CITY OF MARSHALLTOWN
COUNCIL AGENDA
CITY HALL COUNCIL CHAMBERS
10 W STATE STREET
NOVEMBER 18, 2019, NOON

A. **NOTICE TO PUBLIC**

The Mayor and City Council welcome comment from the public during discussion of any of the agenda items. You are required to step to the microphone, state your name and address for the record and to limit the time used to present your remarks 3 minutes or less in order that others may be given the opportunity to speak. All speakers shall speak clearly and direct their comments to the Mayor and City Council and not to any Councilor specifically. It is at the discretion of the Mayor and Council to respond to specific questions and comments or to have staff respond during the meeting.

B. **CALL TO ORDER**

Mayor Joel T.S. Greer

C. **PLEDGE OF ALLEGIANCE**

D. **ROLL CALL**

Cahill, Gowdy, Hoop, Isom, Lamer, Martin, Wirin.

E. **BOND SALE ACTIONS**

1. RESOLUTION 2019-300 AWARDING SALE OF GENERAL OBLIGATION CORPORATE PURPOSE AND REFUNDING BONDS, SERIES 2019.

   Documents:

   11-18-2019_2019-300_MEMO Sale of Bond Nov 18 2019 and Award.pdf
   11-18-2019_2019-300_RES 2019BondSale and Award Marshalltown422742-38-v1.pdf

F. **ADJOURN**

Please visit the City's website for the complete agenda packet and to subscribe to agenda notices and department news. www.marshalltown-ia.gov

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

November 12, 2019

To: Mayor Joel Greer
Members of the City Council

From: Diana Steiner, Finance Director

Re: Sale of General Obligation (G.O.) bond in calendar year 2019

Policy Issue: Under Iowa Code Sections 384.24A and 384.2A, the City can enter into a loan agreement to borrow money for any public purpose, but the Council must set a public hearing notice, set the bond sale date, award the sale and then authorize the issuance of bonds.

Recommendation: After the Public Hearing on Monday, Oct. 28 at 5:30 p.m., Council approved the Preliminary Official Statement and set the date of bond sale for Monday, November 18, 2019. The bids are due by 10:30 a.m. Speer Financial will tabulate the bids and present them to the Council at the Monday, November 18, 2019 noon special meeting for your approval of the award. Staff recommends approving the sale of the bond. Interest rates are low.

Background: The Essential Corporate Purpose Loan is for $8,830,000 ($5,600,000 to fund new projects and $3,230,000 for the refunding of the outstanding principal balance of GO 2011 bond).

New Projects:	Estimated Cost
Timber Creek Bridge Replacement	500,000
West End Park- Phase 1	425,000
East Merle Hibbs- Phase 1	4,000,000
Sidewalk Gaps- Years 2	375,000
Anson Park Shelter/Restrooms	300,000
Total New Projects:	**5,600,000**
Existing Debt:	
Refunding GO Bond, series 2011	***3,230,000***
Total Debt to be Borrowed	**8,830,000**

At the November 25th Council meeting, Council would authorize the issuance of the bonds. The proceeds from the bond would be received on December 10th.

Budget Impact: The refunding of the existing 2011 bond will save an estimated $77,000 in interest after issuance costs. The refunded bond's principal amount does not change but the interest payments will be lower. Repayment of the refunding will be paid from the sewer revenue fund. The first principal and interest payment is due June 2020.

Repayment of the new money borrowed will be paid out of the Debt Service Fund. This could have an effect on the property tax levy depending on how much the Council is willing to contribute out of Local Option Sales Tax funds during the FY21 budget cycle. The first bond payment of interest only will be due June 2020 and paid out of Fund 200 Debt Service with existing funds on hand.

Costs of issuance totaling up to a maximum of $141,955 will be allocated between the refunded portion and the newly borrowed amount. They include Speer Financial $32,015, Bond Counsel $15,000, Rating Agency $16,000, Registrar Agent $1,100 and Underwriter Discount of up to $77,840.

Attachment: Resolution, to be prepared by bond counsel

cc: Jessica Kinser, City Administrator

SALE OF GENERAL OBLIGATION CORPORATE PURPOSE AND REFUNDING BONDS, SERIES 2019

422742-38 **2019-300**

Marshalltown, Iowa

November 18, 2019

The City Council of the City of Marshalltown, Iowa, met on November 18, 2019, at 12 o'clock noon, at the Council Chambers.

The meeting was called to order by the Mayor, and the roll was called showing the following Council Members present and absent:

Present: ____

Absent: _______________________________.

This being the time and place fixed by the Council for the consideration of bids for the purchase of the City's General Obligation Corporate Purpose and Refunding Bonds, Series 2019, it was reported that bids had been received and canvassed on behalf of the City at the time and place fixed therefor.

Such bids were placed on file, and the substance of such bids was noted in the minutes, as follows:

Name and Address of Bidder	Final Bid (interest cost)

(ATTACH BID TABULATION)

Council Member ______________________ introduced the resolution next hereinafter set out and moved its adoption, seconded by Council Member ______________________. The Mayor put the question upon the adoption of said resolution, and the roll being called, the following Council Members voted:

Ayes: ____

Nays: _________________________________.

Whereupon, the Mayor declared the resolution duly adopted as hereinafter set out.

RESOLUTION NO. 2019-300

Awarding Sale of General Obligation Corporate Purpose and Refunding Bonds, Series 2019

WHEREAS, the City of Marshalltown, Iowa (the "City") has previously issued its General Obligation Corporate Purpose Bonds, Series 2011, in the amount of $7,620,000 (the "2011 Bonds'); and

WHEREAS, in the resolution authorizing the issuance of the 2011 Bonds, the City reserved the right to prepay the outstanding balance of the 2011 Bonds (the "Callable 2011 Bonds") in whole or in part on June 1, 2019 or any date thereafter; and

WHEREAS, the City Council of the City has determined to offer for sale $8,830,000 General Obligation Corporate Purpose and Refunding Bonds, Series, 2019 (the "Bonds"); and

WHEREAS, pursuant to advertisement of sale, bids for the purchase of the Bonds were received and canvassed on behalf of the City and the substance of such bids noted in the minutes; and

WHEREAS, upon final consideration of all bids, the City's municipal advisor has determined that the bid of ____________________________ of _______________ (the "Purchaser"), is the best, such bid proposing the lowest interest cost to the City; and

WHEREAS, it is now necessary to authorize the early redemption of the Callable 2011 Bonds;

NOW, THEREFORE, It Is Resolved by the City Council of the City of Marshalltown, Iowa, as follows:

Section 1. The bid of the Purchaser referred to in the preamble is hereby accepted, and the Bonds, in the principal amount of $______________________ are hereby awarded to the Purchaser at the price specified in such bid, together with accrued interest.

Section 2. The form of agreement of sale (the "Sale Agreement") of the Bonds to the Purchaser is hereby approved, and the Mayor and City Clerk are hereby authorized to execute the Sale Agreement for and on behalf of the City.

Section 3. UMB Bank, n.a., West Des Moines, Iowa, as Registrar and Paying Agent for the Callable 2011 Bonds, is hereby authorized to take all action necessary to call the Callable 2011 Bonds for redemption as of December 20, 2019 (the "Redemption Date"), and is further authorized and directed to give notice of such redemption by sending notice to each of the registered owners of the Callable 2011 Bonds to be redeemed at the addresses shown on the City's registration books.

Section 4. All resolutions or parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved November 18, 2019.

Mayor

Attest:

City Clerk

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Upon motion and vote, the meeting was adjourned.

Mayor

Attest:

City Clerk

STATE OF IOWA
COUNTY OF MARSHALL SS:
CITY OF MARSHALLTOWN

I, the undersigned, City Clerk of the City of Marshalltown, do hereby certify that as such City Clerk I have in my possession or have access to the complete corporate records of the City and of its Council and officers and that I have carefully compared the transcript hereto attached with those corporate records and that the transcript hereto attached is a true, correct and complete copy of all the corporate records in relation to the sale of General Obligation Corporate Purpose and Refunding Bonds, Series 2019, and that the transcript hereto attached contains a true, correct and complete statement of all the measures adopted and proceedings, acts and things had, done and performed up to the present time with respect thereto.

WITNESS MY HAND this ____ day of _______________, 2019.

____
City Clerk

(Attach here a copy of the bid of the successful bidder.)

November 13, 2019

Shari L. Coughenour
City Clerk/City Hall
24 North Center Street
Marshalltown, Iowa 50158

Re: Sale of General Obligation Corporate Purpose and Refunding Bonds, Series 2019
Our File No. 422742-38

Dear Shari:

We have prepared the necessary proceedings to be used at the Council meeting on November 18 to report the bids received and to adopt the resolution awarding the sale of the City's General Obligation Corporate Purpose and Refunding Bonds, Series 2019, to the best bidder.

The proceedings enclosed include the following items:

1. Minutes showing the bids received, followed by the Resolution awarding the sale of the Bonds. As soon as you receive information from Speer Financial on Monday, please insert the name of the Purchaser and the principal amount of the Bonds. The resolution also includes a provision that authorizes the early redemption of the outstanding balance of the City's General Obligation Corporate Purpose Bonds, Series 2011, and directs UMB, n.a., the Bond Registrar, to send appropriate notices to the holders of those Bonds.

2. Certificate attesting the transcript.

As these proceedings are completed, please return one fully executed copy to our office.

If you have any questions, please contact me.

Very truly yours,

Robert E. Josten

Enclosures

cc by email: Jessica Kinser
Diana Steiner
Maggie Burger
Diana Van Vleet