



Legislation Text

File #: 17-28, **Version:** 1

SUBJECT/RECOMMENDATION:

Authorize the negotiated sale of not to exceed \$30,000,000 Water and Sewer Revenue Refunding Bond, Series 2017B and adopt Resolution 17-28.

SUMMARY:

Currently there is outstanding \$30,465,000 par value of Water and Sewer Revenue Bonds, Series 2011, with maturities in years 2022 - 2032 and interest rates ranging from 4.25% to 5.00% that are callable on December 1, 2021. Current bond-market conditions present an opportunity to advance refund these bonds to achieve a present value savings of approximately \$2,565,730 (8.42%).

The City's debt management policy states, "As a general rule, the present value savings of a particular refunding should exceed 5%".

In anticipation of a possible refunding, the City issued RFP 33-17 soliciting proposals from qualified investment companies who would be interested in providing a "bank loan" as an alternative financing source.

The City received eight proposals in response to the RFP.

This resolution authorizes the negotiated sale of not to exceed \$30,000,000 par value at a fixed interest rate of 2.40% of Revenue Refunding Bonds, Series 2017B, to Raymond James Capital Funding, Inc., the firm submitting the most favorable response to the RFP.

APPROPRIATION CODE AND AMOUNT:

Not applicable