



Legislation Details (With Text)

File #: 20-3404 **Version:** 1 **Name:** Ordinance - An Ordinance of the City of Mansfield, Texas, Authorizing the Issuance and Sale of City of Mansfield, Texas, General Obligation Refunding Bonds, Series 2020; Levying a Tax in Payment Thereof; Prescribing the Form of Said Bonds; Approving Execu

Type: Ordinance **Status:** Passed

File created: 1/3/2020 **In control:** City Council

On agenda: 1/13/2020 **Final action:** 1/13/2020

Title: Ordinance - An Ordinance of the City of Mansfield, Texas, Authorizing the Issuance and Sale of City of Mansfield, Texas, General Obligation Refunding Bonds, Series 2020; Levying a Tax in Payment Thereof; Prescribing the Form of Said Bonds; Approving Execution and Delivery of an Escrow Agreement and a Bond Purchase Agreement; Approving the Official Statement and an Engagement Letter; and Enacting Other Provisions Relating to the Subject

Sponsors: Clayton Chandler, Peter Phillis, Boyd London, Nick Bulaich

Indexes:

Code sections:

Attachments: 1. Ordinance, 2. Preliminary Official Statement

Date	Ver.	Action By	Action	Result
1/13/2020	1	City Council	Approved on First and Final Reading	Pass

Ordinance - An Ordinance of the City of Mansfield, Texas, Authorizing the Issuance and Sale of City of Mansfield, Texas, General Obligation Refunding Bonds, Series 2020; Levying a Tax in Payment Thereof; Prescribing the Form of Said Bonds; Approving Execution and Delivery of an Escrow Agreement and a Bond Purchase Agreement; Approving the Official Statement and an Engagement Letter; and Enacting Other Provisions Relating to the Subject

Vote on the Sale of Bonds to Refund existing Bonds for the purpose of saving money.

Approve the Sale of Bonds (new bonds) to Refund outstanding Bonds (old bonds) for the sole purpose of saving money.

The City has determined that it is economically feasible to issue new bonds to pay off old bonds to save money. The savings will amount to \$324,386 or an average annual savings of \$27,032.

The Old Bonds outstanding in the amount of \$4,610,000, Series 2009, and Series 2011, will be paid off with new bonds in the amount of \$4,475,000

Interest rates in the Municipal Bond Market have been lower and because of lower rates the City is able to issue new bonds to pay off old bonds that have higher interest rates. In this Refunding, the expected net present values savings is \$279,360. See the attached schedules for more detail regarding savings estimates.

Note - amounts are expected and subject to change based on the actual results of the sale.

Summarizing: The City is taking advantage of market conditions to create interest savings by refunding old bonds with new bonds.

The City of Mansfield, Texas is creating opportunities for savings by refunding old debt with new debt.

The City of Mansfield, Texas as defined by statute or Ordinance - General Fund.

Peter Phillis, Deputy City Manager
817-276-4261