



2037 SHADY REST ROAD
MONTICELLO, IL 61856
217-762-4578

**To: City Council and Administration
City of Monticello, IL**

**From: Tim King, President
Kings Financial Consulting Inc.**

RE: Bond Refinancing

As we discussed with the City both in 2018 and 2019, the City's outstanding Pool Bonds and Pool Debt Certificates reached their call date last December 1, 2019, but as expected interest rates were not low enough to warrant refinancing these issues for savings. The Water Tower Debt Certificates will reach their call date this November 1, 2020 and we did expect that there might be refinancing savings at this time.

Since April, interest rates have fallen to historic lows due to the COVID 19 pandemic. This has created an opportunity to refinance both series of Debt Certificates for significant savings. We have received an offer from First State Bank and also are awaiting responses from First Mid and State Bank of Bement. The First State Bank offer would result in over \$130,000 in savings on the combined debt certificate refinancing. This reduces the overall repayment term from 10 years to 9.

We expect to present the best offer to the council at the September 28 meeting for approval at that time. Please let us know what questions you may have.

