



Legislation Text

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DATE: July 24, 2017

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Kristine Tallent, Assistant City Administrator/CFO

SUBJECT:

Report of the Issuance of the \$23,120,000 Series 2017, General Obligation and Public Improvement Bonds; Closed June 27, 2017

Purpose

The purpose of this agenda item is to report on the issuance of the Series 2017 Bonds, as approved by resolutions of the Board of Mayor and Alderman on April 25, 2017.

Background

Proceeds of the Series 2017 Bonds were used to reimburse the City Capital Projects Fund for certain Board approved road projects as well provide funds for upcoming capital projects in the areas of public safety and sanitation facilities and pay for related costs of issuance. Following adoption of the bond resolutions, staff and professionals assisting with the transaction completed the rating agency review and finalized offering documents and disclosures in preparation for public sale of the bonds. Official Statement published June 23, 2017 is attached for reference.

Financial Impact

The Series 2017 Bonds received long-term ratings of Aaa and AAA, respectively, from Moody's Investors Service and Standard & Poor's. A competitive sale was held at 9:15am CT on Thursday, June 15th, in which 10 qualified bids were received. The Series 2017 Bonds were awarded to the low bidder, Citigroup Global Markets, Inc., at a true interest cost of 2.709946% and the transaction was successfully closed on June 27, 2017.

Principal repayment of the fixed rate Series 2017 Bonds begins April 1, 2018 and continues annually through 2037. Weighted Average Maturity is 11.553 years. The structure of the debt service is described as level, with maximum annual debt service of \$1,732,150 and average annual debt service essentially a similar amount at \$1,749,938.

Recommendation

No action required by the Budget & Finance Committee. Staff report is for informational purposes.