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FINANCE & RECORDS

MEMO

To: Gregg Mandsager, City Administrator

From: Nancy A. Lueck, Finance Director

Date: April 13, 2018

Re: Resolution Awarding General Obligation Corporate Purpose Bonds - Series 2018

Introduction and Background:

At the April 5, 2018 meeting, City Council approved the resolution setting the date and time for receiving bids on the \$4,090,000 in General Obligation Corporate Purpose Bonds Series 2018 for April 19, 2018 at 10:00 a.m.

The bond issue includes funding for the aerial Fire Truck, the local share of Airport improvement projects, the local share of the Kent Stein Park to Deep Lakes Park Trail, the local share of the West Side Trail, deferred maintenance improvements to various City buildings, and parks improvements which include replacement of the Weed Park and Soccer Sidewalk Lights, replacement of the Rose Garden Restroom at Weed Park, purchase of the Control Link Light System at Kent Stein Park, Soccer Field #3 improvements, and Soccer Parking Development. Project costs also include \$800,000 for the digester conversion portion of the High Strength Waste Receiving Station at the Water Pollution Control Plant. The annual debt service payments on this portion of the bond issue will be funded from the Water Pollution Control fund.

Recommendation:

Susanne Gerlach with Public Financial Management (PFM), the City's Financial Advisor for this issue, will be present at the Council meeting Thursday night to review the bids received and make a recommendation for the award of this issue.

Please include on the agenda for April 19, 2018 meeting the Resolution providing for the award of the \$4,090,000 General Obligation Corporate Purpose Bonds Series 2018.

MINUTES TO RECEIVE BIDS AND
SELL BONDS

421464-54

Muscatine, Iowa

April 19, 2018

The City Council of the Muscatine, Iowa, met on April 19, 2018, at _____ o'clock
____.m., at the _____, Muscatine, Iowa.

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 City Council for the consideration of bids for
the purchase of the City's General Obligation Corporate Purpose Bonds, Series 2018 the Mayor
announced that bids had been received and canvassed on behalf of the City at the time and place
fixed therefore.

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

<u>Name and Address of Bidder</u>	<u>Final Bid</u> (interest cost)
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(ATTACH BID TABULATION)

After due consideration and discussion, 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. _____

Resolution Awarding General Obligation Corporate Purpose Bonds, Series 2018

WHEREAS, the City of Muscatine (the “City”), in Muscatine County, State of Iowa, pursuant to the provisions of Section 384.24A of the Code of Iowa, heretofore proposed to enter into a loan agreement (the “Essential Purpose Loan Agreement”) and to borrow money thereunder in a principal amount not to exceed \$3,235,000, pursuant to the provisions of Section 384.24A of the Code of Iowa, for the purpose of paying the costs, to that extent, of (1) acquiring a fire truck; (2) planning, designing and constructing physical plant, apron and hangar improvements at the municipal airport; (3) improving and equipping existing municipal parks; and (4) constructing and installing sanitary sewage treatment system improvements, and has published notice of the proposed action and has held a hearing thereon on March 15, 2018; and

WHEREAS, the City also proposed to enter into a loan agreement (the “Public Buildings Loan Agreement”) and to borrow money thereunder in a principal amount not to exceed \$570,000, pursuant to the provisions of Section 384.24A of the Code of Iowa, for the purpose of paying the costs, to that extent, of remodeling the municipal library and the HNI Community Center and constructing building and ground improvements for public buildings, and in lieu of calling an election upon such proposal, has published notice of the proposed action and has held a hearing thereon, and as of March 15, 2018, no petition had been filed with the City asking that the question of entering into the Public Buildings Loan Agreement be submitted to the registered voters of the City; and

WHEREAS, the City also proposed to enter into a loan agreement (the “Rec Trails Loan Agreement”) and to borrow money thereunder in a principal amount not to exceed \$530,000, pursuant to the provisions of Section 384.24A of the Code of Iowa, for the purpose of paying the costs, to that extent, of constructing recreation trail improvements, and in lieu of calling an election upon such proposal, has published notice of the proposed action and has held a hearing thereon, and as of March 15, 2018, no petition had been filed with the City asking that the question of entering into the Rec Trails Loan Agreement be submitted to the registered voters of the City; and

WHEREAS, pursuant to Section 384.28 of the Code of Iowa, the City Council has combined the Essential Purpose Loan Agreement, the Public Buildings Loan Agreement and Rec Trails Loan Agreement into a single loan agreement (the “Loan Agreement”); and

WHEREAS, a Preliminary Official Statement (the “P.O.S.”) has been prepared to facilitate the sale of the General Obligation Corporate Purpose Bonds, Series 2018 (the “Bonds”) to be issued in evidence of the obligation of the City under the Loan Agreement, and the City Council has made provision for the approval of the P.O.S. and has authorized its preparation and use by PFM Financial Advisors, LLC, as municipal financial advisor (the “Financial Advisor”) to the City; 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 bid of _____, _____, _____ (the "Purchaser"), is the best, such bid proposing the lowest interest cost to the City for the Bonds;

NOW, THEREFORE, Be It Resolved by the City Council of the City of Muscatine, Iowa, as follows:

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

Section 2. The form of agreement of sale/official bid form (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. The City shall enter into a Loan Agreement with the Purchaser in substantially the form as will be placed on file with the City Council, providing for a loan to the City in the principal amount of \$4,090,000 for the purpose or purposes set forth in the preamble hereof.

Section 4. Further action with respect to the approval of a Loan Agreement and the issuance of the Bonds is hereby adjourned to the City Council meeting to be held on May 3, 2018.

Section 5. All resolutions or parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 6. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved April 19, 2018.

Mayor

Attest:

City Clerk

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Upon motion and vote, the meeting was adjourned.

Mayor

Attest:

City Clerk

ATTESTATION CERTIFICATE

STATE OF IOWA
COUNTY OF MUSCATINE SS:
CITY OF MUSCATINE

I, the undersigned, City Clerk of the City of Muscatine, 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 City 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 Bonds, Series 2018 of the City evidencing the City's obligation under a certain Loan Agreement 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 _____, 2018.

City Clerk

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

April 12, 2018

Via Email

Nancy Lueck
Finance Officer/City Hall
Muscatine, Iowa

Re: General Obligation Corporate Purpose Bonds, Series 2018
Our File No. 421464-54

Dear Nancy:

We have prepared and attach the necessary proceedings to be used at the April 19th City Council meeting to report the bids received and to adopt the resolution approving the sale of General Obligation Corporate Purpose Bonds, Series 2018 to the best bidder.

The attached resolution must be completed with the name of the purchaser. PFM Financial Advisors, LLC. will tabulate the bid results and provide that name to you.

The proceedings attached include the following items:

1. Resolution awarding the sale of the Bonds and providing for the adjournment of action on the Loan Agreement to May 3, 2018 for adoption of the issuance resolution.
2. Attestation Certificate with respect to the validity of the transcript.

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

If you have any questions, please contact Rebecca Donaldson or me.

Best regards,

John P. Danos

Attachments

cc: Gregg Mandsager
Susanne Gerlach
Diana VanVleet