

**BUSINESS OF THE CITY COUNCIL  
WINDSOR HEIGHTS, IOWA  
AGENDA STATEMENT**

Item No. \_\_\_\_\_ 16 \_\_\_\_  
For Meeting of 05/17/10

**ITEM TITLE:** Consideration of resolution fixing date for a meeting on the authorization of a loan agreement and the issuance of not to exceed \$350,000 General Obligation Refunding Capital Loan Notes of Windsor Heights, Iowa and Providing Publication of Notice Thereof (Series 2010B)

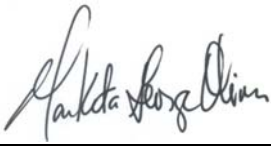
**CONTACT PERSON(S):** Marketa George Oliver, City Administrator

**SUMMARY EXPLANATION**

The purpose of this item is to set a public hearing date and consider a resolution taking action to refund certain city debt. This action is expected to save the City significant amounts of interest over the next four years. The public hearing will be published pursuant to appropriate state code.

The attached resolution institutes proceedings for the City to issue bonds for the purpose of paying costs of **refunding** and refinancing of certain outstanding City indebtedness, consisting of the Taxable General Obligation Bonds, Series 1997B. **(Please note this is NOT new debt or the extension of any debt but the refunding of current debt projected to save money in debt service payments.)**

A proposed timeline would be to undertake necessary legislation that would enable bonds to be sold on July 12<sup>th</sup>. Please note that this would be a special meeting and would replace the July 5<sup>th</sup> meeting. The City would not have a meeting on July 5<sup>th</sup> because City Hall will be closed in observance of July 4<sup>th</sup> holiday. Typically, the City would simply hold the meeting on the following day, but it could be delayed to the following Monday. The City had achieved approximately \$113,000 in savings last year from doing a bond refunding. I contacted Pooler earlier this year to see if any other refunding opportunities may be available. After review, Pooler found some 1997 issues that could be refunded. There was a tax-exempt issue and a taxed issue totaling around \$700,000 that could be refunded. In talking with Pooler at the Committee meeting recently, Pooler thought the City could expect a total net savings of close to \$30,000 by doing the refunding, but the follow up letter sent has a slightly more conservative savings number of a total of \$27,000. \$7,000 of the savings would likely come in the next fiscal year. A copy of Pooler's letter is included with this information. The savings estimate is a combination of both the refunding for the 1997A and 1997B issues, which would be accomplished by doing a 2010A and 2010B issue.

<input checked="" type="checkbox"/> Resolution _____ Ordinance ____ Contract ____ Other (Specify) _____
Funding Source _____ Bonds would be repaid with TIF funds. _____
 APPROVED FOR SUBMITTAL _____ City Administrator

**STAFF RECOMMENDATION:** Approve resolution on a roll call vote.



## The PFM Group

Public Financial Management, Inc.  
PFM Asset Management LLC  
PFM Advisors

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May 12, 2010

## Memorandum

**To:** The Honorable Mayor Jerry Sullivan and Council, City of Windsor Heights  
**From:** Tionna Pooler, Senior Managing Consultant, Public Financial Management (PFM)  
**CC:** Marketa Oliver, City Administrator  
**Re:** Proposed Refunding for Savings

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PFM has identified two series of bonds currently eligible for early redemption that can be refunded to produce annual debt service savings. As with the refundings that were executed in 2009, the refunding bonds will replace the existing debt; no new debt is being created and the payment term will remain the same.

The City's Series 1997 A Bonds are currently outstanding at a rate of 5.20%. It is anticipated that the bonds can be refinanced at a rate less than 3.00%, to produce a net present value savings of approximately \$25,000 over the life of the bonds (roughly 5,000 in debt savings s expected to occur in fiscal year 2011).

In addition, the final maturity of the City's Taxable Series 1997B is also eligible for refunding. Potential savings for the taxable refunding is not as robust, but may provide additional savings of \$2,000 in fiscal year 2011.

PFM has developed a financing calendar that identifies the earliest practical date for the issuance of the refunding bonds, positioning the City to take advantage of the current favorable market conditions. This schedule begins with recommended council action on May 17 to schedule the required public hearing for the bonds on June 7.

(This Notice to be posted)

NOTICE AND CALL OF PUBLIC MEETING

Governmental Body: The City Council of Windsor Heights, Iowa.

Date of Meeting: May 17<sup>th</sup>, 2010.

Time of Meeting: 6:00 p.m.

Place of Meeting: 1133 66<sup>th</sup> Street, Windsor Heights, Iowa.

PUBLIC NOTICE IS HEREBY GIVEN that the above mentioned governmental body will meet at the date, time and place above set out. The tentative agenda for the meeting is as follows:

Not to exceed \$350,000 General Obligation Capital Loan Notes.

- Resolution fixing date for a meeting on the proposition to authorize a Loan Agreement and the issuance of Notes to evidence the obligations of the City thereunder.

Such additional matters as are set forth on the additional 1 page attached hereto.

This notice is given at the direction of the Mayor pursuant to Chapter 21, Code of Iowa, and the local rules of the governmental body.



City Clerk, Windsor Heights, Iowa

May 17<sup>th</sup>, 2010

The City Council of Windsor Heights, Iowa, met in regular session, in the Council Chambers at 1133 66<sup>th</sup> Street, Windsor Heights, Iowa, at 6:00 o'clock P.M., on the above date. There were present Mayor Sullivan in the chair, and the following named Council Members:

Willits, Butz, Peterson, Glover, Jenison

\* \* \* \* \*

Resolution 10-0517/

Council Member \_\_\_\_\_ introduced the following Resolution entitled "RESOLUTION FIXING DATE FOR A MEETING ON THE AUTHORIZATION OF A LOAN AGREEMENT AND THE ISSUANCE OF NOT TO EXCEED \$350,000 GENERAL OBLIGATION REFUNDING CAPITAL LOAN NOTES OF WINDSOR HEIGHTS, IOWA, AND PROVIDING FOR PUBLICATION OF NOTICE THEREOF", and moved that the same be adopted. Council Member \_\_\_\_\_ seconded the motion to adopt. The roll was called and the vote was,

AYES: \_\_\_\_\_  
\_\_\_\_\_

NAYS: \_\_\_\_\_

Whereupon, the Mayor declared the resolution duly adopted as follows:

RESOLUTION FIXING DATE FOR A MEETING ON THE AUTHORIZATION OF A LOAN AGREEMENT AND THE ISSUANCE OF NOT TO EXCEED \$350,000 GENERAL OBLIGATION REFUNDING CAPITAL LOAN NOTES OF WINDSOR HEIGHTS, IOWA, AND PROVIDING FOR PUBLICATION OF NOTICE THEREOF – Issuance to be referred to as 2010B

WHEREAS, it is deemed necessary and advisable that the City of Windsor Heights, Iowa, should provide for the authorization of a Loan Agreement and the issuance of General Obligation Capital Loan Notes to the amount of not to exceed \$350,000, as authorized by Sections 384.24A and 384.25, Code of Iowa, as amended, for the purpose of providing funds to pay costs of carrying out an essential corporate purpose project as hereinafter described; and

WHEREAS, the Loan Agreement and Notes shall be payable from the Debt Service Fund; and

WHEREAS, before a Loan Agreement may be authorized and General Obligation Capital Loan Notes issued to evidence the obligation of the City thereunder, it is necessary to comply with the provisions of the City Code of Iowa, as amended, and to publish a notice of the proposal and of the time and place of the meeting at which the

Council proposes to take action for the authorization of the Loan Agreement and Notes and to receive oral and/or written objections from any resident or property owner of the City to such action.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WINDSOR HEIGHTS, IOWA:

Section 1. That this Council shall meet in the Council Chambers, City Hall, Windsor Heights, Iowa, at 6:00 o'clock P.M., on the 7<sup>th</sup> day of June, 2010, for the purpose of taking action on the matter of the authorization of a Loan Agreement and the issuance of not to exceed \$350,000 General Obligation Capital Loan Notes to evidence the obligations of the City thereunder for an essential corporate purpose of the City, the proceeds of which will be used to pay costs of refunding and refinancing of certain outstanding City indebtedness, consisting of the General Obligation Bonds dated March 1, 1997 (Series 1997B).

Section 2. The Clerk is authorized and directed to proceed on behalf of the City with the solicitation of proposals for a Loan Agreement and the issuance of General Obligation Capital Loan Notes evidencing the City's obligations to a principal amount of not to exceed \$350,000, to select a date for the final approval thereof, to cause to be prepared such notice and sale information as may appear appropriate, to publish and distribute the same on behalf of the City and this Council and otherwise to take all action necessary to permit the completion of a loan on a basis favorable to the City and acceptable to the Council.

Section 3. That the Clerk is hereby directed to cause at least one publication to be made of a notice of the meeting, in a legal newspaper, printed wholly in the English language, published at least once weekly, and having general circulation in the City, the publication to be not less than four clear days nor more than twenty days before the date of the public meeting on the issuance of the Notes.

Section 4. The notice of the proposed action shall be in substantially the following form:

NOTICE OF MEETING OF THE CITY COUNCIL OF THE  
CITY OF WINDSOR HEIGHTS, IOWA, ON THE  
MATTER OF THE PROPOSED AUTHORIZATION OF A  
LOAN AGREEMENT AND THE ISSUANCE OF NOT TO  
EXCEED \$350,000 GENERAL OBLIGATION  
REFUNDING CAPITAL LOAN NOTES (FOR AN  
ESSENTIAL CORPORATE PURPOSE) AND THE PUBLIC  
HEARING ON THE AUTHORIZATION AND ISSUANCE  
THEREOF – Issuance to be referred to as 2010B

PUBLIC NOTICE is hereby given that the Council of the City of Windsor Heights, Iowa, will hold a public hearing on the 7<sup>th</sup> day of June 2010, at 6:00 o'clock P.M., in the Council Chambers, City Hall, 1133 - 66th Street, Windsor Heights, Iowa, at which meeting the Council proposes to take additional action for the authorization of a Loan Agreement and the issuance of not to exceed \$350,000 General Obligation Capital Loan Notes for an essential corporate purpose of the City, in order to pay costs of refunding and refinancing of certain outstanding City indebtedness, consisting of the General Obligation Bonds dated March 1, 1997 (Series 1997B). Principal and interest on the proposed Loan Agreement will be payable from the Debt Service Fund.

At the above meeting the Council shall receive oral or written objections from any resident or property owner of the City, to the above action. After all objections have been received and considered, the Council will at this meeting or at any adjournment thereof, take additional action for the authorization of a Loan Agreement and the issuance of Notes to evidence the obligation of the City thereunder or will abandon the proposal.

This Notice is given by order of the Council of Windsor Heights, Iowa, as provided by Sections 384.24A and 384.25 of the City Code of Iowa, as amended.

Dated this 17<sup>th</sup> day of May, 2010.



\_\_\_\_\_  
City Clerk of Windsor Heights, Iowa

(End of Notice)

PASSED AND APPROVED this 17<sup>th</sup> day of May, 2010.

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Mayor  
Jerry Sullivan

ATTEST:

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City Administrator/Clerk  
Marketa Oliver

CERTIFICATE

STATE OF IOWA )  
 ) SS  
COUNTY OF POLK )

I, the undersigned City Clerk of Windsor Heights, Iowa, do hereby certify that attached is a true and complete copy of the portion of the corporate records of the Municipality showing proceedings of the Council, and the same is a true and complete copy of the action taken by the Council with respect to the matter at the meeting held on the date indicated in the attachment, which proceedings remain in full force and effect, and have not been amended or rescinded in any way; that meeting and all action thereat was duly and publicly held in accordance with a notice of meeting and tentative agenda, a copy of which was timely served on each member of the Council and posted on a bulletin board or other prominent place easily accessible to the public and clearly designated for that purpose at the principal office of the Council (a copy of the face sheet of the agenda being attached hereto) pursuant to the local rules of the Council and the provisions of Chapter 21, Code of Iowa, upon reasonable advance notice to the public and media at least twenty-four hours prior to the commencement of the meeting as required by law and with members of the public present in attendance; I further certify that the individuals named therein were on the date thereof duly and lawfully possessed of their respective city offices as indicated therein, that no Council vacancy existed except as may be stated in the proceedings, and that no controversy or litigation is pending, prayed or threatened involving the incorporation, organization, existence or boundaries of the City or the right of the individuals named therein as officers to their respective positions.

WITNESS my hand and the seal of the Municipality hereto affixed this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
City Clerk, Windsor Heights, Iowa

SEAL