

# District saves millions in future interest costs by refunding

**F**all is here and everything is humming in The Villages as our snowbird residents return for the winter.

Your District Finance Department has been working with our Administration Office, district clerk, and more lawyers than ever should be allowed to congregate in one room, to produce some real savings for residents of The Villages.

On Sept. 30 and Oct. 1, the Village Center Community Development District refunded more than \$257 million in recreational amenity bonds and utility bonds for new bonds.

It is comparable to when you refinance your house to take advantage of lower interest rates. The District refunded tax-exempt debt issued between 1998 and 2004 with taxable debt at lower interest rates.

Here are the details. The VCCDD issued \$172,425,000 in taxable Recreational Revenue Refunding Bonds, Series 2014, to replace all of the 1998A, 1998B, 1998C, 1999A, 2001A, 2003A, 2003B, 2004A, and 2004B tax-exempt bonds outstanding on Sept. 30.

The old bonds' principals were paid in full or escrowed for payment by Jan. 1, 2015, and legally defeased (a fancy word that means we don't owe any money on them in the future and can drop the liability from our accounting books of account). Our savings in future interest expenses on this new bond issue will be \$12,146,757.89 compared to the old bond issues we retired.

There was no new money taken by the District in this refunding. It was strictly the reduction of interest costs that will allow residents in the future to obtain more amenity services from their monthly payment and less debt payment costs.

The new All-in Total Interest



**DAVID  
MILES**  
COLUMNIST

Cost rate is 4.73 percent for the final 22 years of the refunding bond issue.

The following day, Oct. 1, we refunded the Series 1998A, 1998B, and the 2003 tax-exempt Utility Revenue Bonds. We issued the Series 2014A Taxable Utility Revenue Refunding Bonds for \$14,320,000 to refund the Series 1998A and 1998B bonds used by the VCCDD to acquire the Village Center Service Area water and wastewater utilities that serve the Lady Lake/Lake County and District No. 1 areas.

Our savings in future interest expenses on this refunding was \$2,919,897.14. The All-in Total Interest Cost rate on the new bonds for the final nine years they will be outstanding was 3.81 percent.

On the same day, we refunded the Series 2003 tax-exempt Utility Revenue Bonds by issuing the Series 2014B Taxable Utility Revenue Refunding Bonds for \$70,300,000.

The original bonds paid for the Little Sumter Service Area water and wastewater system purchase in 2003. LSSA serves the residents in Districts 2, 3, and 4 in Sumter and Marion counties and the commercial strip along County Road 466 in Sumter County.

Our savings in future interest expenses on this refunding were \$6,302,918.02 compared to the old bond issue. Twenty-two years remain on this bond with an All-in Total Interest Cost rate of 4.82 percent.

In total, the VCCDD saved \$21,369,573.05 in future interest

costs – not too shabby.

But we are not done yet. On Nov. 14, CDD 11 will close on \$56,120,000 in tax-exempt debt that will fund the construction and purchase of the infrastructure necessary to serve the future 2,055 residential properties to be constructed in the District.

District No. 11 is located in Lake County and the City of Fruitland Park on the south side of County Road 466A.

Just so you don't think all of the Finance Department savings and improvements are in the area of bond issue funding and refunding, the finance teams that collect check payment for utility bills and regular daily cash receipts upgraded their deposit system to allow the electronic deposit of more than 25,000 checks received each month by the Districts.

In the past, the checks were deposited manually at Citizens First Bank. This will speed the deposit of the proceeds and reduce check-clearing costs to both Citizens First Bank and the Districts. The change was implemented Oct. 1 and is working as designed.

Finally, I would like to announce the departure of Maureen Rischitelli as our customer service and billing manager. Maureen has moved to a new position as director of administrative services in Fort Myers Beach.

On Nov. 17, Carleen Gressel will join the District staff to replace Maureen. She has a wealth of previous utility billing and customer service experience and we look forward to her arrival.

Until next week, we wish you well at Our Place.

*David R. Miles, certified government finance officer, is finance director for the Village Community Development District. He can be reached at 753-0421 or david.miles@districtgov.org.*