



Agenda Commentary

Item Title/ Subject: Consider refinance for 2003 PW Bond

Staff Source: City Manager, Steve Hewitt

Date: September 28, 2012

History/Background Information:

The PWA refinanced bonds for Sewer Plant upgrades and Clinton Water Line (Originally in 1992,93,94) in 2003.

Item/Subject Summary:

Rates are at an all-time low... Opportunity to save our community \$300,000.

Price/Cost: Savings (see attachment)

Recommendation:

Staff recommends

Clinton Public Works Authority
Refunding of Series 2003

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Clinton Public Works Authority
Refundng of Series 2003

Sources & Uses

Dated 11/01/2012 | Delivered 11/01/2012

Sources Of Funds

Par Amount of Bonds	\$4,310,000.00
Total Sources	\$4,310,000.00

Uses Of Funds

Costs of Issuance	107,750.00
Deposit to Net Cash Escrow Fund	4,201,336.25
Rounding Amount	913.75
Total Uses	\$4,310,000.00

Clinton Public Works Authority

Refunding of Series 2003

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
01/01/2013	455,000.00	0.450%	10,098.75	465,098.75
01/01/2014	490,000.00	0.650%	58,545.00	548,545.00
01/01/2015	490,000.00	1.000%	55,360.00	545,360.00
01/01/2016	500,000.00	1.250%	50,460.00	550,460.00
01/01/2017	505,000.00	1.400%	44,210.00	549,210.00
01/01/2018	510,000.00	1.700%	37,140.00	547,140.00
01/01/2019	525,000.00	2.000%	28,470.00	553,470.00
01/01/2020	545,000.00	2.100%	17,970.00	562,970.00
01/01/2021	290,000.00	2.250%	6,525.00	296,525.00
Total	\$4,310,000.00	-	\$308,778.75	\$4,618,778.75

Yield Statistics

Bond Year Dollars	\$17,543.33
Average Life	4.070 Years
Average Coupon	1.7600917%
Net Interest Cost (NIC)	1.7600917%
True Interest Cost (TIC)	1.7529986%
Bond Yield for Arbitrage Purposes	1.7529986%
All Inclusive Cost (AIC)	2.4101718%

IRS Form 8038

Net Interest Cost	1.7600917%
Weighted Average Maturity	4.070 Years

Clinton Public Works Authority
 Refunding of Series 2003

Debt Service Comparison

Date	Total P+	Net New D/S	Old Net D/S	Savings
01/01/2013	465,098.75	465,098.75	496,336.25	31,237.50
01/01/2014	548,545.00	548,545.00	581,887.50	33,342.50
01/01/2015	545,360.00	545,360.00	580,100.00	34,740.00
01/01/2016	550,460.00	550,460.00	582,280.00	31,820.00
01/01/2017	549,210.00	549,210.00	583,190.00	33,980.00
01/01/2018	547,140.00	547,140.00	582,790.00	35,650.00
01/01/2019	553,470.00	553,470.00	586,040.00	32,570.00
01/01/2020	562,970.00	562,970.00	597,940.00	34,970.00
01/01/2021	296,525.00	296,525.00	328,860.00	32,335.00
Total	\$4,618,778.75	\$4,618,778.75	\$4,919,423.75	\$300,645.00

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	274,738.01
Net PV Cashflow Savings @ 2.410%(AIC)	274,738.01
Contingency or Rounding Amount	913.75
Net Present Value Benefit	\$275,651.76
Net PV Benefit / \$4,115,000 Refunded Principal	6.699%
Net PV Benefit / \$4,310,000 Refunding Principal	6.396%

Refunding Bond Information

Refunding Dated Date	11/01/2012
Refunding Delivery Date	11/01/2012

Clinton Public Works Authority
 Refunding of Series 2003

Escrow Fund Cashflow

Date	Principal	Rate	Receipts	Disbursements	Cash Balance
01/01/2013	4,201,336.00	-	4,201,336.25	4,201,336.25	-
Total	\$4,201,336.00	-	\$4,201,336.25	\$4,201,336.25	-

Investment Parameters

Investment Model [PV, GIC, or Securities]	Securities
Default investment yield target	Bond Yield
Cash Deposit	0.25
Cost of Investments Purchased with Bond Proceeds	4,201,336.00
Total Cost of Investments	\$4,201,336.25
Target Cost of Investments at bond yield	\$4,189,132.60
Actual positive or (negative) arbitrage	(12,203.65)
Yield to Receipt	-9.39E-12
Yield for Arbitrage Purposes	1.7529986%