

ORDINANCE~ ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF BAY CITY, TEXAS GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021; LEVYING A TAX IN PAYMENT THEREOF; AUTHORIZING THE REDEMPTION PRIOR TO MATURITY OF CERTAIN OUTSTANDING OBLIGATIONS; PROVIDING FOR THE AWARD AND SALE OF SAID BONDS IN ACCORDANCE WITH CERTAIN PARAMETERS; AND ENACTING OTHER PROVISIONS RELATING THERETO



EXECUTIVE SUMMARY

BOND REFUNDING – SERIES 2010 & 2012 CO'S

BACKGROUND: The City has an opportunity to achieve debt service savings on its outstanding debt through an issuance of General Obligation Refunding Bonds. The City's Series 2010 and 2012 CO's are both currently callable and carry an average interest rate of approximately 3.426014%. Based on current market rates, the City may be able to refund those bonds to a true interest cost ("TIC") of approximately 1.196376%, which would produce net present value savings of approximately \$503,135. This would translate to average annual cash flow savings of about \$53,769.

The 2010 Series is property tax supported and currently set to mature 9-01-30.

The 2012 Series is self-supporting debt (Siemens Project) set to mature 9-1-27.

FINANCIAL IMPLICATIONS: This would produce savings of approximately \$503,135. This would translate to average annual cash flow savings of about \$53,769.

RECOMMENDATION: Staff recommends City Council approve the ordinance as presented.

ATTACHMENTS: Parameters Ordinance & Refunding analysis