

June 5, 2024

To: Mayor and Members of City Council
From: Sheryl M. M. Long, City Manager *SW*
Subject: **Emergency Ordinance for Refunding Water System Revenue Bond Issues**

202401551

Transmitted herewith is an Emergency Ordinance captioned as follows:

PROVIDING FOR (I) THE ISSUANCE, SALE AND DELIVERY OF WATER SYSTEM REFUNDING REVENUD BONDS, SERIES 2024A (THE "2024 BONDS") OF THE CITY OF CINCINNATI, COUNTY OF HAMILTON, STATE OF OHIO, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$198,000,000 FOR THE PURPOSE OF PROVIDING FOR THE REFUNDING AND/OR (II) THE CASH DEFEASANCE (WITH MONIES AVAILABLE FOR SUCH PURPOSE), OF ALL OR A PORTION OF CERTAIN OUTSTANDING BONDS OF THE CITY; (III) AUTHORIZING A PLEDGE OF AND LIEN ON WATER SYSTEM REVENUES TO SECURE ANY 2024A BONDS; (IV) AUTHORIZING A SUPPLEMENTAL TRUST AGREEMENT; AND ANY OTHER DOCUMENTS REQUIRED TO SECURE ANY 2024A BONDS; AND (V) AUTHORIZING ANY DOCUMENTS REQUIRED TO EFFECTUATE ANY DEFEASANCE.

This ordinance allows for the option of refunding or defeasing bonds that have been previously issued. The purpose of refunding or defeasing the bonds is to take advantage of lower interest rates or avoid additional costs that will result in savings to the City of Cincinnati.

The ordinance includes a threshold that the Finance Director will only move forward with the refunding, if the net present value of the resulting savings of any advance or current refunding is equal to at least three percent (3%) of the principal of the bonds. This savings requirement for a refunding may be waived by the Finance Director upon finding that such a restructuring is in the City's overall best financial interest. The ordinance includes possible candidates for refunding. Because the refunding is dependent upon interest rates, it will not be known which bonds will be refunded until closer to the date of sale. An emergency ordinance is necessary to take advantage of currently favorable interest rates.

The Administration recommends passage of this Emergency Ordinance.

cc: William "Billy" Weber, Assistant City Manager
Karen Alder, Finance Director

Attachment