



City of Rochelle Administrative Services

Memo

To: Dave Plyman, City Manager
From: Chris Frye, Finance Manager
Date: January 30, 2015
Re: 2005 Electric Revenue Bond Refunding – Parameters Ordinance

On August 24, 2005, RMU issued \$9,435,000 in electric revenue bonds to make improvements to the electric system including an expansion of the Caron Road substation and the replacement of 1.3 miles of transmission line. Due to the current interest rate environment, a refunding of this bond could generate a savings in interest expense over the term of the bond while maintaining the original maturity date.

The attached Parameters Ordinance stipulates a maximum maturity date of May 1, 2030, maximum bond issue amount of \$10 million, maximum annual interest rate of 7%, issue date of no later than May 1, 2015, and execution authorized by the Mayor. Once passed, the refunding of the bond can be authorized by the Mayor as long as it meets all of the parameters.