



Legislation Text

File #: 24-286, **Version:** 1

Ordinance No. 24-47 of the City of Colorado Springs, Colorado Providing for the Refunding of Certain Outstanding Utilities System Revenue Bonds of the City; Providing for the Extension, Betterment, Other Improvement and Equipment of the City of Colorado Springs Utilities System; Providing for the Issuance and Sale of the City of Colorado Springs, Colorado, Utilities System Improvement Revenue Bonds, Series 2024a in an Aggregate Principal Amount not to Exceed \$325,000,000, and the City of Colorado Springs, Colorado, Utilities System Refunding Revenue Bonds, Series 2024b in an Aggregate Principal Amount Not to Exceed \$100,000,000, Payable Solely out of the Net Revenues to be Derived from the Operation of the City Of Colorado Springs Utilities System; Authorizing the Execution by the City of a Paying Agent Agreement, Escrow Agreement, a Bond Purchase Agreement, and an Official Statement Related Thereto; and Providing Other Matters Relating Thereto.

Presenter:

Tristan Gearhart, Chief Planning and Finance Officer, Colorado Springs Utilities
Travas Deal, Chief Executive Officer, Colorado Springs Utilities

Summary:

The attached Ordinance addresses the issuance of the City of Colorado Springs, Colorado, Utilities System Improvement Revenue Bonds, Series 2024A (“2024A Bonds”), which will provide for the extension, betterment, other improvement and equipment of the City of Colorado Springs Utilities System; pay certain costs of issuing the Bonds; and pay the Surety Premium.

The attached Ordinance also addresses the issuance of the City of Colorado Springs, Colorado, Utilities System Refunding Revenue Bonds, Series 2024B (“2024B Bonds”), which will refund the following City of Colorado Springs, Colorado, Utilities System Improvement Revenue Bonds, Series 2014A-1 (“2014A-1 Bonds”) and Series 2014A-2 (“2014A-2 Bonds”), pay certain costs of issuing the Bonds; and pay the Surety Premium.

Background:

2024A Bonds: The 2024A Bonds will provide for the extension, betterment, other improvement and equipment of the City of Colorado Springs Utilities System. It has been determined that the issuance of these bonds is beneficial to the City at this time.

2024B Bonds: The 2014A-1 and 2014A-2 Bonds are callable from current bondholders, and it has been determined that the refunding of all or portions of these bonds are beneficial to the City. It is anticipated that the City will receive a net present value savings on current bond expenses.

Previous Council Action:

City Council approves a similar Ordinance for each new bond issue, whether for capital additions, capital improvement projects or refunding of a prior bond issue or issues.

Financial Implications:

Under present financial market conditions:

With the issuance of the 2024A Bonds, the City will increase principal and interest expense payments for the life of the bonds.

With the issuance of the 2024B Bonds, the City expects to achieve a net present value savings on the refunded bonds considering current interest and principal expenses.

City Council Appointed Board/Commission/Committee Recommendation:

The proposed transactions were presented to the Utilities Board Finance Committee in January and June 2024 through the Plan of Finance overview. Additionally, the broader Utilities Board of Directors received a similar briefing at the June 2024 Board meeting.

Stakeholder Process:

N/A

Alternatives:

The City could choose not to issue the 2024A and 2024B Bonds. This alternative would not be advantageous to the City at this time.

Proposed Motion:

Approval of proposed Ordinance.

An Ordinance of the City of Colorado Springs, Colorado providing for the issuance and sale of Utilities System Improvement Revenue Bonds to provide for the extension, betterment, other improvement and equipment of the City of Colorado Springs Utilities System, and for the issuance and sale of the City of Colorado Springs, Colorado, Utilities System Refunding Revenue Bonds.