



City of Olathe

COUNCIL AGENDA ITEM

MEETING DATE: 5/4/2021

FOCUS AREA: Economy

STAFF CONTACT: Dianna Wright/Sarah Doherty

SUBJECT: Consideration of Ordinance No. 21-20 and Resolution No. 21-1034 authorizing the issuance, delivery, form and details of approximately \$38,300,000 principal amount of Water and Sewer System Improvement and Refunding Revenue Bonds, Series 2021.

ITEM DESCRIPTION:

Consideration of Ordinance No. 21-20 and Resolution No. 21-1034 authorizing the issuance, delivery, form and details of approximately \$38,300,000 principal amount of Water and Sewer System Improvement and Refunding Revenue Bonds, Series 2021.

SUMMARY:

As approved by the City Council on April 6, 2021, bids will be received by the City on May 4, 2021, from prospective buyers of the Water and Sewer System Revenue Bond Series 2021. The issuance includes the refunding of Taxable Water and Sewer System Revenue Bonds (Build America Bonds - Direct Pay), Series 2010-C in the amount of \$26,255,000. The refunded portion has 15-year with maturity date of 2036.

Accordingly, the best bid rates will be provided at the City Council meeting.

In addition to the best bid approval required above, the City's bond counsel, Gilmore & Bell, has prepared Ordinance No. 21-20 authorizing the issuance of the bonds. They have also prepared Resolution No. 21-1034, prescribing the form and details of and authorizing the delivery of the Water and Sewer System Revenue Bonds, Series 2021.

Draft copies of the above-mentioned ordinance and resolution are attached. The final versions of these documents will be presented at the City Council meeting once the bids have been received and the best bid has been determined.

The City has applied for a rating from Standard and Poor's Corporation. Revenue bonds are rated separately from general obligation bonds, because the source of repayment for the bonds comes from Water and Sewer operations rather than the full faith and credit of the City. Standard and Poor's affirmed the City's AA rating with a stable outlook.

FINANCIAL IMPACT:

The amount of Water and Sewer System Revenue Bonds, Series 2021 is approximately \$38,300,000. The total outstanding revenue bonds will be \$108,725,000 after the sale of Series 2021. Series 2021 has a 20-year term, with the last of the bonds maturing in 2041.

ACTION NEEDED:

MEETING DATE: 5/4/2021

Approval of Ordinance No. 21-20 and Resolution No. 21-1034 to prescribe the form and details of and authorize issuance and delivery of approximately \$38,300,000 principal amount of Water and Sewer System Revenue Bonds, Series 2021.

ATTACHMENT(S):

Draft Bond Ordinance and Resolution