

MARSHALLTOWN

— I O W A —

Joel Greer, Mayor
Joe Gaa, City Administrator
24 North Center Street
Marshalltown, IA 50158
PH 641.754.5701 | FX 641.754.5717

TO: Mayor Greer and City Council
FROM: Diana Steiner, Finance Director
DATE: October 19 2023
RE: Preliminary Official Statement and set date of bond sale

Strategic Plan:

- Strategy 1: Expand and improve development in the community.
- Strategy 2: Enhance Marshalltown's public image.
- Strategy 3: Continually improve and sustain the City's infrastructure, organization, and services.
- Strategy 4: Partner with citizens, for-profit, non-profit, and others to improve quality of life.

Plan Objective: Goal 2: Objective 2 Design and construct capital projects which enhance the aesthetics of the community.

Goal 3: Objective 2 Develop Comprehensive plans for City infrastructure and improvements.

Recommendation: Set date of bond sale for November 13, 2023 for up to \$9,840,000 General Obligation Corporate Purpose Bonds, Series 2023, and approve the preliminary official statement.

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 FY25 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 bond. That hearing took will take place on October 23, 2023 and afterwards the Council may approve and move forward with the bond issuance. The next step is for the Council to approve the Preliminary Official Statement (POS) before it is released into the market for the bond sale. As the governing body, the Council is responsible for reviewing the POS prior to voting on it for approval. (PLEASE NOTE THAT THE ENTIRE DOCUMENT IS 236 PAGES). The appendixes include the FY2022 Annual Comprehensive Financial Report which has already been approved by Council and the draft legal opinion, continuing disclosure certificate and issue price guidance, which is all standard and comes from Bond Counsel as a legal authority). Speer Financial Inc., the City's municipal advisor, prepared the POS and staff have reviewed. Staff recommend approving the POS, which will then authorize the use of it by Speer Financial for any legal public purpose. Staff's recommendation is to set the bond sale on November 13, 2023. Sealed bids shall be received and canvassed on behalf of the City until 11 a.m. The Council can then accept the bids at the regular Council meeting that evening. At the November 27th meeting, Council would authorize the issuance of the bonds. The proceeds from the bonds would be received on December 12th.

CITY COUNCIL

Al Hoop, Gabriel Isom, Barry Kell, Mike Ladehoff,
Greg Nichols, Jeff Schneider, Gary Thompson



The estimated costs for the bond issuances are \$157,915 (Moody's Rating \$19,500, Municipal Advisor \$33,515, Bond Council \$24,000, Registrar fee \$900 and Underwriter Discount \$80,000)

The bonds will be used for the following projects:

\$ 7,146,000	Downtown Implementation Plan Phase 2 - East Main St from Center to 3rd Ave and Center St. to Church St.
\$ 710,000	State Street Stormwater Outlet N 3rd St to N 4th St
\$ 1,984,000	Street Improvements
\$ 9,840,000	Bond in CY2023 (rounded down so within \$5,000 increment for bond sale)
\$ 700,000	General Corporate Purpose hearing for landscaping, street trees, landscaping, some art component
\$ 9,140,000	Essential Corporate Purpose
	**NOTE: Hearing will state not to exceed \$9,840,000 in case the \$700,000 fails, so we can still borrow up to the debt capacity limit.
\$ 9,840,000	

Per bond council, we will be having 2 public hearings:

1. General Corporate Purpose: Part of the downtown implementation plan which includes streetscape elements associated with that project, such as trees, landscaping and some art component. We are capped at \$700,000 for reverse referendum process purposes.
2. Essential Corporate Purpose: All other projects listed above are considered essential.

The time frame for the bond proceedings are as follows:

Set date of public hearing	Oct. 9
Hold public hearing	Oct. 23
Bond sale	Nov 13
Authorize/issuance proceedings	Nov 27
Bond closing (receive proceeds)	Dec 12

CITY COUNCIL

Al Hoop, Gabriel Isom, Barry Kell, Mike Ladehoff,
Greg Nichols, Jeff Schneider, Gary Thompson

