

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date	January 26, 2009
	Agenda Item No. 31 Roll Call No. <u>09-</u> Communication No. <u>09-047</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 \$1,300,000 (Series 2009A), \$3,300,000 (Series 2009B), \$35,000,000 (Series 2009C), and Parking Refunding Bonds not to exceed \$3,900,000 (Series 2000B).

SYNOPSIS:

To refinance the series 2000B, 2000E, 2001A, 2001B, 2001D, and 2004A bonds requires a public hearing prior to council authorization to direct the sale of the bonds.

FISCAL IMPACT:

Amount: \$1.1 million (savings)

A net present value savings of approximately \$1.1 million over the life of the bonds (maturities range between 6 and 12 years) is anticipated to be realized. Approximately 55% of the savings (\$605,000) will accrue to tax increment and 45% (\$495,000) will accrue to the regular debt service levy. The refinancing of debt will not extend the terms of the existing debt.

Funding Source: N/A

ADDITIONAL INFORMATION:

The 2000E bonds will be called on or about March 16, 2009 and the remaining series will be called June 1, 2009. These dates represent the earliest possible date calls can be made in accordance with the existing bond covenants of the outstanding debt being refinanced. The anticipated refinancing schedule is outlined below:

- January 26, 2009: Set date of public hearings for sale of refunding bonds.
- February 9, 2009: Hold public hearings for sale of refunding bonds
- February 11, 2009: Tax competitive bids and award low bid (Special Council Meeting)
- March 16, 2009: Complete call on series 2000E bonds.
- June 1, 2009: Complete call on series 2001A, 2001B, 2001D, and 2004A bonds.

The sale of refunding bonds for the Parking System will be scheduled for a later date due to the greater complexity involved in preparing an Offering Statement, obtaining updated bond ratings, and currently unacceptable spreads between general obligation and revenue bonds. Holding the hearing will afford the City greater flexibility to initiate a refunding when revenue bond markets improve.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

February 9, 2009: Hearing on the issuance of refunding bonds, approval of offering statement, and directing sale of bonds.

February 11, 2009: Sale of bonds and special council meeting to award to lowest bidder.

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the second floor of City Hall, 400 Robert D Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to cityclerk@dmgov.org.