



City of Rochester Hills
AGENDA SUMMARY
NON-FINANCIAL ITEMS

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Legislative File No: 2012-0368

TO: Mayor and City Council Members
FROM: Keith Sawdon, Director of Finance, 2535
DATE: October 22, 2012
SUBJECT: Bond Refunding Resolution- Rewold Drainage District Phase II 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 Rewold Drainage District Phase II Bonds, Series 2005 issued for the purpose of installing drain improvements within the Rewold Drainage District Phase II.

BACKGROUND:

From time to time Oakland County, just like the City, conducts an analysis of potential net savings that can be achieved by refunding bonds the County has outstanding. In addition, the County, just like the City, has established minimum standards, through its Debt Management Policy, that needed to be achieved before a refunding would be recommended. Those standards indicate that no bond can be considered for refunding unless the refunding will produce at least a Net Present Value Savings of 2% and at least \$100,000 in net debt savings.

A preliminary analysis done for the County indicates that the bonds sold in 2005, to pay for those drain improvements, are estimated to have a present value (net) savings of \$147,380.01 and a NPVS of 6.73%. 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 Rewold Drainage District Bonds Phase II, 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		