



The PFM Group

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Memorandum

To: Susan McCole, Assistant Superintendent for Finance
From: Jay Glover, Public Financial Management
Re: Certificates of Participation, Series 2006 – Refunding Opportunity

As financial advisor to the School District of Santa Rosa County, Florida (the “District”), Public Financial Management (PFM) continually monitors the District’s outstanding debt portfolio for refunding opportunities that could lower the District’s overall debt service payments. We have reviewed the District’s outstanding Certificates of Participation, Series 2006-1 and Certificates of Participation, Series 2006-2 (the “2006 Certificates”) and determined that current market conditions would allow the District to refund these certificates for debt service savings.

The callable portion of the 2006 Certificates are outstanding in the principal amount of \$24,355,000 and have an initial call date of February 1, 2016. By refunding the 2006 Certificates, we estimate that the District could realize approximately \$1.4 million of net present value debt service savings (net of all costs associated with completing the transaction) or 5.75% of the refunded par amount. This equates to approximately \$110,000 of annual savings through 2031. In order to undertake the transaction, the District will also have to engage an underwriting team to sell the refunding certificates. On its’ prior transaction, the District utilized RBC Capital Markets and SunTrust for this role. Both of these firms have provided the District updates related to this refunding and stand ready to assist the District with the transaction. As a result, we are requesting permission from the School Board to begin preparing the financing documents with the goal of seeking final approval of the School Board and Leasing Corporation Resolutions in late September. By doing so we will be prepared to enter the market and lock in debt service savings at the most advantageous time. If you have any questions please feel free to contact me at 407-406-5760 or gloverj@pfm.com.