

Council Agenda Summary

January 4, 2022

Agenda Item Number

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

Title:

Consideration of a Resolution concerning the proposed City Of Greeley, Colorado, Water Revenue Refunding And Improvement Bonds, Series 2022; authorizing the receipt of competitive bids for the Series 2022 Bonds, including the use of an electronic bidding system therefor; and prescribing certain details concerning such public sale of the Series 2022 Bonds

Summary:

The resolution for City Council consideration is necessary to authorize and approve the issuance of water revenue bonds, Series 2022, in an aggregate principal amount not to exceed \$77,500,000, 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 refunding of the City's outstanding Series 2012 Bonds and the defrayment in whole or in part, 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 System, which generally include the following, the Terry Ranch Water Project; the installation of advanced metering infrastructure to improve meter accuracy and customer communication; the purchase of blocks of water rights to meet the City's future water demand; the replacement and expansion of distribution and transmission lines; and investments in the non-potable system. These projects will need to be partially funded through bond revenues.

The resolution states that the City of Greeley authorizes and approves the issuance of the Series 2022 Water Revenue bonds, recognizing that the issuance of these bonds will impact the Water Fund's debt service payments and the rates required to support those payments. Water and Sewer 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 Water Enterprise fund for future bond issuances in accordance with the approved Water and Sewer Capital Improvement Plan. The Water and Sewer Board has also approved the issuance of these bonds at their November 17, 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 \$77.5 Million
What is the annual impact?	Debt Service Estimate \$3.4-5.0 Million
What fund of the City will provide Funding?	Water Construction, Water Capital Replacement, Water Acquisition
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-February for closing on the sale of the bonds February 24.

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) Adopt the resolution as presented; or
- 2) Amend the resolution and adopt as amended; or
- 3) Deny the resolution; or
- 4) Continue consideration of the resolution to a date certain.

Council's Recommended Action:

A motion to adopt the Resolution.

Attachments:

Resolution