



Office of the Finance Director/Treasurer

To: Mayor Welch, Common Council Members
From: Dan Nelson, Finance Director/Treasurer
Date: April 8, 2020
Subject: Discussion and Possible Action on Resolution 2020-07 Authorizing the Refinancing, Issuance and sale of \$4,020,000 Taxable (Convertible to Tax-Exempt) General Obligation Refunding Bond

Discussion and Background

On March 3, 2020, the Common Council directed City staff to pursue refinancing opportunities on the City's outstanding 2011B bonds, 2013A bonds, and the two 2019 bank notes. These issuances were used to finance the Department of Public Works facility that was built in 2011, the City Hall/Police Department Building in 2013, and the sanitary sewer lift station work that was completed along Parkview Drive in 2019.

On March 30, City staff was able to lock in an interest rate on the General Obligation Refunding Bond which will save \$177,516 over the next 13 years (between the levy supported debt and TID #10 debt). If interest rates should significantly decrease again, there is an option to pay refinance this issue with a 30 day notice.

The chart on page 4 of the document titled, *PB - \$4.02M Milton Cy Tax GORBs* provides a detailed breakout of the savings each year through 2033.

Recommendation

The City Administration recommends the Common Council approve Resolution 2020-07 Authorizing the Issuance and sale of \$4,020,000 Taxable (Convertible to Tax-Exempt) GO Refunding Bond for the purposes of refinancing existing City general obligation debt.