



Memorandum

To: Mayor Nelson and Members of the City Council

From: Daniel R. Buchholtz, MMC, Administrator, Clerk/Treasurer

Date: January 25, 2024

Subject: Authorize Competitive Negotiated Sale of \$8,210,000 G.O. CIP Bonds

The City Council held a public hearing on the 2024-2028 Capital Improvement Plan (CIP) and the possible issuance of General Obligation Capital Improvement Bonds in an amount not to exceed \$8,800,000. After the hearing closed, the City Council approved Resolution 2023-46, which granted preliminary approval to the sale of the G.O. CIP Bonds and adopted the 2024-2028 CIP. This began a 30-day period where residents could petition for a referendum on the bonds. That 30 day period ended on January 18, 2024. The City Council is now legally authorized to issue the bonds.

The next step is for the City Council to approving a resolution setting the sale of the G.O. CIP Bonds. Upon approval of this resolution, the City and its financial advisor, Northland Securities, will solicit bids on the bonds. I will participate in the Bond Rating conference call with S&P on Wednesday, February 7. The City will receive its bond rating shortly thereafter. The bids will be opened on Monday, March 4, 2024 at 10:00am at Northland Securities in Minneapolis. The City Council will receive the results and award the sale of the bonds at its City Council meeting that night (March 4).

We have been able to reduce the bond issuance from \$8,800,000 to +/- \$8,210,000. This will generate approximately \$7.65 million in proceeds that will fund the construction, furnishings and contingency associated with the City Hall project. The remaining costs will be funded with cash reserves.

Staff recommends approval of Resolution 2024-16. If you have any questions, please do not hesitate to contact me at 763-784-6491.

Anticipated Budget

Project Item	Est. Cost
Soft Costs (Engineering, Architectural, Design)	\$ 436,700
Site Preparation (siren, fuel pump relocation, etc)	\$ 81,000
Construction	\$5,955,690
Furniture/Fixture & Equipment Allowance	\$ 639,600
Cable/Conference Room Equipment	\$ 133,250
Emergency Generator	\$ 64,000
Technology	\$ 320,000
Contingency (15%)	<u>\$1,132,386</u>
TOTAL BUDGET	\$8,762,626

Budget Breakdown

	Cash Reserves	G.O. CIP Bond	Total
Soft Costs	\$ 436,700	\$ -	\$ 436,700
Site Preparation	\$ 81,000	\$ -	\$ 81,000
Construction	\$ -	\$5,955,690	\$5,955,690
FF&E Allowance	\$ -	\$ 639,600	\$ 639,600
Cable/Conference Room Equip.	\$ 133,250	\$ -	\$ 133,250
Generator	\$ 64,000	\$ -	\$ 64,000
Technology	\$ 320,000	\$ -	\$ 320,000
Contingency	<u>\$ 77,676</u>	<u>\$1,054,710</u>	<u>\$1,132,386</u>
TOTAL	\$1,112,626	\$7,650,000	\$8,762,626

Timeline

Date	Action	Responsible Party
December 18, 2023	Public Hearing – Resolution Approving the CIP	City Council Action, Bond Counsel, Northland
January 18, 2024	30-day Public Comment Period Over	
January 19, 2024	Preliminary Official Statement Sent to City for Sign Off and to Rating Agency	Northland, City Staff
February 5, 2024	Set Sale Resolution for Bonds Adopted Award Bids for City Hall Renovation/Expansion Project Review of Finance Plan	City Council Action, City Staff, Bond Counsel
February 7, 2024	Rating Conference Call – 10:00am	Northland, City Staff, Rating Agency
February 23, 2024	Rating Received	Rating Agency, City Staff, Northland
March 4, 2024	Bond Sale – 10:00am Awarding Resolution Adopted at City Council Meeting	City Council Action, Northland, City Staff, Bond Counsel
April 2, 2024	Closing on the Bonds (proceeds available)	City Staff, Northland, Bond Counsel