****

**CITY OF DANIA BEACH**

**DEPARTMENT OF FINANCE**

**MEMORANDUM**

TO: Robert Baldwin, City Manager DFA-15-022

FROM: Nicki Satterfield, Finance Director

DATE: December 3, 2015

SUBJECT: 2010 GO Bond Refinance

In May 2010, the City Commission approved funding in the amount $3,500,000 through General Obligation Bonds, Series 2010 to finance a portion of a parking garage and entry roadway related to the downtown library facility. The Bonds were purchased by SunTrust Bank.

City staff recently met with the City financial advisors, Dunlap & Associates, Inc. During our discussions Dunlap & Associates presented the City with a refunding opportunity. The financial market is favorable for the City to refinance the current obligation held with SunTrust by means of a bank loan.

The current GO Bond Obligation has an outstanding principal balance of $2,795,000 with a remaining repayment term of 10 years at 4.43%. Recommendation is being made to seek a bank loan. Rates are currently estimated at approximately 2.67%. The estimated potential savings at present value is $321,362 with an annual debt savings of approximately $35,000. The recommendation from Dunlap & Associates is attached for your reference.

With your approval the Finance Department along with its Financial Advisors will begin preparing an RFP for Bank loan with the intent to get it to publication over the next several weeks.

Recommendation: Approve resolution authorizing bid to refund General Obligation Bonds, Series 2010.