

Meeting Agendas/Info

CITY COUNCIL
COMMUNICATION:

ITEM _____

OFFICE OF THE CITY MANAGER CITY OF DES MOINES, IOWA

01-222

SYNOPSIS -

AGENDA:

MAY 7, 2001

SUBJECT:

GENERAL
OBLIGATION
REFUNDING BONDS
(REFUNDING
SERIES 1992C AND
1992G)

Conducting public hearing to issue General Obligation Refunding Bonds in an aggregate amount not to exceed \$10,500,000. This issuance will be used to call the General Obligation Bonds, Series 1992C and 1992G. The General Obligation Bonds, Series 1992C and 1992G, are costing the City more in annual debt service than the refunding issue would cost at current interest rates.

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

FISCAL IMPACT -

By issuing General Obligation Bonds in an amount not to exceed \$10,500,000 to retire the existing General Obligation Bonds of 1992, which have an outstanding principal balance of \$9,253,332, the annual savings in the form of debt service would approximate \$50,000 at current interest rates.

SUBMITTED BY:

ALLEN MCKINLEY
ACTING FINANCE
DIRECTOR

The new bonds would carry a net interest cost (NIC) of an estimated 4.73 percent if interest rates stay constant compared to a 6.16 percent and 6.20 percent rate on the current bonds. Over the life of the bonds, the refunding issue would result in a total net present value savings of approximately \$520,000.

RECOMMENDATION -

Approval.

BACKGROUND -

The General Obligation Bonds, Series 1992C and 1992G (original principal of \$16,475,000) were issued on June 1, 1992 to finance the 1991-92 Capital Improvement Program. The bond sale is proposed for June 4, 2001, with closing on June 27, 2001. The call date on the old bonds is June 1, 2002.
