIMUM	REVENUE
YEAR	VALUE	1/3 MILL	@ 95%
2007	\$ 18,932,677,632	0.3333	\$ 5,994,748
2008	\$ 22,280,949,952	0.3333	\$ 7,054,929
2009	\$ 20,960,634,034	0.3333	\$ 6,636,870
2010	\$ 19,104,619,298	0.3333	\$ 6,049,191
2011	\$ 17,021,802,722	0.3333	\$ 5,389,699
2012	\$ 15,632,400,116	0.3333	\$ 4,949,765
2013	\$ 14,709,982,800	0.3333	\$ 4,657,695
2014	\$ 14,807,114,447	0.3333	\$ 4,688,451