CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

ITEM: Issuance of $3,780,000 General Obligation Refunding Bonds (2017E) – Receive and File Report of Bids and Award Sale

DATE: July 24, 2017

FINANCIAL IMPACT: Ultimate debt service amounts (principal and interest) are undetermined, pending interest rate bids received on Monday, July 24, 2017 at 10:00 AM. Interest is estimated to range from 1.24% to 2.88% with an approximate overall interest rate of 2.66%, with final maturity scheduled for June 1, 2029 (12 year bonds). Interest payments begin June 1, 2019 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 $3,780,000 of General Obligation Refunding Bonds (Series 2017E), to crossover refund the City's existing 2010D General Obligation Urban Renewal Bonds.

The resolution for this item also approves a Preliminary Official Statement and authorizes its distribution with respect to the above-referenced issues. The Council is encouraged to review the Preliminary Official Statement as its preparation is subject to Federal Securities Law regulation. As such, the City must be certain that facts and representations are true and correct in all material respects, up to and including the date of the delivery of the bonds. A copy of the Preliminary Official Statement has been sent electronically to the Councilmembers and is available for review in the offices of the City Clerk and Finance Director.

On June 12, 2017, a public hearing was held to institute proceedings on the issuance of "not to exceed" $4.0 million General Obligation Refunding Bonds. No comments were received at the public hearing.

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: None.

RECOMMENDATION: Adopt motion receiving report of bids and resolution directing (awarding) sale of $3,780,000 General Obligation Refunding Bonds (Series 2017E) to the successful bidder.

Lead Staff Member: Tim Stiles, Finance Director Tmstiles

STAFF REVIEWS

Department Director	
Appropriations/Finance	
Legal	
Agenda Acceptance	RTG

PUBLICATION(S) (if applicable)

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

SUBCOMMITTEE REVIEW (if applicable)

Committee	May 17, 2017		
Date Reviewed			
Recommendation	Yes	No	Split

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Council Member _____ introduced the following Resolution entitled "RESOLUTION DIRECTING SALE OF $3,780,000 (SUBJECT TO ADJUSTMENT PER TERMS OF OFFERING) GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017E," 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 $3,780,000 (SUBJECT TO ADJUSTMENT PER TERMS OF OFFERING) GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017E

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:

$3,780,000 (SUBJECT TO ADJUSTMENT PER TERMS OF OFFERING) GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017E

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. PFM Financial Advisors LLC is authorized and directed to secure appropriate investments on behalf of the City sufficient to fund the Refunding Trust.

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

_____
Mayor

ATTEST:

_____
City Clerk