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COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date:	03/16/05	Communication
No.:	05-121	
Agenda Item Type:	Resolution	Roll Call
No.:		

Submitted by: Merrill Stanley, Finance Director

SUBJECT—

Directing the sale of \$29,080,000 General Obligation Refunding Bonds.

SYNOPSIS—

Directing the sale of \$29,080,000 General Obligation Refunding Bonds, and authorizing the redemption of outstanding General Obligation Bonds, Series 1996F G.O. Refunding Bonds and the Series 1998D G.O. Bonds.

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 City will receive competitive bids from underwriters at 10 AM on Thursday, March 16, 2005. At 4:00 PM that day, at a special meeting, the City 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 requested ratings on the refunding bonds from Moody's and Standard & Poor's.