

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: July 28, 2014
	Agenda Item No. 40 Roll Call No. <u>14-1159</u> Communication No. <u>14-372</u> Submitted by: Scott E. Sanders, Assistant City Manager / Finance Director

AGENDA HEADING:

Hold public hearing to be held on July 28th regarding the issuance of General Obligation Refunding Capital Loan Notes in an amount not to exceed \$32,000,000.

SYNOPSIS:

Hold public hearing regarding issuance of General Obligation Refunding Capital Loan Notes not to exceed \$32,000,000. This issuance will refund the Series 2005C, Series 2007B, and Series 2007C General Obligation Bonds.

FISCAL IMPACT:

Amount: Savings estimated at more than \$1,200,000 in total and realized nearly entirely in fiscal year (FY) 2016.

Funding Source: The savings associated with the refundings will be shared pro-rata between the Property Tax Debt Service Levy and various Tax Increment Financing (TIF) District Funds based on the size of original issuances.

ADDITIONAL INFORMATION:

The General Obligation Urban Renewal Bonds, Series 2005C has remaining principal payments of \$7,720,000 with interest rates between 4.0% and 4.2%. The final maturity was scheduled for June 1, 2023.

The General Obligation Bonds, Series 2007B has remaining principal payments of \$13,350,000 with interest rates between 4.25% and 4.5%. The final maturity was scheduled for June 1, 2027.

The General Obligation Urban Renewal Bonds, Series 2007C has remaining principal payments of \$8,180,000 with interest rates between 4% and 4.25%. The final maturity was scheduled for June 1, 2022.

The three (3) existing series will be replaced by this new series upon closing in late September. The anticipated interest yields on the new debt is also scheduled through 2027 and should not exceed 3.6%. The interest savings will be significant and structured to be realized mostly in FY2016 to assist in addressing budgetary structural deficits.

PREVIOUS COUNCIL ACTION(S):

Date: July 14, 2014

Roll Call Number: [14-1058](#)

Action: [On](#) authorization of a loan agreement and the issuance of not to exceed \$32,000,000 General Obligation Refunding Capital Loan Notes, (7-28-14). ([Council Communication No. 14-338](#)) Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

August 6, 2014: Approval of preliminary offering statement.

August 20, 2014: Special Council meeting to sell bonds and award lowest bid.

September 8, 2014: Final approvals.

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 first 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.