



FINANCE & RECORDS

MEMO

To: Gregg Mandsager, City Administrator

From: Nancy A. Lueck, Finance Director

Date: April 27, 2012

Re: Resolution Awarding \$4,715,000 General Obligation Corporate Purpose and Refunding Bonds, Series 2012

Introduction and Background:

At the April 19, 2012 meeting, City Council approved the resolution setting the date for the sale of \$4,715,000 in General Obligation Corporate Purpose and Refunding Bonds Series 2012 for May 3, 2012. The deadline for submitting bids on the bonds is 10:00 a.m. that day. Projects funded from the bond issue include the Clay Street Bridge Project, Cedar Street Phase I, Hershey Street Improvements, Colorado Street Improvements Phase I, the Southend Fire Station, Mad Creek Levee, and various improvements at the Airport. This issue will also refund the final year of principal payments on the City's Series 2003A General Obligation bond issue, which will result in an estimated \$4,800 savings in interest costs.

Recommendation:

Jenny Blankenship, Senior Managing Consultant 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 May 3, 2012 meeting the attached Resolution providing for the award of the \$4,715,000 General Obligation Corporate Purpose and Refunding Bonds, Series 2012.

MINUTES TO RECEIVE BIDS AND
SELL BONDS

421464-35

Muscatine, Iowa

May 3, 2012

The City Council of the Muscatine, Iowa, met on May 3, 2012, at _____ o'clock p.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 Council for the consideration of bids for the purchase of the City's General Obligation Corporate Purpose and Refunding Bonds, Series 2012 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. _____

Awarding General Obligation Corporate Purpose and Refunding Bonds, Series 2012

WHEREAS, the City of Muscatine (the "City"), in the County of Muscatine, State of Iowa, previously issued its \$1,780,000 General Obligation Corporate Purpose Bonds, Series 2003A, dated June 1, 2003 (the "2003A Bonds"), a portion of which currently remain outstanding maturing on such dates and in such amounts and bearing interest at such rates as follows:

Maturity Date (June 1)	Principal	Rate	Maturity Date (June 1)	Principal	Rate
2012	\$210,000	3.00%	2013	\$215,000	3.00%

; and

WHEREAS, pursuant to the resolution (the "2003A Issuance Resolution") authorizing the issuance of the 2003A Bonds, the City reserved the right to call the 2003A Bonds maturing in the years 2011 through 2013 (the "Callable 2003A Bonds") for early redemption on any date on or after June 1, 2010 subject to the provisions of the 2003A Issuance Resolution; and

WHEREAS, pursuant to the provisions of Section 384.24A of the Code of Iowa, the City has proposed to enter into a loan agreement (the "Refunding Loan Agreement") in a principal amount not to exceed \$230,000 for the purpose of paying the cost, to that extent, of current refunding the Callable 2003A Bonds, and has published notice of the proposed action and has held a hearing thereon on April 19, 2012; and.

WHEREAS, pursuant to the provisions of Section 384.24A of the Code of Iowa, the City has heretofore proposed to enter into a loan agreement (the "Essential Corporate Purpose Loan Agreement") in a principal amount not to exceed \$4,050,000 for the essential corporate purposes of paying the costs, to that extent, of (1) constructing bridge, street and flood control improvements; (2) improving the municipal airport and related facilities; and (3) acquiring equipment for the municipal airport, and has published notice of the proposed action and has held a hearing thereon on March 1, 2012; and

WHEREAS, pursuant to the provisions of Section 384.24A of the Code of Iowa, the City has also proposed to enter into a loan agreement (the "General Corporate Purpose Loan Agreement") in a principal amount not to exceed \$450,000 for the general corporate purpose of paying the cost, to that extent, of constructing, furnishing and equipping the South End Fire Station, and in lieu of calling an election upon such proposal, has published notice of the proposed action including notice of the right to petition for an election pursuant to the provisions of Section 384.26 of the Code of Iowa, and as of March 1, 2012, no petition had been filed with the City asking that the question of entering into the General Corporate Purpose Loan Agreement be submitted to the registered voters of the City; and

WHEREAS, pursuant to Section 384.28 of the Code of Iowa and a resolution adopted by the City Council on March 1, 2012, the City Council has combined the Essential Corporate Purpose Loan Agreement, the General Corporate Purpose Loan Agreement and the Refunding Loan Agreement into a single loan agreement (the "Loan Agreement") and has determined to enter into such Loan Agreement in the future; and

WHEREAS, a Preliminary Official Statement (the "P.O.S.") has been prepared to facilitate the sale of \$4,715,000 General Obligation Corporate Purpose and Refunding Bonds, Series 2012 (the "Bonds") in evidence of the obligation of the City under the Loan Agreement, and the city has made provision for the approval of the P.O.S. and has authorized its use by Public Financial Management (the "Financial Advisor"); and

WHEREAS, pursuant to advertisement of sale, bids for the purchase of the Bonds to be issued in evidence of the City's obligation under the Loan Agreement 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 City shall enter into the 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 \$4,715,000 for the purpose of (1) current refunding the Callable 2003A Bonds; (2) constructing bridge, street and flood control improvements; (3) improving the municipal airport and related facilities; and (4) acquiring equipment for the municipal airport.

The Mayor and City Clerk are hereby authorized and directed to sign the Loan Agreement on behalf of the City, and the Loan Agreement is hereby approved.

Section 2. 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.

Section 3. 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 4. Further action with respect to the approval of the Loan Agreement and the issuance of the Bonds is hereby adjourned to the City Council meeting to be held on May 17, 2012.

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

Passed and approved May 3, 2012.

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 MUSCATINE
CITY OF MUSCATINE

SS:

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 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 2012 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 April, 2012.

City Clerk

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



April 27, 2012

Nancy Lueck
City Manager/City Hall
Muscatine, Iowa
Via Email

Re: General Obligation Corporate Purpose and Refunding Bonds, Series 2012
Our File No. 421464-35

Dear Nancy:

We have prepared and attach the necessary proceedings to be used at next week's Council meeting to report the bids received and to adopt the resolution approving the sale of General Obligation Corporate Purpose and Refunding Bonds, Series 2012 to the best bidder.

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 17, 2012 for adoption of the issuance resolution.

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.

Best regards,

John P. Danos

Attachments

cc: Jenny Blankenship
Diana VanVleet