Council Agenda Summary

February 1, 2022

Agenda Item Number

Key Staff Contact: John Karner, Finance Director, 350-9732

Title:

Introduction and first reading of an Ordinance authorizing the issuance and sale by the City of Greeley, Colorado, acting by and through its Stormwater Enterprise, of first-lien Stormwater System Improvement Revenue Bonds, Series 2022, in an aggregate principal amount not to exceed $17,500,000, for the purpose of financing, in whole or in part, the cost of additions and improvements to the stormwater system operated by the Stormwater Enterprise, pledging certain funds and revenues of the Enterprise to the payment of such bonds, prescribing the form of such bonds and providing other details in connection therewith.

Summary:

The Ordinance being presented for City Council's consideration is necessary to authorize and approve the issuance of stormwater revenue bonds, Series 2022, in an aggregate principal amount not to exceed $17,500,000, bearing interest at the rates and maturing on the dates in the amounts to be set forth in the final terms certificate, and on the terms and conditions provided in the bond ordinance. The issuance will allow the defrayment in whole or in part, of the cost of additions and improvements to the System. A portion of the net proceeds of the Series 2022 Bonds are to be used to reimburse the City for various previously paid costs and for future costs associated with the construction of various improvements and additions to the Stormwater System for the purpose of increasing the System's capacity to safely dispose of storm and flood waters, replacing older components of the System and improving the reliability of the System. These projects will need to be partially funded through bond revenues.

The Ordinance states that the City of Greeley authorizes and approves the issuance of the Series 2022 Sewer Revenue bonds, recognizing that the issuance of these bonds will impact the Stormwater Fund's debt service payments and the rates required to support those payments. Stormwater Department Staff, in partnership with the Finance Department and the City's Financial Advisor, have reviewed and approved the debt service requirements of the proposed bond issuance in alignment with the rate structure approved by City Council. The proposed issuance of these bonds also maintains an appropriate bonding capacity of the Sewer Enterprise fund for future bond issuances in accordance with the approved Stormwater Capital Improvement Plan. The Stormwater Board approved the issuance at their June 2, 2021 meeting.

Fiscal Impact:

Does this item create a fiscal impact on the City of Greeley?	Yes
If yes, what is the initial, or, onetime impact?	Bond Issuance of $17.5 Million
What is the annual impact?	Debt Service Estimate $0.9-1.6 Million
What fund of the City will provide Funding?	Stormwater Construction, Stormwater Capital Replacement

What is the source of revenue within the fund?	Rates & Fees
Is there grant funding for this item?	Not Applicable
If yes, does this grant require a match?	Not Applicable

Legal Issues:
None. Kutak Rock LLP is serving as bond counsel. Consideration of this matter is a legislative process.

Other Issues and Considerations:
The bonds are expected to be marketed mid-March for closing on the sale of the bonds shortly thereafter.

Applicable Council Priority and Goal:
Infrastructure and Growth: Establish the capital and human infrastructure to support and maintain a safe, competitive, appealing and dynamic community.

Public Facilities and Equipment. Provide a framework of public services, facilities, and equipment that support a safe, pleasing and successful community.

Decision Options:
1) Introduce the ordinance as presented; or
2) Amend the ordinance and introduce as amended; or
3) Deny the ordinance; or
4) Continue consideration of the ordinance to a date certain.

Council's Recommended Action:
A motion to introduce the ordinance and schedule the public hearing and final reading for February 15, 2022.

Attachments:
Draft Ordinance
Preliminary Official Statement