

MARSHALLTOWN

I O W A

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TO: Mayor Greer and City Council
FROM: Diana Steiner, Finance Director
DATE: 11/8/2022
RE: Sale of General Obligation Bonds Series 2022A and 2022B

Policy Issue: Council's responsibility is to accept the bid from the purchaser(s) that proposes the lowest interest cost.

<input type="checkbox"/> Goal 1: Expand and improve development	<input checked="" type="checkbox"/> Goal 3: Continually improve the City's organization & services
<input checked="" type="checkbox"/> Goal 2: Enhance Marshalltown's public image	<input type="checkbox"/> Goal 4: Partner with others to improve quality of life

Specific Objective/Action: Goal 2: Objective 2 Design and construct capital projects which enhance the aesthetics of the community (Riverview park phase 1, other park improvements, Freedom Rock-Skate Park trail connection).

Goal 2: Objective 1 Eliminate blight throughout the community (demolish structures under the D&D program).

Goal 3: Objective 2 Develop Comprehensive plans for City infrastructure and improvements (Fund and complete the sidewalk gap new Hoglan School

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Recommendation: Based on the bond bids received the morning of November 7th, Speer Financial Inc., the City's municipal advisor, will tabulate the bids and present them to the Council at the November 7th evening meeting for approval.

Budget Impact: The debt borrowed for the new projects could have an effect on the property tax levy depending on how much is collected in Local Option Sales Tax (LOST) and how much the Council is willing to contribute out of Council Designated funds like you have in the past. This will be discussed during the FY24 budget cycle

Description/Background: 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 and then approve the bonds. That hearing took place on October 26th and afterwards the Council approved moving forward with the bond issuances of \$9,555,000 General Obligation Corporate Purpose Bonds, Series 2022A (tax-exempt), and \$610,000 of taxable General Obligation Property Restoration Bonds, Series 2022B. The Council approved the Preliminary Official Statement (POS) on October 24th and set the bond sale for November 14, 2022. Sealed bids shall be received and canvassed on behalf of the City until 10:30 am for the tax-exempt bonds and 11:00 a.m. for the taxable bonds on November

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14th. The Council can then accept the Purchaser of the bid with the lowest interest costs at the regular Council meeting that evening. At the November 28th meeting, Council would authorize the issuance of the bonds. The proceeds from the bonds would be received on December 13th.

The estimated costs for the bond issuances is \$165,000 (Moody's Rating \$25K, Municipal Advisor \$35K, Bond Attorney \$25K and Underwriter Discount \$80K)

The bonds will be used for the following projects:

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Water Plaza	For the construction of park with interactive water features near Mega-10	\$ 500,000
Riverview Park Improvements	For the expansion of the existing retention ponds, bridge replacement and sidewalk	\$ 2,500,000
West End Park Phase 2	For the construction of a permanent restroom/concession stand facility	\$ 600,000
Trail Connection- Legion/SkatePrk	For paving segments of trail to connect the Freedom Rock to the Skate Park	\$ 250,000
Trail Bridge @ Linn Creek/MSA	For a recreational trail bridge to cross Linn Creek to connect to the Skate Park/Trailhead	\$ 700,000
River's Edge Trailhead	For the building of a trailhead facility at the Skate Park and corresponding trail connections and movement of equipment	\$ 560,000
E. State Pedestrian Alley	For creating a pedestrian alley in the north/south alley midblock in the 200 block of East State Street	\$ 100,000
Street Improvement	Partial funding for the East Main reconstruction 5th Ave to 12th Ave; remainder for other street projects	\$ 2,650,000
East Main Street Planning/Design	For the design of reconstructing 3 block of East Main Street (Center to 3rd Ave) and 2 blocks of Center Street (State to Church)	\$ 650,000
City Hall Parking Lot	For the reconstruction/reconfiguration following the State Street reconstruction	\$ 390,000
Sidewalk Gap Projects	For the installation of sidewalks around Hoglan Elementary	\$ 500,000
Dangerous & Dilapidated Buildings (TAXABLE)	For the ongoing efforts to acquire and demolish abandoned and dangerous structures	\$ 600,000
TOTAL PROJECTS		\$ 10,000,000
COSTS FOR BOND ISSUANCE		\$ 165,000
TOTAL		\$ 10,165,000

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