

Agenda Item No. D-1

DATE SUBMITTED	<u>June 3, 2015</u>	COUNCIL ACTION	(X)
SUBMITTED BY	<u>Marlene Best, City Manager Marshall Linn, Financial Advisor</u>	PUBLIC HEARING REQUIRED	()
DATE ACTION REQUIRED	<u></u>	RESOLUTION	(X)
		ORDINANCE 1 ST READING	()
		ORDINANCE 2 ND READING	()
		CITY CLERK INITIALS	()

**IMPERIAL CITY COUNCIL
AGENDA ITEM**

SUBJECT: APPROVAL OF RESOLUTIONS AUTHORIZING THE ISSUANCE OF SPECIAL TAX REFUNDING BONDS FOR THE FOLLOWING COMMUNITY FACILITIES DISTRICTS; MONTERREY PARK, VICTORIA RANCH, SAVANNA RANCH, SPRINGFIELD AND BRATTON

BACKGROUND/SUMAMRY:

The City Council will recall that last month, Staff and the City's Financial Advisor, gave a presentation which demonstrated that refunding (refinancing) five of the city's existing Community Facilities Districts made economic sense in that each of the home owners in their respective Districts would save thousands of dollars in special tax payments over the remaining term of each of the bond issue WITHOUT extending the term of the original transaction.

The Council will note that the United States has been in a prolonged period of decreasing interest rates. The Council will also note that the Federal Reserve has strongly signaled that interest rates will be increased sometime this fall. While the exact date of the Federal Reserve's increase is unknown at this time, the "market" has been making interest rate adjustments which have been accelerating over the last couple of weeks.

It appears that interest rates may very well continue to go up as the USA economy seems to be improving. It should be noted that the savings numbers we presented last month have changed. While the decrease in savings has been significant, at least there is a saving to Imperial's homeowners.

It is our opinion that savings are savings and one can argue that it is fiscally responsible to save Imperial homeowners' money on their tax bills.

While no one can predict which way interest rates will move, the odds are that the will continue to go up.

The five Community Facilities Districts Bond Issues that can be refunded at this time are:

1. Monterrey Park
2. Victoria Park
3. Savanna Ranch
4. Springfield
5. Bratton

Tonight, the City Council is being asked to approve the following documents for each of the above listed deals:

1. Indenture of Trust
2. Bond Purchase Agreement
3. Continuing Disclosure Agreement
4. Escrow Agreement
5. Preliminary Official Statement
6. Other documents as required by Bond Counsel

As each of the above refundings are separated standalone credits, it will be necessary for the City Council to consider the five individual Resolutions (attachments to the Staff Report) as separate actions.

It is the intent of the Underwriter to price the bonds over a period of three weeks depending upon market conditions. Upon the sale of the first deal, a closing will be scheduled and all of the closing documents for each transaction will be executed by the proper City official and then placed in escrow until that particular financing is completed.

FISCAL IMPACT:

It is anticipated that the total overall savings to Imperial tax payers over the remaining life of the CFD's will be approximately \$1,800,000.

STAFF RECOMMENDATION:

It is Staff's recommendation that the City Council approve each of the attached Resolutions with separate motions.

MANAGER'S RECOMMENDATION:

MANAGER'S INITIALS:

MOTION:

SECONDED:	APPROVED:	()	REJECTED	()
AYES:	DISAPPROVED	()	DEFERRED	()
NAYES:				
ABSENT:	REFERRED TO:			