



Legislation Text

File #: RES 16-231, **Version:** 1

Granting preliminary approval to the issuance of certain general obligation and revenue bonds as approved in the 2016 budget of the City and authorizing City finance staff and advisors to take certain actions with respect to the sale of such bonds.

WHEREAS, on December 16, 2015 the City Council (the "City Council") of the City of Saint Paul, Minnesota (the "City") approved the 2016 City Budget including the issuance of multiple series of general obligation and revenue bonds and certain lease-purchase obligations (collectively, the "Bonds") in calendar year 2016 as described below and on Exhibit A attached hereto and made a part hereof; and

WHEREAS, the general obligation capital improvement bonds identified on Exhibit A attached hereto will be general obligations of the City payable from general ad valorem taxes and will (i) fund various capital improvement projects identified in the City's approved Capital Improvement Budget for the years 2016 through 2020, and (ii) pay costs of issuance; and

WHEREAS, the sewer revenue bonds identified on Exhibit A attached hereto will be special, limited obligations of the City payable solely from the City's sewer enterprise fund and the sewer bonds will fund (i) certain sewer improvement and rehabilitation projects as set forth in the 2016 City Budget, and (ii) pay costs of issuance; and

WHEREAS, the water revenue bonds identified on Exhibit A attached hereto will be special, limited obligations of the City payable solely from revenues of the Saint Paul Regional Water Services and the water bonds will fund (i) certain water improvement and rehabilitation projects as set forth in the 2016 City Budget, and (ii) pay costs of issuance; and

WHEREAS, the general obligation street improvement bonds identified on Exhibit A attached hereto will be general obligations of the City payable from general ad valorem taxes and special assessments against benefited properties and will fund (i) certain St. Paul Street Vitality program improvement and rehabilitation projects for 2016 as set forth in the 2016 City Budget; and (ii) pay costs of issuance; and

WHEREAS lease-purchase financings identified on Exhibit A attached hereto will be annual appropriation lease financings and will not be a general obligation of the City and will fund (i) public safety equipment, public works equipment and other capital equipment for use by City departments identified on Exhibit A attached hereto and (ii) costs of issuance; and

WHEREAS, the City along with Springsted Incorporated, as the City's municipal advisor, are monitoring certain prior bond issues of the City (including lease revenue bonds or prior lease-purchase agreements) for refunding in advance of their maturities as identified on Exhibit A hereto and the City may issue refunding bonds or other debt obligations as preliminarily approved by this resolution; and

WHEREAS, the City's Office of Financial Services and Springsted Incorporated, as the City's municipal advisor, also routinely monitor the City's other outstanding debt obligations not identified on Exhibit A for possible refunding opportunities and may bring forward any refundings identified by the Office of Financial Services at a later date; and

WHEREAS, the City previously issued its Recreational Facilities Gross Revenue Bonds, Series 2005

(Highland National Project) (the “2005 Highland National Bonds”) and the City’s adopted budget anticipates optionally prepaying the bonds as identified on Exhibit A; and

WHEREAS, City finance staff currently anticipates selling the obligations described above either by negotiated or competitive sale in calendar year 2016 in consultation with the City’s municipal advisor.

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

- 1) The Director, Office of Financial Services, the Debt Manager, and other appropriate City officials and staff are hereby authorized and directed to proceed with preliminary actions for the issuance and sale of the obligations identified on Exhibit A attached hereto and made a part hereof, in the approximate principal amounts set forth therein. Each series of the obligations shall be issued and sold in conformance with the provisions of the City Charter and Minnesota law. The Director, Office of Financial Services and the Debt Manager are hereby authorized, when advantageous and in consultation with the City’s municipal advisors, to take the necessary steps to optionally redeem the 2005 Highland National Bonds and any other refunding possibility for which there are debt service savings identified.
- 2) Springsted Incorporated is hereby named municipal advisor to the City with respect to the issuance and sale of the obligations.
- 3) Barnes & Thornburg LLP is hereby named as bond counsel for the City with respect to the obligations.
- 4) Springsted Incorporated and Barnes & Thornburg LLP are hereby authorized to work with City staff to prepare the City’s Official Statements or other offering documents and materials for the issuance and sale of the obligations 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 obligations.
- 5) The City intends to make expenditures for the capital projects financed by the obligations and reimburse such expenditures from the proceeds of the obligations. 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 obligations, in conjunction with the capital projects financed thereby for the new money obligations identified on Exhibit A.