

Council Proceedings
Special Council Meeting
July 12, 2016

A Special meeting of the Marshalltown City Council was convened on July 12, 2016, at 12:06 PM, in the Council Chambers at City Hall, according to posted notices. Mayor Lowrance called the meeting to order. ROLL CALL: Present – Gowdy, Hoop, Martin, Wirin. Absent: Greer, Lamer, Schubert.

Martin moved to adopt Resolution 2016-137 Awarding Sale of \$5M General Obligation Corporate Purpose Bonds, Series 2016A, bid of Raymond James & Associates, Inc., Grosse Pointe Farms, MI, in the principal amount of \$5,000,000.00, second by Hoop. Resolution adopted 4-0. The council was pleasantly surprised with a low net interest rate of 1.62%.

Discussion of Police and Fire Building bond issue and city debt capacity. Maggie Burger, Speer Financial, explained the city's legal debt limit is 5% of the Actual Valuation. The legal debt limit is \$68,225,606. Including today's debt of \$5M, the city's debt obligation is \$28,650,000. The city maintains a Moody's rating of Aa2, largely based on the city's conservative history and cash balances. The council has taken advantage of refunding opportunities with the low interest rates available, reducing cost of debt. The council discussed the effect of the anticipated \$17.5M debt for construction of the police and fire building set for election on August 2. If approved by the voters, including the \$17.5M debt, the debt obligation would be \$46,150,000. The remaining available debt amount of \$22,075,606 is sufficient to cover emergencies and future projects, considering the principal amounts scheduled for payment on the current debt schedule. Ninety-five percent of the \$28.6M debt will be retired within nine years, with an aggressive repayment schedule of about \$3M in principal each year, leaving additional debt capacity for the future.

With no additional action the meeting adjourned at 12:25 PM

Respectfully submitted,

Shari L. Coughenour, CMC, City Clerk

CITY OF MARSHALLTOWN

James L. Lowrance, Mayor

ATTEST:

Shari L. Coughenour, City Clerk