



Debt-Related Resolutions

Work Session to Discuss Three Debt-Related Resolutions on September 8, 2016 Consent Agenda



2011A Refunding:

- Lease financing originally issued to refund the debt related to the Vint Hill WWTP;
- Currently 8 principal payments of the remaining 14 have interest rates averaging 4.95% (including VRA's annual administrative charge);
- Preliminary estimates from VRA indicate that total debt service savings of \$237K over the next 14 years can be achieved.



2012A Restructuring:

- Currently, this borrowing is structured as a solid waste system revenue bond;
- Because this debt is secured by solid waste system revenues, there are additional rate covenants that have to be met each year which have become onerous;
- This restructuring will have no impact on the annual debt service or the maturity of the debt, but will secure the debt with equity in an already-pledged asset to remove the onerous covenants.



Public Safety Radio Issuance:

- BOS agenda also includes a consent agenda item for the consideration to award the contract for the system;
- Staff considered two options:
 - VRA Fall Pool (2016C)
 - Direct Bank Capital Lease (RFP through Davenport)
- Staff believes that the best option is to move forward with the direct bank capital lease option;
- There are some facets to this negotiation which are not yet fully settled, therefore, the proposed resolution leaves the option to fund through the VRA Fall Pool on the table.



Key Factors:

	Direct Bank Issuance	VRA Issuance
Interest Rate	+	-
Issuance Costs	+	-
Flexibility in Draws	+	-
Payment Frequency	+ / -	+ / -
Allows for All Phases	+	-

For these reasons, we recommend moving forward with the direct bank capital lease option.



BOS Feedback:

- Questions/Comments.