



Legislation Details (With Text)

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|-----------------------|--|----------------------|---|-------------------------------|--|
| File #: | 191142. | Version: | 1 | Name: | |
| Type: | Resolution | Status: | | Adopted | |
| File created: | 4/3/2020 | In control: | | General Manager for Utilities | |
| On agenda: | 4/16/2020 | Final action: | | 4/16/2020 | |
| Title: | Resolution Authorizing the Issuance of Variable Rate Subordinated Utilities System Revenue Bond, Series 2020A (B) | | | | |
| Sponsors: | | | | | |
| Indexes: | | | | | |
| Code sections: | | | | | |
| Attachments: | 1. 191142_GRU_Truist_Resolution_with_Exhibits_20200416_, 2. 191142_REDLINE_PG_only_GRU_Resolution_(Truist)_20200416, 3. 191142_Resolution_20200416.pdf | | | | |

| Date | Ver. | Action By | Action | Result |
|-----------|------|-----------------|--|--------|
| 4/16/2020 | 1 | City Commission | Adopted (Resolution) and Approved the Recommendation | Pass |

Resolution Authorizing the Issuance of Variable Rate Subordinated Utilities System Revenue Bond, Series 2020A (B)

The Supplemental Subordinated Utilities System Revenue Bond Resolution authorizes the sale of the 2020 Series A Bonds to Trust Bank in the amount of not to be outstanding in excess of \$50 million. The 2020 Series A Bonds represent a revolving line of credit which will provide the utility with a low-cost source of additional liquidity to fund operating costs to assist in the financial management of unforeseen events. The addition of this line of credit will provide balance to the utility's sources of available liquidity between capital projects and operating costs. Rating agencies and investors will look favorably at this additional liquidity during uncertain financial times.

It is not anticipated that this line of credit will be utilized outside of unexpected financial circumstances. The recurring cost of the unused portion of the line of credit is 30 basis points or three-tenths of one percent based on the average unused amount of the facility in the prior quarter. Amounts drawn on the line will accrue interest at a variable rate equal to one month LIBOR plus 1.85% (with a minimum of 2.60%).

The City Commission approve the Supplemental Subordinated Utilities System Revenue Bond Resolution and thereby approve the issuance and sale of the 2020 Series A Bonds to Truist Bank, approve the form of the Purchase Contract, and authorize the execution and delivery thereof subject to approval of the City Attorney as to form and legality.