



# 2022 Series B Bonds

## Refunding Series 2007A & 2008B Bonds

### Terminating Certain Interest Rate Swaps

# **2022 Series B Bonds: Refunding Series 2007A & 2008B Bonds Terminating Certain Interest Rate Swaps**

- GRU financing team evaluates financial transaction proposals on a regular basis and as we identify ideas that add value we bring them forward to the City Commission for consideration
- In this proposed transaction we have the opportunity to fix out a portion of current outstanding variable rate bonds that are synthetically fixed or “hedged”

# 2022 Series B Bonds: Refunding Series 2007A & 2008B Bonds Terminating Certain Interest Rate Swaps

- This transaction will
  - Refund \$203,550,000 in outstanding variable rate 2007 Series A bonds and 2008 Series B bonds through issuance of \$239,315,000 in 2022 Series B fixed rate bonds.
  - Terminate \$222,170,000 in fixed rate to floating rate interest rate swaps which currently hedge the outstanding 2007 Series A and 2008 Series B bonds.

## 2022 Series B Bonds: Potential Benefits

- Reducing liquidity facility fees.
- Since all of the outstanding variable rate 2007 Series A and 2008 Series B bonds will be refunded, it will no longer be necessary to maintain the liquidity facilities which support these issues.
- Terminating these liquidity facilities will result in an annual reduction in liquidity fees of just over \$1.29 million. This reduction drives the overall annual average debt service expense reduction of this transaction.

# 2022 Series B Bonds:

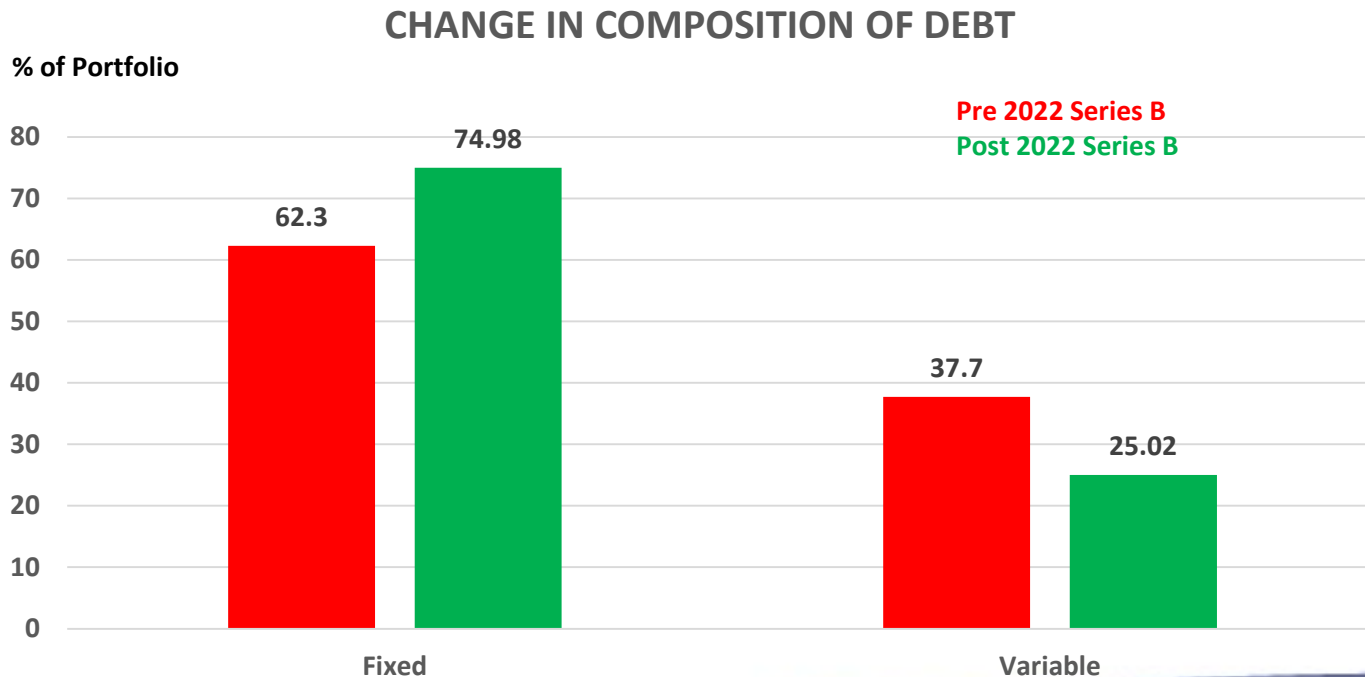
## Potential Benefits

- Reducing annual debt service expense by an average of approximately \$198,000 over the period 2022 through 2038

IMPACT ON ANNUAL DEBT SERVICE EXPENSE: 2022 SERIES B BONDS				
Fiscal Year	Prior Debt Service	Refunding Debt Service	Savings	PV Savings @ 2.69%
2022	4,869,193	4,783,086	86,107	112,054
2023	9,738,387	9,532,025	206,362	273,156
2024	9,738,387	9,532,290	206,097	266,239
2025	19,023,387	18,820,268	203,119	257,035
2026	18,859,250	18,651,059	208,191	251,861
2027	15,991,351	15,787,277	204,074	238,712
2028	15,940,680	15,736,283	204,397	230,656
2029	15,885,774	15,679,237	206,537	224,239
2030	28,541,159	28,336,138	205,021	214,968
2031	28,699,838	28,494,818	205,020	203,106
2032	28,623,402	28,417,113	206,289	192,275
2033	27,335,641	27,128,806	206,835	180,996
2034	24,053,326	23,847,043	206,283	169,404
2035	23,925,429	23,720,892	204,537	158,033
2036	23,377,024	23,172,367	204,657	148,128
2037	5,496,638	5,292,497	204,141	138,041
2038	5,453,188	5,247,459	205,729	134,072
<b>Total</b>	<b>305,552,054</b>	<b>302,178,658</b>	<b>3,373,396</b>	<b>3,392,975</b>

# 2022 Series B Bonds: Potential Benefits

- Reducing portfolio risk through the issuance of fixed rate debt for outstanding variable rate debt.



## 2022 Series B Bonds: Potential Benefits

- Reducing the complexity of the portfolio and counterparty risk through terminating the interest rate swaps hedging the 2007A and 2008B variable rate bonds. Termination of the swaps will move GRU's mark-to-market from a negative (\$8,841,442) to a positive \$23,240,936

### IMPACT OF SERIES 2022 B ON SWAP MARK-TO-MARKET VALUE (@4/5/22)

	Swap Mark-to-Market Value Pre Series 2022 B	Swap Mark-to-Market Value Post Series 2022 B
2005 Series C	(307,644)	(307,644)
2006 Series A	(331,565)	(331,565)
2007 Series A	(19,497,561)	-
2008 Series B (2)	(12,584,817)	-
2014 Series A	2,256,657	2,256,657
2017 Series B (2)	6,417,675	6,417,675
2017 Series C	4,650,854	4,650,854
2019 Series A	10,554,959	10,554,959
<b>Total</b>	<b>(8,841,442)</b>	<b>23,240,936</b>