

Agenda Item:
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COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date:	2/7/05	Communication
No.:	05-056	
Agenda Item Type:	Resolution	Roll Call
No.:		

Submitted by: Merrill Stanley, Finance Director

SUBJECT—

Setting the date of a Public Hearing (Feb 28, 2005) on the issuance of not to exceed \$32,000,000 General Obligation Refunding Bonds.

SYNOPSIS—

Not to exceed \$32,000,000 General Obligation Refunding Bonds would be issued to refund the Series 1996F G.O. Refunding Bonds and the Series 1998D G.O. Bonds, replacing those bonds with new bonds issued at a lower interest rate.

FISCAL IMPACT—

Refinancing of the Series 1996F and Series 1998D bonds will result in net debt service savings estimated to total over \$1,000,000, averaging \$80,000 per year. The savings will be allocated to the debt service levy wherever possible, but an estimated 3%-4% of savings will need to be credited to the Airport enterprise fund.

RECOMMENDATION—

Approval

BACKGROUND—

The General Obligation Refunding Bonds, Series 1996F, were originally issued in the amount of \$36,330,000 in December 1996 to refinance the General Obligation Bonds Series 1987, Series 1990C, and Series 1991A. The General Obligation Bonds, Series 1998D, were issued in June 1998 to fund the FY1999 Capital Improvement Program.

The current timeline anticipates holding the public hearing on February 28, 2005 so that we are in a position to conduct the sale shortly after the adoption of the FY2006 Budget. It may be in the best interest of the city to take bids and approve the sale of the refunding bonds at a special meeting on or about March 16, 2005 in order to take advantage as early as possible of relatively low interest rates, and prior to the Federal Reserve Board meeting scheduled for March 22, 2005.