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Sedgwick County

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Legislation Details (With Text)

File #: 17-316 **Version:** 1 **Name:**

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On agenda: 3/22/2017 **Final action:** 3/22/2017

Title: A RESOLUTION REGARDING THE REDEMPTION OF CERTAIN BONDS.
Presented by: Tim Kaufman, Assistant County Manager for Public Services.

RECOMMENDED ACTION: Approve the Resolution.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Bidding Agent Engagement Agmt - Sedgwick Shawnee 2007 2.27.2017.pdf, 2. Resolution relating to the Single Family Mortgage Revenue Bonds

Date	Ver.	Action By	Action	Result
3/22/2017	1	Board of Sedgwick County Commissioners	Approved	Pass

A RESOLUTION REGARDING THE REDEMPTION OF CERTAIN BONDS.

Presented by: Tim Kaufman, Assistant County Manager for Public Services.

RECOMMENDED ACTION: Approve the Resolution.

Background: In 2007, Sedgwick and Shawnee Counties jointly issued several series of single family mortgage revenue bonds designated as 2007 Series A-1, A-2, A-3, A-4, A-5 and A-6 (the "Bonds"), the proceeds of which were applied to acquire securities backed by mortgage loans made to first-time homebuyers in Sedgwick and Shawnee Counties and other cooperating jurisdictions of the State of Kansas. Most of the principal amount of the Bonds has already been retired through early mortgage prepayments or redemption.

The attached resolution for consideration by the Sedgwick County Board of County Commissioners (BOCC) authorizes the sale of the remaining mortgage-backed securities relating to the 2007 Series A-3, A-4, A-5 and A-6 Bonds and the application of the proceeds of the sale to the redemption all of the remaining 2007 Series A-3, A-4, A-5 and A-6 Bonds, payment of related costs. Any remaining funds after payment of the Bonds and related costs will be paid directly to Sedgwick and Shawnee Counties.

Alternatives: The BOCC could choose to do nothing and allow the bonds to mature, or the BOCC could defer action until the scheduled call dates of December 1, 2017, and June 1, 2018.

Financial Considerations: The underwriters, George K. Baum & Company, have determined that current market conditions may permit the redemption or purchase of one or more series of the outstanding bonds at purchase prices that will result in savings to the Issuers. The underwriters plan to sell the MBS's at a premium and redeem the remaining outstanding issue of the bonds. The

underwriters have provided an analysis dated February 15, 2017. These cash flows indicate a potential cash release to the counties of approximately \$1,000,000, which will be split 55% to Sedgwick County and 45% to Shawnee County. The final cash flows are dependent on market conditions at the time of sale. Any gains received by Sedgwick County will be deposited in the General Fund.

Legal Considerations: K.S.A. 12-5219 et seq. as amended, and the Constitution and laws of the State of Kansas permit cities and counties to issue revenue bonds jointly with other cities and counties to make mortgage loans, to pledge the mortgage notes and mortgages relating to such mortgage loans as security in payment of the principal of and interest on any such revenue bonds, and to enter into any agreements made in connection therewith. A simple majority vote is required.

Policy Considerations: N/A