

Meeting Agendas/Info

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

01-543

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

AGENDA:

SYNOPSIS -

OCTOBER 22, 2001

SUBJECT:

GENERAL
OBLIGATION
REFUNDING BONDS
(REFUNDING
SERIES 1993B AND
1994A)

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 \$31,000,000. This issuance will be used to call the General Obligation Bonds, Series 1993B and Series 1994A, and replace them with bonds issued at a lower interest rate, as a means of reducing interest expenses.

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

FISCAL IMPACT -

The refinancing of the General Obligation Bonds, Series 1993B, which have an outstanding principal balance of \$10,650,000, and the Series 1994A, which have an outstanding principal balance of \$13,900,000, will provide for estimated average annual debt service savings of \$82,000 through 2014.

SUBMITTED BY:

MERRILL R.
STANLEY
FINANCE DIRECTOR

The new bonds would have an estimated net interest cost of 4.2 percent as compared to an average rate of 5.75 percent on the outstanding bonds. Over the life of the bonds, the refinancing would result in an estimated total net present value savings of \$770,000.

RECOMMENDATION -

Approval.

BACKGROUND -

The, General Obligation Bonds, Series 1993B, were originally issued in the amount of \$14,500,000, on May 24, 1993, to fund the City's FY1992-93 Capital Improvement Program. The General Obligation Bonds, Series 1994A, were originally issued in the amount of \$17,750,000, on May 23, 1994, to fund the City's FY1993-94 Capital Improvement Program. 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 Series 1993B Bonds is June 1, 2003, and the call date on the outstanding Series 1994A Bonds is June 1, 2004.
