

COUNCIL ACTION FORM

SUBJECT: SETTING MARCH 22, 2011 AS THE DATE OF PUBLIC HEARING FOR AUTHORIZATION TO ISSUE ESSENTIAL GENERAL OBLIGATION CORPORATE PURPOSE REFUNDING BONDS, SERIES 2011A, IN AN AMOUNT NOT TO EXCEED \$6,105,000

BACKGROUND:

The City of Ames has the opportunity to refund General Obligation Bond Issues, Series 2002A, 2002B, and 2003. This will be a current refunding of bonds called at par on the June 1, 2011 call date. Estimated value of savings for the current refunding is \$323,361.

Issuance of bonds requires that a public hearing be held.

ALTERNATIVES:

1. Establish March 22, 2011, as the date to hold a public hearing and take action to authorize the issuance of Essential General Obligation Corporate Purpose Bonds, Series 2011A, not to exceed \$6,105,000.
2. Delay the hearing on the issuance of General Obligation bonds.

MANAGER'S RECOMMENDED ACTION:

Issuance of these bonds provides refunding of outstanding bonds with an estimated savings of approximately \$323,361, providing savings to future debt service property levies.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby establishing March 22, 2011, as the date to hold a public hearing and take action to authorize the issuance of Essential General Obligation Corporate Purpose Bonds, Series 2011A, not to exceed \$6,105,000.

SAVINGS

City of Ames, Iowa General Obligation Refunding Bonds, Series 2011A Pre-Sale Analysis

Date	Prior Debt Service	Refunding Debt Service	Savings	Annual Savings	Present Value to 05/17/2011 @ 2.4321241%
12/01/2011	120,043.75	62,973.21	57,070.54		56,331.88
06/01/2012	1,375,043.75	1,363,428.75	11,615.00	68,685.54	11,326.93
12/01/2012	98,259.38	51,381.75	46,877.63		45,165.73
06/01/2013	1,383,259.38	1,361,381.75	21,877.63	68,755.26	20,825.44
12/01/2013	74,985.63	42,146.25	32,839.38		30,884.42
06/01/2014	1,389,985.63	1,352,146.25	37,839.38	70,678.76	35,159.21
12/01/2014	50,365.63	30,618.25	19,747.38		18,128.22
06/01/2015	795,365.63	775,618.25	19,747.38	39,494.76	17,910.42
12/01/2015	35,583.13	22,386.00	13,197.13		11,825.68
06/01/2016	245,583.13	247,386.00	(1,802.87)	11,394.26	(1,596.11)
12/01/2016	30,543.13	19,618.50	10,924.63		9,555.53
06/01/2017	250,543.13	249,618.50	924.63	11,849.26	799.04
12/01/2017	25,043.13	16,479.00	8,564.13		7,311.93
06/01/2018	255,043.13	251,479.00	3,564.13	12,128.26	3,006.44
12/01/2018	19,293.13	12,942.25	6,350.88		5,292.78
06/01/2019	259,293.13	252,942.25	6,350.88	12,701.76	5,229.19
12/01/2019	13,293.13	9,042.25	4,250.88		3,458.04
06/01/2020	268,293.13	259,042.25	9,250.88	13,501.76	7,435.07
12/01/2020	6,790.63	4,704.75	2,085.88		1,656.31
06/01/2021	271,790.63	259,704.75	12,085.88	14,171.76	9,481.59
	6,968,401.34	6,645,039.96	323,361.38	323,361.38	299,187.75

Savings Summary

PV of savings from cash flow	299,187.75
Plus: Refunding funds on hand	2,255.00
Net PV Savings	301,442.75