



City Hall, 215 Sycamore St.
Muscatine, IA 52761-3899
(563) 264-1550
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FINANCE & RECORDS

MEMO

To: Gregg Mandsager, City Administrator

From: Nancy A. Lueck, Finance Director

Date: February 4, 2014

Re: Resolution Setting the Date for Public Hearings on General Obligation Loan Agreements

Introduction and Background:

The City's next bond issue is scheduled for June 2, 2014. This bond issue will provide funding for a number of City projects that have been recently completed, are currently underway, or will be underway in calendar year 2014. These include the following:

Colorado Street (Series B) – Additional Local Share of Project Costs	\$ 870,000
Cedar Street (Series B) – Additional Local Share of Project Costs	1,323,000
Airport Hangar Drainage and Security Improvements – Local Share Of Project Costs	27,000
Airport Obstruction Removal – Additional Local Share of Project Costs	1,200
Emergency Siren – Recently Annexed Ripley's Mobile Court Area	22,800
Library – Elevator Improvements (Estimated City Portion of Project Costs)	35,000
Ambulance Equipment – Cardiac Monitors (6)	168,000
Ambulance Equipment – CPR Devices (4)	53,000
Estimated Bond Issuance Costs	<u>75,000</u>
Total Proposed Issue	<u>\$2,575,000</u>

The \$2,575,000 proposed total issue is the amount of debt that can be issued and keep the debt service tax levy rate at the current level of \$2.89/\$1,000 per the analysis completed by PFM, the City's financial consultant. The City's June 1, 2012 bond issue included funding for preliminary costs for the Colorado Street Project, the Cedar Street Project, and the Airport Obstruction Removal Project. Additional funding requirements for the street projects are now known since bids have been received for both the Colorado and Cedar Street projects. It should be noted that grant and bond funding for Cedar Street will need to be supplemented with Road Use Tax funds and Collection and Drainage funds (for drainage work) to complete the financing for this project.

While it now appears that the Emergency Siren will be funded from a county-wide tax levy, it has been included in the proposed bond issue in the event that this would not be included in the final County Emergency Management budget. Since this is an "essential corporate purpose" these funds can be redirected to Cedar Street if they are not needed for the siren. The Ambulance equipment is proposed to

be funded from the bond issue since there are limited funds available in the Ambulance fund due to an ambulance refurbishment in progress and future year ambulance operating and capital needs. The funding for the Library elevator is an estimated cost for the City's share of this project.

It is necessary to hold public hearings on the proposed issue prior to City Council taking additional action on the bond issue and authorizing the pre-levy of taxes for this issue. The Library Elevator project is defined as a "general corporate purpose" and the remaining projects are "essential corporate purposes". A separate public hearing notice is needed for the general corporate purpose portion of the proposed bond issue.

Recommendation:

Dorsey & Whitney, the City's bond counsel prepared the attached resolution setting the date for the public hearings on the proposed issue for February 20, 2013. Please include this resolution on the agenda for the February 6, 2014 meeting.

Please contact me if you have any questions or need additional information.

MINUTES TO SET DATE FOR HEARINGS
ON ENTERING INTO LOAN AGREEMENTS

421464-40

Muscatine, Iowa

February 6, 2014

The City Council of the City of Muscatine, Iowa, met on February 6, 2014, at _____ o'clock ____m. at the _____, Muscatine, Iowa.

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

Present: _____

Absent: _____.

Council Member _____ introduced the following resolution 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.

• • • •

At the conclusion of the meeting and, upon motion and vote, the Council adjourned.

Mayor

Attest:

City Clerk

RESOLUTION NO. _____

Resolution setting the date for public hearings on General Obligation Loan Agreements

WHEREAS, the City of Muscatine (the "City"), in the County of Muscatine, State of Iowa, proposes to enter into a General Obligation Loan Agreement (the "Essential Purpose Loan Agreement") and borrow money thereunder in a principal amount not to exceed \$2,600,000 pursuant to the provisions of Section 384.24A of the Code of Iowa for the purpose of paying the cost, to that extent, of constructing street improvements, acquiring ambulance equipment, constructing improvements to the municipal airport and installation of an emergency siren, and it is now necessary to fix a date of meeting of the City Council at which it is proposed to take action to enter into the Essential Purpose Loan Agreement and to give notice thereof as required by such law; and

WHEREAS, the City also proposes to enter into a General Obligation Loan Agreement (the "General Purpose Loan Agreement") and borrow money thereunder in a principal amount not to exceed \$40,000 pursuant to the provisions of Section 384.24A of the Code of Iowa for the purpose of paying the cost, to that extent, of constructing improvements to the municipal library, and it is now necessary to fix a date of meeting of the City Council at which it is proposed to take action to enter into the General Purpose Loan Agreement and to give notice thereof as required by such law, including notice of the right to petition for an election on such proposal;

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

Section 1. The City Council shall meet on February 20, 2014, at the City Hall Council Chambers, Muscatine, Iowa, at 7:00 o'clock p.m., at which time and place a hearing will be held and proceedings will be instituted and action taken to enter into the Essential Purpose Loan Agreement and the General Purpose Loan Agreement.

Section 2. The City Clerk is hereby directed to give notice of the proposed action on the Essential Purpose Loan Agreement setting forth the amount and purpose thereof, the time when and place where the said meeting will be held by publication at least once and not less than 4 nor more than 20 days before the date of said meeting, in a legal newspaper which has a general circulation in the City. The notice shall be in substantially the following form:

NOTICE OF PROPOSED ACTION TO INSTITUTE PROCEEDINGS TO ENTER
INTO A LOAN AGREEMENT AND BORROW MONEY THEREUNDER IN A
PRINCIPAL AMOUNT NOT TO EXCEED \$2,600,000

(GENERAL OBLIGATION)

The City Council of the City of Muscatine, Iowa, will meet on February 20, 2014, at the City Hall Council Chambers, Muscatine, Iowa, at 7:00 o'clock p.m., for the purpose of instituting proceedings and taking action to enter into a loan agreement (the "Loan Agreement") and borrow money thereunder in a principal amount not to exceed \$2,600,000 for the purpose of paying the cost, to that extent, of constructing street improvements, acquiring ambulance equipment, constructing improvements to the municipal airport and installation of an emergency siren.

The Loan Agreement is proposed to be entered into pursuant to authority contained in Section 384.24A of the Code of Iowa and will constitute a general obligation of the City.

At that time and place, oral or written objections may be filed or made to the proposal to enter into the Loan Agreement. After receiving objections, the City may determine to enter into the Loan Agreement, in which case, the decision will be final unless appealed to the District Court within fifteen (15) days thereafter.

By order of the City Council of the City of Muscatine, Iowa.

Gregg Mandsager
City Clerk

Section 3. The City Clerk is hereby directed to give notice of the proposed action on the General Purpose Loan Agreement setting forth the amount and purpose thereof, the time when and place where the said meeting will be held by publication at least once and not less than 10 nor more than 20 days before the date of said meeting, in a legal newspaper which has a general circulation in the City. The notice shall be in substantially the following form:

NOTICE OF PROPOSED ACTION TO INSTITUTE PROCEEDINGS TO ENTER
INTO A LOAN AGREEMENT AND BORROW MONEY THEREUNDER IN A
PRINCIPAL AMOUNT NOT TO EXCEED \$40,000

(GENERAL OBLIGATION)

The City Council of the City of Muscatine, Iowa, will meet on February 20, 2014, at the City Hall Council Chambers, Muscatine, Iowa, at 7:00 o'clock p.m., for the purpose of instituting proceedings and taking action to enter into a loan agreement (the "Loan Agreement") and borrow money thereunder in a principal amount not to exceed \$40,000 for the purpose of paying the cost, to that extent, of constructing improvements to the municipal library.

The Loan Agreement is proposed to be entered into pursuant to authority contained in Section 384.24A of the Code of Iowa and will constitute a general obligation of the City.

The maximum rate of interest which may be payable under the Loan Agreement is 7% per annum.

At any time before the date fixed for taking action to enter into the Loan Agreement, a petition may be filed with the City Clerk of the City asking that the question of entering into the Loan Agreement be submitted to the registered voters of the City, pursuant to the provisions of Section 384.26 of the Code of Iowa.

By order of the City Council of the City of Muscatine, Iowa.

Gregg Mandsager
City Clerk

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

Section 5. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved February 6, 2014.

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 attached hereto is a true and correct copy of the proceedings of the City Council relating to fixing a date for hearings on the City Council's proposal to take action in connection with loan agreements, as referred to therein.

WITNESS MY HAND this _____ day of _____, 2014.

City Clerk

STATE OF IOWA
COUNTY OF MUSCATINE
CITY OF MUSCATINE

SS:

I, the undersigned City Clerk, do hereby certify that the City of Muscatine is organized and operating under the provisions of a special charter and that there is not pending or threatened any question or litigation whatsoever touching the incorporation of the City, the inclusion of any territory within its limits or the incumbency in office of any of the officials hereinafter named.

And I do further certify that the following named parties are officials of the City as indicated:

DeWayne Hopkins, Mayor

Gregg Mandsager, City Administrator/Clerk

Nancy Lueck, Finance Director

Philip Fitzgerald, Council Member/Mayor Pro-Tem

Michael Rehwaldt, Council Member

Scott Natvig, Council Member

Osama Shihadeh, Council Member

Robert Bynum, Council Member

Jeanette Phillips, Council Member

Tom Spread, Council Member

WITNESS MY HAND this ____ day of _____, 2014.

City Clerk

(PLEASE NOTE: Do not date and return this certificate until you have received the publisher's affidavit and have verified that the notice was published on the date indicated in the affidavit but please return all other completed pages to us as soon as they are available.)

STATE OF IOWA
COUNTY OF MUSCATINE
CITY OF MUSCATINE

SS:

I, the undersigned, City Clerk of Muscatine, Iowa, do hereby certify that pursuant to the resolution of the City Council fixing a date of meeting at which it is proposed to take action to enter into a loan agreement, the notice, of which the printed slip attached to the publisher's affidavit hereto attached is a true and complete copy, was published on the date and in the newspaper specified in such affidavit, which newspaper has a general circulation in the City.

WITNESS MY HAND this ____ day of _____, 2014.

City Clerk

(Attach here the publisher's original affidavit with clipping of the notice, as published.)

January 31, 2014

Nancy Lueck
Finance Officer/City Hall
Muscatine, Iowa
Via Email

Re: General Obligation Loan Agreements
Our File No. 421464-40

Dear Nancy:

We have prepared and attach proceedings to be used at the February 6th City Council meeting to set February 20th as the date for a hearing on the proposal to enter into General Obligation Loan Agreements.

The proceedings attached include the following items:

1. Minutes of the City Council followed by the resolution fixing the time and place for the hearings. The forms of notices of hearing are set out in Sections 2 and 3 of the resolution. Please print extra copies of the notices for delivery to the publisher. Please insert the time and place of the hearing in both the resolution and the notices.
2. Certificate attesting the transcript.
3. Organization certificate.
4. Certificate with respect to publication of the notices, to which must be attached the publisher's affidavit of publication with a clipping of the notices as published.

The notice for the essential corporate purpose borrowing must be published at least once not less than 4 nor more than 20 days before the meeting date set for the hearing, in a legal newspaper which has a general circulation in Muscatine. The notice for the general corporate purpose borrowing must be published at least once not less than **10 nor more than 20 days** before the meeting date set for the hearing, in a legal newspaper which has a general circulation in Muscatine. Please fax a copy of the published notices to our office at (515) 283-1060 as soon as it appears in the newspaper.

As soon as possible after the City Council meeting, please return one fully executed copy of all of the completed pages in these proceedings.

If you have any questions, please contact me.

Best regards,

John P. Danos

Attachments

cc: Jenny Blankenship
Gregg Mandsager