

Meeting Agendas/Info

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

01-541

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

AGENDA:

SYNOPSIS -

OCTOBER 22, 2001

SUBJECT:

GENERAL
OBLIGATION
REFUNDING BONDS
(REFUNDING
SERIES 1992B)

Setting the date for a public hearing on November 5, 2001, for the issuance of General Obligation Refunding Bonds in an aggregate amount not to exceed \$4,000,000. This issuance will be used to call the Taxable General Obligation Hotel-Motel Tax Bonds, Series 1992B, and replace them with bonds issued at a lower interest rate, as a means of reducing interest expenses. The new bonds will also be taxable.

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

FISCAL IMPACT -

The refinancing of the Taxable General Obligation Hotel-Motel Tax Bonds, Series 1992B, which have an outstanding principal balance of \$3,150,000, will provide for estimated average annual debt service savings of \$22,000 through 2011.

SUBMITTED BY:

MERRILL R.
STANLEY
FINANCE DIRECTOR

The new bonds would have an estimated net interest cost of 5.50 percent as compared to an average rate of 7.88 percent on the outstanding bonds. Over the life of the bonds, the refinancing would result in an estimated total net present value savings of \$196,000.

RECOMMENDATION -

Approval.

BACKGROUND -

The Taxable General Obligation Hotel-Motel Tax Bonds, Series 1992B, were originally issued in the amount of \$4,400,000, on January 6, 1992, to fund the general obligation portion of the Sec Taylor Stadium project. The current timeline has January 7, 2002 as the prescribed sale date for the Refunding Bonds, but is subject to change in response to fluctuating conditions in the municipal bond

market. The call date on the outstanding bonds is December 1, 2002.
