

**CITY OF CHESTERFIELD
POLICY STATEMENT**

FINANCE AND ADMINISTRATION	NO.		
SUBJECT Debt Refunding	INDEX		FA
DATE ISSUED MAY 2022	DATE REVISED		

POLICY:

Periodic reviews of all outstanding debt will be undertaken to determine refunding opportunities. Refunding will be considered (within the constraints of state and federal law) if, and when one or more of the following conditions exist:

- The present value of all refunding costs, including interest, call premium, bond counsel, financial advisor fees, underwriter's discount and any other issuance costs; are less than the present value of the current interest.
- The City wishes to restructure debt service to provide for further financing or to maximize its cash position.
- The City wishes to eliminate old bond covenants that may have become restrictive or incongruous to the City's policies.
- The refunding is essential to the operations and management of City facilities.

Any refunding with negative savings will not be considered unless there is a compelling public policy objective.

Desired Economic Savings

Advance refunding for economic savings will be undertaken when a net present value savings of at least five percent (5%) of the refunded debt can be achieved. *Current refunding* that produces a net present value savings of less than five (5%) percent will be considered on a case-by-case basis.

RECOMMENDED BY:

Department Head/Director/Council Committee (if applicable)

Date

APPROVED BY:

City Administrator

Date

City Council (if applicable)

Date