



Legislation Text

File #: ORD 21-028, **Version:** 1

Consideration of and action on an ordinance to amend the Fiscal Year 2019-2020 Debt Service Fund Budget for the Limited Tax Refunding Bonds, Series 2019.

Summary: The Fiscal Year 2019-2020 Budget included a proposed debt issuance for new money bonds to fund water and sewer projects included in year nine of the City's ten-year capital improvement plan. During the fiscal year, favorable market conditions provided the City an opportunity to achieve interest cost savings by issuing refunding bonds. The City issued the \$4,240,000 Limited Tax Refunding Bonds, Series 2019 to refund \$4,825,000.00 of the outstanding Certificates of Obligation, Series 2010 for interest cost savings of approximately \$733,000.00. At closing, \$4,240,000.00 of bond proceeds plus a premium of \$731,083.20 resulted in total revenue of \$4,971,083.20. An amount of \$4,913,313.23 from the bond proceeds was deposited into the escrow account to defease the refunded debt obligations. Because a refunding was not contemplated as part of the Fiscal Year 2019-2020 Debt Service Fund Budget, the budget does not reflect this expenditure for the escrow deposit. While favorable variances in other line items offset a portion of this extra expenditure, a budget amendment in the amount of \$4,763,000.00 is requested to appropriate the additional funds necessary to fully fund the Debt Service Fund for the fiscal year.

Fiscal/Budgetary Impact:

Include the net expenditure variance of \$4,763,000.00 in the Debt Service Fund (Account No. 200-900-45240, Other Bond Related Fees), which will be offset by the revenue from the proceeds of the refunding bonds, including the net premium on the bonds.

Approve the ordinance to amend the 2019-2020 Debt Service Fund Budget for the Limited Tax Refunding Bonds, Series 2019.