



CITY OF MARSHALL AGENDA ITEM REPORT

Meeting Date:	Tuesday, June 22, 2021
Category:	NEW BUSINESS
Type:	ACTION
Subject:	Consider approval of Resolution Number 21-047 Approving the Issuance of Public Utility Revenue Refunding Bonds, Series 2021C and Taxable Public Utility Revenue Refunding Bonds, Series 2021D, and Authorizing Certain Other Actions to be Taken by the Marshall Municipal Utilities (MMU) Commission with Respect to the Issuance of the Series 2021C Bonds and the Series 2021D Bonds.
Background Information:	<p>Pursuant to Section 13.04, subdivision 8 of the Charter, the MMU Commission may authorize the issuance and Sale of Bonds, subject to applicable laws of the State of Minnesota and subject to approval by the Council of the City. At the June 15, 2021 MMU Commission meeting, the Commission approved Resolution 191, Authorizing the Issuance and Sale of Public Utility Revenue Refunding Bonds, Series 2021C, in the Proposed Aggregate Principal Amount of \$3,420,000, and Taxable Public Utility Revenue Refunding Bonds, Series 2021D in the Proposed Aggregate Principal Amount of \$2,715,000, of the City of Marshall, Minnesota.</p> <p>Here is a summarization of the two issues:</p> <p>\$3,420,000 Public Utility Revenue Refunding Bonds, Series 2021C – The issuance of the Series 2021C Bonds is being conducted as a current refunding in which the proceeds will be used within ninety (90) days of settlement to redeem the callable maturities of the Series 2009A Bonds and Series 2010C Bonds. The Commission will use the proceeds of the 2021C Bonds to redeem the outstanding principal and accrued interest of the 2009A and 2010C bonds.</p> <p>\$2,715,000 Taxable Public Utility Revenue Refunding Bonds, Series 2021D – the issuance of the Series 2021D Bonds is being conducted as an advance refunding and is therefore, issued as a taxable obligation. On the settlement date of August 18, 2021, the Commission will deposit the proceeds, along with excess debt service reserve funds estimated to be \$744,885. These investments are structured to pay the interest due on January 1, 2022 on the Series 2013B bonds and on the call date of July 1, 2022, the funds deposited in the escrow account, plus the interest earned by the securities will be used to redeem the callable maturities of the Series 2013B bonds. A verification agent will be retained to verify the sufficiency of the deposited proceeds and performance of purchase securities in the escrow account, confirming cash flow requirements are satisfied.</p> <p>Attached to this Agenda Item Report are two separate documents: 1) A Pre-sale Summary of Issuance of Bonds from Baker Tilly Municipal Advisors, LLC, MMU’s financial consultant, and 2) Resolution Number 21-047, prepared by Kennedy & Graven, Chartered, MMU’s Bond Counsel.</p>

Fiscal Impact:	There is no Fiscal Impact to the City of Marshall. With the approval of the refunding of MMU's bond series, MMU rate payers are projected to save \$134,000 on the 2009A and 2010C Bond Series current refunding's and \$171,000 on the 2013B advanced taxable refunding, for a combined projected cost savings of \$305,000. This will help with inflationary pressures on our future electric and water rates.
Alternative/ Variations:	None Recommended
Recommendations:	To approve Resolution Number 21-047 Approving the Issuance of Public Utility Revenue Refunding Bonds, Series 2021C and Taxable Public Utility Revenue Refunding Bonds, Series 2021D, and Authorizing Certain Other Actions to be Taken by the Marshall Municipal Utilities (MMU) Commission with Respect to the Issuance of the Series 2021C Bonds and the Series 2021D Bonds.