

 Council Communication Office of the City Manager	Date	February 9, 2009
	Agenda Item No. 45 Roll Call No. <u>09-</u> Communication No. <u>09-076</u> Submitted by: Allen McKinley, Finance Director/Treasurer	

AGENDA HEADING:

Resolutions with respect to public hearings on the issuance not to exceed \$1,300,000 general obligation bonds (Series 2009A); not to exceed \$3,300,000 general obligation bonds (Series 2009B); not to exceed \$35,000,000 general obligation bonds (Series 2009C); and not to exceed \$3,900,000 parking system capital loan notes (Series 2000D).

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: \$1.2 million (savings)

Funding Source: A net present value savings of approximately \$1.2 million over the life of the bonds (maturities range between 6 and 12 years) is anticipated to be realized. Approximately 50% of the savings (\$605,000) will accrue to tax increment and 40% (\$495,000) will accrue to the regular debt service levy, and 10% will accrue to the parking system. The refinancing of debt will not extend the terms of the existing debt.

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:

February 9, 2009: Hold public hearings for sale of refunding bonds

February 11, 2009: Take 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 notes for the Parking System are now scheduled to occur along with the general obligation bond sale. Administrative tasks were completed in short order and the interest rate climate has improved such that an acceptable savings can be realized.

PREVIOUS COUNCIL ACTION(S):

Date: January 26, 2009

Roll Call: 09-092 through 09-095

Action: On sale of Refunding Bonds for the following, (2-9-09) (bonds for Items A, B and C only will be sold on 2-11-09 and a special Council meeting will be held at 4:30 PM): (Council Communication No. 09-047)

(A)\$35,000,000 General Obligation Refunding Bonds, (refunding of Series 2001A, 2001D and 2004A). Moved by Vlassis to adopt. Motion Carried 7-0.

(B)\$1,300,000 General Obligation Refunding Bonds (refunding of Taxable Series 2000E). Moved by Vlassis to adopt. Motion Carried 7-0.

(C)\$3,300,000 General Obligation Refunding Bonds, (refunding of Series 2001B). Moved by Vlassis to adopt. Motion Carried 7-0.

(D)\$3,900,000 Public Parking System Revenue Refunding Capital Loan Notes, (refunding of Taxable Series 2000B). Moved by Vlassis to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

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

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