

Replacement and Renewal of Liquidity Agreements

Variable Rate Utilities System Revenue Bonds

2005 Series C

2006 Series A

2012 Series B

2008 Series B

Item #191095

City Commission

April 16, 2020

Replacement and Renewal of Liquidity Agreements

- GRU has a mix of fixed and variable rate issues in our debt portfolio
- We are required by
 - Bond Resolution
 - Investors
 - Rating Agencies

to maintain liquidity facilities to secure our outstanding publicly issued variable rate debt.

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- **These liquidity facilities provide cash to pay investors that tender their bonds in the event of a market disruption that precludes remarketing of the bonds**
- **GRU has nine current liquidity/credit facilities. This calendar year multiple of these facilities are scheduled to expire.**
- **Our financial advisor PFM Financial Advisors, LLC solicited proposals to provide liquidity facilities for the following variable rate issues**
 - **2005 Series C**
 - **2006 Series A**
 - **2012 Series B**
 - **2008 Series B**

Replacement and Renewal of Liquidity Agreements

- Based on considerations such as facility fees, proposed term, long term and short term bank ratings, and trading history, Barclays Bank PLC was chosen as the preferred responder.
- Based on the Barclays proposal, the annual expense for the four liquidity facilities will be \$98,430 less than the current facility fees.

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RECOMMENDATION

The City Commission approve:

- (1) The resolution authorizing with Barclays Bank the replacement of the existing liquidity facility agreements for Variable Rate Utilities System Revenue Bonds 2005 Series C, 2006 Series A, and 2012 Series B and amendment and extension of the existing liquidity agreement with Barclays Bank for Variable Rate Utilities System Revenue Bonds 2008 Series B, each subject to the approval of the City Attorney as to form and legality**
- (2) The form of the Standby Bond Purchase Agreements for each of the liquidity facilities and fee letters**
- (3) The form of the Reoffering Memorandum**

QUESTIONS?