

## LRB – RESEARCH AND ANALYSIS

OCTOBER 22, 2008 AGENDA

ITEM 13, FILE 080811

FINANCE & PERSONNEL COMMITTEE

JAMES CARROLL

File #080811 is a substitute resolution authorizing the optional redemption of general obligation refunding notes and bonds.

### Background & Discussion

1. The 2008 Budget provided \$3 million in funding for the payment of interest and principal for the Series 2005 V8 Bonds.
2. Since the 2005 V8 Bonds are variable rate bonds, \$500,000 is anticipated to be used to pay interest and carrying costs in 2008.
3. This resolution authorizes the use of the remaining \$2.5 million to pre-pay a portion of the principal on the bonds. This will allow the bonds to be fully repaid during their anticipated 15 year life

### Fiscal Impact

The resolution authorizes the Comptroller to execute the early redemption of up to \$2.5 million in Series 2005 V8 Bonds and to pay for the early redemption from the balance in the 2006 Debt Service Fund that has been appropriated for the 2005 V8 debt service.

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