



Legislation Text

File #: 15-00502, Version: 2

Ordinance No. 15-59 of the City of Colorado Springs, Colorado Providing for the Refunding of Certain Outstanding Utilities System Revenue Bonds of the City and an Escrow Therefore; Providing for the Issuance and Sale of the City of Colorado Springs, Colorado, Utilities System Refunding Revenue Bonds, Series 2015A in an Aggregate Principal Amount of Not to Exceed \$110,000,000 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 an Escrow Agreement, A Bond Purchase Agreement and an Official Statement; and Providing Other Matters Relating Thereto

From:

Jerry Forte, CEO, Colorado Springs Utilities

Summary:

The attached Ordinance addresses the issuance of the Utilities System Refunding Revenue Bonds, Series 2015A in an aggregate principal amount not to exceed \$110,000,000 that will be used to refund certain maturities of:

- Utilities System Refunding Revenue Bonds, Series 2007C
- Utilities System Refunding Revenue Bonds, Series 2008B
- Utilities System Improvement Revenue Bonds, Series 2008C
- Utilities System Refunding Revenue Bonds, Series 2009A

The maturities selected must meet or exceed present value savings guidelines established by Utilities' Financial Risk Management Policy.

Previous Council Action:

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

Background:

Long Term Financing Plan (Plan) objectives include: minimize debt costs, maintain quality of credit ratings, balance risk/benefits and maintain flexibility. A Financial Risk Management Policy (Policy) was developed in alignment with the Plan. The goal of the Policy is to contain the volatility in borrowing rates within predefined limits while achieving the lowest overall cost of capital.

Financial Implications:

The 2015A bond issue will decrease interest expense payments over the remaining life of the bonds.

Board/Commission Recommendation:

N/A

Stakeholder Process:

N/A

Alternatives:

The Utilities could choose not to issue the 2015A System Refunding Revenue bonds. This alternative would not be financially advantageous to the Utilities at this time.

Proposed Motion:

Move approval of proposed 2015A Bond Ordinance.

The attached Ordinance addresses the issuance of Utilities System Revenue Refunding Bonds, Series 2015A that will refund certain maturities of Series 2007C, 2008B, 2008C and 2009A bonds. The maturities selected must meet or exceed present value savings guidelines established by Utilities' Financial Risk Management Policy.