

# M Management Committee

Business Item

Items: 2010-369

Meeting date: October 27, 2010

## ADVISORY INFORMATION

**Date:** October 21, 2010  
**Subject:** Authorization to Award General Obligation Bonds Within Established Financial Parameters  
**District(s), Member(s):** All  
**Policy/Legal Reference:** Policy 3-1-2  
**Staff Prepared/Presented:** Allen Hoppe, Sr. Manager Treasury, 651-602-1629  
**Division/Department:** All

### Proposed Action

That the Metropolitan Council adopt parameters Resolutions 2010-\_\_\_, 2010-\_\_\_, and 2010-\_\_\_, authorizing issuance and award of sale of general obligation bonds and execution of other necessary documents to complete the bond sales.

*(Resolutions will be distributed at the meeting)*

### Background

The Council generally issues general obligation bonds on an annual basis to fund Transit, Wastewater, and Parks capital projects. Bond offerings are developed with the assistance of a financial advisor and external bond counsel.

This action item authorizes staff to award sale of the bonds within specific parameters adopted by the Council as summarized in the below Rationale section. It provides specific up-front information to the Council on expectations for the sale yet provides flexibility in setting the sale date to take advantage of the most advantageous interest rate conditions in the market place and puts efficiencies into the bond issuance process. Once the bids have been authorized, staff will return to the Management Committee and Council with an informational reporting of the results of the bond sales.

### Rationale

The parameters established for the bond sales are included in the attached resolutions and their exhibits and appendices. Council staff will keep award of the bonds within the following parameters:

Item	Metro Transit	Wastewater	Parks
Sale Authorization (days)	90	90	90
Maximum Authorized Par Amount	\$69.0 million	\$65.0 million	\$8.6 million
Bid Limits (% of authorized total par)	99.2%-102.0%	99.2%-102.0%	99.2%-107.0%
Maximum True Interest Cost (TIC)	3.00%	3.20%	1.80%

### Funding

The proposed new money bond issues are included in the 2010 Operating Budget and 2011-2015 Capital Program and Budget.

### Known Support / Opposition

None.