



MAYOR & COUNCIL COMMUNICATION

DATE: 06/17/2014

REGULAR \$\$

ITEM # 16

AGENDA ITEM: Authorization for sale of \$6,235,000 General Obligation Improvement Bonds Series 2014A

SUBMITTED BY: Cathy Bendel, Finance Director

THROUGH: Tammy Omdal, Senior Vice President, Northland Securities

REVIEWED BY: Dean Zuleger, City Administrator
Finance Committee

SUGGESTED ORDER OF BUSINESS:

- Questions from Council to Staff..... Mayor Facilitates
- Report/Presentations.....City Staff, Northland Securities
- Questions from Council to Staff.....Mayor Facilitates
- Public Input, if Appropriate.....Mayor Facilitates
- Call for Motion Mayor & City Council
- Discussion..... Mayor & City Council
- Action on Motion..... Mayor Facilitates

POLICY RECOMMENDER: Finance Committee

FISCAL IMPACT:

The City will have the responsibility for the debt service on the issuance of \$6,235,000 of new debt as presented in the Financing Plan.

SUMMARY AND ACTION REQUESTED:

On June 3, 2014, the City Council authorized the issuance and sale of \$6,235,000 in General Obligation Improvement Bonds, Series 2014A. Resolution No. 2014-44 awards the sale, prescribes the forms and details and provides for the payment of \$6,235,000 to the City of Lake Elmo. The recommended motion for this action is as follows:

“Move to approve Resolution No. 2014-44 awarding the sale, prescribing the form and details and providing for the payment of \$6,235,000 General Obligation Bonds, Series 2014A.”

STAFF REPORT: Tammy Omdal, Senior Vice President with Northland Securities will present the report and respond to inquiries.

BACKGROUND INFORMATION (SWOT):

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| Strengths | Provides funding for infrastructure projects at a low rate. Water projects allow for the completion of the water “loop” in 2015 resulting in better water pressure and quality for all residents. |
| Weaknesses | Large increases to debt service payments in the enterprise funds. Cash flow assumptions reviewed by the Finance Committee and represent best case scenarios and assume all developers follow through on timing as presented to Planners and Engineers. |
| Opportunities | Ability to complete the water “loop” in 2015 and provide water and sewer to new development areas of the City. |
| Threats | If developments are delayed or do not materialize, the enterprise fund may not be able to independently fund the debt service payments on the infrastructure bonding. |

RECOMMENDATION:

It is recommended that the City Council approve Resolution No. 2014-44 authorizing the issuance and sale of \$6,235,000 in General Obligation Bonds, Series 2014A.

“Move to approve Resolution No. 2014-44 awarding the sale, prescribing the form and details and providing for the payment of \$6,235,000 General Obligation Bonds, Series 2014A.”

ATTACHMENTS:

1. Resolution No. 2014-44