



Legislation Text

File #: RES PH 13-58, **Version:** 1

Amending the 2013 Water Department budget to reflect the issuance of revenue refunding bonds for a current refunding of the Series 2003C and an advance refunding of the Series 2005D revenue bonds.

WHEREAS, on December 11, 2012, the Board of Water Commissioners adopted resolution No. 7194, authorizing the issuance of the 2013 revenue refunding bonds to achieve debt service savings; and

WHEREAS, on January 9, 2013, City Council adopted RES 13-40 preliminarily approving 2013 Bond Sale scheduled for February 13, 2013; and

WHEREAS, on February 12, 2013, the Board of Water Commissioners adopted resolution No. 7205 concurring with the City Council RES 12-231 to award the sale of the 2013 revenue refunding bonds; and

WHEREAS, the 2013 bonds will have two parts: the current refunding of the Series 2003C revenue bonds in the amount of \$6,613,033, and refunding in advance of the call date of the 2005D revenue bonds in the amount of \$8,534,824 and to pay certain costs of issuance of the 2013 bonds; and

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

WHEREAS, the City has now determined it prudent to exercise its option to call, based on market conditions, and prepay the Series 2003C and 2005D revenue Bonds to achieve debt service savings; and

WHEREAS, the City proposes to finance the refunding through issuance of water revenue refunding bonds; and

WHEREAS, the issuance of the 2013 revenue bonds is expected to produce lower interest rates compared to the original Series 2003C and 2005D bonds; and

WHEREAS, it is the intent of the Administration that the annual savings resulting in the Water Fund be realized in the Water Department operating budget beginning in 2013; and

WHEREAS, the Mayor, pursuant to Section 10.07.1 of the Charter of the City of Saint Paul, does certify that there are available for appropriation, funds of \$16,958,237 in excess of those estimated in the 2013 Water Department Budget and;

THEREFORE BE IT RESOLVED, that the Council of the City of Saint Paul, upon recommendation of the Mayor, and the Saint Paul Regional Water Service Board of Commissioners, that \$16,958,237 is available for appropriation in the 2013 Water Department Budget, and said budget, as heretofore adopted by Council, is hereby further amended by the particulars as specified in the attached financial analysis.