



**City Council Agenda
July 20, 2023**

Resolution

Action Item

Agenda Description:

Discuss, consider, and possible action on a resolution authorizing and approving the publication of Notice of Intention to issue Certificates of Obligation; complying with the requirements contained in the Securities and Exchange Commission Rule 15c2-12; and providing an effective date.

Background Information:

The recommendation from Samco Capital is for the City to issue Certificates of Obligation and for the EDC to enter an interlocal agreement with the City to ensure that the EDC will make the principal and interest payment on the Obligations.

The benefit for the EDC of having the City issue the debt is that we get much better interest rates and the City can rest assured that the EDC will transfer the annual debt service to the City on the debt.

Additional Information:

- The debt will be 'Self-Supported' meaning that rating agencies will consider that the EDC is responsible for transferring the annual payments to the City and the debt ratio will be adjusted by S&P to reflect such.
- S&P will view the debt as self-supporting and thus will not negatively affect the city. We have so little debt that even if it were being paid by the City, it would not negatively affect our rating.

The interest rate would be roughly 50-75 basis points higher for a Sales Tax Revenue Bonds versus a Certificate of Obligation

Financial Information:

Please see attached.

City Contact and Recommendations:

Alice Holloway, City Secretary

Mike Peacock, City Manager

Attachments:

1. Resolution
2. Payment Sheet