

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: January 8, 2018
	Agenda Item No. 38 Roll Call No. <u>18-0059</u> Communication No. <u>18-001</u> Submitted by: Bob Fagen, Finance Director

AGENDA HEADING:

Directing the advertisement and sale of General Obligation (GO) Refunding Capital Loan Notes, Series 2018A, and approving preliminary Official Statement and use of electronic bidding.

SYNOPSIS:

Recommend approval to direct the advertisement and sale of the GO Refunding Capital Loan Notes, Series 2018A (\$49,265,000), and approve the preliminary Official Statement. These are the final Council actions on the GO bonds before receiving bids. The scheduled sale date is January 24, 2018. The Official Statement is the marketing information shared with the municipal bond market.

FISCAL IMPACT:

Amount: Refunding anticipated to result in approximately \$4.1 million net present value savings.

Funding Source: The savings associated with the refunding will be in the Debt Service Levy Fund.

ADDITIONAL INFORMATION:

- Council has already held the public hearings on December 18, 2017 regarding the \$49,265,000 (2018A) bond issuance to provide refunding:
 - \$5,940,000 on June 1, 2018 for GO Refunding Bonds, Series 2010A, which is maturing through 2024 with coupons between 3.5% and 4.0%.
 - \$7,970,000 on June 1, 2018 for GO Refunding Bonds, Series 2010B which is maturing through 2024 with coupons at 4.0%.
 - \$34,970,000 on June 1, 2018 for GO Refunding Capital Loan Notes, Series 2010H, which is maturing through 2025 with coupons 5.0%.
- The maturity schedule remains through 2025 and new debt coupons estimated to be 2.18% and less.

PREVIOUS COUNCIL ACTION(S):

Date: December 18, 2017

Roll Call Number: [17-2196](#) and [17-2197](#)

Action: [On](#) authorization of a loan agreement and issuance of not to exceed \$95,000,000 General Obligation Refunding Capital Loan Notes. Moved by Gatto to adopt. Motion Carried 7-0. ([Council Communication No. 17-866](#))

(A) [Authorization](#) for additional action. Moved by Gatto to adopt. Motion Carried 7-0.

Date: December 4, 2017

Roll Call Number: [17-2062](#)

Action: [On](#) authorization of a Loan Agreement and Issuance of not to exceed \$95,000,000 General Obligation Refunding Capital Loan Notes, (12-18-17). ([Council Communication No. 17-835](#)) Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- January 24, 2018: Special Council meeting to award low bid on sale of Series 2018A notes; and Adopt resolution directing sale for Series 2018A notes.
- February 2018: 1) adopt resolution appointing paying agent, registrar and transfer agent; 2) authorizing and executing respective agreements; 3) adopt resolution authorizing issuance; 4) approval of continuing disclosure certificate and tax exemption certificate and refunding trust agreement.

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