



City of Rochester Hills  
AGENDA SUMMARY  
NON-FINANCIAL ITEMS

1000 Rochester Hills Dr.  
Rochester Hills, MI 48309  
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[www.rochesterhills.org](http://www.rochesterhills.org)

Legislative File No: 2012-0275

**TO:** Mayor and City Council Members  
**FROM:** Keith Sawdon, Director of Finance, 2535  
**DATE:** July 30, 2012  
**SUBJECT:** Bond Refunding Resolution- Rochester Hills Water Supply and Sewage Disposal System Bonds, Series 2005

**REQUEST:**

We are recommending that City Council approve and adopt the attached resolution in order to refund all or part of the outstanding County issued Rochester Hills Water Supply and Sewage Disposal System Bonds, Series 2005 issued for the purpose of installing water and sewer improvements commonly known as extension#5

**BACKGROUND:**

From time to time Oakland County, just like the City, conducts an analysis of potential net savings that can be achieved by refunding (refinancing) bonds the County has outstanding. In addition, the County, just like the City, has established minimum standards, through its Debt Policy, that needed to be achieved before a refunding would be recommended. One of those standards is that no bond can be considered for refunding unless the refunding will produce at least a Net Present Value Savings of 2%.

A recent analysis done for the County, indicates that the bonds sold in 2005, to pay for the cost of construction of water and sewer improvements commonly know as extension #5, are estimated to have a present value (net) savings of \$116,546.94 or a NPVS of 5.977%. Both those values fall within the debt management policy established by City Council.

The County has ask their Bond Counsel, to draft the attach Bond Resolution to begin the process of moving towards refunding Rochester Hills Water Supply and Sewage Disposal System Bonds, Series 2005.

**RECOMMENDATION:**

It is our recommendation that the attached Bond Resolution be adopted by City Council.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Mayor		
City Council Liaison		