



TO: President Mellon and Members of Council

FROM: Dustin Anderson, Town Manager

SUBJECT: Refinancing of the Series 2010 Economic Development Bonds

DATE: April 6, 2020

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The Town issued \$5,335,000 worth of economic development bonds in 2010. If the remaining principle of \$3,090,000 were to be refinanced, it is projected that it would generate total savings of between \$250,000 and \$300,000. This would be \$25,000 and \$30,000 savings per year in debt service payments over the next 10 years. There no downside to refinancing.

Two different analyses were done on this matter and the more conservative of the two is presented for your review.

Fees for the technical services are included below:

	Initial Proposed	Current
Baker Tilly	\$ 48,000.00	\$ 43,000.00
Stifel	\$ 33,000.00	\$ 25,000.00
Barnes	\$ 20,000.00	\$ 20,000.00

The projection of potential savings in both the Baker Tilly and Stifel analysis made assumptions on fees that were based on the initially proposed fees.

Our underwriters and placement agent have not seen any conclusive evidence that the current calamity will have an immediate impact on the projected refinancing savings. If the market moves away on this issue and it makes sense to pause, that is not a problem to do.

**Recommendation:**

Approve and authorize the Town Manager to sign the engagement letters for Baker Tilly, Stifel, and Barnes and Thornburg for the refinancing of the Series 2010 EDC Bonds.