



Legislation Details (With Text)

File #: ID 15-0947 **Version:** 1 **Name:**
Type: Resolution **Status:** Passed
File created: 10/29/2015 **In control:** City Council
On agenda: 11/17/2015 **Final action:** 11/17/2015
Title: Resolution Making Certain Findings And Determinations, Authorizing The Filing Of An Application With The Local Government Commission, Requesting The Local Government Commission To Sell Bonds At A Private Sale And Approving The Financing Team In Connection With The Issuance of Revenue Bonds By The City

Sponsors:

Indexes:

Code sections:

Attachments: 1. 15-0947 Preliminary Resolution-Greensboro 2016 Rev Ref (Note Payoff).pdf

Date	Ver.	Action By	Action	Result
11/17/2015	1	City Council	adopt	Pass
11/10/2015	1	General Government Committee	refer	
11/9/2015	1	General Government Committee	recommend for approval	Pass

Resolution Making Certain Findings And Determinations, Authorizing The Filing Of An Application With The Local Government Commission, Requesting The Local Government Commission To Sell Bonds At A Private Sale And Approving The Financing Team In Connection With The Issuance of Revenue Bonds By The City

Department: Finance and Legal
Council District: All

Public Hearing:
Advertising Date/By:

Contact 1 and Phone: Richard Lusk, Finance Director, 373-2077

Contact 2 and Phone: Tom Carruthers, City Attorney, 373-2320

PURPOSE:

To authorize the issuance and sale of up to \$32.0 million Combined Enterprise (water and sewer) Revenue Bonds in January 2016 to refinance a \$30.0 million outstanding revenue bond anticipation note issued in 2014. The bonds will be issued subject to City Council authorizing application to the Local Government Commission to issue the bonds and their approval thereof.

BACKGROUND:

In February 2014, the City authorized a \$30.0 million Revenue Bond Anticipation Note (BAN) under an interest-only construction draw program, with the short-term note to be redeemed by March 2017. The City proposes to sell up to \$32.0 million in Revenue Bonds in January 2016, to refinance \$30 million borrowed under the note program, for the purposes below. The revenue bonds are expected to have an average fixed

interest cost of less than 4.00% over their 30-year term. The revenue bonds will be issued pursuant to a supplemental trust agreement with U.S. Bank (bond trustee) and a bond purchase agreement with Merrill Lynch, Pierce, Fenner & Smith Incorporated (Bank of America) and Loop Capital Markets LLC.

The proposed bond issue consists of refinancing a \$30.0 million bond anticipation note issued in 2014 for various water and sewer system improvements, including replacement of incinerator no. 1 and the initial phase of upgrades to the TZO Wastewater Treatment Plant to meet regulations regarding biologic nutrient removal.

The bonds are being issued for the following purposes:

<i>Wastewater System Improvements</i>	\$22,521,000
<i>Water System Improvements</i>	7,479,000
<i>Costs of Issuance</i>	<u>400,000</u>
Total	\$30,000,000

In December, the City Council will be asked to authorize additional related upgrades funded through the issuance of a revenue bond anticipation note of \$50.0 million, the second note in a series of five BANs for the \$165 million in proposed bond capital projects scheduled between 2014 and 2019.

BUDGET IMPACT:

Annual debt service on the \$30.0 million revenue bonds will be paid from the Water Resources Fund budget, projected at \$1.7 million annually over the next 30 years.

RECOMMENDATION / ACTION REQUESTED:

The Finance and Legal Departments recommend approval of the attached resolution authorizing the filing of an application with the Local Government Commission requesting approval of the sale of revenue bonds and approving the financing team in connection with the issuance of revenue bonds by the City.

COMMITTEE ACTION: This item was referred to Council by the General Government Committee.