

COUNCIL ACTION FORM

SUBJECT: ISSUANCE OF \$11,650,000 ESSENTIAL CORPORATE PURPOSE GENERAL OBLIGATION AND REFUNDING BONDS SERIES 2016A

BACKGROUND:

At the August 23, 2016 meeting, the City Council awarded sale of general obligation and corporate purpose and refunding bonds in amount not to exceed \$12,705,000. The winning bid included the purchase of bonds at a premium over the par value. The terms of the bond offering statement allow the City to re-size the bonds to reduce the par value of the bonds sold to receive the same amount of proceeds planned in the sale. Since additional proceeds are not needed, the City is exercising the option to re-size the issuance to a par value of \$11,650,000. Total proceeds received from the sale will be \$12,665,965.35 due to the premium price included in the winning bid. Council has already awarded sale, but a resolution is now needed to authorize issuance of the lower amount.

ALTERNATIVES:

1. The City Council can adopt a resolution authorizing the issuance of \$11,650,000 in Essential Corporate Purpose General Obligation and Refunding Bonds.
2. The Council can reject the bond issuance resolution and direct staff to resize the bond issuance to a different amount.

MANAGER'S RECOMMENDED ACTION:

Re-sizing this bond issuance provides the City with the proceeds needed to fund planned projects with the minimum amount of future debt service.

Therefore, it is the recommendation of the City Manager that the City Council approve Alternative No. 1 as described above.