



## MEMORANDUM

TO: Mayor and Members of City Council  
FROM: Steve Groom, Finance Director  
DATE: January 24, 2020  
RE: Refundings at Time of New Debt Issuance

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The City has an opportunity to take advantage of the current financial environment and realize debt service savings on debt we have issued in the past. By re-financing some of our existing debt issues, our debt payments in future years can be reduced at a savings to us across several funds.

There is a cost of debt issuance – staff time, the costs of all the work of professionals that contribute to the process, and at the time of a debt issuance there is an efficiency to piggyback re-financing new debt replacing old at the same time.

The attached pages are estimated savings, depending on market conditions on the day of issuance, for each of the debt issues we are proposing in the debt ordinance. Following our debt issue, the 2021 budget, and following budgets, can incorporate actual figures.

These are estimates and cannot be fully relied on until the debt transaction is actually completed, however the current estimate of the net present value of savings over the remaining life of the debt is about \$1.6 million, as shown on page 2 of the analysis, the Summary of Financing Results.