




Lexington-Fayette Urban County Government
DEPARTMENT OF FINANCE & ADMINISTRATION

Jim Gray
Mayor

William O'Mara
Commissioner

TO: Mayor Jim Gray
Members, Urban County Council

FROM: William O'Mara, Commissioner 
Department of Finance and Administration

DATE: August 28, 2014

SUBJECT: Ordinance Authorizing Issuance Sanitary Sewer Revenue Refunding Bonds

Authorization is requested in the issuance and sale of Sewer System Revenue Refunding Bonds (the "Series 2014A") in an aggregate principal amount not to exceed \$32,000,000 for the purpose of currently refunding the series 2009 bonds, (II) Authorizing the issuance and sale of Sewer System Revenue Refunding Bonds, series 2014B in an aggregate principal amount not to exceed \$13,000,000 for the purpose of advance refunding the series 2010 bonds. This Ordinance, the ordinance authorizing the new Trust Agreement and the companion resolution authorizing the advertising for bids (collectively the "Bond Legislation") provides for a new mechanism to issue Sewer System Revenue Bonds. From this time forward, the Bond Legislation provides for the financing of Sewer System improvements by the issuance of Sewer System Revenue Obligations under a Trust Agreement (the "Trust Agreement") between the Lexington Fayette Urban County Government and The Bank of New York Mellon Trust Company, N.A. (the "Trustee"). This new mechanism to issue Sewer System Revenue Bonds reflects changes in Kentucky State Law, financing standards, market expectations and financing techniques and provides the Lexington Fayette Urban County Government greater flexibility in financing and investing and improved cash management, from and after the date of the issuance of the Series 2014 Bonds.

Adoption of the Bond Legislation is required for the issuance of the Series 2014 Bonds.

Attachment

wo/lyb