



## Legislation Text

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**File #:** 191095., **Version:** 2

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**Resolution Authorizing Replacement of Existing Credit Agreements With Respect to GRU 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 respect to GRU Variable Rate Utilities System Revenue Bonds 2008 Series B (B)**

**\*\*This item was presented to the UAB on March 12, 2020.\*\***

GRU's debt portfolio contains a mix of fixed rate and variable rate debt. We are required, both by the applicable bond resolutions, investors and rating agencies to maintain liquidity facilities to secure our outstanding publicly issued variable rate debt. 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 or in certain instances, a termination of the liquidity facility.

GRU has nine current liquidity/credit facilities, and during calendar year 2020 multiple of the facilities are scheduled to expire. Our financial advisor, PFM Financial Advisors, LLC, reached out to solicit proposals to supply liquidity facilities for the following variable rate issues:

- 2005 Series C
- 2006 Series A
- 2012 Series B
- 2008 Series B

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 approximately \$98,500 less than current facility fees.

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 PLC 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 and 3) the form of the Reoffering Memorandum.

On March 12, 2020, the UAB voted 6-0, with Member Rockwell absent, to advise the Commission to approve the staff recommendation.