



Legislation Details (With Text)

File #: Res. 2016-076 **Version:** 1 **Name:**

Type: Resolution **Status:** Agenda Ready

File created: 6/14/2016 **In control:** City Council

On agenda: 8/2/2016 **Final action:**

Title: Consider approving Resolution authorizing refunding of Hospital Bonds

Sponsors:

Indexes:

Code sections:

Attachments: 1. Northfield Hospital 2016 Bond Resolution

Date	Ver.	Action By	Action	Result
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City Council Meeting Date:

To: Mayor and City Council

From: Melanie Lammers, Finance Director
Ben Martig, City Administrator

Consider approving Resolution authorizing refunding of Hospital Bonds

Action Requested:

The Northfield City Council is being asked to approve the attached resolution authorizing the Hospital to Refund Revenue Bonds and issue new money.

Summary Report:

The Northfield Hospital is requesting the City Council approve the private placement issuance of \$25,000,000 in bonds. \$22,395,000 of these bonds is a refund for 2006 bonds that currently have an average interest rate of 5.3%. The balance of \$2,605,000 is new money for the hospital, and will count against the bank qualified amount for the City of Northfield. This will leave \$7,395,000 of bank qualified money available, plenty for our anticipated 2016 bond issues. The anticipated interest rate on the \$25,000,000 is around 2.72%. This will save the hospital millions of dollars in interest costs over the next 15 years.

Council is being asked to approve a resolution with parameters, so the Hospital can close on the bond issue later in the week after council approval. The indenture is available for review at City Hall.

Financial Impacts:

The new money in the issue will use a small portion of the Cities \$10,000,000 in bank qualified money. The City has plenty of room to issue bank qualified bonds for its 2016 projects, with room for more if necessary.

Tentative Timelines:

The Hospital would like to close on the bonds the week of August 2nd, so council needs to approve the attached resolution for this timeline to happen.