



# City of Saginaw

## City of Saginaw

**Meeting Date:** 05/03/2016

**Staff Contact:** Dolph Johnson  
Finance Director

**Agenda Item:** 9  
(CC-0516-06)

**E-mail:** [djohnson@saginawtx.org](mailto:djohnson@saginawtx.org)

**Phone:** 817-230-0325

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**SUBJECT:** Consideration and Action regarding a Bond Refunding to generate interest rate savings and to authorize City Staff, the City's Financial Advisor and Bond Counsel to proceed with the refunding if certain savings targets are reached

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**BACKGROUND/DISCUSSION:**

Mark McLiney of SAMCO Capital Markets, Inc. will be present to explain the proposed bond refunding and the potential savings.

**FINANCIAL IMPACT:**

The financial impact will be the potential savings from the refunding of the bonds.

**RECOMMENDATION:**

Staff recommends approval of the bond refunding to generate interest rate savings and to authorize City Staff, the City's Financial Advisor and Bond Counsel to proceed with the refunding if certain savings targets are reached.

**Attachments**

Proposed Schedule and Information from Mark McLiney

**CITY OF SAGINAW, TEXAS (THE "CITY")  
\$5,965,000\* GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016 (THE "BONDS")**

May							June						July								
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	
1	2	3	4	5	6	7				1	2	3	4							1	2
8	9	10	11	12	13	14	5	6	7	8	9	10	11	3	4	5	6	7	8	9	
15	16	17	18	19	20	21	12	13	14	15	16	17	18	10	11	12	13	14	15	16	
22	23	24	25	26	27	28	19	20	21	22	23	24	25	17	18	19	20	21	22	23	
29	30	31					26	27	28	29	30			24	25	26	27	28	29	30	
														31							

<b>Tuesday, May 3, 2016</b>	<b>Authorization from Council to proceed with refunding</b>
Tuesday, May 24, 2016	Draft of Private Placement memorandum ("PPM") sent to SAMCO bankers for review and comments
Thursday, May 26, 2016	<ul style="list-style-type: none"> <li>• Draft of PPM sent to Bond Counsel for review and comments.</li> <li>• Request Draft Purchase Agreement from Bond Counsel</li> </ul>
Thursday, June 2, 2016	<ul style="list-style-type: none"> <li>• Comments to draft of the PPM and a Purchase Agreement Draft due to SAMCO from Bond Counsel by noon</li> <li>• PPM and Purchase Agreement Draft sent to potential purchasers</li> </ul>
<b>Thursday, June 16, 2016</b>	<b>Bids from potential purchasers due to City by 11:00 a.m.</b>
<b>Tuesday, June 21, 2016</b>	<b>City Council meets and adopts the Ordinance issuing the Bonds 6:00 p.m.</b>
Tuesday, July 14, 2016	SAMCO Capital Markets notifies all parties of closing/delivery instructions
<b>Thursday, July 21, 2016</b>	<b>Bonds closing; Funds wired to Escrow Agent to facilitate refunding.</b>
Thursday, September 1, 2016	<ul style="list-style-type: none"> <li>• Series 2006 Certificates of Obligation called</li> <li>• Series 2006 General Obligation Refunding &amp; Improvement Bonds called</li> </ul>
Friday, September 1, 2017	Series 2007 Certificates of Obligation called

\* Preliminary, subject to change.

**City of Saginaw, Texas**  
**General Fund Debt Service**  
**Summary of Refunding**  
**May 3, 2016**

FYE (9/30)	Outstanding Debt Service	Less: Refunded Bonds	The Bonds			New Outstanding Debt Service	Savings
			Principal	Interest	Total		
2016	\$3,329,087					\$3,329,087	-
2017	\$3,314,006	\$696,910	485,000	158,952	\$ 643,952	\$3,261,048	52,958
2018	\$2,902,677	\$898,510	710,000	137,025	\$ 847,025	\$2,851,192	51,485
2019	\$2,911,348	\$905,835	735,000	122,825	\$ 857,825	\$2,863,338	48,010
2020	\$2,893,109	\$897,150	740,000	108,125	\$ 848,125	\$2,844,084	49,025
2021	\$2,549,563	\$542,663	400,000	93,325	\$ 493,325	\$2,500,226	49,338
2022	\$2,546,933	\$540,725	410,000	81,325	\$ 491,325	\$2,497,533	49,400
2023	\$2,542,248	\$543,105	425,000	69,025	\$ 494,025	\$2,493,168	49,080
2024	\$2,225,478	\$544,658	440,000	56,275	\$ 496,275	\$2,177,096	48,383
2025	\$1,873,204	\$545,145	450,000	43,075	\$ 493,075	\$1,821,134	52,070
2026	\$1,756,474	\$544,793	465,000	29,575	\$ 494,575	\$1,706,256	50,218
2027	\$1,659,851	\$443,195	380,000	13,300	\$ 393,300	\$1,609,956	49,895
2028	\$1,215,106	-	-	-	-	\$1,215,106	-
2029	\$1,211,506	-	-	-	-	\$1,211,506	-
2030	\$1,210,806	-	-	-	-	\$1,210,806	-
2031	\$1,075,776	-	-	-	-	\$1,075,776	-
2032	\$1,079,574	-	-	-	-	\$1,079,574	-
2033	\$1,079,399	-	-	-	-	\$1,079,399	-
2034	\$512,270	-	-	-	-	\$512,270	-
2035	\$507,150	-	-	-	-	\$507,150	-
<b>Total</b>	<b>\$38,395,566</b>	<b>\$7,102,688</b>	<b>\$5,640,000</b>	<b>\$912,827</b>	<b>\$6,552,827</b>	<b>\$37,845,705</b>	<b>\$549,860</b>