

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date	December 7, 2009
	Agenda Item No. 51 Roll Call No. <u>09-</u> Communication No. <u>09-847</u> Submitted by: Allen McKinley, Finance Director/Treasurer	

AGENDA HEADING:

Hearing for the sale of General Obligation Refunding Bonds not to exceed \$17,250,000 (Series 2010A) and \$15,000,000 (Series 2010B).

SYNOPSIS:

To refinance series 2003E, 2004C and 2004D bonds requires a public hearing prior to Council authorization to direct the sale of the bonds. In order to get this accomplished, a Special Council Meeting will be required on December 17, 2009.

FISCAL IMPACT:

A net present value savings of at least \$870,000 over the life of the bonds (14 year maturity) is anticipated to be realized (3% savings). The net present value savings are conservative estimates, so if interest rates remain as they are, the net present value savings could exceed 5%. Approximately 11% of the savings (\$97,000) will accrue to tax increment and 89% (\$773,000) will accrue to the regular debt service levy. The refinancing of debt will not extend the terms of the existing debt.

ADDITIONAL INFORMATION:

The 2003E bonds will be called on or about January 26, 2010 and the 2004C and 2004D bonds will be called on June 1, 2010. These dates represent the earliest possible dates calls can be made, in accordance with the existing bond covenants of the outstanding debt being refinanced. The anticipated refinancing schedule is outlined below:

- November 23, 2009: Set date of public hearings for sale of refunding bonds
- December 7, 2009: Hold public hearings for sale of refunding bonds
- December 17, 2009: Receive competitive bids and award low bid (Special Council Meeting)
- January 26, 2010: Complete call on series 2003E bonds
- June 1, 2010: Complete call on series 2004C and 2004D bonds.

PREVIOUS COUNCIL ACTION(S):

Date: November 23, 2009

Roll Call: 09-2107 and 09-2108

Action: On issuance of the following General Obligation Refunding Bonds, (12-7-09): (Council Communication No. 09-835)

- (A) \$17,250,000, Series 2010A. Moved by Coleman to adopt. Motion Carried 7-0.
- (B) \$15,000,000, Series 2010B. Moved by Coleman to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

December 17, 2009: Sale of bonds and Special Council Meeting to award the 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.