



Legislation Details (With Text)

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Title: Resolution Authorizing Renewal of the Existing Liquidity Facility for the Utilities System Commercial Paper Notes, Series D (B)

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Attachments: 1. 200098_Resolution_TCP_Liquidity_Facility_20200709, 2. 200098_Resolution_202000716.pdf, 3. 200098_Fourth Amendment to Credit Agreement - Commercial Paper (2020)_20200716.pdf, 4. 200098_Second Amendment to Fee Letter - Commercial Paper (2020)_20200716.pdf, 5. 200098_Resolution 200098_Certified Copy_20200716.pdf

Date	Ver.	Action By	Action	Result
7/16/2020	2	City Commission	Adopted (Resolution) and Approved the Recommendation	Pass
7/9/2020	1	Utility Advisory Board		

Resolution Authorizing Renewal of the Existing Liquidity Facility for the Utilities System Commercial Paper Notes, Series D (B)

As one of the tools for ensuring sufficient liquidity GRU maintains a \$25 million taxable commercial paper program, the Utilities System Commercial Paper Notes, Series D. Commercial paper is a short-term obligation maturing not longer than 270 days. GRU is required by applicable bond resolutions, investors and rating agencies to maintain liquidity facilities to secure this commercial paper program. Liquidity facilities provide funds to pay maturing commercial paper on each roll date if new refunding commercial paper is unable to be issued. In this instance, the liquidity facility, rather than GRU, provides funds to the investor holding the maturing commercial paper.

The liquidity facility that secures our taxable commercial paper expires on August 28, 2020. Given current market conditions caused primarily by the pandemic, liquidity facility fees are relatively high and our financial advisor, PFM Financial Advisors LLC recommends that we renew the existing facility with State Street Bank and Trust Company for a period of one year and to make certain other amendments set forth in a Fourth Amendment to Credit Agreement and an Amended and Restated Fee Letter. This will provide time for market conditions to moderate, and will coincide with the expiration of the liquidity facility on our tax-exempt commercial paper program, allowing us to roll these together if necessary.

The annual cost of the liquidity facility for the taxable commercial paper program is \$167,500.

Staff recommends that the City Commission approve:

1) the resolution authorizing with State Street Bank and Trust Company the extension and other amendments to the existing liquidity facility agreement for the Utilities System Commercial Paper Notes, Series D and to amend the fee letter related to such facility, in each case subject to the approval of the City Attorney as to form

and legality and

2) the forms of the Fourth Amendment to Credit Agreement for the liquidity facility and the Amended and Restated Fee Letter.

UAB: At their July 9, 2020 meeting, the UAB voted 6-0, with Member Miles absent, to advise the City Commission to approve staff's recommendation.