



Legislation Text

File #: ORD 21-073, **Version:** 1

Consideration of and action on an ordinance to amend the FY 2020-2021 Budget for the Limited Tax Refunding Bonds, Series 2020.

Summary: The Fiscal Year 2020-2021 Budget included a proposed debt issuance that included new money bonds to fund water and sewer projects included in the final year 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 of approximately \$700,000.00 by issuing refunding bonds. The City issued the \$6,570,000 Limited Tax Refunding Bonds, Series 2020 to refund \$7,280,000.00 of outstanding principal, including \$2,260,000 of Certificates of Obligation, Series 2011, \$3,655,000 of Certificates of Obligation, Series 2012, and \$1,365,000 of General Obligation Refunding Bonds, Series 2012. Because a refunding was not contemplated as part of the Fiscal Year 2020-2021 Debt Service Fund Budget, the budget does not reflect the City's net cost of \$1,385,747.02 associated with this refunding (note: the City recorded total revenue of \$1,401,810.65 for the refunding, including a bond premium). While favorable variances in other line items offset a portion of this extra expenditure, a budget amendment in the amount of \$971,000.00 is requested to appropriate the additional funds necessary to fully fund the Debt Service Fund for the fiscal year.

Fiscal/Budgetary Impact:

Include the \$971,000.00 net cost of the \$6,570,000 Limited Tax Refunding Bonds, Series 2020 in the Debt Service Fund (Account No. 200-900-45240, Other Bond Related Fees), which will be offset by the revenue from the refunding bonds (Account No. 200-000-36970, Proceeds from Refunding Bonds).

Approve the ordinance amending the 2020-2021 Budget for the Limited Tax Refunding Bonds, Series 2020.