

Legislation Text

File #: SUB. BILL NO. 22-51, **Version:** 1

An Ordinance authorizing the issuance of the City of Lee's Summit, Missouri, General Obligation refunding bonds, Series 2022A and certain other documents and actions by the City.

(Note: First read by Council on March 15, 2022. Passed by unanimous vote.)

Issue/Request:

The City seeks to refinance its Series 2013A General Obligation Bonds principal amount of \$14,805,000 plus interest and closing costs at a lower interest rate that is estimated to generate savings of \$1,022,514 which equates to an Net Present Value (NPV) savings of \$675,450. The refinanced bonds will be issued at an All Inclusive Interest (AIC) rate of 1.76% versus the current AIC interest rate of 2.30%.

Key Issues:

None

Proposed City Council Motion:

I move for adoption of an Ordinance authorizing the issuance of the City of Lee's Summit, Missouri, General Obligation refunding bonds, Series 2022A and certain other documents and actions by the City

Background:

With the assistance and advice of the City's municipal bond adviser, Columbia Capital Management, and bond counsel, Gilmore and Bell, a determination was made to take advantage of the current low interest rates and refinance the Series 2013A bonds. A private placement financing bid was placed; with four bids being received. Regions Capital Advantage, Inc. provided the lowest bid with an AIC rate of 1.76%. The Series 2013A Bonds were originally issued to provide funds for the purposes of making public safety, storm water utilities, curb and sidewalk, road and police facilities improvements.

Impact/Analysis:

By refinancing the Series 2013A bonds, the City will generate savings of \$1,022,514 which equates to an Net Present Value (NPV) savings of \$675,450.

Timeline:

Bond Refinancing closing date is projected to be March 29, 2022.

Other Information/Unique Characteristics:

None

Bette Wordelman, Finance Director

