



Memorandum

To: Mayor Nelson and Members of the City Council

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

Date: December 12, 2023

Subject: Approval of Resolution 2023-46, Granting Preliminary Approval of CIP Plan and G.O. CIP Bond

The City Council scheduled a public hearing to obtain feedback on the capital improvement plan and the sale of up to \$8,800,000 in General Obligation Capital Improvement Plan Bonds for December 18, 2023.

At the conclusion of the public hearing, staff recommends the City Council approve Resolution 2023-46, Giving Preliminary Approval for the Issuance of General Obligation Capital Improvement Plan Bonds in an Amount Not to Exceed \$8,800,000 and Adopting the City of Spring Lake Park, Minnesota, Capital Improvement Plan Therefor.

As noted in the staff presentation during the public hearing, the anticipated bond issue will be significantly smaller than the \$8.8 million maximum authorized by the resolution.

The following represents the anticipated budget and funding breakdown:

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

	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

Estimated par amount of bonds would be +/- \$8,270,000.

Following approval of the resolution, the following is the schedule of events for the sale of the bond.

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
Week of February 12, 2024	Rating Conference Call	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

George Eilertson, Northland Securities, will be in attendance at Monday’s meeting to answer any questions.

If you have any questions prior to the meeting, please contact me at 763-784-6491.