

October 19, 2022

To: Mayor and Members of City Council

From: Sheryl M. M. Long, City Manager *SM* **202201921**

Subject: **Amending Ordinance for Refunding General Obligation Bond Issues**

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Transmitted herewith is an Ordinance captioned as follows:

**AMENDING** Ordinance No. 0202-2022 to allow the City to provide for the defeasance of a portion of the City's outstanding general obligation bonds.

The amendment made effective by this ordinance will allow the Finance Department to utilize cash resources to call or defease outstanding general obligation bonds. The purpose of the cash defeasance, as well as refunding the bonds as is already authorized in the ordinance, is to achieve interest savings for the City of Cincinnati.

The ordinance includes a threshold that the Finance Director will only move forward with the defeasance or refunding, if the net present value of the resulting savings is equal to at least three percent (3%) of the principal of the bonds. This savings requirement may be waived by the Finance Director upon finding that such a restructuring is in the City's overall best financial interest. The ordinance includes possible candidates for defeasance or refunding because it is dependent upon interest rates. It will not be known which bonds will be defeased or refunded until closer to the date of sale.

The Administration recommends passage of this Ordinance.

cc: William "Billy" Weber, Assistant City Manager  
Karen Alder, Finance Director

Attachment