

EXECUTIVE BRIEF REGULAR MEETING

AGENDA DATE: October 6, 2020

DEPARTMENT: Finance

TITLE:

Ordinance No. 2020-16 – First Reading -- providing authority for the issuance of taxable utility bonds to fully fund reserves

SUMMARY:

Ordinance 2020-16 will authorize the issuance of taxable utility bonds. The City intends to issue some taxable bonds as part of the Series 2020 issue.

BACKGROUND AND JUSTIFICATION:

The City's electric, water and sewer utilities each have capital improvement needs based on the capital improvement plans for each utility. Some projects go back many years as the City was unable to properly fund and execute a consistent and appropriate infrastructure replacement and rebuilding program. While there have been great strides in each utility to do more to invest in infrastructure projects, there is still much left to address in order to assure utility services continue without significant threat of failure now and into the future. By issuing bonds pledged against revenues the City will be able to make the required investments into the utility infrastructure to insure safe, consistent and efficient operations for the customers.

Additionally, current debt will be rolled into the bond amounts along with the borrowing for new projects as market conditions for bonds are favorable. The finance team recommends combing electric, water and sewer revenues into a single consolidated utility pledge, and using this to finance both capital improvements and a refinancing of the existing debt. The ordinance is designed to provide additional legal authority for issuing taxable utility bonds for non-capital purposes. There will be separate resolutions specifically authorizing the financing.

MOTION:

Move to approve/disapprove Ordinance No. 2020-16 on first reading and schedule the second reading and public hearing for October 20, 2020.

ATTACHMENT(S):

Fiscal Impact Analysis
Ordinance No. 2020-16

FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2021	2022	2023	2024	2025
Total Funding	120,385,000	0	0	0	0
Annual Debt Service	0	1,650,278	5,421,950	5,418,200	6,592,050
External Revenues	0	0	0	0	0
Program Income	0	0	0	0	0
In-kind Match	0	0	0	0	0
Net Fiscal Impact	0	0	0	0	0
No. of Addn'l Full-Time Employee Positions	0	0	0	0	0

B. Recommended Sources of Funds/Summary of Fiscal Impact:

Account Number	Account Description	Project Number	FY20 Budget	Current Balance	Agenda Expenditure	Balance