Summary of Savings – for transitioning to the reimbursement model of borrowing

The City chose to issue a 2025 Bond Anticipation Note (BAN) rather than a full 30-year General Obligation (GO) bond. This decision produced significant first-year interest savings due to two key factors:

1. **Lower Interest Rate on the BAN**
   2025 BAN rate: **2.630%** (2.721% TIC)
   Comparable 30-year GO rate: **5.00%**
   Rate advantage: **237 basis points**
2. **Borrowing Only What Was Needed**
   The City borrowed **$36,045,000** via the BAN instead of issuing the full **$80,000,000** long-term bond in 2025.

Resulting Savings

a. **Interest on BAN vs. 5.00% GO for $36,045,000**
BAN interest: **$990,195**
GO interest: **$1,802,250**
Savings: **$812,055**

b. **Avoided interest on unencumbered Project funds ($43,955,000) at 5.00%**
Avoided cost: **$2,197,750**

c. **Total First-Year Savings**
$3,009,805