



2019 Taxable Revenue Note - Early Payoff

- Early payoff of Note
- Banking Services

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Early Payoff of 2019 Note

- Originally issued in January 2019
- \$20,000,000 debt issued for the purchase of 62.05 acres of set-back on both sides of the Estero River
- Total purchase price of the property was \$24,562,500
- Current outstanding principal is \$17,916,515
- Annual debt service is \$1,415,797
- Interest due if held to maturity (2029) is \$4,539,369
- Balloon principal payment due in 2029 of \$12,407,013



Early Payoff of 2019 Note (cont'd)

- No pre-payment fees or penalties if paid off from Village funds
- Payoff would be sourced from:
 - Debt Reduction Reserve - \$7.5m
 - General Fund Reserve - \$3.5m
 - Capital Reserve - \$7m (approximate, plus accrued interest)
- Use of General Fund Reserves requires a super majority vote. Within just one year, the Village could nearly replenish these funds with the cost savings from the debt service (\$1.4m) and the debt reserve contribution that is budgeted each year (\$1.1m).



Next Steps

- Discover Village Council's desire whether to move forward or stay the course with repayment schedule
- If Council desires to retire the debt early, staff will begin the process which includes:
 - Contact Capital Bank and notify of intent to pay off debt
 - Present Council with a Resolution to approve payoff
 - Amend budget to compile pooled funds for payoff



Predicted Results

- The Village will avert \$4.5m of interest payments
- \$2.5m of annual General Fund operating expenditures can be redirected (\$1.4m annual debt payment & \$1.1m contribution to debt retirement reserve)
- \$17.9m in cash will be reduced from Village resources
- Future debt capacity is increased
- Immediate resources for projects or capital outlay is reduced



Additional Actions

- Management intends to shop the Village's banking services through a Request For Proposal to include:
 - A Line of Credit available to the Village for emergency expenditures or large purchases, on a short-term repayment
 - A more robust investment services program
 - A better rate of return on deposits and an advantageous fee structure



QUESTIONS?