

**CITY COUNCIL  
COMMUNICATION:**

**03-338**

**AGENDA:**

JULY 14, 2003

**SUBJECT:**

APPROVE SALE OF  
\$9,460,000 GENERAL  
OBLIGATION  
REFUNDING BONDS,  
SERIES 2003E  
(REFUNDING SERIES  
1996C)

**TYPE:**

**RESOLUTION**  
**ORDINANCE**  
RECEIVE/FILE

**SUBMITTED BY:**

MERRILL R. STANLEY  
FINANCE DIRECTOR

**ITEM 46**

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

**SYNOPSIS —**

Authorization is necessary for the issuance of General Obligation Refunding Bonds in an aggregate amount of \$9,460,000. This issuance will be used to call the General Obligation Bonds, Series 1996E, and replace them with bonds issued at a lower interest rate, as a means of reducing interest expenses.

The City will receive competitive bids from underwriters at 10 AM on Monday, July 14, 2003. At the July 14 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. The City has maintained its G.O. Bond rating for these bonds at Aa2 from Moody's and AA+ from Standard & Poor's.

**FISCAL IMPACT —**

The refinancing of the General Obligation Bonds, Series 1996C, which have an outstanding principal balance of \$9,088,980, will provide for estimated average annual debt service savings of \$65,000 through 2014. The savings have not been included in the FY 2003-04 Adopted Budget.

**RECOMMENDATION —**

**Award the sale of General Obligation Refunding Bonds, Series 2003E.**

**BACKGROUND —**

The General Obligation Bonds, Series 1996C, were originally issued in the amount of \$12,500,000, on April 22, 1996, to fund the City's FY1995-96 Capital Improvement Program. The call date on the outstanding Series 1996C Bonds is June 1, 2004.

