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Title: Granting preliminary approval for the issuance of certain general obligation capital notes, and authorizing city finance staff and advisors to take certain actions with respect to the sale of such general obligation capital notes.

Sponsors: Kathy Lantry

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Attachments: 1. City Council Update 2012 May FINAL.pdf

Date	Ver.	Action By	Action	Result
11/14/2012	1	Mayor's Office	Signed	
11/7/2012	1	City Council	Adopted	Pass

Granting preliminary approval for the issuance of certain general obligation capital notes, and authorizing city finance staff and advisors to take certain actions with respect to the sale of such general obligation capital notes.

WHEREAS, the City of Saint Paul, Minnesota, a home rule charter city and a political subdivision of the State of Minnesota (the "City"), is authorized by Minnesota Statutes, Sections 410.32 and 412.301, as amended (the "Capital Notes Act"), and the provisions of Minnesota Statutes, Chapter 475, as amended (the "Municipal Debt Act" and together with the Capital Notes Act, the "Act"), to issue general obligation capital notes or certificates of indebtedness in order to finance the purchase of capital equipment; and

WHEREAS, any capital notes issued by the City pursuant to the Act shall be payable in not more than ten years and may be issued on such terms as the City Council of the City determines; and

WHEREAS, the amount of any single issue of capital notes issued by the City to finance the purchase of capital equipment shall not exceed .25 percent (.25%) of the market value of taxable property in the City or the City will be required to hold a public hearing on the issuance of such capital notes; and

WHEREAS, the City is proposing to issue its General Obligation Capital Notes, in one or more series of tax-exempt or taxable notes (the "2012 Capital Notes"), in the estimated original aggregate principal amount not to exceed \$8,000,000 to finance a portion of the cost of the City Operations Modernization and Enterprise Transformation ("COMET") project (the "Project") which will modernize the City's procurement, finance, budget, payroll and human resources software systems and related hardware (the "COMET Project"), and

WHEREAS, City finance staff will bring forward a resolution to amend the City's 2012 budget to reflect the issuance of the 2012 Capital Notes and finance a portion of the COMET Project; and

WHEREAS, on October 19, 2009, the City previously issued its \$14,235,000 General Obligation Capital Notes, Series 2009F (COMET) and currently outstanding in the principal amount of \$11,235,000, in order to fund a portion of the cost of the COMET Project; and

WHEREAS, pursuant to Minnesota Statutes, Section 475.60, Subdivision 2(9), public sale requirements do not apply to the 2012 Capital Notes, because the City will retain an independent financial advisor and this Council has determined to sell the 2012 Capital Notes by private negotiation, and the City has instead authorized a competitive sale without publication of notice thereof as a form of private negotiation; and

WHEREAS, the 2012 Capital Notes will be general obligations of the City to which the City pledges its full, faith and credit and unlimited taxing power; and

WHEREAS, City finance staff currently anticipates selling the 2012 Capital Notes at a competitive sale in late 2012; therefore

BE IT RESOLVED by the Council of the City of Saint Paul, Minnesota, as follows:

- 1) The Director, Office of Financial Services and other appropriate City officials and staff are hereby authorized and directed to proceed with preliminary actions for the issuance and sale of the 2012 Capital Notes. Each series of the 2012 Capital Notes shall be issued and sold in conformance with the provisions of the City Charter and Minnesota law in one or more series and as either tax-exempt or taxable obligations.
- 2) Springsted Incorporated is hereby named financial advisor to the City with respect to the issuance and sale of the 2012 Capital Notes.
- 3) Kennedy & Graven, Chartered is hereby named as bond counsel for the City with respect to the 2012 Capital Notes.
- 4) Springsted Incorporated and Kennedy & Graven, Chartered are hereby authorized to work with City staff to prepare the City's Official Statement(s) or other offering documents and materials for the issuance and sale of the 2012 Capital Notes and such other documents, instruments and certificates as may be necessary for further approval of this City Council for the completion of the sale of the 2012 Capital Notes, as may be necessary for further approval of this City Council.
- 5) The City intends to make expenditures for the capital projects financed by the 2012 Capital Notes and reimburse such expenditures from the proceeds of the 2012 Capital Notes. This resolution is intended to constitute a declaration of the City's official intent, for purposes of Section 1.150-2 of the Treasury Regulations, with respect to certain original expenditures made from any sources other than the proceeds of the 2012 Capital Notes, in conjunction with the capital projects financed or refinanced thereby.