



Legislation Text

File #: ID 18-0245, **Version:** 1

Resolution Providing For The Sale And Issuance Of A Not To Exceed \$85,000,000 Combined Enterprise System Revenue Bond Anticipation Note, Series 2018

Department: Financial & Administrative Services
Council District: All

Public Hearing: N/A
Advertising Date/By: N/A

Contact 1 and Phone: Richard L. Lusk, Finance Director 373-2077
Contact 2 and Phone: Thomas D. Carruthers, City Attorney 373-2320

PURPOSE: The City proposes to issue up to \$85 million Revenue Bond Anticipation Notes (BANs) to finance certain water and wastewater systems improvements that will be constructed over the next two years. Issuance of the BANs requires City Council approval of the attached resolution authorizing the sale of BANs pursuant to an agreement between the NC Local Government Commission, the City and PNC Bank, scheduled to close on or about June 14, 2018.

BACKGROUND: This proposed financing provides up to \$85 million for improvements to the T. Z. Osborne wastewater treatment plant related to biological nutrient removal, Mitchell Water Filter Plant improvements, Hilltop Road Lift Station improvements, and debt issuance costs.

BUDGET IMPACT: Repayment of the debt service on outstanding revenue bonds and proposed Series 2018 revenue BANs will require an increase in water and sewer rates in FY 18-19. Under current economic conditions, the notes can be marketed at reasonable rates of interest.

RECOMMENDATION / ACTION REQUESTED: The Finance, Legal and Water Resources Departments recommend City Council adoption of the attached resolution authorizing the issuance of up to \$85 million Combined Enterprise System BANs, Series 2018.