COUNCIL PROCEEDINGS

September 30, 2019

The Marshalltown City Council met in special session on September 30, 2019, at 5:30pm, in Council Chambers at City Hall. Mayor Greer called the meeting to order at 5:30pm and led the Pledge of Allegiance. Present: Cahill, Gowdy, Hoop, Lamer, Martin, Wirin. Isom was absent.

The council received the Civil Service new hire lists for transit operator and police officer.

The council discussed projects requiring financing by bond issue. The bank qualified loan limit of ten million dollars per year does not include refunding of bank qualified bonds from prior years. After discussion, Chill moved to borrow up to $6.5 million for projects as presented, plus $3.23M bond refunding, total of $9,730,000, with the remainder of projects scheduled to begin after July 2021, second by Wirin. Motion carried 6-0.

With no other business, the meeting adjourned at 6:34 pm.

/s/ Shari Coughenour

MARSHALLTOWN

IOWA

Joel Greer, Mayor
Jessica Kinser, Administrator
Diana Steiner, Finance Director
24 North Center Street
Marshalltown, IA 50158-4911
Tel - (641) 754-5760
Fax - (641) 754-5781

FINANCE DEPARTMENT

September 26, 2019

To: Mayor Joel Greer
Members of the City Council

From: Diana Steiner, Finance Director

Re: Amount to borrow in calendar year 2019

Policy Issue: Council must decide on what projects to fund and approve any amounts to be borrowed.

Recommendation: Staff recommends borrowing up to $6.5 million to fund a portion of the listed projects below. Staff will provide a prioritized list at the September 30th Council meeting.

Background: Staff have identified numerous projects that could be funded through a bond issuance. Since the Council meeting on Monday, September 23, staff have added 2 more projects at the bottom of the list. This includes a $1.1 million 100' Aerial Platform Fire Truck of which $425,000 would be paid for with CIP funds that we will have accumulated through FY2021 and Council approved in the CIP plan, so the balance of $675,000 would be bonded. The second project is for a Pumper Fire Truck at a cost of $650,000.

There is a limit of $10 million per calendar year to issue bank qualified (tax-exempt) debt. Due to our earlier borrowing in this calendar year of $3.5 million for the State Revolving Fund for the Manhole & Point Repair Project that was bank qualified, we are now limited to borrowing $6.5 million for the remainder of this calendar year, which is within our current policy's debt capacity.

Project	Estimated Cost	Options
MCSD Tennis Court Project	*700,000*	Placeholder pending Council discussion
Quiet Zone Project	*600,000*	Placeholder pending Council discussion
Timber Creek Bridge Replacement	500,000	
West End Park- Phase 1	425,000	
East Merle Hibbs- Phase 1	5,000,000	A portion could be repaid by TIF #3
Trail Resurfacing- 6th St to Marion	200,000	
Sidewalk Gaps- Years 2	375,000	Could reallocate 18 GO bond funds
Anson Park Shelter/Restrooms	300,000	
MSA Parking Lot Repaving- West End	250,000	
4th Street/Meadow Lane Stormwater	2,600,000	Repaid by Stormwater Fund
100' Aerial Platform Fire Truck	675,000	$1.1M less CIP $425,000
Pumper Fire Truck	650,000	
TOTAL	**12,275,000**	

Staff recommends that any new projects the Council desires to fund above the $6.5 million would be bonded early in calendar year 2020.

	Debt Margin			Existing Debt
Property assessed valuations	**$ 1,651,195,822**			
	5%			
Debt Limit per state statute	**$ 82,559,791**		**Outstanding GO debt principal**	**$ 37,309,408**
	60%		**Development Agreements**	**$ 3,740,303**
Council imposed limit	**$ 49,535,875**			**$ 41,049,711**
Excess capacity			**$ 8,486,164**	

Budget Impact: Debt paid for with property tax revenues affects the property tax levy rate. The $2.6 million stormwater project would be repaid with stormwater fees, so there is not an impact on property tax rates for that project. The E. Merle Hibbs street project could all or partially be repaid with TIF debt.

Attachment: N/A

cc: Jessica Kinser, City Administrator

	Debt Margin			Existing Debt
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	5%			
Debt Limit per state statute	**$ 82,559,791**	**Outstanding GO debt principal**		**$ 37,309,408**
	60%	**Development Agreements**		**$ 3,740,303**
Council imposed limit	**$ 49,535,875**			**$ 41,049,711**
Excess capacity before new bond issued			**$ 8,486,164**	
After 6/1/2020 Bond Payments and before new bond issued			$ 12,516,899	

Bank Qualified (tax-exempt)

Maximum allowed per calendar year (January-December)	**$ 10,000,000**
State Revolving Fund (Manhole & Point repair project designated as BQ)	**$ (3,500,000)**
Maximum amount eligible to bond before end of 2019	**$ 6,500,000**
Refunding of GO Bond 2011 (sewer revenues will pay principal & interest pymts)	**$ 3,230,000**
* Already counted as bank qualified in 2011, so don't have to count again, since we will pay issuance costs out of sewer fees	
**Approximately 105K interest savings or $77K after issuance costs	
	$ 9,730,000

By issuing 1 bond will save on issuance costs (ie. Moody's rating fee, Bond Counsel, Speer Financial)

Recommend setting public hearing date at Oct. 14th meeting for Oct. 28th.

Speer Financial, Inc.
INDEPENDENT MUNICIPAL ADVISORS

City of Marshalltown, Marshall County, Iowa

$9.730m 12 yr Backload DS

SPEER FINANCIAL, INC.

$9,730,000 General Obligation Corporate Purpose Bonds, Series 2019

Date of Bonds: 03/Jan/20 — 12 Year Maturity

1/1/18 Value $895,846,196

Date	Principal	Estimated Interest Rate	Interest	Principal and Interest	Fiscal Year	Estimated Series 2019 Debt Service	L E V I E S Outstanding Issues	Total	Less Annual LOST Rev	Less Annual Swr Rev-2011	Less Annual Revenue	Estimated Net Debt Service	Taxable Valuation Est. 1/1/19	Estimated Tax Rate Per ($1000 ETV)	Taxes Per Property $100,000 Assessed $56,918.00 Taxable Value
01/Dec/20			$201,458.06	$201,458.06											
01/Jun/21	$ **695,000**	2.000%	110,556.25	805,556.25	**2021**	**$1,007,014.31**	3,437,125.00	**$4,444,139.31**	$2,400,000.00	$572,107.01		**$1,472,032.30**	$ **944,227,713**	$ **1.56**	$ **88.73**
01/Dec/21			103,606.25	103,606.25											-
01/Jun/22	**815,000**	2.000%	103,606.25	918,606.25	**2022**	**1,022,212.50**	3,392,961.50	**4,415,174.00**	2,400,000.00	577,987.50		**1,437,186.50**	**944,227,713**	**1.52**	**86.63**
01/Dec/22			95,456.25	95,456.25											-
01/Jun/23	**840,000**	2.000%	95,456.25	935,456.25	**2023**	**1,030,912.50**	2,985,626.50	**4,016,539.00**	2,400,000.00	582,587.50		**1,033,951.50**	**944,227,713**	**1.10**	**62.33**
01/Dec/23			87,056.25	87,056.25											-
01/Jun/24	**1,160,000**	2.000%	87,056.25	1,247,056.25	**2024**	**1,334,112.50**	2,551,828.00	**3,885,940.50**	2,400,000.00	581,887.50		**904,053.00**	**944,227,713**	**0.96**	**54.50**
01/Dec/24			75,456.25	75,456.25											-
01/Jun/25	**1,195,000**	2.250%	75,456.25	1,270,456.25	**2025**	**1,345,912.50**	2,386,385.00	**3,732,297.50**	2,400,000.00	595,987.50		**736,310.00**	**944,227,713**	**0.78**	**44.38**
01/Dec/25			62,012.50	62,012.50											-
01/Jun/26	**1,220,000**	2.250%	62,012.50	1,282,012.50	**2026**	**1,344,025.00**	1,923,257.00	**3,267,282.00**	2,400,000.00	598,162.50		**269,119.50**	**944,227,713**	**0.29**	**16.22**
01/Dec/26			48,287.50	48,287.50											-
01/Jun/27	**650,000**	2.250%	48,287.50	698,287.50	**2027**	**746,575.00**	1,902,040.00	**2,648,615.00**	2,400,000.00			**248,615.00**	**944,227,713**	**0.26**	**14.99**
01/Dec/27			40,975.00	40,975.00											-
01/Jun/28	**660,000**	2.500%	40,975.00	700,975.00	**2028**	**741,950.00**	1,588,700.00	**2,330,650.00**	2,330,650.00				**944,227,713**	-	-
01/Dec/28			32,725.00	32,725.00											-
01/Jun/29	**675,000**	2.500%	32,725.00	707,725.00	**2029**	**740,450.00**	1,595,550.00	**2,336,000.00**	2,336,000.00				**944,227,713**	-	-
01/Dec/29			24,287.50	24,287.50											-
01/Jun/30	**590,000**	2.500%	24,287.50	614,287.50	**2030**	**638,575.00**	1,166,250.00	**1,804,825.00**	1,804,825.00				**944,227,713**	-	-
01/Dec/30			16,912.50	16,912.50											-
01/Jun/31	**605,000**	2.750%	16,912.50	621,912.50	**2031**	**638,825.00**	1,173,800.00	**1,812,625.00**	1,812,625.00				**944,227,713**	-	-
01/Dec/31			8,593.75	8,593.75											-
01/Jun/32	**625,000**	2.750%	8,593.75	633,593.75	**2032**	**642,187.50**	1,185,300.00	**1,827,487.50**	1,827,487.50				**944,227,713**	-	-
01/Dec/32															-
01/Jun/33					**2033**		1,185,600.00	**1,185,600.00**	1,185,600.00				**944,227,713**	-	-
01/Dec/33															-
01/Jun/34					**2034**		1,195,000.00	**1,195,000.00**	1,195,000.00				**944,227,713**	-	-
01/Dec/34															-
01/Jun/35					**2035**		1,208,200.00	**1,208,200.00**	1,208,200.00				**944,227,713**	-	-
01/Dec/35															-
01/Jun/36					**2036**		1,225,050.00	**1,225,050.00**	1,225,050.00				**944,227,713**	-	-
01/Dec/36															-
01/Jun/37					**2037**		1,215,400.00	**1,215,400.00**	1,215,400.00				**944,227,713**	-	-
01/Dec/37															-
															-
Total	**$9,730,000**		**$1,502,751.81**	**$11,232,751.81**		**$11,232,751.81**	**$31,318,073.00**	**$42,550,824.81**	**$32,940,837.50**	**$3,508,719.51**		**$6,101,267.80**		**$ 0.92 Average**	**$ 52.54 Average**

Net Interest Rate	**2.519268%**	Premium	
Bond Years	62,740.110	**Discount**	**$77,840.00**
Average Life	6.448		
		run date:	30/Sep/19
		file name:	

SPEER FINANCIAL, INC.

PRELIMINARY - SUBJECT TO CHANGE

Speer Financial, Inc.
INDEPENDENT MUNICIPAL ADVISORS

CITY OF MARSHALLTOWN, IOWA
BOND ISSUANCE TIMELINE
$9,730,000 General Obligation Corporate Purpose Bonds, Series 2019

October 14, 2019	SET DATE OF PUBLIC HEARING – NTE $10,000,000 Resolution provided by Bond Counsel
October 28, 2019	HOLD PUBLIC HEARING & APPROVE PRELIMINARY OS Resolution provided by Bond Counsel
Week of November 4	RATINGS CALL Participants Needed: City Administrator, Finance Director (Mayor)
November 18, 2019	Special Meeting BOND SALE AND AWARD Resolution provided by Bond Counsel (Speer plans to attend this meeting)
November 25, 2019	AUTHORIZING/ISSUANCE PROCEEDINGS Resolution provided by Bond Counsel
December 10, 2019	BOND CLOSING Day that City will receive Bond Proceeds (No meeting required)
December 20, 2019	REDEMPTION Current Refunding GO, Series 2011

Project	Estimated Cost	Now	July 1st	Options
MCSD Tennis Court Project	*700,000*	*300,000*	*400,000*	Placeholder pending Council discussion
Quiet Zone Project	*600,000*	*600,000*		Placeholder pending Council discussion
Timber Creek Bridge Replacement	500,000	500,000		
West End Park- Phase 1	425,000	425,000		
East Merle Hibbs- Phase 1	4,000,000	4,000,000		All or portion can be repaid by TIF #3
Trail Resurfacing- 6th St to Marion	200,000		200,000	
Sidewalk Gaps- Years 2	375,000	375,000		Could reallocate 18GO funds to fund
Anson Park Shelter/Restrooms	300,000	300,000		
MSA Parking Lot Repaving- West End	250,000		250,000	
4th Street/Meadow Lane Stormwater Project	2,600,000		2,600,000	Repaid by Stormwater Fund
Fire Trucks	1,325,000		1,325,000	Aerial Platform $675K, Pumper truck $650K
TOTAL	**$ 11,275,000**	**$ 6,500,000**	**$ 4,775,000**	

Removed $1M for water, wastewater, stormwater and sidewalks