



Legislation Text

File #: RES 13-40, **Version:** 1

Authorizing the issuance and sale of Water Revenue Refunding Bonds in order to achieve debt service savings.

WHEREAS, the City of Saint Paul, Minnesota (the "City") previously issued its (i) Water Revenue Bonds, Series 2003C, dated March 1, 2003 (the "Series 2003 Bonds"), in the original aggregate principal amount of \$10,650,000 and currently outstanding in the principal amount of \$6,525,000, (ii) Water Revenue Bonds, Series 2005D (the "Series 2005 Bonds"), dated March 15, 2005, in the original aggregate principal amount of \$11,380,000 and currently outstanding in the principal amount of \$7,925,000, and (iii) General Obligation Wastewater Treated Water Revenue Note of 1996 (the "Series 1996 Note"), dated June 26, 1996, in the original aggregate principal amount of \$4,269,844 and currently outstanding in the approximate principal amount of \$1,183,683;

WHEREAS, the Series 1996 Note, the Series 2003 Bonds, and the Series 2005 Bonds are collectively referred to herein as the "Prior Bonds"; and

WHEREAS, the Prior Bonds were issued in order to finance various improvements to the City's municipal water utility (the "Water Utility") operated by Saint Paul Regional Water Services and are all payable from the Net Revenues of the City's Water Utility; and

WHEREAS, Saint Paul Regional Water Services has, since its acquisition in 1885, been under the jurisdiction of the Board of Water Commissioners of the City of Saint Paul (the "Board") and the Board and this Council deem it necessary and expedient to undertake the refunding of the Prior Bonds; and

WHEREAS, it is necessary and desirable for the City to refund one or more series of the Prior Bonds with the refunding of the Series 1996 Note and the Series 2003 Bonds as "current refundings" and the Series 2005 Bonds as an "advance refunding" in order to achieve debt service cost savings on the outstanding principal amount of the Prior Bonds; and

WHEREAS, the refunding of the Prior Bonds will be accomplished through the issuance by the City of one or more series of taxable or tax-exempt Water Revenue Refunding Bonds (the "Series 2013 Water Bonds") as determined by City finance staff; and

WHEREAS, pursuant to Minnesota Statutes, Section 475.60, Subdivision 2(9), public sale requirements do not apply to the Series 2013 Water Bonds, because the City has retained an independent financial advisor and this Council has determined to sell the Series 2013 Water Bonds by private negotiation, and the City has instead authorized a competitive sale without publication of notice thereof as a form of private negotiation; and

WHEREAS, the Series 2013 will be issued as parity bonds that are payable on the same basis from the Net Revenues of the City's Water Utility as the City's outstanding (i) Water Revenue Refunding Bonds, Series 2007A (the "Series 2007 Bonds"), dated February 1, 2007, (ii) Water Revenue Notes of 2010 (the "Series 2010 Notes"), dated May 27, 2010, (iii) Water Revenue Refunding Bonds, Series 2011D, and Taxable Water Revenue Refunding Bonds, Series 2011E, both dated April 6, 2011 (the "Series 2011 Bonds"); and

WHEREAS, the Series 2013 Water Bonds, the Series 2007 Bonds, the Series 2010 Notes, the Series 2011

Bonds, and any Prior Bonds not ultimately refunded by the Series 2013 Water Bonds are referred to as the "Parity Bonds"; and

WHEREAS, it is necessary and desirable to provide for the issuance of the Series 2013 Water Bonds as Parity Bonds.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Saint Paul, Minnesota, as follows:

1. The Director, Office of Financial Services and other appropriate City officials and staff are hereby authorized and directed to proceed with the actions necessary for the issuance and sale of the Series 2013 Water Bonds as Parity Bonds, in one or more series. The Series 2013 Water Bonds shall be issued and sold in conformance with the provisions of the City Charter and Minnesota law.
2. Springsted Incorporated is hereby named financial advisor to the City with respect to the Series 2013 Water Bonds. City staff and Springsted Incorporated, as financial advisor to the City, shall also be authorized to proceed with preliminary actions for the issuance of the Series 2013 Water Bonds to produce interest savings.
3. Kennedy & Graven, Chartered is hereby named as bond counsel for the City with respect to the Series 2013 Water Bonds.
4. Springsted Incorporated and Kennedy & Graven, Chartered are hereby authorized to work with City staff to prepare the Official Statement for the Series 2013 Water Bonds and such other documents, instruments and certificates as may be necessary for further approval of this City Council for the completion of the sale of the Series 2013.