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 MJP-W

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

DATE: February 22, 2018

SUBJECT: Library/City Hall Remodel Projects and Carroll Park Improvements (Pickleball Courts, Lighting at Youth Sports Complex and Trails) –$4,525,000 General Obligation Capital Loan Notes, Series 2018

- Resolution authorizing the issuance and levying a tax for the payment thereof

The FY 2019 budget proposal contains a debt issuance to cover projects costs to fund the Library/City Hall Remodel Projects, Pickleball Courts, new lighting at the Youth Sports Complex and trails expansion. It is anticipated that the debt will be sold after July 1, 2018 and structured for an eighteen (18) year repayment.

The attached "pre-levy" resolution tells the public that the City has a need to pay for debt service (principal and interest) for these specific projects from capital loan notes to be sold at a later date. The pre-levy resolution gives the basis for the debt service to be included in the FY 2019 budget. It does not bind the Council to the repayment schedule.

Passage of the attached resolution authorizes the City to include the anticipated debt service to be paid during FY 2019 and levy a tax to pay for the debt. The current anticipated total debt service amount of principal and interest for FY 2019 is $394,294 and has been incorporated into the City's levy rate of $11.28383 as proposed to Council during the budget work sessions.

This resolution incorporates a par amount of not to exceed $4,525,000 which is slightly higher than the estimated par amount discussed with Council during budget work sessions of $4,480,000. The difference is the amount estimated for issuance costs. At this time, it is anticipated that the issuance costs will be paid by other city funds and not by debt proceeds. By authorizing $4,525,000 to be issued, Council has flexibility to use debt proceeds to pay issuance costs at the time of issuing the debt, if desired. Or a lesser amount ($4,480,000) can be issued.

RECOMMENDATION: Council consideration and approval of the Resolution authorizing the issuance of not to exceed $4,525,000 General Obligation Capital Loan Notes, Series 2018 and levying a tax for the payment thereof for the Library/City Hall Remodel Projects and Carroll Park Improvements (Pickleball Courts, Lighting at Youth Sports Complex and Trails).

February 26, 2018

The City Council of the City of Carroll, State of Iowa, met in _____ session, in the Council Chambers, City Hall, 112 E. 5th Street, Carroll, Iowa, at _____ _____.M., on the above date. There were present Mayor _____, in the chair, and the following named Council Members:

_____

Absent: _____

Vacant: _____

* * * * * * *

Council Member _____ introduced the following Resolution entitled "RESOLUTION AUTHORIZING THE ISSUANCE OF $4,525,000 GENERAL OBLIGATION CAPITAL LOAN NOTES, SERIES 2018, AND LEVYING A TAX FOR THE PAYMENT 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 AUTHORIZING THE ISSUANCE OF $4,525,000 GENERAL OBLIGATION CAPITAL LOAN NOTES, SERIES 2018, AND LEVYING A TAX FOR THE PAYMENT THEREOF

WHEREAS, the City of Carroll, State of Iowa ("Issuer"), is a municipal corporation, organized and existing under the Constitution and laws of the State of Iowa, and is not affected by any special legislation; and

WHEREAS, the Issuer is in need of funds to pay (i) costs of reconstructing, renovating, remodeling, equipping and furnishing a building for use as city administrative offices and a city hall, and thereafter for the reconstruction, renovation, remodeling, equipping and furnishing of the existing city administrative offices, city hall, and library for use as an expanded Carroll public library facility; and (ii) costs of the rehabilitation, improvement and equipping of parks already owned, including facilities, equipment, signage, and improvements commonly found in City parks; and the construction and reconstruction of trail and sidewalk improvements (the "Project"), and it is deemed necessary and advisable that General Obligation Capital Loan Notes, Series 2018 in the amount of $4,525,000 be issued; and

WHEREAS, the City Council has taken such acts as are necessary to authorize issuance of the Notes.

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

Section 1. Authorization of the Issuance. General Obligation Capital Loan Notes, Series 2018, in the amount of $4,525,000 shall be issued pursuant to the provisions of Iowa Code Sections 384.24A, 384.25, and 384.26 for the purposes covered by the hearing held on February 26, 2018 and the election previously held on August 1, 2017.

Section 2. Levy of Annual Tax. For the purpose of providing funds to pay the principal and interest as required under Chapter 76.2, there is levied for each future year the following direct annual tax upon all the taxable property in the City of Carroll, State of Iowa, to wit:

AMOUNT	FISCAL YEAR (JULY 1 TO JUNE 30) YEAR OF COLLECTION
$394,294.00	2018/2019

Principal and interest coming due at any time when the proceeds of the tax on hand are insufficient to pay the amount due shall be promptly paid when due from current funds available for that purpose and reimbursement must be made.

Section 3. Amendment of Levy of Annual Tax. Based upon the terms of the future sale of the Notes to be issued, this Council will file an amendment to this Resolution ("Amended Resolution") with the County Auditor.

Section 4. Filing. A certified copy of this Resolution shall be filed with the County Auditor of County of Carroll, State of Iowa, who shall, pursuant to Iowa Code Section 76.2, levy, assess and collect the tax in the same manner as other taxes and, when collected, these taxes shall be used only for the purpose of paying principal and interest on the Notes.

PASSED AND APPROVED this 26th day of February, 2018.

_____
Mayor

ATTEST:

_____
City Clerk