

THE CITY OF DES MOINES IS AN EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION EMPLOYER.

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

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

02-038

SYNOPSIS -

AGENDA:

JANUARY 28, 2002

Authorization is necessary for the issuance of General Obligation Refunding Bonds in an aggregate amount estimated at \$3,320,000. 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.

SUBJECT:

\$3,320,000 GENERAL
OBLIGATION
REFUNDING
BONDS, SERIES
2002B (REFUNDING
SERIES 1992B)

The City will receive competitive bids from underwriters at 12:00 PM on Monday, January 28, 2002. At tonight's City Council meeting, Council will be asked to award the sale to the firm or group of firms with the best bid (lowest interest rate) and to authorize issuance of the bonds. Information regarding bids received will be provided just prior to the Council meeting.

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

FISCAL IMPACT -

SUBMITTED BY:

MERRILL R.
STANLEY
FINANCE
DIRECTOR

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.

RECOMMENDATION -

Direct the sale of General Obligation Refunding Bonds, Series 2002B.

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