



City of Grand Island

Tuesday, July 27, 2004

Council Session

Item -3

#2004-SWA-2 - Approving Call Redemption for Solid Waste Disposal Facilities Revenue Refunding Bonds, Series 1998

Staff Contact: David Springer

Council Agenda Memo

From: David Springer, Finance Director

Meeting: July 27, 2004

Subject: Approving Call Redemption for Solid Waste Disposal Facilities Revenue Refunding Bonds, Series 1998 and Issuance of Refunding Bonds, Series 2004

Item #'s: SWA-2, SWA-3, F-2

Presenter(s): David Springer, Finance Director

Background

On October 15, 1998, \$3,805,000 in Solid Waste Disposal Revenue Refunding bonds were issued by the Grand Island Solid Waste Agency to refinance 1992 Series bonds which had been issued to pay the cost of providing new solid waste facilities.

Discussion

\$2,735,000 is still outstanding on this 1998 Series at an average interest rate of 4.885% payable through October, 15, 2012. Series 2004 Refunding Bonds can be issued to mature on the same October 15, 2012 date, with an average interest rate of 3.5051%. Our next payment on the 1998 Series is October 15, 2004, and we would intend to make that payment as scheduled, with the balance of the 1998 Series being replaced with a 2004 Revenue Refunding Series, sized at \$2,485,000. The debt service savings from the refinancing totals \$139,848 over the remaining life of the bonds. Those savings are net of issuance expenses associated with the refunding bonds; so, reflect true cash flow savings to the City.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Approve the issuance of 2004 Revenue Refunding Bonds and retiring \$2,735,000 in 1998 Revenue Bonds.
2. Disapprove or /Deny the refinancing

3. Modify the Resolution to meet the wishes of the Council
4. Table the issue

Recommendation

City Administration recommends that the Council approve the issuance of 2004 Refunding Bonds of \$2,485,000 and the retirement of \$2,735,000 of 1998 Various Purpose Bonds.

Sample Motion

#2004-SWA-2 - Approve the call redemption for Solid Waste Disposal Facilities Revenue Refunding Bonds, Series 1998.

#2004-SWA-3 – Approve the issuance of Solid Waste Disposal Facilities Revenue Refunding Bonds, Series 2004.

F-2 – #8925 - Approve the issuance by the Grand Island Area Solid Waste Agency of its Solid Waste Disposal Facilities Revenue Refunding Bonds, Series 2004, and Authorizing Supplements to the Management Agreement and Service Agreement between the City and the Agency.

R E S O L U T I O N 2004-SWA-2

BE IT RESOLVED by the Mayor and City Council of the City of Grand Island, Nebraska, acting as the governing body (the “Governing Body”) of the Grand Island Area Solid Waste Agency, as follows:

Section 1. The Governing Body of the Grand Island Area Solid Waste Agency, (the “Agency”) hereby finds and determines that it is necessary and advisable that following bonds (the “Bonds”) in accordance with their option provisions, are hereby called for payment on September 1, 2004, after which date interest on the Bonds will cease:

Grand Island Area Solid Waste Agency, Solid Waste Disposal Facilities Revenue Refunding Bonds, Series 1998, date of original issue – July 15, 1998, presently outstanding in the principal amount of \$2,735,000, due in the years 2004 through 2012, issued for the purpose of paying the cost of constructing and acquiring solid waste disposal facilities and system to serve the City and the County, which mature and bear interest as follows:

<u>Date of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>
October 15, 2004	245,000	4.45%
October 15, 2005	260,000	4.55%
October 15, 2006	270,000	4.60%
October 15, 2007	285,000	4.65%
October 15, 2008	300,000	4.70%
October 15, 2009	320,000	4.80%
October 15, 2010	335,000	4.90%
October 15, 2011	350,000	5.00%
October 15, 2012	370,000	5.10%

Section 2. The Bonds are to be paid at the principal corporate trust office of Wells Fargo Bank, National Association, Lincoln, Nebraska, successor in interest to Norwest Bank Nebraska, National Association, Omaha, Nebraska, as Paying Agent and Registrar for said Bonds.

Section 3. A true copy of this Resolution shall be filed immediately with such Paying Agent and Registrar and the Paying Agent and Registrar is hereby irrevocably instructed to take appropriate action to mail notice to registered owners at least thirty days prior to the call date.

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Adopted by the City Council of the City of Grand Island, Nebraska, July 27, 2004.

RaNae Edwards, City Clerk