

COUNCIL ACTION FORM

SUBJECT: SALE AND ISSUANCE OF ESSENTIAL CORPORATE PURPOSE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011A, IN AN AMOUNT NOT TO EXCEED \$6,105,000

BACKGROUND:

The City 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.

On the morning of April 12, 2011, the City will accept bids for the bonds per the terms of our offering statement. The bids will be evaluated by our financial advisor, Public Financial Management, by bond counsel, and by City staff to recommend award to the bidder with the lowest cost. A report of bids will be provided to Council at the April 12 meeting. Council may then adopt a resolution accepting bids and authorizing that the sale of bonds be awarded to the chosen bidder.

ALTERNATIVES:

1. City Council can adopt a resolution accepting bids and authorizing the sale and issuance of Essential Corporate Purpose General Obligation Refunding Bonds in an amount not to exceed \$6,105,000.
2. The Council can reject the bond sale resolution and not refund the 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 years' debt service property tax levies.

Therefore, it is the recommendation of the City Manager that the City Council accept Alternative No. 1, thereby adopting a resolution accepting bids and authorizing the sale and issuance of Essential Corporate Purpose General Obligation Refunding Bonds in an amount not to exceed \$6,105,000.