

## Meeting Agendas/Info

CITY COUNCIL  
COMMUNICATION:

ITEM \_\_\_\_\_

**OFFICE OF THE CITY MANAGER  
CITY OF DES MOINES, IOWA**

01-258

**SYNOPSIS -**

**AGENDA:**

MAY 21, 2001

A public hearing will be conducted to issue General Obligation Refunding Bonds in an aggregate amount not to exceed \$6,500,000. This issuance will be used to call the General Obligation/Hotel-Motel Bonds, Series 1992A, which are costing the City more in annual debt service than the refunding issue would cost at current interest rates.

**SUBJECT:**

GENERAL  
OBLIGATION  
REFUNDING BONDS  
(REFUNDING  
SERIES 1992A)

**FISCAL IMPACT -**

By issuing General Obligation Bonds in an amount not to exceed \$6,500,000 to retire the existing General Obligation/Hotel-Motel Bonds of 1992, which have an outstanding principal balance of \$5,845,000, the annual savings in the form of debt service would approximate \$35,000 at current interest rates.

**TYPE:**

**RESOLUTION**  
ORDINANCE  
RECEIVE/FILE

The new bonds would carry a net interest cost of an estimated 4.55 percent if interest rates stay constant, compared to a 6.015 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 \$270,000.

**SUBMITTED BY:**

ALLEN MCKINLEY  
ACTING FINANCE  
DIRECTOR

Hotel/Motel Tax is the funding source for the annual principal and interest payments related to these bonds.

**RECOMMENDATION -**

**Approval.**

**BACKGROUND -**

At its May 7, 2001 meeting, the City Council set the date of public hearing (May 21, 2001) for General Obligation Refunding Bonds (Refunding Series 1992).

The General Obligation/Hotel-Motel Bonds, Series 1992A (original principal of \$8,070,000), were issued on January 20, 1992 to finance swimming pools, sports complexes, and playground equipment. The bond sale is proposed for June 4, 2001 with closing on June 27, 2001. The call date on the old bonds is December 1, 2003.

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