



Board of Commissioners Resolution

B2020-207

15 West Kellogg Blvd.
Saint Paul, MN 55102
651-266-83506

Sponsor: Finance

Meeting Date: 10/20/2020

Item Number: 2020-414

Title: Authorization of General Obligation Capital Improvement Plan Refunding Bonds, Series 2020A and Taxable General Obligation Refunding Bonds Series, 2020B

Background:

The County’s financial advisor, Baker Tilly Municipal Advisors, has performed an analysis of refunding opportunities available on the County’s current bond issues and recommends refunding six outstanding bond issues in order to realize future interest rate cost savings. Refunding these bond issues will take advantage of municipal bond interest rates at near historically low levels.

<u>Current bond issues to be refunded</u>	<u>Current Outstanding</u>
Series 2011A - Tax-exempt GO CIP Bonds	\$ 9,965,000
Series 2012A - Tax-exempt GO CIP Bonds	10,855,000
Series 2013A - Tax-exempt GO CIP Bonds	9,970,000
Series 2013B - Taxable GO Bonds (Rice Creek Commons)	8,170,000
Series 2014B - Taxable GO Bonds (Rice Creek Commons)	6,625,000
Series 2014C - Tax-exempt Library GO CIP Bonds	<u>2,570,000</u>
Total	\$ <u>48,155,000</u>

Refunding these outstanding bond issues is projected to provide average annual debt service savings of approximately \$427,617 and a present value savings of \$5,368,304 over the life of the bonds based on current interest rates and including costs of issuance. The amount of debt will not be increased and all debt will keep its current maturity length. Debt Service levied and collected in 2020 will be used to pay the upcoming 2/1/2021 principal and interest payments and thereby reduce the amount of refunding bonds needed from \$48,155,000 to \$47,505,000.

The new refunding bond issue will contain two series, \$19,475,000 General Obligation Tax-exempt Refunding Bonds, Series 2020A and \$28,030,000 General Obligation Taxable Refunding Bonds, Series 2020B. Series 2020A will refund Series 2011A and Series 2013A bonds because they have 2/1/2020 call dates and would be considered a current refunding. The Series 2020B bonds will refund Series 2012A, Series 2013B, Series 2014B and Series 2014C (Library) bonds which are either currently taxable or have 2/1/2022 call dates which require advance refunding as taxable bonds

Please note that the Terms of Proposal Prepared by Baker Tilly Municipal Advisors, LLC. indicates that the par amount of the bonds in any maturity can change depending on market conditions on the date of the sale. Ramsey County’s bonding ordinance allows refunding bonds to be authorized by County Board Resolution.

If authorized, bids will be taken on the bonds at 1:00 p.m. on Monday, November 16, 2020, and considered for award on the County Board Agenda at 9:00 a.m. on Tuesday, November 17, 2020. The County Board will be requested to approve the sale of the bonds to the bidder offering the lowest interest cost.

Recommendation:

The Ramsey County Board of Commissioners resolved to:

1. Approve the Resolution and Terms of Proposal authorizing issuance of approximately \$19,475,000 General Obligation Capital Improvement Plan Refunding Bonds, Series 2020A and \$28,030,000 Taxable General Obligation Taxable Refunding Bonds, Series 2020B.
2. Set the date of November 17, 2020 as the date for evaluating bond sale bids received on November 16, 2020 and to consider awarding sale of the bonds.

A motion to approve was made by Commissioner Reinhardt, seconded by Commissioner MatasCastillo. Ayes – 7: Frethem, MatasCastillo, McDonough, McGuire, Ortega, Reinhardt, Carter. Motion passed.

By: _____
Janet M. Guthrie, Chief Clerk – County Board