



REPORT TO: SUA

MEETING DATE: JANUARY 24, 2022

Agenda Item:	5c. SUA-22-04
Issue:	<ul style="list-style-type: none"> • In October 2014, the Stillwater Utilities Authority (SUA) issued \$61.8 million in Series 2014A Revenue Bonds to fund the construction of the Stillwater Energy Center, a 56MW power generation facility. • As of January 2022, approximately \$54 million in bonds remain outstanding. • Interest rates have fallen since the bonds were issued, creating an opportunity to refund a portion of the outstanding debt and reduce the overall interest expense of the SUA.
Solution:	<ul style="list-style-type: none"> • With the assistance of the SUA’s Financial Adviser, The Baker Group, staff recommends pursuing a partial refunding of outstanding bonds. • The Baker Group is currently estimating average annual savings of approximately \$200,000 over the remaining life of the bonds or 21 years. • A request for proposal (RFP) has been sent to 16 underwriting firms and are due back before the end of January. • If for any reason it’s determined that the bond refunding will not be financially beneficial to the SUA, the SUA would maintain the flexibility to not move forward with the refunding.
Financial Impact/Funding Source(s):	<ul style="list-style-type: none"> • This action has no adverse effect on budget appropriations.
Strategic Plan Alignment:	<p>#1 Effective Services & Accountable Government: To provide effective services and accountable government for all residents by practicing fiscal responsibility, transparency and outstanding customer service.</p> <p>#2 Motivated Management: To serve with integrity and demonstrate proactive leadership, motivated management</p>

	and smart planning skills that focus on results needed to create a better community.
Recommended Action/Motion:	Motion to authorize staff to proceed with Series 2014A Revenue Bond refunding efforts and to return to the SUA Trustees as needed with specific action items.
Prepared By:	Christy Cluck, Finance Director
Reviewed By:	Melissa Reames, Deputy City Manager Patti Osmus, Assistant to the City Manager
Submitted By:	Norman McNickle, General Manager
Attachment(s):	SUA Refunding Analysis