

Mayor and Council Communication

DATE: 01/13/26

M&C FILE NUMBER: M&C 26-0010

LOG NAME: 13RESTATE GENERAL PURPOSE REF BONDS SERIES 2025

SUBJECT

(ALL) Adopt Ordinance Appropriating \$18,000,000.00 out of the Proceeds from the General Purpose Refunding Bonds, Series 2025 to the Municipal Parking Debt Service Fund to Properly Account for Obligations Being Refunded

RECOMMENDATION:

It is recommended that the City Council adopt the attached ordinance increasing estimated receipts and appropriations in the Municipal Parking Debt Service Fund in the amount of \$18,000,000.00, from a portion of the proceeds from the General Purpose Refunding Bonds, Series 2025, for the purpose of paying principal retirement for the General Purpose Refunding and Improvement Bonds, Series 2016 (Parking Portion), with such amount subject to reduction to conform to the final figures reflected in the closing documents for the refunding.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to adopt an additional appropriation ordinance for the recently authorized General Purpose Refunding Bonds, Series 2025, in order to properly account for the obligations that are being refunded.

Taking advantage of the Federal Reserve's September and October 2025 interest rate cuts, the City issued \$60,205,000.00 of General Purpose Refunding Bonds to achieve debt service savings through refunding (refinancing) the General Purpose Refunding and Improvement Bonds, Series 2016 (M&C 25-1000; October 28, 2025). The transaction received 15 competitive bids and was priced with an average life of 4.865 years and a True Interest Cost of 2.7507%. The refunding retired \$65,955,000.00 of outstanding bonds, producing net present value savings of \$3,338,234.00 (5.061% of refunded principal). The City will realize average annual debt service savings of approximately \$460,000.00 through Fiscal Year 2035.

A portion of the debt being refunded was attributable to the parking fund and being serviced through the Municipal Parking Debt Service Fund. However, the appropriation ordinance attached to M&C 25-1000 showed all proceeds being appropriated in the General Debt Service Fund. Approval of this M&C and adoption of the attached ordinance will appropriate \$18,000,000.00 of those proceeds in the Municipal Parking Debt Service fund to extinguish the obligation for the portion of the 2016 bonds associated with that fund.

The appropriation in the General Debt Service Fund will be reduced by a corresponding amount, utilizing the language in the prior ordinance that provides that appropriations can be reduced to reflect the amounts determined at closing. The total appropriations for the Series 2025 refunding bonds will remain the same despite being split across two different debt service funds.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendation and adoption of the attached ordinance, the sale of the tax-exempt Series 2025 General Purpose Refunding Bonds occurred as required under the parameters set forth therein; that funds will be available in the General Debt Service Fund and the Municipal Parking Debt Service Fund as appropriated; and that funds will be available to repay the debt when due and payable.

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Expedited