# CITY OF WEST DES MOINES
# CITY COUNCIL MEETING COMMUNICATION

**ITEM:** Public Hearing on the Issuance of Not to Exceed $2,935,000 General Obligation Corporate Purpose and Refunding Bonds (Series 2019 E)

**DATE:** July 1, 2019

**FINANCIAL IMPACT:** Final debt service amounts (principal and interest) undetermined, pending sale date and interest rate details. The current estimate of overall interest savings is approximately $110,000 (net present value).

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**BACKGROUND:** This public hearing will consider a Loan Agreement for the future sale of not to exceed $2.935 million General Obligation Refunding Bonds. These bonds will refund the City's outstanding Series 2011A General Obligation bonds. It is anticipated that, if approved, the sale would occur on August 1, 2019.

The original Series 2011A General Obligation Bonds being refunded were issued to construct a number of infrastructure projects identified in the City's capital improvement plan. Interest rates on the 2011A bonds have been monitored by staff and the City's financial advisory firm (PFM Financial Advisors LLC) and the market is currently favorable to support a current refunding of their remaining balance.

The bond refunding transaction will be completed as part of a larger sale of "new money" General Obligation bonds, the sale of which has previously been approved by the Council. Conducting a joint sale allows for a reduction of sale costs and issuance fees. As part of an agenda item later in this meeting, Council will be asked to direct the sale of Series 2019E Bonds which includes this refunding component.

**OUTSTANDING ISSUES** (if any): None

**RECOMMENDATION:** Conduct the public hearing.

**Lead Staff Member:** **Tim Stiles, Finance Director**

**STAFF REVIEWS**

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|---|---|
| Department Director | |
| Appropriations/Finance | |
| Legal | |
| Agenda Acceptance | |

**PUBLICATION(S)** (if applicable)

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| Published In | DM Register |
| Dates(s) Published | June 21, 2019 |

**SUBCOMMITTEE REVIEW** (if applicable)

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|---|---|---|---|
| Committee | | | |
| Date Reviewed | | | |
| Recommendation | Yes | No | Split |