
Sponsor: Finance

Meeting Date: 3/21/2023

Title: 2023 Capital Improvement Program Bond Series 2023B -
Parameter & Reimbursement Resolutions

File Number: 2023-015

Background and Rationale:

Each year, Ramsey County issues general obligation bonds that allow for investments in county facilities and to address other capital needs. The bonding process includes many reports to the Ramsey County Board, including an ordinance process and resolutions for the sale of the bonds. Traditionally, a specific sale date is set for the bonds and the details of the sale, including the rates, are reported to the Ramsey County Board at their next meeting.

For the 2023B bonds, the Finance department is bringing forward a parameters resolution for the Ramsey County Board's consideration. This resolution allows flexibility of the sale date based on the market on any given day and sets parameters for the circumstances in which the county can sell the bonds. The stock market can be very volatile and change from one day to the next as it responds to economic news, politics, Federal Reserve meetings and many other factors. In order to get the best value and be responsive to outside influences in the market, having more flexibility on the date of bond sales is recommended. The attached resolution delegates the Ramsey County Board's authority to the Pricing Committee, which includes the County Board Chair (County Board Vice-Chair as alternate), County Manager and Chief Finance Officer, to approve the sale of the bonds within the following parameters:

1. The total par amount of the bonds shall not exceed \$40,000,000;
2. The rate on the bonds shall not exceed 5.25% on a True Interest Cost basis; and
3. The final maturity of the bonds shall be no later than February 1, 2043.

The goal is to sell the 2023B bonds on April 17, 2023. With this flexibility, Finance will work with its financial advisor, Baker Tilly Municipal Advisors, LLC, to look at rates and market conditions going into that date and decide if it is the right time or if the county should wait for better market conditions. Once the bond bids are received, the Pricing Committee will meet to review against the parameters and approve the sale. Once the bonds are sold, Finance will report back to the Ramsey County Board on the details of the sale. This allows more flexibility and for the county to be responsive to the market and get the best rates possible. If the sale does not stay within the parameters set forth, Finance will return to the Ramsey County Board for revised authority.

In addition to the parameters authorization, Finance is requesting from the Ramsey County Board to provide its intent to reimburse expenditures before receipt of bond proceeds. This will allow Finance and Property Management to capture expenditures made on the project that are eligible for bond funds before the bonds are issued and then reimburse the County with bond proceeds, including the costs of purchasing the buildings. The 2023B General Obligation bonds will be used for the 360 Wabasha building as well as Metro Square building. Property Management has been working in both of these buildings to plan, design, and renovate the space to meet the county space needs.

Recommendation:

The Ramsey County Board of Commissioners resolved to:

1. Approve the parameters for the general obligation bond sales for Series 2023B.
2. Establish the Pricing Committee, which consists of the County Board Chair (County Board Vice-Chair as alternate), County Manager and Chief Finance Officer.
3. Authorize the County Manager to use 2023B bond proceeds to reimburse the county for costs incurred.

A motion to approve was made by Commissioner Frethem, seconded by Commissioner Reinhardt.

Motion passed.

Aye: - 6: Frethem, MatasCastillo, McGuire, Ortega, Reinhardt, and Xiong

Absent: - 1: Moran

By: 

Mee Cheng, Chief Clerk - County Board