



Agenda Item:

33

COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: 09/26/05
Agenda Item Type: Resolution

Communication No.: 05-526
Roll Call No.:

Submitted by: Merrill Stanley, Assistant City Manager/Finance Director

SUBJECT—

Setting the date of a Public Hearing (October 10, 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 1999A G.O. Bonds and the Series 2000D G.O. Bonds, replacing those bonds with new bonds issued at a lower interest rate.

FISCAL IMPACT—

Refinancing of the Series 1999A and Series 2000D bonds will result in net debt service savings estimated to total over \$1,250,000, averaging \$90,000 per year. The savings will be allocated approximately 75% to the debt service levy and 25% to TIF, but will not begin until FY2007-08.

RECOMMENDATION—

Approval

BACKGROUND—

The General Obligation Bonds, Series 1999A, were originally issued in the amount of \$17,100,000, in June 1999, to finance the FY1999-2000 Capital Improvement Program. The General Obligation Bonds, Series 2000D, were originally issued in the amount of \$22,910,000, in June 2000, to finance the FY2000-01 Capital Improvement Program.

The issuance timeline calls for holding the public hearing on October 10, 2005, with a sale planned for Wednesday, October 26. This timeline will require a special City Council meeting to award the sale on October 26. Our experience with holding the sale mid-week shows that it can result in significant savings due to the relative higher demand following the large amount of sales normally scheduled for Mondays and Tuesdays, which translates into lower interest rates.