



**CITY COUNCIL COMMUNICATION**

February 22, 2011

**SUBJECT:** Sale of GO Refunding Bonds, Series 2011

**SUBMITTED BY:** Loretta Getchell, Deputy City Manager

**REFERENCE NO:**

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**ACTION REQUESTED:**

Acknowledge sale of City of Euless General Obligation Refunding Bonds, Series 2011 in the amount of \$6,575,000 in accordance with Ordinance No. 1902.

**SUMMARY OF SUBJECT:**

The City Council took action to authorize the issuance of General Obligation Refunding Bonds, Series 2011 on January 25, 2011. The parameters ordinance indicated that the principal amount could not exceed \$7,700,000, the refunding must produce a net present value debt service savings of at least 3% net of any contribution by the City and that the maximum maturity date of the Bonds could not exceed December 31, 2021.

Favorable market conditions allowed for the refunding to occur immediately after such authorization and resulted in the issuance of bank qualified bonds in the principal amount of \$6,575,000, a net present value savings of 5.88%, and a maximum maturity date of September 30, 2021. The bonds were issued at a premium which lowered the par value of the bonds issued in order to retain the bank qualified status which requires the issuance of no more than \$10 million of tax exempt bonds during a calendar year. The net savings totaled \$398,978.27.

The attached exhibit will reflect the amortization schedules related to the final sale.

**SUPPORTING DOCUMENTS:**

- Exhibit A

**APPROVED BY:**

\_\_\_\_\_ **LG** \_\_\_\_\_

City Manager's Office

\_\_\_\_\_ **SC** \_\_\_\_\_

City Secretary's Office