



# City of Olathe

## COUNCIL AGENDA ITEM

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**MEETING DATE:** 6/2/2020

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**DEPARTMENT:** Resource Management

**STAFF CONTACT:** Dianna Wright/Amy Tharnish

**SUBJECT:** Consideration of Resolution No. 20-1039 authorizing the public sale of General Obligation Temporary Notes, Series 2020-A; and General Obligation Improvement and Refunding Bonds, Series 233.

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**ITEM DESCRIPTION:**

Consideration of Resolution No. 20-1039 authorizing the public sale of General Obligation Temporary Notes, Series 2020-A; and General Obligation Improvement and Refunding Bonds, Series 233.

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**SUMMARY:**

The City's bond counsel, Gilmore & Bell, has prepared Resolution No. 20-1039 which authorizes the City to sell the following general obligation issues:

- General obligation bonds: Series 233 will be used to fund 17 projects in the approximate amount of \$21,500,639. Some of the projects with the largest funding amounts are College Blvd Lone Elm to Woodland; K-7 Highway Santa Fe to Old 56 Highway; 151<sup>st</sup> Street and Mur-len Geometric Improvement; Street Preservation Program and Street Reconstruction Program. Series 233 includes 10-year debt structured for level annual debt service.
- Series 233 will also be used to refund a portion of the City's outstanding Series 218 general obligation bonds, in the approximate amount of \$10,125,000. Series 218 has a final maturity of October 2031. While the actual savings as a result of this refunding will depend upon market conditions on the sale date, the present value of debt service savings is currently anticipated to be approximately \$1,059,940 (10.511%). The refunding will not extend the life of the bonds and is structured for level annual savings.
- Temporary notes: Series 2020-A, will be used to provide project funding, including redeeming a portion of the Series 2019-A Notes, in the approximate amount of \$76,465,527. Temporary note Series 2010-A provides funding for 18 capital improvement projects and has a maturity of August 1, 2021. The projects with the largest funding amount are I-35 & 119<sup>th</sup> Street Interchange; Santa Fe & Ridgeview Geometric Improvements; Lone Elm Road Old 56 Highway to 151<sup>st</sup> Street; Woodland Road K-10 to College Blvd Improvements; Fire Station #8 and Park Maintenance Facilities.

The City has applied to Standard & Poor's Corporation and Fitch for ratings on the bonds and notes.

The sale of the bond and notes is set for June 16, 2020. A tabulation of bids and recommendation of awards will be presented at the City Council meeting of the same date.

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**FINANCIAL IMPACT:**

The balance of outstanding general obligation bonds after this issue will be approximately \$187,260,000 plus costs of issuing the Series 233. Series 2019-A Notes in the amount of \$53,955,000 will mature on August 1, 2020. The balance of outstanding temporary notes will be approximately \$76,465,527.

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**ACTION NEEDED:**

Approval of Resolution No. 20-1039 to authorize the sale of general obligation bonds, Series 233, for funding various capital improvements and refunding; and authorize the sale of general obligation temporary notes, Series 2020-A for funding various capital improvements and redeeming a portion of the Series 2019-A Notes.

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**ATTACHMENT(S):**

A: Draft Sale Resolution  
B: Summary Term Sheet