



Media Contact

Kellie Hunter
Communications Director

City of Douglasville
6695 Church Street | Douglasville, GA 30134
p 678.449-.3106 f 678.449.3107
hunterk@douglasvillega.gov

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Douglasville Mayor and Council to refinance the general obligation bonds

(Douglasville, GA) - Douglasville, GA – In a special called meeting on Thursday, September 1, 2016, the members of the Douglasville City Council took action to refinance the general obligation bonds used to cover the debt service on the Douglasville Public Safety building. In 2008, the voters of the City of Douglasville approved a bond referendum to allow for the construction of a new public safety complex. Now city officials are exercising their rights to call the bonds for a savings for the tax payers of the City of Douglasville.

William (Bill) Camp, Managing Director at Raymond James, the City of Douglasville’s investment firm, spoke to the Mayor and members of the City Council in March 2016 about the potential savings. Economic conditions have improved since that time. With the threat of rising interest rates, the City’s staff felt it was time to price the bonds.

Camp requested the special called meeting because in his experience the City would have a higher success rate by pricing the bonds before the holiday. After receiving a AA- rating through Standard and Poor’s, the City will realize a saving of \$ 1,519,397.36. A favorable rating creates higher demand for the bonds. Higher demand results in lower interest rates to the City and savings to the tax payers.

“This refunding will yield savings every year and you will continue to maintain your original maturity date, which I know is very important to the city officials,” said Camp.

The maturity date is scheduled for February 1, 2029. However, the City will have another call option in the future if it chooses to do so.

Based on the net present value of the principal amount of the bonds, the savings to taxpayers is 9.765% which represents a very strong bond market.

“These are exciting times for the City of Douglasville,” said Mayor Rochelle Robinson. “I am so grateful for the opportunity to work with such a great group of City Officials that are willing to work together for the benefit of our citizens and taxpayers. I believe these actions demonstrate our understanding of our citizens’ desire for the city to operate in a fiscally responsible manner.”

The City will realize savings of \$142,189.86 in calendar year 2017 with various amounts totaling \$1,519,397.36 in 2029.

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