



## Legislation Details (With Text)

**File #:** ID 15-0948    **Version:** 1    **Name:**  
**Type:** Ordinance    **Status:** Passed  
**File created:** 10/29/2015    **In control:** City Council  
**On agenda:** 11/17/2015    **Final action:** 11/17/2015  
**Title:** Ordinance in the Amount of \$30,400,000 Amending the FY 15-16 Water Resources Enterprise Fund for Refinancing of a 2014 Revenue Bond Anticipation Note

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. 15-0948 W&S OPERFD ORD AMEND 11-17-15.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   |

Ordinance in the Amount of \$30,400,000 Amending the FY 15-16 Water Resources Enterprise Fund for Refinancing of a 2014 Revenue Bond Anticipation Note

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 amend the Water Resources Enterprise Fund to provide appropriations in the amount of \$30.4 million to record the proposed January 2016 revenue bond issue to refinance a \$30.0 million bond anticipation note issued February 2014.

**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                                 | \$30,400,000   |

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 funded 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 ordinance in the amount of \$30.4 million to provide appropriations to record the refinancing of the 2014 \$30.0 million bond anticipation note.

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