**MEMORANDUM**

To: Nicki Satterfield

Finance Director

City of Dania Beach

From: J. Craig Dunlap

President

Dunlap & Associates, Inc.

Re: Refunding of the City’s Outstanding Florida Municipal Loan Council Revenue Bonds, Series 2005D

**Nicki, I am pleased to provide you with a brief synopsis containing key information concerning this refunding:**

Original Par Amount: $6,755,000

Current Outstanding Principal: $5,525,000

Current Interest Rate: 3.625%-5.000%

Final Maturity: 10/1/35 (originally issued for 30 years)

Current Average Annual Debt Service: $414,000

**Plan of Refinance:**

Based on the final maturity and current interest rates, we would recommend that this issue be refunded through a negotiated bond issue over the remaining 20 year period. The underwriter is selected through a competitive RFP process.

Based on current interest rates (Preliminary Numbers Attached) our estimates are as follows:

Issue Date: On or about 7/15/15

Proposed Par Amount: $4,910,000

All-in True Interest Cost: 3.61%

Final Maturity: 10/1/35 (20 years remaining)

Estimated Average Annual Debt Service: $380,000

Estimated Gross Savings: $610,000

Estimated Present Value Savings: $441,000 (7.98% of Refunded Bonds)

Estimated Annual Gross Savings: $30,500

**Reasons to Select a Bond Issue versus a Bank Loan**

Provided below are reasons for selecting a bond issue instead of a bank loan for the above mentioned refunding:

1. **Final Maturity:** Typically banks will not provide a fixed rate for more than 15 years, and the refunding in question has 20 years remaining until final maturity on October 1, 2035.
2. **Current Interest Rate**s: Based on current interest rates for the refunding in question, a bond issue will have a lower all-in true interest cost and produce more savings.
3. **Covenants and Provisions:** Typically banks will include additional terms and conditions that are not included in a bond issue, such as acceleration, cross-default, “Gross Up” provisions, corporate tax rate provisions, etc.