



Legislation Text

File #: ID 18-0243, **Version:** 1

Resolution Making Certain Findings And Determinations, Authorizing The Filing Of An Application With The Local Government Commission And Requesting The Local Government Commission To Sell Revenue Bond Anticipation Notes At A Private Sale In Connection With The Issuance Of Revenue Bonds And Revenue Bond Anticipation Notes By The City Of Greensboro, North Carolina

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 \$85 million Series 2018 Revenue Bond Anticipation Notes (BANs) to finance certain water and wastewater systems improvements that will soon be or are under construction and that will be completed in the next two years. Issuance of the BANs requires City Council adoption of the attached resolution directing the filing of an application with the NC Local Government Commission for the approval of the debt issue.

BACKGROUND: This proposed financing provides \$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. Between December 2017 and March 2018, City Council approved projects totaling \$73 million for the Osborne and Mitchell Plants. A contract for the Hilltop Road lift station improvement of approximately \$12 million is expected to be awarded by July 2018. The \$85 million short-term notes will be issued June 2018 and refinanced in two years with 30-year bonds.

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 directing the filing of an application for approval by the Local Government Commission of \$85 million Combined Enterprise System Revenue BANs, Series 2018.