

Award of the Water Revenue Refunding Bonds Series 2020A

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Deputy Finance Director/Treasurer

November 16, 2020
City Council





Background

Department of Finance

- Council approved the issuance of the 2020A Water Revenue Refunding Bonds on September 14, 2020 to refund the outstanding \$25.425 Water Revenue Bonds series 2010A (BABs)
- Authorized with a not-to-exceed amount of \$50.425 million
 - > Council approved up to \$25 million in new proceeds, but directed staff to evaluate current need.
- Bonds sold on competitive basis on November 16, 2020
 - > \$15 million in new proceeds were sought instead of the \$25 million



Background

Department of Finance

- Pursuant to Section 1414 of the Charter, Council must accept the bid and fix the rate on the bonds
 - Winning True Interest Cost = 2.339480%
 - Net nominal savings = \$ 9,158,239.54
 - NPV Savings = \$ 8,263,254.68
 - NPV % Savings = 32.50%



Bid Results

Department of Finance

1. Raymond James & Associates	2.339480%
2. Mesirow Financial Inc	2.339955%
3. Janny Montgomery Scott LLC	2.339980%
4. BNY Mellon Capital Markets	2.341852%
5. Wells Fargo Bank	2.350816%
6. Citigroup Global Markets	2.352811%
7. Hilltop Securities – Dallas	2.354519%
8. Morgan Stanley & Co, NY	2.357994%
9. J.P. Morgan Securities, NY	2.361952%
10. Bank of America ML	2.367399%
11. KeyBank Capital Markets	2.392291%



2020A Water Revenue Refunding Bonds

Department of Finance

Section 3 of the Resolution:

“The exact aggregate principal amount of the 2020A Bonds issued and sold is \$30,130,000.”



2017A Water Revenue Refunding Bonds

Department of Finance

Section 4 of the Resolution:

“The Director of Finance is authorized and directed to deliver the 2020A Bonds at a purchase price of \$39,022,790.75.”



Recommendation

Department of Finance

- Award the bonds to Raymond James at a winning True Interest Cost of 2.33948%.