



Legislation Text

File #: 56203, **Version:** 1

This resolution authorizes the early repayment of the Series 2008-B Sewer System Revenue Bonds. The current remaining principal on these bonds is \$4.605 million.

Sewer Utility had a cash balance at the end of 2018 of approximately \$26.660 million. Sewer cash reserves in the City's investment fund are earning approximately 2% annually. The true interest cost on the bonds is approximately 4.213%.

Reduction in principal and interest costs through this redemption will help to improve bond coverage (ratio of net Sewer System revenues to revenue bond debt service) over the next several years. The bond covenants require that the Sewer Utility retain a 1.25 to 1 ratio of net revenues to debt service.

Resolution authorizing the redemption prior to maturity of the City of Madison \$11,195,000 Sewer System Revenue Bonds, Series 2008-B

NOW, THEREFORE, BE IT RESOLVED, that the Common Council hereby authorizes the redemption prior to maturity of all the outstanding City of Madison \$11,195,000 Sewer System Revenue Bonds, Series 2008-B, and authorizes the Mayor, City Clerk and Finance Director to execute any documents necessary to effect such redemption, all in a form approved by the City Attorney.