



Legislation Text

File #: ID 20-0239, **Version:** 1

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

Council Priority: Maintain Infrastructure and Provide Sustainable Growth Opportunities

Department: Water Resources
Council District: All

Public Hearing: n/a
Advertising Date/By: n/a

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PURPOSE:

On June 4, 2020, the City proposes to sell up to \$156 million Revenue Bonds to (1) refinance a short-term variable rate bond anticipation note issued in 2018, converting it to long-term bonds, (2) refinance variable rate bonds issued in 2014, converting them to fixed rate bonds, (3) and refinance fixed rate bonds issued in 2012. Issuance of the Bonds requires City Council approval of the attached resolution on March 31, 2020, approval of The Local Government Commission on May 5, 2020, and City Council adoption of a Bond Order on May 5, 2020 that authorizes selling the bonds.

BACKGROUND:

On May 15, 2018, City Council authorized establishment of the Water Resources Bond Fund (Series 2018) for the purpose of issuing an \$85 million bond anticipation note under an interest-only construction draw program, with the short-term note to be redeemed by May 2021. The note funded improvements to the City's Water and Wastewater Systems including upgrades to the Osborne Wastewater Treatment Plant to meet regulations regarding biologic nutrient removal \$64 million, the Young's Mill Road outfall (\$15 million) and Mitchell Water Plant improvements (\$6 million).

In June, the City Council will be asked to authorize additional related upgrades funded through the issuance of a revenue bond anticipation note of up to \$50.0 million, to complete the Osborne Plant improvements and fund additional water and wastewater capital projects scheduled between 2020 and 2023.

BUDGET IMPACT:

Debt service on the \$156 million revenue bonds will be paid from the Water Resources Fund budget. Annual debt service on the new \$85 million log-term bonds is projected at \$4.25 million over the next 30 years.

RECOMMENDATION / ACTION REQUESTED:

The Finance and Legal Departments recommend City Council approval of the attached resolution providing for the issuance of up to \$156 million Combined Enterprise Revenue Bonds, Series 2020 to refinance bonds and notes issued in 2012, 2014 and 2018.