



Legislation Text

File #: ID 20-0262, **Version:** 1

Ordinance in the Amount of \$34,862,305 Amending FY2019-20 Debt Service Fund for General Obligation Refunding Bonds Series 2020A and 2020C

Council Priority: Ensure Fiscal Stewardship, Transparency, & Accountability

Department: Financial and Administrative Services and Legal
Council District: All

Public Hearing: No
Advertising Date/By: N/A

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PURPOSE:

To appropriate funds to account for the \$34,862,305 General Obligation (GO) Refunding Bonds, Series 2020A and 2020C that refunded certain outstanding GO bonds issued in 1998, 2003, 2006 and 2008 for various general government capital project.

BACKGROUND:

On December 17, 2019, City Council authorized a \$57 million GO Refunding Bond Order and subsequently adopted the bond order on January 21, 2020 following a public hearing. The Local Government Commission authorized this bond transaction on January 7, 2020, subject to City Council approval. These bonds will refinance GO bonds issued in 1998, 2003, 2006, 2008 and 2010 for various general governmental capital projects resulting in lower interest rates on the bonds. Approximate savings from refinancing the bonds is \$2.7 million spread over the next 11 years.

The bonds were sold February 2020, with the transactions closing on March 3, 2020 (Series 2020A), March 31, 2020 (Series 2020C) and July 8, 2020 (Series 2020D). The Series 2020A and 2020C bond proceeds and related premiums of \$34.9 million will be delivered to the escrow agent/bond trustee (U.S. Bank) at closing. At this time City Council approval of the attached ordinance on March 17, 2020 is needed, to properly account for the Series 2020A and 2020C transactions and to record payment to the escrow agent for redemption of the outstanding bonds. The \$20.4 million Series 2020D refunding bonds will be accounted for in FY20-21.

BUDGET IMPACT:

The reduction in interest rates and related fees will result in debt service savings in the Debt Service Fund of approximately \$2.7 million over the next 11 years.

RECOMMENDATION / ACTION REQUESTED:

City Council is being requested to adopt the attached budget ordinance amending the FY 2019-20 Debt

Service Fund by \$34,862,305 for the Series 2020A and 2020C General Obligation Refunding Bonds.