

Legislation Text

File #: 15-7252, Version: 1

Authorization of Storm Water Revenue Bond Anticipation Notes

Action:

- A. Adopt the bond order authorizing the issuance of up to \$115,000,000 of revenue bond anticipation notes,**
- B. Adopt a bond resolution for the approval, execution, and delivery in connection with the issuance of up to \$115,000,000 of revenue anticipation notes, and**
- C. Authorize the City Manager and Chief Financial Officer to take necessary actions to complete the financing, including submitting the application to the Local Government Commission.**

Staff Resource(s):

Randy Harrington, Management and Financial Services
Mike Davis, Engineering and Property Management

Explanation

- City Council annually adopts the Storm Water Community Investment Plan, and it includes capital projects to be funded with debt proceeds.
- Projects funded include:
 - Storm Drainage Improvement Projects, and
 - Surface Water Quality Projects (Pollution control and stream restoration).
- The debt issuance is planned in two steps: a short-term construction period draw program which will then be converted to long-term, fixed rate revenue bonds once construction nears completion (up to 36 months).
- This financing approach has been used extensively by the City and reduces interest cost, promotes rate stability, and it provides flexibility in the timing of the spending.
- The construction period financing will be in the form of an \$115,000,000 privately-placed drawdown program, allowing the City to reimburse expenses on a monthly basis during construction and eliminating interest expense on funds not yet expended on the project.
- This current action adopts the bond order and bond resolution for the program.
- The North Carolina Local Government Commission is expected to review and approve this financing on March 6, 2018.
- This \$115,000,000 will be used on approved projects and can be supported with current revenues.

Fiscal Note

Funding: Storm Water Debt Service Fund

Attachment(s)

Bond Order
Bond Resolution
Project List