



# Broward County

## Legislation Text

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File #: 20-1572, Version: 1

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### **Broward County Commission Regular Meeting**

**Director's Name:** Jonathan Daniels

**Department:** Port Everglades

**Division:** Finance

### **Information**

#### **Requested Action**

**MOTION TO ADOPT** Resolution No. 2020-489 of the Board of County Commissioners of Broward County, Florida, supplementing that certain Amended and Restated Master Bond Resolution, Resolution No. 2019-374 concerning Broward County, Florida Port Facilities Revenue Bonds; authorizing the transfer of not-to-exceed \$19,000,000 of legally available monies of the Port Everglades Department to the 2021 Senior Lien Sinking Fund Escrow Account to be applied to the payment of debt service on Senior Lien Bonds; authorizing the execution and delivery of a Sinking Fund Escrow Deposit Agreement and the appointment of an Escrow Agent therefore; and certain other matters; and providing an effective date.

#### **Why Action is Necessary**

Board approval is required to authorize the transfer of not-to-exceed \$19,000,000 of legally available monies of the Port Everglades Department on deposit pursuant to the Port Everglades Department Master Bond Resolution to the 2021 Senior Lien Sinking Fund Escrow Account, which transfer will effectively create a pre-payment of a portion of the Port Everglades Department's bond debt principal and interest due in FY2021, and to approve the execution of the associated Sinking Fund Escrow Deposit Agreement and to approve the escrow agent thereunder.

#### **What Action Accomplishes**

Utilizes a portion of the Port Everglades Department's unrestricted cash available as of September 30, 2020 to fund the Port's 2021 Senior Sinking Fund Escrow Account for the payment of a portion of the Port Everglades Department's bond debt principal and interest due in Fiscal Year 2021.

#### **Is this Action Goal Related**

Yes

#### **Previous Action Taken**

None.

#### **Summary Explanation/Background**

THE PORT EVERGLADES DEPARTMENT AND FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT RECOMMEND APPROVAL.

This action supports the Broward County Board of County Commissioners' ("Board") Value of "Ensuring economic opportunities for Broward's diverse population and businesses" and the Goal to

“Increase the economic strength and impact of revenue-generating County enterprises balancing economic, environmental, and community needs.”

Due to the economic impacts of COVID-19 and the projected reduction in Port Everglades operating revenue that is expected to continue into Fiscal Year 2021, the Port Everglades Department’s recommended budget for Fiscal Year 2021 includes the use of up to \$19,000,000 in unrestricted cash in Fiscal Year 2020 to, pursuant to Section 5.20 of the Port Everglades Department’s Master Bond Resolution, transfer a portion of debt principal and interest due in Fiscal Year 2021 to the 2021 Senior Lien Sinking Fund Escrow Account to ensure at least the minimum debt service coverage requirements are met for both the senior and subordinated debt.

The form of the Sinking Fund Escrow Deposit Agreement (see Exhibit 2) provides for the deposit of up to \$19,000,000 in Port Everglades funds into a Fiscal Year 2021 Senior Lien Sinking Fund Escrow Account held by the Escrow Agent for the repayment of a portion of the Fiscal Year 2021 annual debt service on specified due dates. The deposit of funds from the Port Everglades Department’s unrestricted cash reserves avoids the need for an equivalent amount of reductions in the Port Everglades Fiscal Year 2021 expense budget, and ensures that Port Everglades continues to meet the required 1.25x debt-service coverage ratio for senior debt and 1.1x for subordinated debt.

#### **Source of Additional Information**

Leah Brasso, Director of Finance, Port Everglades Department, [lbrasso@broward.org](mailto:lbrasso@broward.org), (954) 468-3513

#### **Fiscal Impact**

##### **Fiscal Impact/Cost Summary**

The estimated unrestricted cash balance for the Port at the end of September 2020 is approximately \$150,000,000 before the funds in an amount not-to-exceed \$19,000,000 are transferred to the escrow account.