

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b>	December 18, 2017
	<b>Agenda Item No.</b>	<b>61</b>
	<b>Roll Call No.</b>	<b><u>17-2196</u></b>
	<b>Communication No.</b>	<b><u>17-866</u></b>
	<b>Submitted by:</b>	<b>Bob Fagen, Finance Director</b>

**AGENDA HEADING:**

Hold public hearing regarding the issuance of not to exceed \$95,000,000 of General Obligation (GO) Refunding Capital Loan Notes (Series 2018A & B), for refunding and refinancing certain current outstanding debt and take action for the issuance.

**SYNOPSIS:**

Hold public hearing regarding the issuance GO Refunding Capital Loan Notes (Series 2018A) for refunding and refinancing GO Refunding Bonds, Series 2010A, GO Refunding Bonds, Series 2010B, and GO Refunding Capital Loan Notes, Series 2010H, as well as, regarding issuance of GO Refunding Capital Loan Notes (Series 2018B) for advance crossover refunding and refinancing GO Bonds, Series 2011A and GO Bonds, Series 2012A, with the total not to exceed \$95,000,000, and institute proceedings for the issuance. The purpose of the refinancing is to achieve interest savings by refunding and refinancing debt with lower interest rates.

**FISCAL IMPACT:**

Amount: Refunding anticipated to result in approximately \$6.18 million net present value savings (2018A - \$4.1 million and 2018B - \$2.08 million).

Funding Source: The savings associated with the refunding will be in the Debt Service Levy Fund.

**ADDITIONAL INFORMATION:**

Series 2018A will be issued to provide refunding:

- \$5,940,000 on June 1, 2018 for GO Refunding Bonds, Series 2010A, which is maturing through 2024 with coupons between 3.5% and 4.0%.
- \$7,970,000 on June 1, 2018 for GO Refunding Bonds, Series 2010B which is maturing through 2024 with coupons at 4.0%.
- \$34,970,000 on June 1, 2018 for GO Refunding Capital Loan Notes, Series 2010H, which is maturing through 2025 with coupons 5.0%.

The maturity schedule remains through 2025 and new debt coupons estimated to be 2.18% and less.

Series 2018B will be issued to provide advance crossover refunding:

- \$23,345,000 on June 1, 2019 for GO Bonds, Series 2011A, which is maturing through 2031 with coupons between 4.0% and 4.125%.
- \$16,845,000 on June 1, 2020 for GO Bonds, Series 2012A, which is maturing through 2032 with coupons between 4.0% and 4.75%.

The maturity schedule remains through 2032 and new debt coupons estimated to be 3.52% and less.

**PREVIOUS COUNCIL ACTION(S):**

Date: December 4, 2017

Roll Call Number: [17-2062](#)

Action: [On](#) authorization of a Loan Agreement and Issuance of not to exceed \$95,000,000 General Obligation Refunding Capital Loan Notes, (12-18-17). ([Council Communication No. 17-835](#)) Moved by Hensley to adopt. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

- January 2018: Adopt resolution approving electronic bidding procedures and preliminary official statement; Accept receipt of bids for Series 2018A and B; and Adopt resolution directing sale for Series 2018A and B.
- February 2018: 1) adopt resolution appointing paying agent, registrar and transfer agent; 2) authorizing and executing respective agreements; 3) adopt resolution authorizing issuance; 4) approval of continuing disclosure certificate and tax exemption certificate and refunding trust agreement.

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 Administration Building, 400 E. Court Avenue Ste.116. 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](mailto:cityclerk@dmgov.org).