

CITY OF LA VISTA
MAYOR AND CITY COUNCIL REPORT
MAY 20, 2008 AGENDA

Subject:	Type:	Submitted By:
CALL FOR REDEMPTION OF BONDS AND REFUNDING SERIES 2008 BOND ISSUE	RESOLUTION ORDINANCE RECEIVE/FILE	SHEILA LINDBERG FINANCE DIRECTOR

SYNOPSIS

Resolutions have been prepared authorizing bonds called for redemption of the Various Purpose Bonds, 2001 Series; Various Purpose Bonds, 2002 Series; General Obligation Bonds, Series 2001, Sanitary Improvement District 198; and General Obligation Bonds, Series 2002, Sanitary Improvement District 200.

An ordinance has been prepared authorizing the Refunding of the 2001 \$1,600,000 G.O. Bond Issue, the 2001 \$2,555,000 GO Various Purpose Bond Issue, the 2002 \$1,600,000 Street Improvement Bond Issue and the 2002 \$3,450,000 G.O. Various Purpose Bond Issue. This will be the Refunding Bonds, Series 2008 in the principal amount of \$6,845,000.

Staff is requesting that the resolutions and the ordinance be tabled until the June 3rd Council meeting since the insurance is still pending on the refunding bond issue.

FISCAL IMPACT

Savings of \$913,500 will be recognized over time in the Debt Service Fund as a result of the lower interest rate.

RECOMMENDATION

Table until the June 3rd Council meeting.

BACKGROUND

The City is paying an average coupon (interest) rate of 5.4% on these current bond issues; however, with the refunding, the average coupon rate will fall to 3.7%. The refinancing of these bond issues will help build up the Debt Service Fund in order to ensure the long term sustainability of the fund and to meet the City's current and future debt obligations.