City of Joplin City Council Agenda Item

REQUESTED COUNCIL MEETING DATE: NOVEMBER 20, 2017

ITEM: COUNCIL BILL NO. 2017-524
ORIGINATING DEPARTMENT: FINANCE DEPARTMENT
ATTACHMENTS: 1) Copy of Current Bond Amortization Schedule

Department Head: Leslie Haase
Public Works Director: David Hertzberg
City Attorney: Peter Edwards
City Manager: Sam Anselm

INTRODUCTION:
This Council Bill reduces the administrative fee assessed by the Missouri Department of Natural Resources (DNR) for our current Series 2011A sewer revenue bonds.

DISCUSSION:
In August of 2009, voters of the City approved the issuance of up to $35,000,000 in bonds from the DNR State Revolving Fund (SRF) to provide enhancements and upgrades to Turkey Creek and Shoal Creek wastewater treatment facilities. Following the election, the City actively sought stimulus funds that Missouri received to help pay for the wastewater upgrades authorized by the voters. The City did, in fact, receive $3,000,000 in stimulus funding. As a result of the stimulus funding and the construction phases, the City approved three separate debt issuances as follows:

Debt Issuance	Authorized Amount	Actual Amount	Interest Rate	Admin Fee %
2010	$6,000,000	$5,717,977	1.48%	.50%
2011A	$26,000,000	$25,733,838	1.70%	1.00%
2014	$3,282,000	$2,795,214	1.35%	1.00%

Earlier this year, the Clean Water Commission approved the Missouri Department of Natural Resources recommendation to reduce the annual loan administrative fee for existing bonds issued under the SRF direct loan program from 1% to .50% annually (.50% to .25% semi-annually). This council bill approves reducing the administrative fee to .50% beginning January 1, 2018 on the Series 2011A debt. This will result in an estimated savings of $511,000 in the sewer fund over the term of the debt issuances.

RECOMMENDATION:
City Staff recommends this Council Bill be approved on an emergency basis.