



City Council Communication

AGENDA DATE: December 15, 2025 **LEGISTAR ITEM #:** Ordinance 2725

PRESENTER: Valerie Lucero

DEPARTMENT: Finance

<input checked="" type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution	<input type="checkbox"/> Public Hearing
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REQUEST

Approve an ordinance authorizing the refunding of the City's 2015 Sales and Use Tax Revenue Bonds to generate savings over the remaining life of this long-term debt.

BACKGROUND

The City issued Series 2015 Sales and Use Tax Revenue bonds on April 2, 2015, in the amount of \$52,645,000. These bonds were issued to refinance the 2005 S&U Tax Revenue Bonds (\$14,530,000) and the 2006 S&U Tax Revenue Bonds (\$39,995,000). They are currently scheduled to mature on August 1, 2036. On December 31, 2025, the outstanding balance of will be \$30,995,000. This debt was originally issued to fund Prairie Gateway Infrastructure.

- Due to favorable interest conditions, the City can refinance the 2015 Sales and Use Tax revenue bonds to realize significant savings. It is estimated the annual savings to debt service payments will be an average of approximately \$200,000. The net present value of the savings through maturity is estimated to be \$1,871,573.
- The Government Finance Officer's Association (GFOA) recommends a minimum net present value (NPV) savings of at least 3% for a debt refinancing. The estimated NPV savings for this refinancing is 3.18%

CITY COUNCIL COMMUNICATION CONTINUED

Please see attachments for additional detail:

- Council Presentation
- Bond Ordinance

JUSTIFICATION

<input type="checkbox"/> Council Goal	<input type="checkbox"/> Strategic Plan	<input checked="" type="checkbox"/> Work Plan	<input type="checkbox"/> Legal
Citation	As part of duties relating to managing the City's various debt issuances, Finance staff work with the City Attorney's Office, Bond Counsel, and Municipal Advisor to monitor interest rate environments and refunding opportunities. Refunding opportunities are periodically recommended during favorable interest rate environments to realize potential savings on future debt payments.		

AVAILABLE ACTIONS

- Available Action #1. Approve Ordinance 2725 authorizing the refinancing of the 2015 Sales & Use Tax Revenue Bonds.
- Available Action #2. Decline to approve Ordinance 2725 and forgo refunding savings.
- Available Action #3. Provide staff alternative direction.

STAFF RECOMMENDATION

Staff recommends Action #1, approval of the item.