



## Legislation Text

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**File #:** Ord 2591, **Version:** 1

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### AN ORDINANCE TO UTILIZE AVAILABLE FUNDS TO REDEEM, PAY AND DISCHARGE ALL OF THE OUTSTANDING CERTIFICATES OF PARTICIPATION, SERIES 2017B

#### Summary and Background Information:

On October 19, 2017 the City issued certificates of participation (COPs) in the amount of \$6,500,000 to finance the purchase of City water. Principal and interest payments for this debt obligation are funded by Water Rights Acquisition Fund proceeds, derived from water acquisition fees, transferred to the General Fund. The unaudited ending Water Rights Acquisition Fund's Fund Balance for the year ended December 31, 2023 of \$12,330,985 is more than sufficient to fully pay-off the remaining Series 2017B COPs balance. This pay-off of the 2017B COPs was contemplated during the 2024 Budget process and built in to the 2024 Adopted Budget.

Historically, the interfund transfer from the Water Rights Acquisition Fund to the General Fund has been \$531,831 for the annual principal and interest payment for the 2017B Certificates of Participation issuance that financed the purchase of City Water beginning in 2017. This was increased to \$4,243,024 in the 2024 Adopted Budget to accommodate this planned pay-off.

Estimated pay-off information (based upon targeted pay-off date of July 15, 2024):

· Principal Payment	\$ 4,185,639.47
· Interest Payment	\$ 52,055.40
· Total Pay-off Payment	\$ 4,237,694.87
· Less Trustee Holdings (estimate, includes June 2024 payment)	\$ 444,988.49
· Remaining Amount to be paid by City	\$ 3,792,706.38

Paying off the 2017B COPs in July 2024 rather than August 2032 (per the original debt payment schedule), will result in retiring this debt obligation eight years early and generate \$482,648 in interest savings.

Theresa Wilson, Director of Finance, will be available to answer questions you may have.

**Staff Responsible (Department Head):** Theresa Wilson, Director of Finance

**Staff Member Presenting:** Theresa Wilson, Director of Finance

**Financial Impact:** \$3,836,942.28

**Funding Source:** Water Acquisition Fund interfund transfer to the General Fund (Budgeted)

**Staff Recommendation:** Approve Ordinance 2591

**Suggested Motion:** Motion to introduce by council as seated and approve Ordinance 2591