

# Excise Tax Refunding 2005, 2006, and 2008 Bonds

AUGUST 8, 2016

# Bonds to be Refunded \$29,970,000

## MDC SERIES 2005

- Original Issue \$12,850,000
- Current Balance \$8,090,000
- Coupon Rate 3%-4%
- Naturally Retires FY 2021
  
- Callable Now

## MDC SERIES 2006

- Original Issue \$18,500,000
- Current Balance \$11,390,000
- Coupon Rate 4%-5%
- Naturally Retires FY 2027
  
- Callable Now

## MDC SERIES 2008

- Original Issue \$15,000,000
- Current Balance \$10,490,000
- Coupon Rate 4%-5%
- Naturally Retires FY 2029
  
- Callable July 1, 2018

# Outline of the Savings

## CURRENT ISSUES

- Current Average Coupon (Interest Payment/Rate)
  - 4.79%
- Current Maturities
  - FY 2021
  - FY 2027
  - FY 2029

## REFUNDED ISSUE

- Estimated Average Coupon (Interest Payment/Rate)
  - 1.67%
- Proposed Maturity
  - FY 2025

Net Present Value of Interest Rate Savings: \$4.7 million  
Reserve Commitment: \$3.98 million

# Details of the Savings

Date	Current Debt Service	Proposed Debt Service	Savings
7/1/2017	\$ 5,091,826	\$ 5,084,833	\$ 6,993
7/1/2018	\$ 5,089,126	\$ 5,088,000	\$ 1,126
7/1/2019	\$ 5,114,551	\$ 5,113,250	\$ 1,301
7/1/2020	\$ 4,143,651	\$ 4,142,000	\$ 1,651
7/1/2021	\$ 2,645,875	\$ 2,643,500	\$ 2,375
7/1/2022	\$ 2,644,650	\$ 2,641,000	\$ 3,650
7/1/2023	\$ 2,644,100	\$ 2,643,000	\$ 1,100
7/1/2024	\$ 2,644,000	\$ 819,000	\$ 1,825,000
7/1/2025	\$ 2,644,500		\$ 2,644,500
7/1/2026	\$ 2,644,500		\$ 2,644,500
7/1/2027	\$ 1,168,750		\$ 1,168,750
7/1/2028	\$ 1,170,750		\$ 1,170,750
	\$ 37,646,279	\$ 28,174,583	\$ 9,471,696
	<b>Liquidation of Reserve Fund (City Asset)</b>		<b>\$ 3,983,245</b>
	<b>Savings Over Time</b>		<b>\$ 5,488,451</b>

# Overview of the Bond Ratings

## MOODY'S AA<sub>3</sub>

- Conservative financial management
- Strong coverage
  - Revenues far exceed bond payments
- Limited plans for future debt
- Tax base still below peak
- Volatile pledged revenue for the revenue bonds

## STANDARD AND POOR'S AA

- Strong coverage
  - Revenues far exceed bond payments
- Recent revenue growth
- Below-average income

Staff recommends that the City Council adopt the ordinance authorizing the refunding of these three excise tax bond issues and allow Mayor and appropriate staff to execute applicable documents.

QUESTIONS?