

## CITY COUNCIL MEMORANDUM

### AGENDA ITEM

**Ordinance authorizing the issuance and sale of General Obligation Refunding Bonds, Series 2015**

### ORIGINATING DEPARTMENT

**Finance**

### BACKGROUND INFORMATION

Specialized Public Finance, Inc. has identified approximately \$9,030,000 of City of Killeen, Texas General Obligation Bonds that are candidates to be refunded to achieve present value savings in the current interest rate environment. This transaction is contingent on market conditions remaining favorable.

### DISCUSSION/CONCLUSION

The City Council has approved refunding bond issues whenever it is prudent to save the City in future debt service payments. The City of Killeen has previously issued General Obligation Bonds that are being recommended to be refunded in order to reduce costs and provide the City with greater financial flexibility.

It is recommended that the City consider issuing approximately \$9,030,000 in refunding bonds. The City Manager will only execute the refunding if the net present value in debt service savings is a minimum of 3% of the refunded principal.

### FISCAL IMPACT

The City Manager will move forward with refunding if the net present value savings are estimated to be a minimum of 3% of the refunded principal.

### RECOMMENDATION

Staff recommends that the City Council approve the attached ordinance authorizing the City Manager to execute the issuance and sale of City of Killeen, Texas, General Obligation Refunding Bonds, Series 2015, if market conditions are favorable.