City of Carroll

112 E. 5th Street Carroll, Iowa 51401-2799 (712) 792-1000 FAX: (712) 792-0139

MEMO TO: Mike Pogge-Weaver, City Manager

FROM: Laura A. Schaefer, Finance Director/City Clerk

DATE: June 17, 2020

SUBJECT: Not to Exceed $7,610,000 General Obligation Local Option Sales Tax Bonds
- Public Hearing on issuance
- Resolution instituting proceedings to take additional action

The City has been considering making improvements to the Carroll Recreation Center for a number of years. The project includes a new gym with a raised walking track, expansion and updates to the pool, and renovating the locker rooms. The total project cost is projected to be $13,382,791; however, the exact cost will be unknown until final designs are completed and the project is bid.

To finance the overall project, the City is looking at a combination of $5,900,000 General Obligation Capital Loan Notes that will be paid via property taxes and $7,610,000 General Obligation Local Option Sales Tax Bonds that will be repaid via Local Option Sales and Service Taxes and backed by the City's General Obligation powers. The total of the two issuances is a not to exceed amount of $13,510,000 and is set based on a recommendation from Susanne Gerlach of PFM Financial Advisors to cover unexpected project costs since this project's final designs are not yet completed and the project has not been bid.

At the June 8 Council meeting, Council approved a resolution calling for a special election to issue not to exceed $5,900,000 general obligation capital loan notes. At that same meeting, Council approved a resolution calling for a special election to remove the sunset for the local option sales and services tax to be effective January 1, 2024. These special elections are set for September 8, 2020.

And finally, at the June 8 Council meeting, Council approved a resolution setting June 22 as the date for a public hearing for issuance of not to exceed $7,610,000 General Obligation Local Option Sales Tax Bonds. The notice of public hearing was published Tuesday, June 9, 2020.

At the time of the public hearing, Council should consider any comments filed in the City Clerk's office prior to the meeting and consider any comments made during the public hearing. At the close of the public hearing, Council can either adopt the attached resolution instituting proceedings to take additional action or defer action on the resolution to a later date. If the resolution is approved, city staff will work with Kristin Cooper, Ahlers & Cooney, and Susanne Gerlach, PFM Financial Advisors, to issue the debt at a later date.

RECOMMENDATION: At the close of the public hearing, Council consideration of approving the resolution instituting proceedings to take additional action for the issuance of not to exceed $7,610,000 general obligation local option sales tax bonds.

June 22, 2020

The City Council of the City of Carroll, State of Iowa, met in regular session, in the Council Chambers, City Hall, 627 N. Adams Street, Carroll, Iowa, at 5:15 P.M., on the above date. There were present Mayor _____, in the chair, and the following named Council Members:

_____

Absent: _____

Vacant: _____

* * * * * * *

The Mayor announced that this was the time and place for the public hearing and meeting on the matter of the issuance of not to exceed $7,610,000 General Obligation Local Option Sales Tax Bonds, of the City of Carroll, State of Iowa, to provide funds to pay the costs of construction, reconstruction, improvement, enlargement, extension, and equipping of a Recreation Center, and that notice of the proposal to issue the Bonds had been published pursuant to the provisions of Sections 423B.9(4) of the Code of Iowa.

The Mayor then asked the Clerk whether any written objections had been filed by any City resident or property owner to the issuance of said Bonds and whether any such petition had been filed, requesting that the question of issuing said Bonds be submitted to the qualified electors of the City. The Clerk advised the Mayor and the Council that no such petition had been filed and that _____ written objections had been filed. The Mayor then called for oral objections to the issuance of said Bonds and _____ were made. The Mayor then called for oral objections to the issuance of the Bonds and _____ were made. Whereupon, the Mayor declared the time for receiving oral and written objections to be closed.

(Attach here a summary of objections received or made, if any)

Whereupon, the Mayor declared the hearing on the issuance of the Bonds to be closed.

The Council then considered the proposed action and the extent of objections thereto.

Whereupon, Council Member _____ introduced and delivered to the Clerk the Resolution hereinafter set out entitled "RESOLUTION INSTITUTING PROCEEDINGS TO TAKE ADDITIONAL ACTION FOR THE ISSUANCE OF NOT TO EXCEED $7,610,000 GENERAL OBLIGATION LOCAL OPTION SALES TAX BONDS", and moved:

☐ that the Resolution be adopted.

☐ to ADJOURN and defer action on the Resolution and the proposal to institute proceedings for the issuance of bonds to the meeting to be held at _____ _____.M. on the _____ day of _____, 2020, at this place.

Council Member _____ seconded the motion. The roll was called and the vote was,

AYES: _____

_____

NAYS: _____

Whereupon, the Mayor declared the measure duly adopted.

RESOLUTION INSTITUTING PROCEEDINGS TO TAKE ADDITIONAL ACTION FOR THE ISSUANCE OF NOT TO EXCEED $7,610,000 GENERAL OBLIGATION LOCAL OPTION SALES TAX BONDS

WHEREAS, pursuant to notice published as required by law, the City Council has held a public meeting and hearing upon the proposal to institute proceedings for the issuance of not to exceed $7,610,000 General Obligation Local Option Sales Tax Bonds, in order to provide funds to pay the costs of construction, reconstruction, improvement, enlargement, extension, and equipping of a Recreation Center, and has considered the extent of objections received from residents or property owners as to the proposed issuance of Bonds with no petition having been received; and accordingly the following action is now considered to be in the best interests of the City and residents thereof.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CARROLL, STATE OF IOWA:

Section 1. That this Council does hereby institute proceedings and take additional action for the authorization and the issuance in the manner required by law of not to exceed $7,610,000 General Obligation Local Option Sales Tax Bonds, for the foregoing purposes.

Section 2. This Resolution shall serve as a declaration of official intent under Treasury Regulation 1.150-2 and shall be maintained on file as a public record of such intent. It is reasonably expected that the local option sales and services tax revenue fund moneys may be advanced from time to time for capital expenditures which are to be paid from the proceeds of the above Bonds. The amounts so advanced shall be reimbursed from the proceeds of the Bonds not later than eighteen months after the initial payment of the capital expenditures or eighteen months after the property is placed in service. Such advancements shall not exceed the amount authorized in this Resolution unless the same are for preliminary expenditures or unless another declaration of intention is adopted.

PASSED AND APPROVED this 22nd day of June, 2020.

_____
Mayor

ATTEST:

_____
City Clerk