

## Request for Board Action Details

<b>File #:</b>	2023-015	<b>Status:</b>	Passed
<b>Type:</b>	Administrative Item	<b>In control:</b>	Board of Commissioners
<b>On agenda:</b>	3/21/2023	<b>Final action:</b>	3/21/2023
<b>Title:</b>	2023 Capital Improvement Program Bond Series 2023B - Parameter & Reimbursement Resolutions		
<b>Sponsors:</b>	Finance		
<b>Indexes:</b>			
<b>Code sections:</b>			
<b>Attachments:</b>	1. Parameters Resolution 2023B, 2. Schedule of Events 2023B CIP Bond Sale, 3. Resolution		

Date	Ver.	Action By	Action	Result
3/21/2023	1	Board of Commissioners	approved	Pass

**Sponsor:** Finance**Title**

2023 Capital Improvement Program Bond Series 2023B - Parameter &amp; Reimbursement Resolutions

**Recommendation**

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.

**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.

**County Goals** (Check those advanced by Action)

☐ Well-being      ☒ Prosperity      ☒ Opportunity      ☒ Accountability

**Racial Equity Impact**

This action by itself does not have a measurable racial equity impact, as the action is just one step in the ordinance process required by the Ramsey County Home Rule Charter to issue bonds. The county plans to issue bonds to finance numerous capital improvement projects, each of which provides programs and services to the community. The racial equity impact should be considered by the county departments during the development of the associated programs and services for each capital project.

**Community Participation Level and Impact**

Ramsey County issues bonds to finance capital improvements identified in its annual capital improvement plan which is developed with public participation through the Capital Improvement Program Citizen's Advisory Committee (CIPAC), an advisory committee comprised of 14 residents, appointed by the Ramsey County Board, to assure public participation in the decision-making process. CIPAC reviews, rates, and recommends capital improvement projects. The Ramsey County Board also held a public hearing on November 22, 2022, as part of the Capital Improvement Program Bond Ordinance process to afford the public an opportunity to comment on each proposed project. Direct community participation should be incorporated through the county departments in the development of the programs and services associated with each capital project.

☒ Inform      ☒ Consult      ☒ Involve      ☒ Collaborate      ☐ Empower

**Fiscal Impact**

The projects and financing are authorized in the 2023 Capital Improvement Program Budget and Financing Plan. The debt service required is included in the 2023 budget.

**Last Previous Action**

On January 17, 2022, The Ramsey County Board authorized the use of \$40 million of planned Capital Improvement Plan funds to make strategic investments in the 360 Wabasha and Metro Square building (Resolution B2023-018).

On November 22, 2022, the Ramsey County Board approved the 2023 Capital Improvement Program bond ordinance (Resolution B2022-262).

On November 15, 2022, the Ramsey County Board waived the second reading of the 2023 Capital

Improvement Program bond ordinance (Resolution B2022-252) and held a public hearing.

On October 25, 2022, the Ramsey County Board waived the first reading of the proposed 2023 Capital Improvement Program bond ordinance (Resolution B2022-249).

**Attachments**

1. Parameters Resolution 2023B
2. Schedule of Events 2023B CIP Bond Sale