



Council Communication

Office of the City Manager

Date	February 12, 2007
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Agenda Item No.	38
Roll Call No.	<u>07-</u>
Communication No.	<u>07-064</u>
Submitted by:	Allen McKinley, Finance Director/Treasurer

AGENDA HEADING:

Setting date of hearing for the sale of General Obligation Refunding Bonds not to exceed \$5,000,000, (2-26-07).

SYNOPSIS:

Recommend approval to set the date of a public hearing regarding refinancing the series 1999B taxable bonds. The hearing will be held on February 26, 2007.

FISCAL IMPACT:

Amount: Total savings of \$234,000

Funding Source: The series 1999B taxable bonds have a call provision of June 1, 2007. By refinancing this debt and calling the bonds on June 1, 2007, staff anticipates that the city will realize a net present value savings of \$234,000 over the remaining maturity of the bonds (2019) that equates to an annualized savings of approximately \$27,500. This debt is retired from tax increment revenues.

ADDITIONAL INFORMATION:

State law requires holding a public hearing prior to council authorization to direct the sale of the bonds. This process will also require a special council meeting to be held on February 28, 2007 at 4:30 pm.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

February 26, 2007: Hearing on the issuance of refunding bonds, approval of preliminary offering statement, and directing sale of bonds.

February 28, 2007: Sale of bonds and special council meeting to award to lowest bidder.

