



NORTHFIELD, MN

2023B General Obligation Bonds – Sale Results

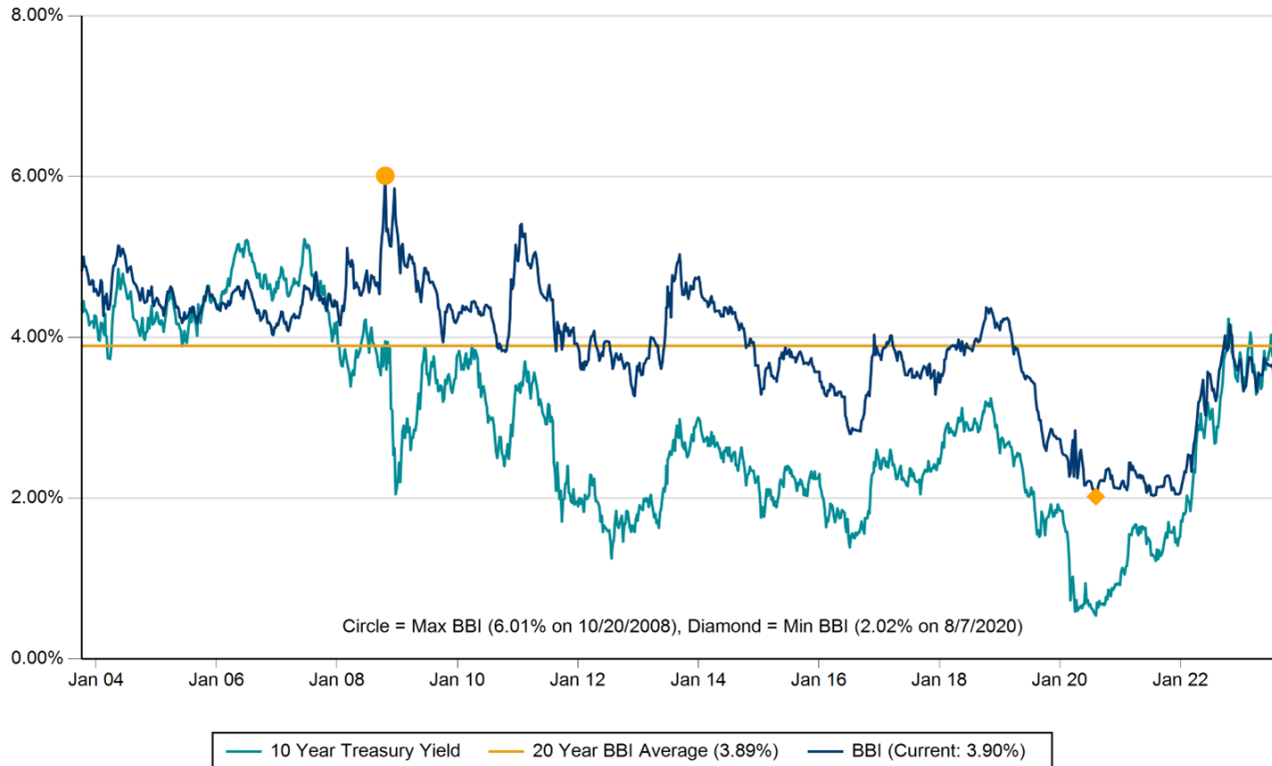
October 2, 2023

Recap: Council Authorized 2023B Bond Sale

Estimated \$7,880,000 General Obligation Bonds, Series 2023B

- Levy supported bonds issued for the following:
 - ✓ \$3,995,000 Street Reconstruction Plan Bonds – fund the non-utility costs associated with the 2023 Reclamation and Overlay Project
 - ✓ \$3,600,000 Tax Abatement Bonds – fund Babcock Park Improvement costs
 - ✓ \$325,000 Equipment Certificates – fund the purchase of capital equipment (Motor Grader)

Interest Rates – 20-year Trend (2003 – 2023)



2023B Bonds Process

- “AA” Credit Rating affirmation by Standard & Poor’s
 - ✓ Shared evaluation with 2023A Bond issue
 - Discussed last council meeting
 - ✓ City maintains the third highest credit rating available
 - Top 20 – 40th percentile among MN municipalities
- Offering documents circulated to the marketplace
 - ✓ Bids due 10:00 am October 3rd

2023B Bonds – Five Bids Received!

Bidder	Indicated Rate	<u>Bid Spread</u> 0.1428%
BOK Financial Securities	4.1861%	
Hilltop Securities	4.2164%	
KeyBanc Capital Markets Inc.	4.2994%	
Baird	4.3234%	
TD Securities LLC	4.3289%	

2023B Bonds Results

- Final principal amount resized to \$7,350,000
 - ✓ Reflects reduction due to:
 - \$ 478k in reoffering premium included within bid
 - \$ 51k in final issuance cost savings
 - ✓ Bonds still provide the same funding amounts for the City's projects
- 4.1980% final calculated True Interest Cost

2023B Bonds Results

- \$3,685,000 Street Reconstruction Plan portion
 - ✓ 15-year repayment
 - ✓ 4.21%
 - ✓ Average annual debt service of \$362,000
- \$3,355,000 Tax Abatement portion
 - ✓ 15-year repayment
 - ✓ 4.21%
 - ✓ Average annual debt service of \$327,300
- \$310,000 Equipment Certificates portion
 - ✓ 10-year repayment
 - ✓ 3.88%
 - ✓ Average annual debt service of \$40,700

Council Action

Bond attorneys at Kennedy & Graven prepared a bond resolution:

- Resolution: *Awarding the Sale of \$7,350,000 General Obligation Street Reconstruction, Abatement and Equipment Bonds, Series 2023B; Fixing their Form and Specifications, Directing their Execution and Delivery, and Providing for their Payment.*
 - ✓ Awards to BOK Financial based on low bid
 - ✓ Locks in the rates and payment schedules at the terms proposed
 - ✓ Closing scheduled for October 26, 2023

