City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
248.656.4630
www.rochesterhills.org

Legislative File No: 2015-0059

TO: Mayor and City Council Members

FROM: Keith Sawdon, Finance Director, Ext 2535

DATE: February 9, 2015

SUBJECT: Prepayment of Oakland-Macomb Interceptor Drain District

REQUEST:
We are requesting that City Council approve our request to prepay our entire assessment for the improvement to the Oakland-Macomb Interceptor Drain District, Segment 4.

REASON FOR PURCHASE:
We received notice on February 4th, from the Oakland County Water Resource Commissioner, that we have an opportunity to prepay our assessment related to an up coming debt offering the Commissioner's Office will be undertaking this April related to the financing of the Oakland-Macomb Interceptor Drain District, Segment 4. Our assessment for this project is $2,586,520.

We are recommending to City Council that we prepay our assessment. The Water and Sewer Capital Fund has the funds available and those funds are currently earning 0.23%. By using those capital funds currently on hand the City will avoid interest cost that is estimated to be in the 3.00+% area for the next 20 years.

PROCESS:
Vendor Name and Address:
Oakland County Water Resource Commissioner
Waterford, MI

Reason for Selection:
Single Source

Method of Purchase:
Prepayment

BUDGET:
If approved, the Finance Department will amend the Water and Sewer Capital budget as part of the 2nd Quarter Budget Amendment.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
W&S Capital	593.972000	Mains & Services	$0	$2,586,520	(2,586,520)

<u>RECOMMENDATION:</u>
We are recommending that City Council approve our recommendation to prepay our assessment related to Oakland-Macomb Interceptor Drain District, Segment 4.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
Deputy Clerk		

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