

MINUTES TO SELL BONDS AND TO
AUTHORIZE CALL OF OUTSTANDING
BONDS

421464-36

Muscatine, Iowa

February 7, 2013

The City Council of the City of Muscatine, Iowa, met on February 7, 2013, at 7:00 o'clock p.m., at the City Hall Council Chambers, Muscatine, Iowa.

The meeting was called to order by the Mayor, and the roll was called showing the following members of the City Council present and absent:

Present: LeRette, Fitzgerald, Natvig, Shihadeh, Bynum, Phillips, and Spread

Absent: None

This being the time and place fixed by the City Council for the consideration of bids for the purchase of the City's General Obligation Refunding Bonds, Series 2013, the Mayor announced that bids had been received and canvassed on behalf of the City at the time and place fixed therefore.

Whereupon, such bids were placed on file, and the substance of such bids was noted in the minutes, as follows:

Name and Address of Bidder

Final Bid
(interest cost)

(ATTACH BID TABULATION).

TABULATION OF BIDS

City of Muscatine, Iowa

\$1,115,000 General Obligation Refunding Bonds, Series 2013

Award:

**CENTRAL STATE BANK
Muscatine, Iowa**

RATING: Non Rated

SALE DATE: Thursday, February 7, 2013

NAME OF BIDDER	COUPON RATE	YEAR	NET INTEREST COST & TRUE INTEREST RATE	PRICE
CENTRAL STATE BANK Muscatine, Iowa	0.55%	2014	\$19,619.83	\$1,115,000.00
	0.75%	2015		
	0.90%	2016	0.7857%	
COMMUNITY BANK Muscatine, Iowa	0.70%	2014	\$24,575.08	\$1,115,000.00
	0.90%	2015		
	1.15%	2016	0.9839%	
FIRST NATIONAL BANK OF MUSCATINE Muscatine, Iowa	1.45%	2014-2016	\$36,179.92	\$1,115,000.00
			1.4491%	



The PFM Group
Public Financial Management, Inc.
PFM Asset Management, LLC
PFM Advisors

**801 Grand Avenue, Suite 3300
Des Moines, Iowa 50309
(515) 243-2600
www.pfm.com**

UNITED STATES

DEPARTMENT OF THE ARMY

OFFICE OF THE ADJUTANT GENERAL

REPORT

OF THE ADJUTANT GENERAL

FOR THE YEAR 1911

BY THE ADJUTANT GENERAL

FOR THE YEAR 1911

NAME	RANK	COMPANY	REGIMENT	BRANCH	POST
------	------	---------	----------	--------	------

1	1	1	1	1	1
2	2	2	2	2	2
3	3	3	3	3	3
4	4	4	4	4	4
5	5	5	5	5	5
6	6	6	6	6	6
7	7	7	7	7	7
8	8	8	8	8	8
9	9	9	9	9	9
10	10	10	10	10	10

After due consideration and discussion, Council Member Natvig introduced the following resolution and moved its adoption, seconded by Council Member Spread. The Mayor put the question upon the adoption of said resolution, and the roll being called, the following Council Members voted:

Ayes: LeRette, Fitzgerald, Natvig, Shihadeh, Bynum, Phillips, and Spread

Nays: None

Whereupon, the Mayor declared the resolution duly adopted, as hereinafter set out.

• • • •

At the conclusion of the meeting and upon motion and vote, the City Council adjourned.



[Signature]
City Clerk

[Signature]
Mayor



RESOLUTION NO. 92309-0213

Awarding General Obligation Refunding Bonds, Series 2013, and authorizing call of 2006 Bonds

WHEREAS, the City of Muscatine (the "City"), in Muscatine County, State of Iowa, previously issued its \$2,990,000 General Obligation Corporate Purpose Bonds, dated June 1, 2006 (the "2006 Bonds") a portion of which currently remain outstanding, maturing on such dates and in such amounts and bearing interest at such rates as follows:

Maturity Date (June 1)	Principal	Rate
2014	\$350,000	3.900%
2015	\$365,000	3.950%
2016	\$380,000	4.000%

WHEREAS, pursuant to the resolution (the "2006 Issuance Resolution") authorizing the issuance of the 2006 Bonds the City reserved the right to call the 2006 Bonds maturing in the years 2014 through 2016 (the "Callable 2006 Bonds") for early redemption on any date on or after June 1, 2013, subject to the provisions of the 2006 Issuance Resolution; and

WHEREAS, the City heretofore proposed to enter into a General Obligation Refunding Loan Agreement (the "Loan Agreement") in a principal amount not to exceed \$1,200,000 pursuant to the provisions of Section 384.24A of the Code of Iowa for the purpose of paying the cost, to that extent, of current refunding the Callable 2006 Bonds, and pursuant to law and a notice duly published, the City Council has held a public hearing on such proposal on January 17, 2013; and

WHEREAS, a Terms of Offering (the "Offering Document") has been prepared to facilitate the sale of \$1,115,000 General Obligation Refunding Bonds, Series 2013 (the "Bonds") in evidence of the obligation of the City under the Loan Agreement, and the City has made provision for the approval of the Offering Document and authorized its use by Public Financial Management, Inc. (the "Financial Advisor"); and

WHEREAS, pursuant to advertisement of sale, bids for the purchase of \$1,115,000 General Obligation Refunding Bonds, Series 2013 (the "Bonds") to be issued in evidence of the City's obligation under the Loan Agreement were received and canvassed on behalf of the City and the substance of such bids noted in the minutes; and

WHEREAS, upon final consideration of all bids, the City's financial advisor has determined the bid of Central State Bank, (the "Purchaser") is the best, such bid proposing the lowest interest cost to the City; and

WHEREAS, it is now necessary to authorize the calling of the Callable 2006 Bonds (the "Outstanding Bonds") for early redemption on June 1, 2013;

NOW, THEREFORE, It Is Resolved by the City Council of the City of Muscatine, Iowa, as follows:

Section 1. The City shall enter into the Loan Agreement with the Purchaser in substantially the form as will be placed on file with the Council, providing for a loan to the City in the principal amount of \$1,115,000 for the purpose set forth in the preamble hereof.

The Mayor and City Clerk are hereby authorized and directed to sign the Loan Agreement on behalf of the City, and the Loan Agreement is hereby approved.

Section 2. The bid of the Purchaser referred to in the preamble is hereby accepted, and the Bonds are hereby awarded to the Purchaser at the price specified in such bid, together with accrued interest.

Section 3. The form of Agreement of Sale (the "Sale Agreement") of the Bonds to the purchaser is hereby approved, and the Mayor and City Clerk are hereby authorized to execute and deliver the Sale Agreement for and on behalf of the City.

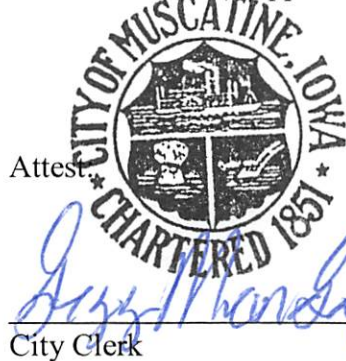
Section 4. Bankers Trust Company of Des Moines, Iowa, as Registrar and Paying Agent for the 2006 Bonds is hereby authorized to take all action necessary to call the Callable 2006 Bonds for early redemption on June 1, 2013 (the "Redemption Date"), and is further authorized and directed to give notice of such redemption by sending notice to each of the registered owners of the Callable 2006 Bonds to be redeemed at the addresses shown on the City's registration books, not less than 30 and not more than 60 days prior to the Redemption Date.

Section 5. Further action with respect to the issuance of the Bonds and final approval of the Loan Agreement is hereby adjourned to the City Council meeting to be held on February 21, 2013.

Section 6. All resolutions and orders or parts thereof in conflict with the provisions of this resolution, to the extent of such conflict, are hereby repealed.

Section 7. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved February 7, 2013.



[Signature]

Mayor



STATE OF IOWA
COUNTY OF MUSCATINE
CITY OF MUSCATINE

SS:

I, the undersigned, City Clerk of the City of Muscatine, do hereby certify that as such City Clerk I have in my possession or have access to the complete corporate records of the City and of its Council and officers and that I have carefully compared the transcript hereto attached with those corporate records and that the transcript hereto attached is a true, correct and complete copy of all the corporate records in relation to the sale of \$1,115,000 General Obligation Refunding Bonds, Series 2013, of the City evidencing the City's obligation under a certain Loan Agreement and that the transcript hereto attached contains a true, correct and complete statement of all the measures adopted and proceedings, acts and things had, done and performed up to the present time with respect thereto.

WITNESS MY HAND this 7th day of February, 2013.



City Clerk

(Attach here a copy of the bid of the successful bidder.)

OFFICIAL BID FORM

To: City Council of
Muscatine, Iowa

Sale Date: February 7, 2013
10:00 AM, Central Time

RE: \$1,115,000* General Obligation Refunding Bonds, Series 2013 (the "Bonds")

For all or none of the Bonds, in accordance with the TERMS OF OFFERING, we will pay you \$ 1,115,000 (not less than \$1,115,000) for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

<u>Coupon</u>	<u>Maturity</u>
<u>0.55</u>	2014
<u>0.75</u>	2015
<u>0.90</u>	2016

*Preliminary: subject to change. The City reserves the right to increase or decrease the aggregate principal amount of the Bonds by such amount as may be necessary to implement the refunding of the Series 2006 Bonds. Such change will be in increments of \$5,000. The purchase price will be adjusted proportionately to reflect any change in issue size.

In making this offer we accept all of the terms and conditions of the TERMS OF OFFERING dated January __, 2013. In the event of failure to deliver the Bonds in accordance with the TERMS OF OFFERING and made a part hereof, we reserve the right to withdraw our offer, whereupon the deposit accompanying it will be immediately returned. All blank spaces of this offer are intentional and are not to be construed as an omission.

Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

\$19,619.83
NET INTEREST COST: \$ +9,642.58 (See attached amortization schedules.)

TRUE INTEREST COST: 785707 % (Calculated to the dated date of March 7, 2013)

Account Manager: Central State Bank

By: Robert J. Howard
Robert J. Howard, President & CEO

Account Members:

The foregoing offer is hereby accepted by and on behalf of the City Council of the City of Muscatine, Iowa this 7th day of February, 2013.

Attest:

Title:

Gary Minkay
City Administrator

By:

Title:

Mayor
Mayor







City Hall, 215 Sycamore St.
Muscatine, IA 52761-3899
(563) 264-1550
Fax (563) 264-0750

FINANCE & RECORDS

MEMO

To: Gregg Mandsager, City Administrator

From: Nancy A. Lueck, Finance Director

Date: February 5, 2013

Re: Resolution Awarding General Obligation Refunding Bonds, Series 2013, and Authorizing Call of 2006 Bonds

Introduction and Background:

Public Financial Management, Inc. (PFM), the City's financial consultant, has analyzed and proposed a refunding of the final three years of the City's June 1, 2006 general obligation bond issue. These bonds have interest rates of 3.90%, 3.95%, and 4.0%, for the bonds maturing June 1 of 2014, 2015, and 2016, respectively. These bonds are callable effective June 1, 2013.

Recommendation:

In discussing the refunding opportunity with Jenny Blankenship of PFM, in order to potentially save on issuance costs, it was decided that the three local banks would be contacted to see if they would be interested in bidding on these bonds. All three banks indicated that they were interested. The Terms of Offering was sent to each of these banks and the deadline for their submission of bids on the bonds is 10:00 on Thursday, February 7, 2013. The bid results will be reported to the City Council at their meeting that evening.

The following schedule has been followed in this process. In addition to the resolution on the agenda for this Thursday's meeting, approval of the final documents will occur at the February 21 meeting.

December 13, 2012	Discuss with City Council
January 3, 2013	Set public hearing
January 17, 2013	Hold public hearing and review Terms of Offering
February 7, 2013	Receive bids on the refunding bonds and award bid
February 21, 2013	Approve final documents on the new issue

Summary:

Results of the bids will be reported to City Council on Thursday, February 7. The City Council will then be asked to consider the attached Resolution awarding the General Obligation Refunding Bonds, Series 2013, and authorizing the call of the 2006 bonds. If you have any questions, please contact me.



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February 7, 2013

Memorandum

To: Nancy Lueck, Finance Director
From: Jenny Blankenship, CPA - PFM
Re: General Obligation Refunding Bonds, Series 2013

At 10:00 a.m. today, Public Financial Management ("PFM") conducted a bond sale for the refinancing of the 2006 General Obligation Bonds. In order to keep costs down, the City of Muscatine (the "City") solicited bids from three banks located in Muscatine. The City received bids from Central State Bank, Community Bank and First National Bank of Muscatine.

Of these three bids, the bid from Central State Bank was the lowest bid with a True Interest Cost of .785707% and a Net Interest Cost of \$19,619.83. This bid generated Net Present Value Savings of \$52,225.31.

PFM would recommend at this time that the City award the Bonds to Central State Bank out of Muscatine, Iowa at a True Interest Cost of .785707%.

TABULATION OF BIDS

City of Muscatine, Iowa

\$1,115,000 General Obligation Refunding Bonds, Series 2013

Award:

**CENTRAL STATE BANK
Muscatine, Iowa**

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SALE DATE: Thursday, February 7, 2013

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SAVINGS

City of Muscatine
G.O. Refunding Bonds, Series 2013

Date	Prior Debt Service	Refunding Debt Service	Savings	Annual Savings	Present Value to 03/07/2013 @ 0.7857064%
12/01/2013	21,633.75	6,002.33	15,631.42		15,541.79
06/01/2014	371,633.75	374,092.50	-2,458.75	13,172.67	-2,435.09
12/01/2014	14,808.75	3,075.00	11,733.75		11,575.34
06/01/2015	379,808.75	373,075.00	6,733.75	18,467.50	6,616.85
12/01/2015	7,600.00	1,687.50	5,912.50		5,787.12
06/01/2016	387,600.00	376,687.50	10,912.50	16,825.00	10,639.29
	1,183,085.00	1,134,619.83	48,465.17	48,465.17	47,725.31

Savings Summary

PV of savings from cash flow	47,725.31
Plus: Refunding funds on hand	4,500.00
Net PV Savings	52,225.31

February 4, 2013

Nancy Lueck
Finance Officer/City Hall
Muscatine, Iowa
Via Email

Re: \$1,115,000 General Obligation Refunding Bonds, Series 2013
Our File No. 421464-36

Dear Nancy:

We have prepared and attach the necessary proceedings to be used at the February 7th City Council meeting to report the bids received and to adopt the resolution selling the General Obligation Refunding Bonds, Series 2013 (the "Bonds") to the best bidder.

The attached resolution must be completed with the name of the purchaser, and Jenny Blankenship will tabulate the bid results and provide that name to you.

The proceedings attached include the following items:

1. Resolution awarding the sale of the Bonds and authorizing the early redemption of the 2006 Bonds being refunded on June 1, 2013.
2. Minutes showing further action being deferred until the Council meeting scheduled for February 21st, at which time the bond issuance resolution will be adopted.
3. Certificate attesting the transcript.

As these proceedings are completed, please return one fully executed copy to our office.

If you have any questions, please contact me.

Best regards,

John P. Danos

Attachments

cc: Jennifer Blankenship
Gail Biggart
Gregg Mandsager
Diana Van Vleet