



Legislation Details (With Text)

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Title: Withdrawal from the First Florida Governmental Financing Commission (B)

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Date	Ver.	Action By	Action	Result
7/21/2016	1	City Commission	Adopted (Resolution)	Pass

Withdrawal from the First Florida Governmental Financing Commission (B)

The City of Gainesville is a member of the First Florida Governmental Financing Commission (FFGFC) which in the past served as a conduit to allow local governments to jointly issue bonds, taking advantage of economies of scale which were especially effective when purchasing bond insurance.

Due to changes in the financial markets and the downgrading of bond insurance providers, this structure is no longer advantageous to the City. With a prepayment of the FY 2017 final payment due on the City’s last outstanding FFGFC bond issue, the City will be eligible to withdraw from the FFGFC, which will save the City in administrative costs.

FY 2017 prepayment of the final FFGFC 2007 of \$75,000 in principal and \$3,000 in interest would be funded from General Fund fund balance in FY 2016 and the FY 2017 budget would be reduced by that amount. Administrative expenses of \$7,000 will be saved in FY 2017.

The City Commission: 1) approve the resolution authorizing withdrawal from the FFGFC; and 2) authorize the use of General Fund fund balance to prepay the final payment of the FFGFC 2007 bond issue.