



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: July 24, 2024

AGENDA ITEM: Consider a motion to adopt resolution 07-24-24-03 providing preliminary authority to repay an interfund loan from the City of Grand Rapids, Minnesota.

PREPARED BY: Jean Lane, Business Services Manager

BACKGROUND:

Contracts have been executed with SpryPoint for the GRPU-only utility software and with Oracle for NetSuite, the joint city and GRPU ERP software. The total cost for the utility billing software is \$474,200. The joint city/utility ERP software costs totaled \$739,351, with the city's share being \$345,628 and GRPU's share \$393,723.

The City has finalized its funding and opted to issue Equipment Certificates totaling \$1,055,000, supported by a \$225,000 financial contribution from GRPU. As GRPUC is not pledging utility revenues to the Equipment Certificates, an interfund loan between the city and GRPUC will be established for the life of the debt. Resolution 07-24-24-03, attached herewith, approves the City's issuance of the Equipment Certificates, stipulating that GRPUC will utilize utility revenues to repay the interfund loan.

Upon the City's adoption of its award resolution on August 12th, it will approve an interfund loan to loan the proportionate share of Equipment Certificates' proceeds to GRPUC.

Subsequently, following pricing, GRPUC will adopt a resolution to repay the loan from utility revenues, aligning with the final terms of the Equipment Certificates. This resolution is expected to occur at the August 28th meeting, post-pricing but prior to bond closing.

RECOMMENDATION:

Adopt resolution 07-24-24-03 providing preliminary authority to repay an interfund loan from the City of Grand Rapids, Minnesota.