

CITY OF COLUMBUS
Refunding of Bonds for Interest Savings
Issuance of Series 2020A

June 10, 2020

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Debt Management

- Debt management and refunding of bonds for interest savings
 - Proposed issuance of new bonds to advance refund the (Taxable) 2015A Bond Series
 - All amounts are estimated based on “A1” rates, actual rates and savings will vary from the estimates
 - COVID-19 is impacting the municipal bond market, significant market volatility

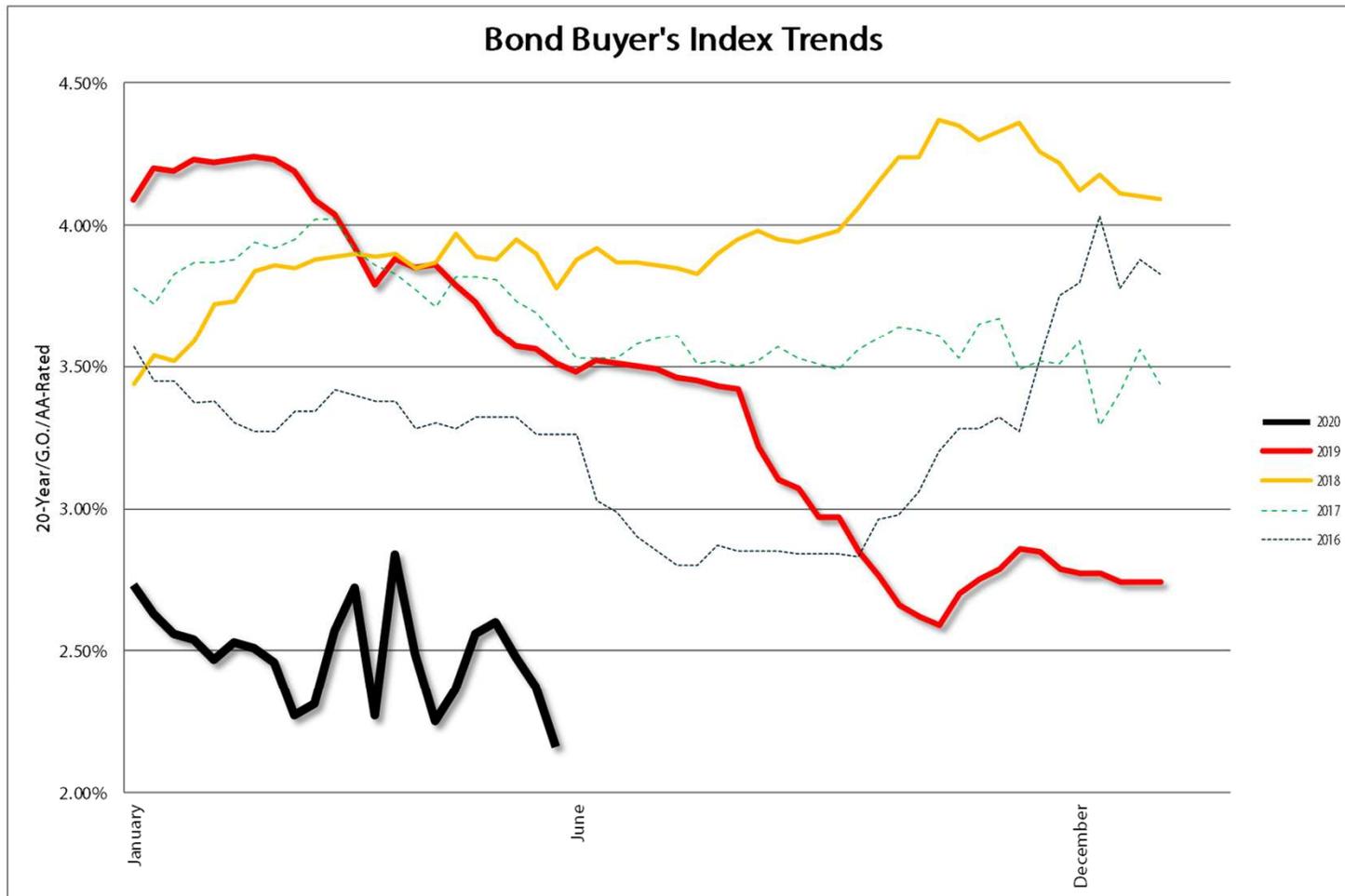
Advance Refunding Bonds, Series 2015A

- City issued Taxable G.O. Tax Abatement Bonds, Series 2015A to advance refund the EDA's Taxable Lease Revenue Bonds, Series 2010 to lower the City's debt service costs and to extend the repayment schedule
- Term extended from 2032 to 2036
- Net present value benefit of savings was \$551,916
- Average interest rate of outstanding debt was reduced from 6.24% to 3.75%

Proposed Refunding, Series 2020A Bonds

- City may issue new bonds to advance refund Series 2015A to lower the City's debt service costs and either maintain or shorten the repayment schedule
 - \$3,700,000 of principal (maturities 2024-2036) may be refunded
- Final payment date of the Series 2015A is February 1, 2036
- Average interest rate of outstanding debt for Series 2015A is 3.88%
- Estimated NPV savings from refunding ranges from approximately \$190,000 to \$250,000 depending on scenario for refunding

Municipal Bond Rates



Source: Data compiled by Northland Securities from published Bond Buyer's Index

Chart for illustration only. This is not an offer to buy or sell securities.
Based on sources believed to be reliable, but not warranted or guaranteed by Northland Securities, Inc. (RC 19-14A/Muni 19-10A)

Advance Refunding Bonds, Proposed Series 2020A

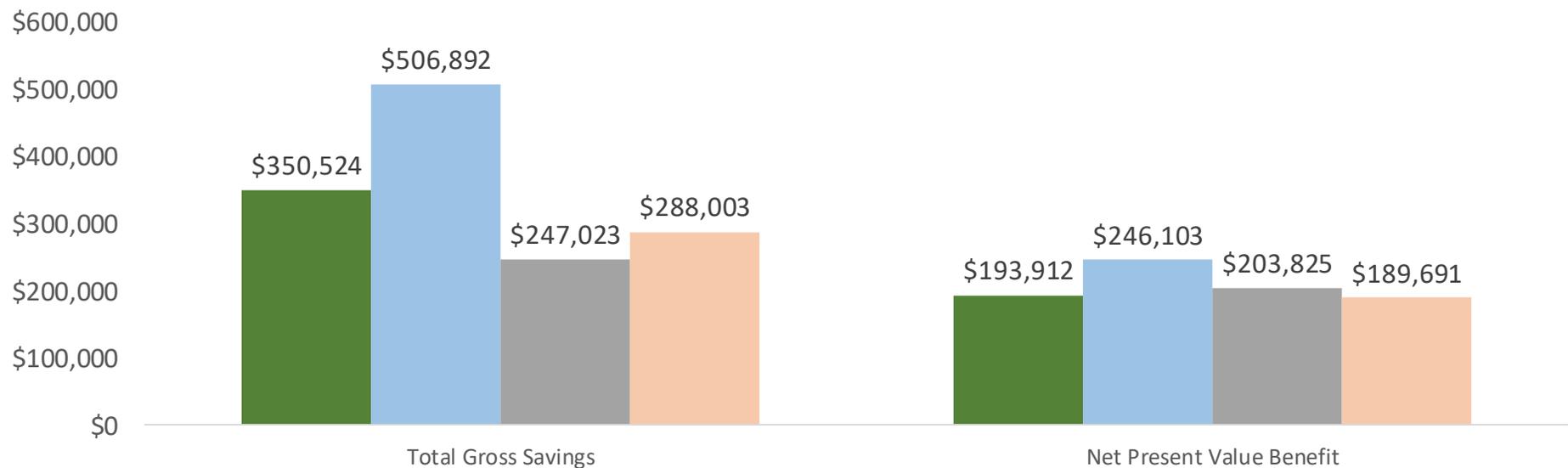
■ Scenarios for Refunding

- Scenario A: Includes cash contribution (from land sale proceeds) to call bonds and to reduce the issuance size of the new bonds with no change in terms
- Scenario B: Same as Scenario A but includes reducing the term of the bonds from year 2036 to 2032
- Scenario C: No cash contribution, no change in terms
- Scenario D: Same as Scenario A, except includes smaller cash contribution than Scenario A

Advance Refunding Scenarios

Estimated Savings from Refunding of 2015A Bonds with New Bond Issuance
(Savings are after Cost of Issuance New Bonds)

- Scenario A: Cash contribution of \$500,000 to reduce the size of the refunding, no change in final maturity
- Scenario B: Cash contribution of \$500,000 to reduce the size of the refunding, shorten final maturity from 2036 to 2034
- Scenario C: No cash contribution to reduce the size of the refunding, no change in final maturity
- Scenario D: Cash contribution of \$250,000 to reduce the size of the refunding, no change in final maturity



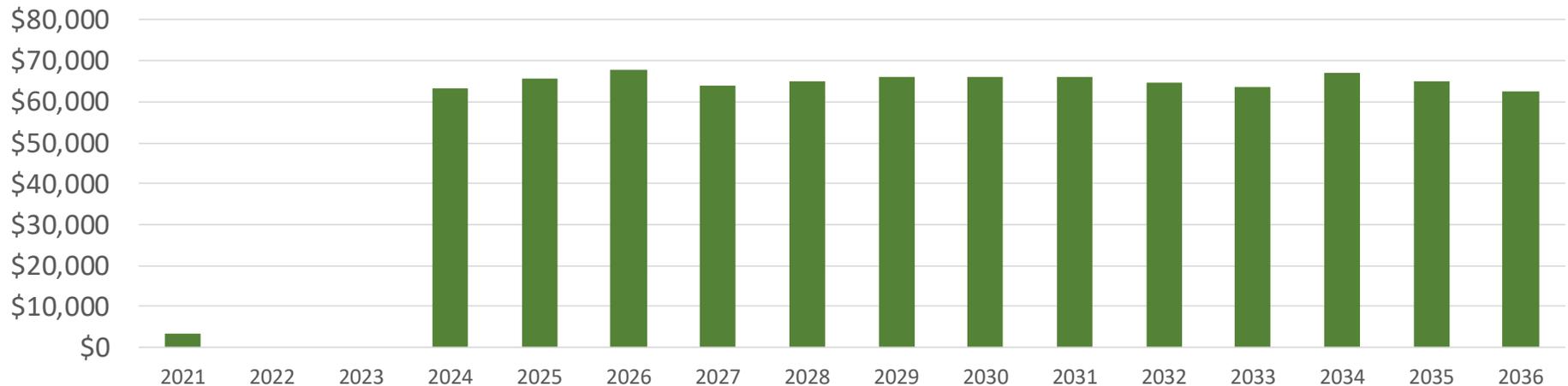
Advance Refunding: Scenario A

- Cash contribution of \$500,000 (land sale proceeds) to reduce the amount of new bonds issued to refund Series 2015A
- Keep final payment date February 1, 2036
- Estimated average interest rate of new debt is 2.22%
- Annual average debt service reduction of approximately \$65,000
- Total gross savings of approximately \$350,000

Advance Refunding: Scenario A

Refunding of 2015A Bonds with New Bond Issuance
Estimated Gross Annual Debt Service Savings
Difference Between Existing and Estimated New Debt Service

■ Scenario A: Cash contribution of \$500,000 to reduce the size of the refunding, no change in final maturity



Note: Year 2021 savings shown is net of the City cash contribution to reduce the size of the new bonds issued to refunding the original 2015A Bonds.

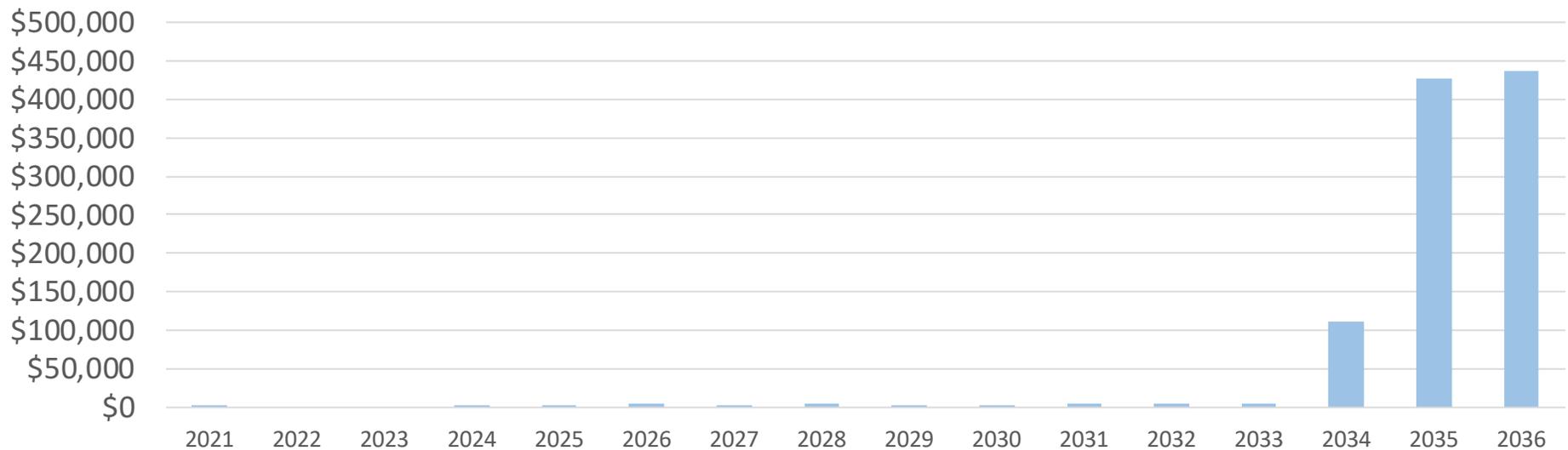
Advance Refunding: Scenario B

- Cash contribution of \$500,000 (land sale proceeds) to reduce the amount of new bonds issued to refund Series 2015A
- Shorten term of new debt from 2036 to 2034
- Estimated average interest rate of new debt is 1.95%
- Annual debt service payments will remain approximately the same but will end two years early in 2034
- Total gross savings of approximately \$507,000

Advance Refunding: Scenario B

Refunding of 2015A Bonds with New Bond Issuance
Estimated Gross Annual Debt Service Savings
Difference Between Existing and Estimated New Debt Service

■ Scenario B: Cash contribution of \$500,000 to reduce the size of the refunding, shorten final maturity from 2036 to 2034



Note: Year 2021 savings shown is net of the City cash contribution to reduce the size of the new bonds issued to refunding the original 2015A Bonds.

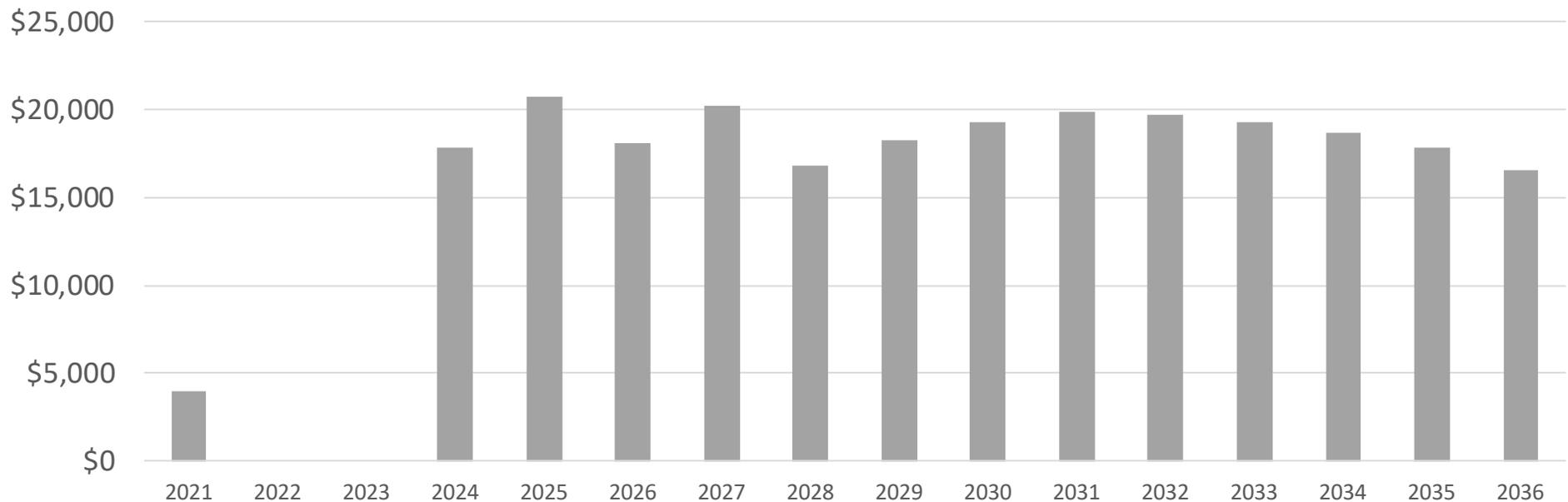
Advance Refunding: Scenario C

- No cash contribution to reduce the amount of new bonds issued to refund Series 2015A
 - Land sale proceeds is not pledged to the 2015A Bonds, the City may determine to use land sale proceeds for other city purposes
- Keep final payment date at 2/1/2036
- Estimated average interest rate of new debt is 2.20%
- Annual average debt service reduction of approximately \$20,000
- Total gross savings of approximately \$250,000

Advance Refunding: Scenario C

Refunding of 2015A Bonds with New Bond Issuance
Estimated Gross Annual Debt Service Savings
Difference Between Existing and Estimated New Debt Service

■ Scenario C: No cash contribution to reduce the size of the refunding, no change in final maturity



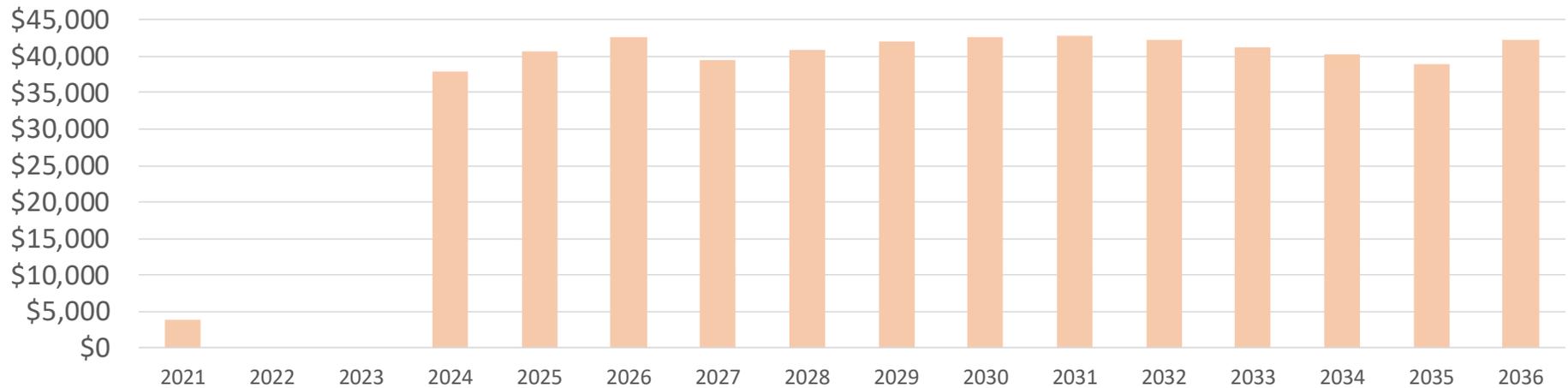
Advance Refunding: Scenario D

- Cash contribution of \$250,000 (land sale proceeds) to reduce the amount of new bonds issued to refund Series 2015A
- Keep final payment date February 1, 2036
- Estimated average interest rate of new debt is 2.21%
- Annual average debt service reduction of approximately \$42,000
- Total gross savings of approximately \$288,000

Advance Refunding: Scenario D

Refunding of 2015A Bonds with New Bond Issuance
Estimated Gross Annual Debt Service Savings
Difference Between Existing and Estimated New Debt Service

■ Scenario D: Cash contribution of \$250,000 to reduce the size of the refunding, no change in final maturity



Note: Year 2021 savings shown is net of the City cash contribution to reduce the size of the new bonds issued to refunding the original 2015A Bonds.

Comparison of Debt Service Schedules

Payment by Fiscal Year	Outstanding 2015A	Scenario A	Scenario B	Scenario C	Scenario D
2021	263,938	47,123	44,045	54,165	50,758
2022	276,350	70,685	66,068	81,248	76,138
2023	288,100	70,685	66,068	81,248	76,138
2024	304,113	240,685	301,068	286,248	266,138
2025	314,163	248,390	312,895	293,480	273,573
2026	323,403	255,780	319,270	305,363	280,673
2027	336,870	272,740	335,110	316,683	297,313
2028	349,345	284,170	345,350	332,518	308,403
2029	360,885	295,008	359,893	342,615	318,870
2030	371,450	305,328	368,750	352,155	328,800
2031	386,000	320,100	381,985	366,108	343,163
2032	394,000	329,188	389,460	374,335	351,820
2033	406,200	342,663	401,248	386,910	364,845
2034	417,400	350,378	307,200	398,685	377,090
2035	427,600	362,578	-	409,805	388,690
2036	436,800	374,125	-	420,250	394,625
TOTAL	5,656,615	4,169,623	3,998,408	4,801,813	4,497,033

Note: Under Scenarios A-D, the 2015A Bonds, maturities 2024-2036 would be refunded on 2/1/2023. The 2021-2023 payments (interest) for Scenarios A-D would be paid from escrow funds.

Finance Plan for 2020A Bonds

- For preliminary purposes, the Finance Plan presented to the City by Northland is based on Scenario D
- City may determine to structure the bonds differently than presented in the Finance Plan
 - City has the ability to propose different structure up to the date of pricing
 - Payment schedule may vary from the original structure of the 2015A Bonds

Next Steps

- Council to consider resolution approving the issuance of the 2020A Refunding Bonds (the “trigger resolution”)
 - Resolution will provide authority to the Mayor and the City Administrator to approve the sale of the Bonds pursuant to parameters in the resolution
- July 8 is anticipated pricing date of the Bonds and signing of bond purchase contract by the Mayor and the City Administrator
 - Date may change if market conditions are not favorable on the proposed date for pricing

Thank You

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