

June 15, 2022

To: Mayor and Members of City Council 202201357
From: John P. Curp, Interim City Manager
Subject: **Emergency Ordinance for Refunding Water System Revenue Bond Issues**

Transmitted herewith is an Emergency Ordinance captioned as follows:

PROVIDING FOR THE ISSUANCE, SALE AND DELIVERY OF NOT TO EXCEED \$198,000,000 OF WATER SYSTEM REFUNDING REVENUE BONDS, SERIES 2022A OF THE CITY OF CINCINNATI, COUNTY OF HAMILTON, STATE OF OHIO, FOR THE PURPOSE OF REFUNDING OUTSTANDING BONDS; AUTHORIZING A PLEDGE OF AND LIEN ON WATER SYSTEM REVENUES TO SECURE SUCH BONDS AND OBLIGATIONS; AUTHORIZING A SUPPLEMENTAL TRUST AGREEMENT; AND AUTHORIZING NECESSARY DOCUMENTS TO SECURE SUCH BONDS.

This Emergency Ordinance allows for the option of refunding bonds that have been previously issued. The purpose of refunding the bonds is to take advantage of lower interest rates that will result in savings to the City of Cincinnati.

The Emergency 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 Emergency 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