

Agenda Report

July 15, 2024

TO: Honorable Mayor and City Council

FROM: Department of Finance

SUBJECT: ADOPT A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA CONFIRMING THE AWARD OF ITS ELECTRIC REVENUE/REFUNDING BONDS 2024A SERIES

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action herein is not a project subject to the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 21065 and within the meaning Sections 15060(c) and 15378(b); and
2. Adopt a resolution confirming the award of the City of Pasadena Electric Revenue/Refunding Bonds, 2024A Series.

BACKGROUND:

On May 13, 2024, the City Council authorized the issuance of its Electric Revenue/Refunding Bonds, 2024A Series to refund the current outstanding \$65,445,000 portion of the existing 2013A Electric Revenue Bond series and borrow an additional \$50,000,000 in new bond proceeds. The 2024A bonds will be sold on a competitive basis on Monday, July 15, 2024. In accordance with Section 1414 of the City Charter, once bids have been received, the City Council must, by resolution, officially accept the winning bid and fix the interest rate or rates on the bonds. Based on this requirement, it is recommended that the City Council adopt the attached resolution.

On Monday, July 15, 2024, bids will be received for the above referenced bonds. A calculation will be done by the City's municipal advisor to determine the lowest cost bid to the City. Since the City has 24-hours to accept (or reject) any bid, the City Council will be asked to take formal action that same evening at its regularly scheduled meeting. The attached resolution refers to Exhibit B, which is the

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In addition, Sections 3 and 4 of the resolution require financial information that will not be known until after the bids are received. This information will be presented at the July 15, 2024, City Council meeting and will be incorporated into the final official version of the resolution.

ENVIRONMENTAL ANALYSIS:

CEQA excludes, from environmental review, actions that are not "projects" as defined by CEQA Guidelines Section 21065 and within the meaning of Section 15378(b). Sections 21065 and 15378 define a project as an action which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Section 15378 excludes from the definition of "project" government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. The actions proposed herein, adopting a resolution confirming the award of the City of Pasadena Electric Revenue/Refunding Bonds, 2024A Series, are governmental fiscal activities, and therefore is not a "project" as defined by CEQA. Since the action is not a project subject to CEQA, no environmental document is required.

COUNCIL POLICY CONSIDERATION:

The City Council's strategic planning goal to maintain fiscal responsibility and stability for the City will be met through this action.

FISCAL IMPACT:

The all-in true interest cost is estimated to be 3.97% rate based on current market rates, which is subject to change until the actual bidding takes place on July 15, 2024. The refunding of the 2013A Electric Revenue Bonds is estimated to generate \$5.3 million of net present value savings or 8.3% of the existing principal amount of the refunded bonds. Debt service payments will be made from the Electric Fund and will be addressed by utilization of existing and future budgeted appropriations. There are no indirect or support cost requirements and no anticipated impact to other operations or programs.

Respectfully submitted,



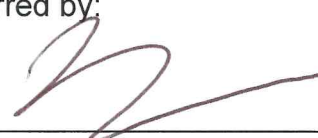
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