

**CITY OF JOPLIN
COUNCIL AGENDA ITEM**

ITEM

Resolution 2021-008 – Authorizing the refinancing of the Sanitary Sewer revenue bonds, as well as the payoff of the Series 2009 sewer debt assumed by the City through the consolidation with the Village of Silver Creek

MEETING DATE

April 19, 2021

ORIGINATING DEPT

Finance

ATTACHMENTS

Resolution 2021-008

REVIEWED BY

Department Head: Leslie Haase; City Attorney: Peter Edwards; City Manager: Nick Edwards

SUMMARY

This Resolution authorizes the City to begin the process to refinance the outstanding Sanitary Sewer revenue bonds, as well as payoff the sewer debt assumed by the City through the consolidation with the Village of Silver Creek.

BACKGROUND

In 2008, the voters of Joplin authorized the City to issue sanitary sewer revenue bonds to make certain sewer treatment improvements. These bonds were issued over several years, which resulted in three series of bonds from 2010 to 2014. These bonds were issued at varying interest rates. With the low interest rate environment, it is anticipated our bonds will sell at a premium, which in effect lowers the interest yield for the City. It is anticipated the overall interest yield that will be obtained through the refinancing will be just under 1.50%. This will result in interest savings of approximately \$960,000.00.

Additionally, the City is going to use idle funds to payoff the Series 2009 sewer debt assumed by the City through the consolidation with the Village of Silver Creek. The payoff amount is approximately \$800,000.00. This will result in interest savings of approximately \$57,500.00.

This resolution authorizes City staff to proceed with the refinancing and cash defeasance process. Final ordinances are tentatively scheduled to come to Council on June 7th with bond closing on June 28th. The process prior to the final ordinances includes various steps, including a bond rating update with Standard and Poor's.

RECOMMENDATION

Staff recommends approval of this resolution.