



City of Greensboro

Melvin Municipal
Office Building
300 W. Washington Street
Greensboro, NC 27401

Agenda Report

File Number: 2024-364

Agenda Item# I.12.

Agenda Date: 5/21/2024. **Department:** Financial & Administrative Services
Meeting Type: Council Meeting **Category:** General Business Agenda

Title: 2024 – 364 Order Authorizing Sale and Issuance of Not to Exceed \$27,500,000 and Not to Exceed \$147,500,000 CES Rev Bonds

Council Priority: Place an ‘x’ in the box.

- | | |
|--|--|
| <input type="checkbox"/> Safest City | <input type="checkbox"/> Most Skilled Workforce |
| <input type="checkbox"/> Easiest Place to Do Business | <input type="checkbox"/> Most Connected City |
| <input type="checkbox"/> Youth Sports Capital | <input type="checkbox"/> Hub of Recreation and Entertainment |
| <input type="checkbox"/> Abundance of Attainable Housing | <input checked="" type="checkbox"/> Other/Admin <u>Funding of Infrastructure</u> |

Council District: All

Public Hearing: No

Advertising Date/By: N/A

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Contact 2 and Phone: Anita Wilson, Ext.2817

PURPOSE:

On May 30, 2024, the City proposes to sell up to \$175,000,000 Revenue Bonds in Series 2024A (Taxable) and Series 2024B (Tax-Exempt). The purpose is to refinance a short-term variable rate Note issued in 2022, converting it to long-term fixed rate bonds. Issuance of the bonds requires City Council adoption of a Bond Order on May 21, 2024. The Local Government Commission approved the sale of bonds on May 7, 2024.

BACKGROUND:

City Council has previously authorized establishment of Water Resources Bond Funds for the purpose of issuing short-term Notes under an interest-only “construction draw” program and then redeeming the notes and converting them to 30-year fixed rate revenue bonds. This method of financing large infrastructure needs of the Water/Sewer utility has been in place for over ten years and helps improve cash planning.

On September 6, 2022, City Council authorized a \$175 million Note, which along with earlier revenue bonds, funded upgrades to the Greensboro-Randolph Megasite, Sandy Creek Lift Station and the Advanced Meter project, among others.

Vision Statement: “A Community with Endless Economic Opportunities and Exceptional Quality of Life.”

City Council recently initiated the permanent financing of this Note by adopting a resolution on March 19, 2024 authorizing City staff to file an application with the Local Government Commission, approving the financing team and making certain findings about the debt.

The Twenty Fourth Supplemental Trust Agreement, Bond Purchase Agreement and Preliminary Official Statement in connection with the Revenue Bonds, Series 2024A and Series 2024B, can be viewed at the following links:

<https://www.greensboro-nc.gov/home/showdocument?id=59089>
<https://www.greensboro-nc.gov/home/showdocument?id=59083>

<https://www.greensboro-nc.gov/home/showdocument?id=59087>
<https://www.greensboro-nc.gov/home/showdocument?id=59079>
<https://www.greensboro-nc.gov/home/showdocument?id=59081>

BUDGET IMPACT:

Debt service on the revenue bonds will be paid from annual appropriations in the Water Resources Fund budget and will require an increase in water and sewer rates in future years. Estimated average annual debt service on the long-term bonds is projected at \$10.5 million at 4.3% interest over the next 30 years.

ACCOUNT NUMBER:

N/A

RECOMMENDATION / ACTION REQUESTED:

It is recommended that City Council adopt the attached bond order authorizing the issuance of not to exceed \$175,000,000 Combined Enterprise System Revenue Bonds Series 2024A (up to \$27,500,000 Taxable) and Series 2024B (up to \$147,500,000 Tax-Exempt) and authorizing the execution and delivery of certain documents in connection therewith.