

Agenda  
Item:

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## COUNCIL COMMUNICATION City Manager's Office

### GENERAL INFORMATION

Agenda Date: 2/9/04  
Agenda Item Type: Resolution

Communication No.: 04-045  
Roll Call No.:

Submitted by: Merrill Stanley, Finance Director

### SUBJECT—

Public Hearing on the issuance of not to exceed \$23,500,000 General Obligation Refunding Bonds, approving the bond Official Statement, and approving further actions.

### SYNOPSIS—

Not to exceed \$23,500,000 General Obligation Refunding Bonds would be issued to refund the Series 1996D Refunding Bonds, replacing the 1996D bonds with new bonds issued at a lower interest rate.

### FISCAL IMPACT—

Refinancing of the Series 1996D bonds will result in net debt service savings estimated to total \$850,000, averaging \$90,000 per year. The savings will be allocated to the sources responsible for debt service payments, which are the debt service levy – 17.23%, tax increment – 80.5%, and airport – 2.27%. The estimated savings resulting from the refinancing have already been included in the proposed FY 2004-05 operating budget.

### RECOMMENDATION—

Approval

**BACKGROUND—**

The General Obligation Refunding Bonds, Series 1996D were originally issued in the amount of \$57,250,000 on May 1, 1996 to refinance five Capital Improvement Program bond issues that were issued from 1985 to 1989. The current timeline anticipates a bond sale on April 5, 2004. The public hearing, approval of the bond Official Statement, and authorization of the City Manager to set the date of the bond sale are requested to be approved at the February 9, 2004 meeting, so that we are in a position to move ahead with the bond issue if it appears that interest rates are rising significantly.