



Legislation Text

File #: 24-0246, **Version:** 1

Discussion of bond rating upgrade

SUMMARY: Our current bond rating is “**AA-**” (double A minus). We came close in our last refinancing to getting the next higher rating from S&P, which is a “**AA**” (double A) rating. Doing so could save the City 20-25 basis points (or 0.002-0.0025 decimal percent) which calculates to \$2.4-\$3 million on the Rec Center (\$40 million, simple interest over 30 years). It would also save us money on other items we might use bond financing for in the future like increasing water supply by raising Meadow Park Dam (est. \$100 million, savings of \$6 - \$7.5 million). We already have a strong financial position. Now we need to further improve the likelihood of getting a bond rating upgrade by strengthening our financial policies based on municipal finance industry best practices. The proposed policies are attached.

NECESSARY COUNCIL ACTION: