



Memorandum

Date: 7/13/2021
Meeting of: City Council Study Session

File No. SS 21-052
Type: Study Session

TO: Members of the City Council
FROM: Mayor Angela Birney
DEPARTMENT DIRECTOR CONTACT(S):

Executive	Malisa Files	425-556-2166
Finance	Chip Corder	425-556-2189

DEPARTMENT STAFF:

Finance	Kelley Cochran	Deputy Finance Director
Finance	Debbie Keranova	Financial Services Manager

TITLE:
Municipal Bond Overview

OVERVIEW STATEMENT:

Stacey Lewis and Deanna Gregory, partners from Pacifica Law Group (the City's Bond Counsel), will present an overview of the different types of bonds, the City's bond policies, and Council's responsibilities under the law, in anticipation of new and refunding bond recommendations. With interest rates at historically low levels, the City is pursuing taxable advance refunding of its 2013 Limited Tax General Obligation (LTGO) Bonds and its 2014 Utility Revenue Bonds for an estimated savings of \$3 million. Council has also discussed the potential for a councilmanic bond for the Senior Center project. The municipal bond overview is a precursor to potential Council actions.

☐ **Additional Background Information/Description of Proposal Attached**

REQUESTED ACTION:

☒ **Receive Information** ☐ **Provide Direction** ☐ **Approve**

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
Fiscal Policy (Long-Term Debt Policies)
Debt Manual
- **Required:**
RCW 39.36, RCW 39.46, and RCW 36.53
- **Council Request:**
N/A
- **Other Key Facts:**

N/A

OUTCOMES:

The Bonds Overview presentation from Pacifica Law Group will set the stage for refunding of current bonds as well as potential new borrowing for the Senior Center. The information provided will include:

- The process and regulatory environment for issuing bonds
- The types of bonds available
- The City Council's obligations in a bond issuance

As next steps, staff will bring the potential refunding of the 2013 Limited Tax General Obligation Refunding Bonds and the 2014 Utility System Revenue Bonds to the July 27, 2021, Finance, Administration, and Communications Committee of the Whole Meeting for review and discussion. Provided for review will be the draft bond ordinances and the analysis of the potential savings. If Council agrees to move forward on the refunding recommendation, final ordinances will be brought to the August 17, 2021, Council business meeting for approval.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
N/A
- **Outreach Methods and Results:**
N/A
- **Feedback Summary:**
N/A

BUDGET IMPACT:

Total Cost:
N/A

Approved in current biennial budget: ☐ Yes ☐ No ☒ N/A

Budget Offer Number:
N/A

Budget Priority:
Strategic and Responsive

Other budget impacts or additional costs: ☐ Yes ☐ No ☒ N/A

If yes, explain:
N/A

Funding source(s):
N/A

Budget/Funding Constraints:

N/A

☐ Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
N/A	Item has not been presented to Council	N/A

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
N/A	None proposed at this time	N/A

Time Constraints:

N/A

ANTICIPATED RESULT IF NOT APPROVED:

N/A

ATTACHMENTS:

N/A