



City of Olathe

COUNCIL AGENDA ITEM

MEETING DATE: 6/4/2019

DEPARTMENT: Resource Management

STAFF CONTACT: Dianna Wright/Amy Tharnish

SUBJECT: Consideration of Resolution No. 19-1042 authorizing the public sale of General Obligation Temporary Notes, Series 2019-A; and General Obligation Improvement and Refunding Bonds, Series 232.

ITEM DESCRIPTION:

Consideration of Resolution No. 19-1042 authorizing the public sale of General Obligation Temporary Notes, Series 2019-A; and General Obligation Improvement and Refunding Bonds, Series 232

SUMMARY:

The City's bond counsel, Gilmore & Bell, has prepared Resolution No. 19-1042 which authorizes the City to sell the following general obligation issues:

- General obligation bonds, Series 232

Series 232 will be used to fund 11 projects in the approximate amount of \$12,658,209. Some of the projects with the largest funding amounts are 143rd Street, Pflumm to Quivira; College Blvd, Lone Elm to Woodland; Street Reconstruction Program; and the Street Preservation Program. Series 232 includes 10-year debt structured for level annual debt service.

Series 232 will also be used to refund a portion of the City's outstanding Series 215 and Series 219 general obligation bonds, in the approximate amount of \$9,650,000 and \$2,190,000, respectively. Series 215 has a final maturity of December 2030. Series 219 has a final maturity of December 2023. While the actual savings as a result of this refunding will depend upon market conditions on the sale date, the present value of debt service savings is currently anticipated to be approximately \$1,128,594 (2.252%) and \$40,990 (2.235%), respectively. The refunding will not extend the life of the bonds and is structured for level annual savings.

- Temporary notes, Series 2019-A, will be used to provide project funding, including redeeming a portion of the Series 2018-A Notes, in the approximate amount of \$54,708,253. Temporary note Series 2018-A provides funding for 23 capital improvement projects and has a maturity of August 1, 2020. The projects with the largest funding amount are K-7 Highway Santa Fe to Old 56 Highway, Santa Fe & Ridgeview Geometric Improvements, Woodland Road K-10 to College Blvd, Lone Elm Road Old 56 Highway to 151st Street, and Park Maintenance Facilities.

The City has applied to Standard & Poor's Corporation and Fitch for ratings on the bonds and notes.

The sale of the bond and notes is set for June 18, 2019. A tabulation of bids and recommendation of awards will be presented at the City Council meeting of the same date.

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FINANCIAL IMPACT:

The balance of outstanding general obligation bonds after this issue will be approximately \$198,275,000 plus costs of issuing the Series 232. Series 2018-A Notes in the amount of \$26,735,000 will mature on August 1, 2019. The balance of outstanding temporary notes will be approximately \$54,910,000.

ACTION NEEDED:

Approval of Resolution No. 19-1042 to authorize the sale of general obligation bonds, Series 232, for funding various capital improvements and refunding; and authorize the sale of general obligation temporary notes, Series 2019-A for funding various capital improvements and redeeming a portion of the Series 2018-A Notes.

ATTACHMENT(S):

A: Resolution No. 19-1042
B: Summary Term Sheet