

CITY OF NEWBURYPORT



IN CITY COUNCIL

ORDERED:

April 8, 2024

That in order to reduce interest costs, the Treasurer, with the approval of the Mayor, is authorized to issue refunding bonds, at one time or from time to time, pursuant to G.L. c. 44, §21A, or pursuant to any other enabling authority, to refund all or any portion of the City's general obligation bonds outstanding as of the date of adoption of this order, and that the proceeds of any refunding bonds issued pursuant to this vote shall be used to pay the principal, redemption premium and interest on the bonds of the City to be refunded, and costs of issuance of the refunding bonds; that such bonds may be secured in whole or in part by insurance or by letters or lines of credit or other credit facilities, and that the Mayor and the Treasurer are each authorized to execute such documents as may be necessary or desirable to carry out this transaction, including one or more refunding trust agreements with a bank or trust company.

Councillor Sharif I. Zeid

In City Council April 8, 2024:

Motion to collectively refer ORDR00551, ORDR00552, ORDR00553 to Budget & Finance, and ORDR00554, ORDR00555, ORDR00556, ORDR00557, ORDR00558 to Budget & Finance and COTW by Councillor Zeid, seconded by Councillor McCauley. Roll call vote, 10 yes, 1 absent, motion passes.



CITY OF NEWBURYPORT
FINANCE DEPARTMENT

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SEAN R. REARDON
MAYOR

ETHAN R. MANNING
FINANCE DIRECTOR/CITY AUDITOR

To: President and Members of the Newburyport City Council
From: Ethan R. Manning, Finance Director/City Auditor
Date: April 4, 2024
Subject: Refunding Bond Order

From time to time, bonds become eligible for refunding, allowing the City to reissue them for the remaining term at a lower rate. Despite increases in rates over the past few years, we have identified a 2013 borrowing that is now eligible for refunding. This refunding could generate approximately \$696,000 in budgetary savings over the remaining life of the bonds, or about \$50,000 per year (analysis attached). The bonds to be refunded are listed below:

January 17 2013 -Adv Ref April 1 2005 Water (O).....	55,800.00
January 17 2013 -Adv Ref April 1 2005 Plum Island Water (O).....	56,000.00
January 17 2013 -Adv Ref April 1 2005 Sewer (O).....	79,500.00
January 17 2013 -Adv Ref April 1 2005 High School (IE).....	538,700.00
January 17 2013 -Bresnahan School (OE).....	12,076,000.00
January 17 2013 -Nock Molin School (OE).....	8,284,000.00
January 17 2013 -Sewer Pump Station (O).....	300,000.00
January 17 2013 -Water 1 (O).....	340,000.00
January 17 2013 -Water 2 (O).....	35,000.00
Total	21,765,000.00

To minimize issuance costs, we will package it with an upcoming borrowing we are scheduling for May 2024. This blanket order would cover the refunding noted above, as well as any subsequent opportunities arising from bonds issued to date. The last time we did a refunding was in 2017, but that was covered by an older 2009 authorization, which is why the City Council has not approved one of these in recent years.

Thank you for your consideration.

City of Newburyport, Massachusetts
 \$18,495,000 General Obligation Refunding Bonds; Dated March 7, 2024
 Cur Ref 1/17/13
 National AAA as of 2/5/24

Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings	Fiscal Total
03/07/2024	-	-	-	-	-
07/15/2024	317,475.56	317,475.56	376,837.50	59,361.94	-
01/15/2025	2,036,450.00	2,036,450.00	2,026,837.50	(9,612.50)	-
06/30/2025	-	-	-	-	49,749.44
07/15/2025	406,700.00	406,700.00	335,587.50	(71,112.50)	-
01/15/2026	1,871,700.00	1,871,700.00	1,990,587.50	118,887.50	-
06/30/2026	-	-	-	-	47,775.00
07/15/2026	370,075.00	370,075.00	294,212.50	(75,862.50)	-
01/15/2027	1,905,075.00	1,905,075.00	2,029,212.50	124,137.50	-
06/30/2027	-	-	-	-	48,275.00
07/15/2027	331,700.00	331,700.00	259,512.50	(72,187.50)	-
01/15/2028	1,946,700.00	1,946,700.00	2,069,512.50	122,812.50	-
06/30/2028	-	-	-	-	50,625.00
07/15/2028	291,325.00	291,325.00	223,312.50	(68,012.50)	-
01/15/2029	1,976,325.00	1,976,325.00	2,093,312.50	116,987.50	-
06/30/2029	-	-	-	-	48,975.00
07/15/2029	249,200.00	249,200.00	185,912.50	(63,287.50)	-
01/15/2030	1,994,200.00	1,994,200.00	2,105,912.50	111,712.50	-
06/30/2030	-	-	-	-	48,425.00
07/15/2030	205,575.00	205,575.00	147,512.50	(58,062.50)	-
01/15/2031	2,035,575.00	2,035,575.00	2,142,512.50	106,937.50	-
06/30/2031	-	-	-	-	48,875.00
07/15/2031	159,825.00	159,825.00	117,587.50	(42,237.50)	-
01/15/2032	2,034,825.00	2,034,825.00	2,127,587.50	92,762.50	-
06/30/2032	-	-	-	-	50,525.00
07/15/2032	112,950.00	112,950.00	87,437.50	(25,512.50)	-
01/15/2033	2,082,950.00	2,082,950.00	2,157,437.50	74,487.50	-
06/30/2033	-	-	-	-	48,975.00
07/15/2033	63,700.00	63,700.00	56,387.50	(7,312.50)	-
01/15/2034	1,043,700.00	1,043,700.00	1,101,387.50	57,687.50	-
06/30/2034	-	-	-	-	50,375.00
07/15/2034	44,100.00	44,100.00	39,406.25	(4,693.75)	-
01/15/2035	979,100.00	979,100.00	1,034,406.25	55,306.25	-
06/30/2035	-	-	-	-	50,612.50
07/15/2035	25,400.00	25,400.00	23,237.50	(2,162.50)	-
01/15/2036	555,400.00	555,400.00	608,237.50	52,837.50	-
06/30/2036	-	-	-	-	50,675.00
07/15/2036	14,800.00	14,800.00	13,731.25	(1,068.75)	-
01/15/2037	474,800.00	474,800.00	528,731.25	53,931.25	-
06/30/2037	-	-	-	-	52,862.50
07/15/2037	5,600.00	5,600.00	5,362.50	(237.50)	-
01/15/2038	285,600.00	285,600.00	335,362.50	49,762.50	-
06/30/2038	-	-	-	-	49,525.00
Total	\$23,820,825.56	\$23,820,825.56	\$24,517,075.00	\$696,249.44	-

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings.....	563,171.26
Net PV Cashflow Savings @ 2.842%(AIC).....	563,171.26
Contingency or Rounding Amount.....	934.55
Net Present Value Benefit.....	\$564,105.81
Net PV Benefit / \$20,185,000 Refunded Principal.....	2.795%
Net PV Benefit / \$18,495,000 Refunding Principal.....	3.050%

Refunding Bond Information

Refunding Dated Date.....	3/07/2024
Refunding Delivery Date.....	3/07/2024