CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

ITEM: Issuance of $7,650,000 General Obligation Bonds (2017A) **DATE:** July 24, 2017
- Receive and File Report of Bids and Award Sale

FINANCIAL IMPACT: Ultimate debt service amounts (principal and interest) are undetermined, pending interest rate bids received at 10:0 AM on Monday, July 24, 2017. Interest is estimated to range from 1.38% to 3.27% with an approximate overall interest rate of 2.96%, with final maturity scheduled for June 1, 2029 (12 year bonds). Interest payments begin June 1, 2018 and continue semiannually thereafter. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Bonds due after June 1, 2025, will be subject to call for prior redemption on said date or on any day thereafter upon terms of par plus accrued interest to date of call.

BACKGROUND: This action allows the sale of $7,650,000 of General Obligation Bonds (Series 2017A), to partially defray the costs of constructing a number of CIP projects. Staff has factored the cost of the proposed issuance compared to the total amount of funds available through the debt service levy in order to maintain positive cash flow throughout the life of the bond issuance.

On February 27, 2017, public hearings were held to institute proceedings on the issuance of "not to exceed" $5.70 million Essential Corporate Purpose General Obligation Bonds and four separate "not to exceed" General Corporate Purpose General Obligation Bonds in amounts ranging from $500,000 to $575,000. Iowa Code Section 384.28 specifically permits the City to sell bonds for different projects together for market efficiency, once legal authority has been established through the required hearings, notices, and approvals. No comments were received at the public hearing.

Competitive bids will be received Monday, July 24, 2017, at 10:00 AM, and either staff or a representative of the City's Financial Advisory Firm, Public Financial Management (PFM), will report on the results to Council prior to action on this item.

OUTSTANDING ISSUES: Pending approval of the recommendation, further actions will be requested at the next Council meeting in order to complete and finalize the sale. Actions will include resolutions to authorize the issuance and appoint the Registrar and Paying Agent, as well as motions to approve the Tax Exemption and Continuing Disclosure Certificates.

RECOMMENDATION: Adopt motion receiving report of bids and resolution directing (awarding) sale of $7,650,000 General Obligation Bonds (Series 2017A) to the successful bidder.

Lead Staff Member: Tim Stiles, Finance Director

STAFF REVIEWS

Department Director	
Appropriations/Finance	
Legal	
Agenda Acceptance	RTJ

PUBLICATION(S) (if applicable)

Published In	Des Moines Register
Dates(s) Published	July 14, 2017

SUBCOMMITTEE REVIEW (if applicable)

Committee			
Date Reviewed			
Recommendation	Yes	No	Split

Council Member _____ introduced the following Resolution entitled "RESOLUTION DIRECTING SALE OF $7,650,000 (SUBJECT TO ADJUSTMENT PER TERMS OF OFFERING) GENERAL OBLIGATION BONDS, SERIES 2017A," and moved its adoption. Council Member _____ seconded the motion to adopt. The roll was called and the vote was,

AYES: _____

_____

NAYS: _____

Whereupon, the Mayor declared the following Resolution duly adopted:

RESOLUTION DIRECTING SALE OF $7,650,000 (SUBJECT TO ADJUSTMENT PER TERMS OF OFFERING) GENERAL OBLIGATION BONDS, SERIES 2017A

WHEREAS, bids have been received for the Bonds described as follows and the best bid received (with permitted adjustments, if any) is determined to be the following:

$7,650,000 (SUBJECT TO ADJUSTMENT PER TERMS OF OFFERING) GENERAL OBLIGATION BONDS, SERIES 2017A

Bidder: _____ of _____

The terms of award:

Final Par Amount as adjusted: $_____

Purchase Price as adjusted: $ _____

True Interest Rate: _____%

Net Interest Cost: $_____

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WEST DES MOINES, STATE OF IOWA:

Section 1. That the bid for the Bonds as above set out is hereby determined to be the best and most favorable bid received and, the Bonds are hereby awarded as described above.

Section 2. That the statement of information for Bond bidders and the form of contract for the sale of the Bonds are hereby approved and the Mayor and Clerk are authorized to execute the same on behalf of the City.

Section 3. That the notice of the sale of the Bonds heretofore given and all acts of the Clerk done in furtherance of the sale of the Bonds are hereby ratified and approved.

PASSED AND APPROVED this 24th day of July, 2017.

_____
Mayor

ATTEST:

_____
City Clerk