

Agenda Item:
55b



## COUNCIL COMMUNICATION City Manager's Office

**GENERAL INFORMATION**

Agenda Date: 2/9/04  
046

Communication No.: 04-

Agenda Item Type: Resolution

Roll Call No.:

Submitted by: Merrill Stanley, Finance Director

**SUBJECT—**

Public Hearing on the issuance of not to exceed \$36,000,000 General Obligation Refunding Bonds, approving the bond Official Statement, and approving further actions.

**SYNOPSIS—**

Not to exceed \$36,000,000 General Obligation (G.O.) Refunding Bonds would be issued to refund the Series 1995C G.O. Bonds, Series 1996E G.O. Bonds, and 1997B G.O. Bonds, replacing them with new bonds issued at a lower interest rate.

**FISCAL IMPACT—**

Refinancing of the three series of bonds will result in net debt service savings estimated to total \$1,300,000, averaging \$150,000 per year. The savings will be allocated to the sources responsible for debt service payments, which are the debt service levy – 80% and tax increment – 20%. The estimated savings resulting from the refinancing will not be realized until the FY 2005-06 operating budget.

**RECOMMENDATION—**

Approval

**BACKGROUND—**

The General Obligation Bonds, Series 1995C were originally issued in the amount of \$17,400,000 on June 1, 1995, the Series 1996E bonds were issued in the amount of \$16,150,000 on November 1, 1996, and the Series 1997B bonds were issued on June 1, 1997. All three series were issued to fund the annual Capital Improvement Program. 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.