



Legislation Details (With Text)

File #: 22-1265 **Version:** 1 **Name:** 81522 Resolution to amend the \$5,350,000 City of Ann Arbor 2018 Capital Improvement Bonds, Series A Bonds dated August 29, 2018

Type: Resolution **Status:** Passed

File created: 8/15/2022 **In control:** City Council

On agenda: 8/15/2022 **Final action:** 8/15/2022

Enactment date: 8/15/2022 **Enactment #:** R-22-257

Title: Resolution to Amend the \$5,350,000 City of Ann Arbor 2018 Capital Improvement Bonds, Series A dated August 29, 2018

Sponsors:

Indexes:

Code sections:

Attachments: 1. City of Ann Arbor SOFR Amendment.pdf

Date	Ver.	Action By	Action	Result
8/15/2022	1	City Council	Approved	Pass

Resolution to Amend the \$5,350,000 City of Ann Arbor 2018 Capital Improvement Bonds, Series A dated August 29, 2018

This resolution requests City Council approval for an amendment of the \$5,350,000 City of Ann Arbor 2018 Capital Improvement Bonds, Series A dated August 29, 2018 to update terms related to the interest rates. The Secured Overnight Financing Rate (SOFR), a benchmark interest rate for dollar-denominated loans, has replaced the London Interbank Offered Rate (LIBOR). Huntington Bank, successor by merger to CFC Capital, Inc., as Registered Owner of the Bond, has requested an amendment to the Bonds to reflect this change.

Prepared by: David McNulty, Deputy Treasurer
Reviewed by: Michael J. Pettigrew, City Treasurer
Michelle Landis, Senior Assistant City Attorney
Marti Praschan, Chief Financial Officer

Approved by: Milton Dohoney Jr., City Administrator

Whereas, The City issued its 2018 Capital Improvement Bonds, Series A (Limited Tax General Obligation) on August 29, 2018 (as amended, supplemented or modified from time to time) ("Bond"), with The Huntington National Bank, successor by merger to CFC Capital, Inc., as the sole owner ("Owner") for the Principal Amount of five million three hundred fifty thousand dollars (\$5,350,000.00);

Whereas, The interest on the Bond is calculated using a formula based on the 30 day London Interbank Offered Rate (LIBOR) index (as defined in the Bond);
WHEREAS the 30 day LIBOR index will cease to be published as of 30 June 2023, and the Secured Overnight Financing Rate ("SOFR") was announced as the recommended index to replace LIBOR;

Whereas, The City and the Owner of the Bond wish to amend the Bond to reflect the replacement of LIBOR index with SOFR;

Whereas, The Owner has asked the City to execute the attached Amendment No. 1 to Bond which has been reviewed by the City Attorney's office and Bond Counsel and is found to be in proper legal form; and

Whereas, The City Council wishes to delegate to the Treasurer the authority to execute the Amendment No. 1 to Bond and other documents or certificates necessary to cause this amendment to replace LIBOR index with SOFR on the Bond; and

RESOLVED, That City Council approves the Amendment No. 1 to Bond;

RESOLVED, That the City Treasurer is authorized to execute the Amendment No. 1 to Bond reflecting replacement of LIBOR index with SOFR and any additional terms to effectuate such replacement as may be necessary;

RESOLVED, That the City Administrator be authorized to take all necessary actions to implement this Resolution.