



Legislation Text

File #: 171089., **Version:** 2

Resolution Authorizing the Issuance of Variable Rate Subordinated Utilities System Revenue Bond, Series 2018A (B)

****This item was presented to the UAB on May 9, 2018.****

The Supplemental Subordinated Utilities System Revenue Bond Resolution authorizes the sale of the 2018 Series A Bonds to STI Institutional & Government, Inc. (SunTrust) in the amount of not to be outstanding in excess of \$25 million. The 2018 Series A Bonds represent a revolving line of credit which will provide the utility with a low-cost source of additional liquidity to fund capital projects and assist in financial management in the event of unforeseen events.

Other than an initial minimal draw to validate the 2018 Series A Bonds as a tax-exempt offering, it is not anticipated that this line of credit will be utilized outside of unexpected financial circumstances. The recurring cost of the unused line of credit is 25 basis points or one-quarter of one percent.

Staff recommends that the City Commission approve the Supplemental Subordinated Utilities System Revenue Bond Resolution and thereby approve the issuance and sale of the 2018 Series A Bonds to STI Institutional & Government, Inc., 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.

UAB: On May 9, 2018, the UAB voted 4-0 (with members Selvester and Jacobson absent) to advise the City Commission to approve the staff recommendation.