



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: November 30, 2021

AGENDA ITEM: Consider a resolution to approve the issuance and sale of \$1,120,000 City of Grand Rapids General Obligation Utility Revenue Refunding Bonds, Series 2021D

PREPARED BY: Jean Lane, Business Services Manager

BACKGROUND:

GRPU requested the City of Grand Rapids financial advisor's Ehlers, Inc. to review all of the GRPUC outstanding debt to determine if there would be any savings by refinancing the debt in current financial markets. Rebecca Kurtz, Senior Municipal Advisor and team members at Ehlers perform a review of outstanding debt and presented savings for two outstanding bond issues; (1) 2013C GO Utility Taxable Bonds and (2) 2012D GO Utility Revenue Bonds.

Both GO bonds were issued by the City of Grand Rapids and GRPU management has worked closely with City management to move forward with both bond refinancing.

The 2013C GO Utility Taxable Bonds were refunded in August by a City of Grand Rapids and GRPU Commission resolution authorizing to issue and sale of the 2021C bonds. Yet in August it was too early to refund the 2012D GO Utility Revenue Bonds and the GRPU Commission gave permission via resolution #07-14-21-7 to go into the market later in the year if there was a financial benefit to GRPU.

Ehlers, Inc. has monitored the market and have been in direct communications with the City Finance Director and myself regarding a favorable financial market conditions. It was determined there was a financial benefit to the GRPU and at my request Rebecca Kurtz, Ehlers Inc. moved forward with refunding the 2012D GO Utility Revenue Bonds. The 2021D bonds were sold by the City of Grand Rapids on November 22, 2021 with a net savings of \$79,264. The low bid was an interest rate of 1.3%

Attached are the following documents for your review:

- Pre-Sale Report for City of Grand Rapids, Minnesota \$1,225,000 General Obligation Utility Revenue Refunding Bonds, Series 2021D

- Sale Day Report for City of Grand Rapids, Minnesota \$1,120,000 General Obligation Utility Revenue Refunding Bonds, Series 2021D
- Schedule of Events
- City of Grand Rapids November 22 bond resolution #21-103
- GRPUC resolution #11-30-21-11

RECOMMENDATION:

Consider a motion approving Resolution 11-30-21-11 the issuance and sale of \$1,220,000 General Obligation Utility Revenue Refunding Bonds, Series 2021D