



City of Grand Island

Tuesday, July 28, 2020

Council Session

Item I-3

#2020-178 - Consideration of Approving to Retain the Services of a Bond Underwriting Firm

Staff Contact: Patrick Brown

Council Agenda Memo

From: Patrick Brown, Finance Director

Meeting: July 28, 2020

Subject: Consideration to Explore Financing through Public Markets

Presenter(s): Patrick Brown, Finance Director

Background

The City currently has one (1) Sewer Bond, one (1) Water Bond, and two (2) Electric bonds in place.

Discussion

Administration is wanting to explore the refinancing of the above mentioned bonds by issuing a Request for Proposal or such other method determined appropriate to obtain proposals from underwriting firms to serve as underwriter under the guidance of the City's financial advisor. The amounts, terms and conditions of Proposed Bond Issues will be provided in bond ordinances to be passed by Council at a future meeting or meetings. The resolution is not intended to obligate the City to issue any of the Proposed Bond Issues.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the City Council adopt Resolution 2020-178.

Sample Motion

Move to approve Resolution 2020-178.

RESOLUTION NO. 2020-178

BE IT RESOLVED by the Council (the “**Council**”) of the City of Grand Island, Nebraska (the “**City**”) as follows:

Section 1. Findings.

(a) The City plans to explore the following financings through access to the public markets and issuing bonds:

1. Highway Allocation Fund Pledge Bonds for certain paving projects in the City (“**Street Bonds**”);

2. Sewer System Revenue Refunding Bonds to refund all or a portion of (i) the City’s Sewer System Revenue and Refunding Bonds, Series 2013, and (ii) the City’s outstanding loans from the Department of Environment and Energy, all to achieve interest savings and modernize covenants related to the City’s outstanding sewer bonds consistent with current market requirements, but only to the extent net present value savings can be achieved through such refundings (the “**Sewer Refunding Bonds**”);

3. Electric System Revenue Refunding Bonds to refund the City’s 2013 Electric System Revenue Bonds, and defease the 2012 Electric Revenue Refunding Bonds, to achieve interest savings and modernize covenants related to the City’s outstanding electric revenue bonds consistent with current market requirements, but only to the extent net present value savings can be achieved through such refunding (the “**Electric Refunding Bonds**”); and

4. Water Revenue Refunding Bonds to refund the City’s 2017 Water Revenue and Refunding Bonds, to achieve interest savings and modernize covenants related to the City’s outstanding water revenue bonds consistent with current market requirements, but only to the extent net present value savings can be achieved through such refunding (the “**Water Refunding Bonds**”).

(b) In order to access the public markets for the Street Bonds, Sewer Refunding Bonds, Electric Refunding Bonds, and Water Refunding Bonds (together, the “**Proposed Bond Issues**”), it is in the best interests of the City to engage an underwriting firm to serve as underwriter for the Proposed Bond Issues.

(c) The City has been advised by its financial advisor that evaluation of underwriting firms through a request for proposals process would provide the City with sufficient information to make an informed decision in selection of an underwriting firm

Section 2. Resolution.

(a) The Council hereby resolves that the City shall further explore the Proposed Bond Issues and issue a request for proposals or such other method determined appropriate to obtain proposals from underwriting firms to serve as underwriter for the Proposed Bond Issues under the guidance of the City’s financial advisor.

(b) The Proposed Bond Issues will be issued in the amounts and upon the terms and conditions provided in bond ordinances to be passed by the Council at a future meeting or meetings. Notwithstanding any other provision of this Resolution, nothing contained herein is intended to obligate the City to issue any of the Proposed Bond Issues.

Approved as to Form	☐ _____
July 24, 2020	☐ City Attorney

(c) The Mayor, City Administrator and Finance Director (each an “**Authorized Officer**”) are hereby individually authorized to determine how best to conduct the process to solicit proposals from underwriting firms and to evaluate the proposals received for the Proposed Bond Issues, make a selection of the underwriting firm or firms determined by such Authorized Officer to be best suited to serve as the City’s underwriter for the Proposed Bond Issues, and take any further action as such Authorized Officer shall deem necessary or desirable without further action by the Council to carry out the selection of an underwriting firm or firms as contemplated by this Resolution.

Section 3. Effective Dates. This Resolution will be in full force and effect from and after its passage and adoption by the Council and approval by the Mayor.

Section 4. Conflicting Resolutions Repealed. All resolutions of the Council, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed.

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Adopted by the City Council of the City of Grand Island, Nebraska, July 28, 2020.

Roger G. Steele, Mayor

Attest:

RaNae Edwards, City Clerk