



## Legislation Text

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**File #:** 19-508, **Version:** 2

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Ordinance No. 19-61 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 2019A in an aggregate principal amount 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 a Paying Agent Agreement, a Bond Purchase Agreement and an Official Statement related thereto; and providing other matters relating thereto:

**Presenter:**

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

**Summary:**

The attached Ordinance addresses the issuance of the Utilities System Refunding Revenue Bonds, Series 2019A ("2019A Bonds"), which will refund the City of Colorado Springs, Colorado, Variable Rate Demand Utilities System Subordinate Lien Revenue Bonds, Series 2000A ("2000A Bonds"), pay certain costs of issuing the Bonds; and pay the Surety Premium.

**Background:**

The 2000A Bonds are callable from current bondholders and it has been determined that the refunding of these bonds is beneficial to the City. The City will potentially receive a net present value savings on current bond expenses and also reduce risks in the debt portfolio associated with variable rate debt. The maturity payment schedule of the 2019A bonds will further levelize the City's debt service schedule over the next 10 years.

**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, the City will potentially achieve a net present value savings on the refunding of the 2000A Bonds considering current interest and principal expenses.

**City Council Appointed Board/Commission/Committee Recommendation:**

N/A

**Stakeholder Process:**

N/A

**Alternatives:**

The City could choose not to issue the 2019A bonds. This alternative would not be advantageous to the City at this time.

**Proposed Motion:**

Approval of proposed Ordinance.

The City requests approval to issue the Utilities System Refunding Revenue Bonds, Series 2019A. The Bonds will be used to refund the City's Variable Rate Demand Utilities System Subordinate Lien Revenue Bonds, Series 2000A. With this refunding the City will potentially achieve a net present value savings on current bond expenses and reduce variable rate debt risks in the City's Debt Portfolio.