



CITY OF HENDERSONVILLE AGENDA ITEM SUMMARY

SUBMITTER: Adam Murr

MEETING DATE: 04/26/2023

AGENDA SECTION: Consent

DEPARTMENT: Administration

TITLE OF ITEM: 2023 Water and Sewer Revenue Bond – *Adam Murr, Budget Manager*

SUGGESTED MOTION(S):

I move City Council adopt the *BOND ORDER AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$9,000,000 CITY OF HENDERSONVILLE, NORTH CAROLINA WATER AND SEWER SYSTEM REVENUE BOND; AUTHORIZING THE APPROVAL, EXECUTION AND DELIVERY OF VARIOUS DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF THE BOND; PROVIDING FOR THE ISSUANCE OF THE BOND; AND PROVIDING FOR CERTAIN OTHER MATTERS IN CONNECTION WITH THE ISSUANCE AND DELIVERY OF THE BOND.*

SUMMARY:

The City of Hendersonville has determined it is desirable to finance certain improvements related to: the Fleetwood Utility Improvement Project, the Long John Mountain Property Acquisition Project, the Church Street Sewer Project, the I-26 Utility Project, the 2023 AMI Meter Project, the North Fork Improvement Project, and the Vactor Truck Project. The not to exceed amount for the projects, plus the cost of issuance and contingency is \$9,000,000. The City is not required to hold a public hearing for revenue bond issuances.

Staff recommends the City Council adopt the attached bond order/approving resolution, drafted by Special/Bond Counsel, Parker Poe Adams & Bernstein, LLP. The financing team recommends selection of the Truist Bank \$8,480,000 private market debt issuance. The Truist Bank issuance comes with a rate of 4.02% interest, to be paid over a 20-year term with no pre-payment penalty after 10 years on the life of the loan. The average annual debt service cost of this loan is approximately \$626,500.

BUDGET IMPACT: \$8,480,000

Is this expenditure approved in the current fiscal year budget? N/A

If no, describe how it will be funded. N/A

ATTACHMENTS:

Bond Order (i.e. "Approving Resolution") for the 2023 Series Water & Sewer Revenue Bond