



Legislation Details (With Text)

File #: 20-260 **Version:** 2 **Name:**
Type: Ordinance **Status:** Mayor's Office
File created: 5/28/2020 **In control:** City Council
On agenda: 7/28/2020 **Final action:** 7/28/2020

Title: Ordinance No. 20-49 of the City of Colorado Springs, Colorado approving and authorizing the execution and delivery of the Standby Bond Purchase Agreement among the City of Colorado Springs, Colorado, Wells Fargo Bank, National Association, as Tender Agent, and TD Bank, N.A., the Fee Agreement between the City of Colorado Springs, Colorado and TD Bank, N.A., and the Official Statement for the Utilities System Revenue Bonds previously issued by the City to which the Agreement relates; ratifying certain action heretofore taken.

Presenter:
 Scott Shewey, Acting Chief Planning and Finance Officer, Colorado Springs Utilities
 Aram Benyamin, Chief Executive Officer, Colorado Springs Utilities

Sponsors:

Indexes:

Code sections:

Attachments: 1. CSU Ordinance Approving Replacement SBPA, 2. Summary of Ordinance Approving Replacement SBPA (2007A Bonds) 4816-0678..pdf, 3. Plan of Finance Update_CC_7-14-20, 4. Signed Ordinance 20-49

Date	Ver.	Action By	Action	Result
7/28/2020	1	City Council	finally passed	Pass
7/14/2020	1	City Council	approved on first reading	Pass

Ordinance No. 20-49 of the City of Colorado Springs, Colorado approving and authorizing the execution and delivery of the Standby Bond Purchase Agreement among the City of Colorado Springs, Colorado, Wells Fargo Bank, National Association, as Tender Agent, and TD Bank, N.A., the Fee Agreement between the City of Colorado Springs, Colorado and TD Bank, N.A., and the Official Statement for the Utilities System Revenue Bonds previously issued by the City to which the Agreement relates; ratifying certain action heretofore taken.

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Summary:

The attached Ordinance addresses issuance of a Standby Bond Purchase Agreement (“SBPA”) for Variable Rate Demand Utilities System Improvement Revenue Bonds, Series 2007A (“the Bonds”). The current amendment to the SBPA for the 2007A Bonds is provided by Wells Fargo Bank, National Association with a stated expiration date of September 22, 2020. The City has elected to replace Wells Fargo Bank, National Association with TD Bank, N.A. for a term of three years.

Background:

The Bond Ordinance for the City’s 2007A Bonds requires that the City “maintain a Liquidity Facility in full force and effect at all times when the bonds are bearing interest at a Variable Rate other than Auction Mode Rate, except as otherwise provided in Section 1212 of the Bond Ordinance”. A Standby Bond Purchase Agreement is one of the acceptable financial instruments to provide liquidity for the City’s variable rate bond issues. The City elects to replace the incumbent liquidity facility provider. This action, if approved by City Council, will allow the City to increase diversity in the liquidity provider portfolio with a decrease in annual costs.

Previous Council Action:

City Council approved the following Ordinance authorizing the 2007A bonds and the corresponding Standby Bond Purchase Agreement. Subsequent Amending Ordinances approved by City Council for the 2007A Bonds are also listed.

Issue	Bond Ordinance	Authorizing Amending Ordinance		
2007A	07-125 (08/28/2007)	09-103 (08/25/2009)	11-66 (08/23/2011)	13-51 (08/27/2013)

Financial Implications:

The City’s resulting overall cost for liquidity will be lower with this replacement and counterparty diversity in the liquidity provider portfolio will increase.

City Council Appointed Board/Commission/Committee Recommendation:

N/A

Stakeholder Process:

N/A

Alternatives:

The City could choose not to replace the Standby Bond Purchase Agreement for the 2007A Bonds when the agreement expires in 2020, which would be a violation of the Ordinance. This alternative would not be advantageous to the City.

Proposed Motion:

Approval of proposed Ordinance.

The City requests approval to replace the Standby Bond Purchase Agreement (“SBPA”) for the 2007A Bonds, currently with Wells Fargo Bank, National Association for a three-year term. With this replacement, the City will increase diversity in the liquidity provider portfolio with a decrease in annual costs.