



Legislation Text

File #: 27972, **Version:** 2

Fiscal Note

This substitute resolution would authorize \$9.5 million in Sewer System Revenue Bonds and delegate approval of an award to the Mayor and Finance Director. The bonds would be sold competitively with the winning bid based on lowest true interest cost. Based on preliminary estimates of market conditions that will be present at the time of sale, true interest costs on this issue will be 2.72%, with coupon rates ranging from 2% to 3.25% over the 15 year term of the bonds. Annual debt service is estimated at approximately \$780,000 annually. After sales of these bonds, the Sewer Utility will have \$37.1 million of debt outstanding.

These bonds have been rated Aa2 by Moody's, which is consistent with prior Sewer System Revenue Bond issues. The bond covenant requires that the Sewer Utility maintain revenues of at least 1.25 times debt service. Projected revenues are expected to exceed this requirement.

The bonds are expected to be sold November 8th.

Title

SUBSTITUTE. Authorizing and Awarding \$9,500,000 Sewer System Revenue Bonds, Series 2012-D and Establishing Interest Rates Thereon

Body

Attached