

**CITY OF JOPLIN
COUNCIL AGENDA ITEM**

ITEM

Council Bill 2021-517 – Authorizing the refinance of the Series 2010, 2011 and 2014 Sewer Bonds through the State Revolving Fund (SRF) and the redemption of the Series 2009 Silver Creek Sewer Bonds

MEETING DATE

June 7, 2021

ORIGINATING DEPT

Finance

ATTACHMENTS

CB 2021-517 Ordinance; Transcript of Proceedings, Escrow Trust Agreement; and Purchase Agreement

REVIEWED BY

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

SUMMARY

This Council Bill authorizes the refinance of the Series 2010, 2011 and 2014 Sewer Bonds through the State Revolving Fund (SRF) and the redemption of the Series 2009 Silver Creek Sewer Bonds.

BACKGROUND

In 2008, the voters of Joplin authorized the City to issue sanitary sewer revenue bonds through the SRF Program 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, the City can save a significant amount of interest by refinancing the bonds now. It is anticipated the interest rate will be approximately .79%. The refinanced bonds will remain through the SRF Program. The refinanced bonds will be approximately \$24.1 million with no change in the maturity date from the 2014 bonds. The refinanced bond will have a maturity of 13.5 years.

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 outstanding principal of this bond is \$790,100.00. It is anticipated the City will save \$1.19 million through the refinancing of the three series bonds and the redemption of the Silver Creek bond.

The refinancing includes a provision restricting early redemption for 10 years. Given the 13.5 years to maturity, these bonds will likely not be refinanced again in the future. The bonds are set to close on June 28, 2021.

FUNDING SOURCE

This item is not applicable for budget amendments.

RECOMMENDATION

Staff recommends approval of this council bill on an emergency basis.