



2022 Water Activity Bond Ordinance

CITY COUNCIL MEETING – SEPTEMBER 20, 2022

City Staff Representatives:
Consultants:

Catrina Asher, Finance Director
Jason Simmons, Hilltop Securities Inc.
Dalton Kelley, Butler Snow LLP



Purpose

To approve the issuance of revenue bonds to finance the construction of the City's Water Treatment Plant.

STRATEGIC FOCUS AREAS



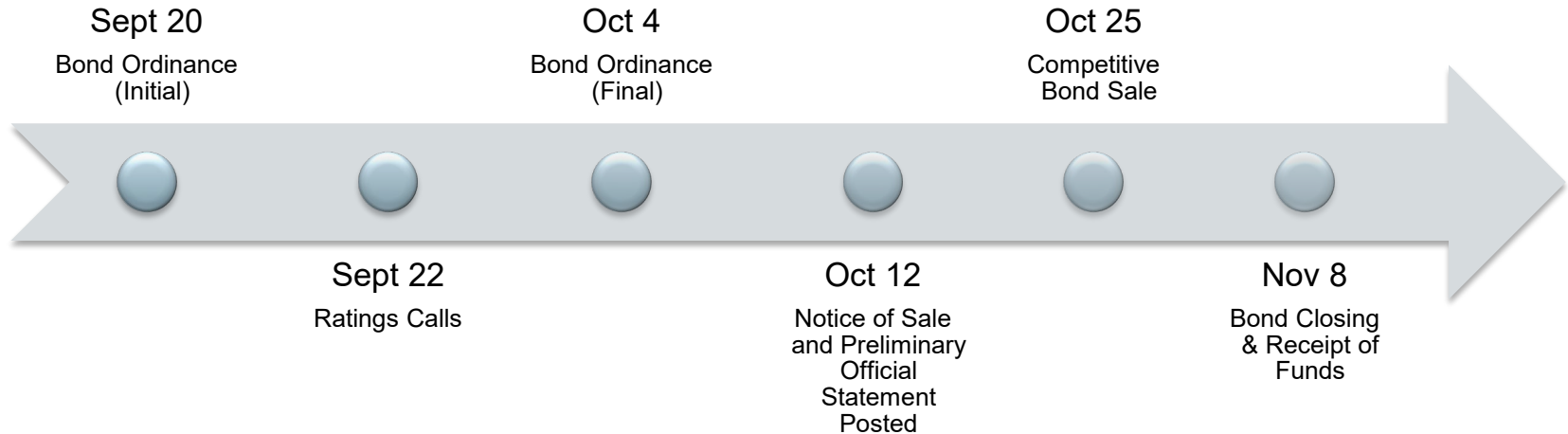
Financially Responsible



*Supportive, Sustainable
Infrastructure*



Municipal Bond Issuance Process & Timeline





Purpose of the Ordinance

- Approve general borrowing parameters
- Authorize the City Manager and Finance Director to accept and award bids
- Authorize the finalization of certain legal documents
- Authorize the Mayor to sign the final Official Statement



Borrowing Parameters

- Maximum Bond Principal \$81,000,000
- Maximum Net Effective Interest Rate 5.25%
- Maximum Maturity 2052

Bonds will be sold through a competitive process and the underwriter offering the lowest interest rate will be awarded the bonds. These amounts are maximums, not anticipated actual results.



Authorizations

- City Manager & Finance Director
 - Accept bids and determine the winning bidder, execute Sale Certificate

- Mayor
 - Sign the final Official Statement (in substantially the form of the Preliminary Official Statement provided at Final Reading)

- Execution of Certain Documents
 - Notice of Public Sale
 - Paying Agent Agreement
 - Continuing Disclosure Certificate



Financial Considerations

- Provides project funds for first phases of the Water Treatment Plant
- Obligates future revenues of the Water Activity Funds
- Includes debt coverage covenant requiring revenues after operational expenses to be at least 125% of total debt obligations
 - Consistent with covenants in existing bonds
- Future payments are structured to phase in, allowing for a more balanced rate impact
- Additional borrowing is anticipated for 2024.



Options for City Council

Brighton City Council has the following options in this matter:

- ☐ Approve the ordinance as presented.
- ☐ Do not approve the ordinance and request additional information.