



Legislation Text

File #: 21-221, **Version:** 2

Ordinance No. 21-47 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 Refunding Revenue Bonds, Series 2021A in an aggregate principal amount not to exceed \$69,685,000, and the City of Colorado Springs, Colorado, Utilities System Improvement Revenue Bonds, Series 2021B in an aggregate principal amount not to exceed \$250,000,000, 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 Agreements, a Bond Purchase Agreement and an Official Statement related thereto; and providing other matters relating thereto.

Presenter:

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

Summary:

The attached Ordinance addresses the issuance of the City of Colorado Springs, Colorado, Utilities System Refunding Revenue Bonds, Series 2021A ("2021A Bonds"), which will refund the City of Colorado Springs, Colorado, Refunding Revenue Bonds, Series 2011A ("2011A Bonds"), 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 Improvement Revenue Bonds, Series 2021B ("2021B 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.

Background:

2021A Bonds: The 2011A Bonds are callable from current bondholders and it has been determined that the refunding of these bonds is beneficial to the City. It is anticipated that the City will receive a net present value savings on current bond expenses.

2021B Bonds: The 2021B 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.

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 2021A Bonds, the City expects to achieve a net present value savings on the refunding of the 2011A Bonds considering current interest and principal expenses.

With the issuance of the 2021B Bonds, the City will increase principal and interest expense payments for the life of the bonds.

City Council Appointed Board/Commission/Committee Recommendation:

The proposed transactions were presented to the Utilities Board Finance Committee in April 2021 through the Plan of Finance overview. Additionally, the broader Utilities Board of Directors received a similar briefing at the April 2021 Board meeting.

Stakeholder Process:

N/A

Alternatives:

The City could choose not to issue the 2021A and 2021B 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 the City of Colorado Springs, Colorado, Utilities System Refunding Revenue Bonds, and 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.