LEGISLATIVE, FINANCE, AND ADMINISTRATION COMMITTEE
A G E N D A

SEPTEMBER 24, 2012 - 6:00 P.M.

CITY HALL COUNCIL CHAMBERS
15 LOOCKERMAN PLAZA
DOVER, DELAWARE

Public comments are welcomed on any item and will be permitted at appropriate times. When possible, please notify the City Clerk (736-7008 or e-mail at CityClerk@dover.de.us) should you wish to be recognized.

AGENDA ADDITIONS/DELETIONS

1. Financing Proposal - Garrison Oak Park Street and Storm Sewer Infrastructure

2. Update on Changes to the Economic Development Office

3. Adjournment by 7:00 P.M.

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THE AGENDA ITEMS AS LISTED MAY NOT BE CONSIDERED IN SEQUENCE. THIS AGENDA IS SUBJECT TO CHANGE TO INCLUDE THE ADDITION OR THE DELETION OF ITEMS, INCLUDING EXECUTIVE SESSIONS.

ACTION FORM

PROCEEDING: Legislative, Finance & Administration Committee	**AGENDA ITEM NO.:**
DEPARTMENT OF ORIGIN: Finance Department	**DATE SUBMITTED**: 9/24/12
PREPARED BY: Donna Mitchell, Controller/Treasurer	
SUBJECT: Financing Proposal – Garrison Oak Park Street and Storm Sewer Infrastructure	
APPROVALS: Committee/Council	
EXPENDITURE REQUIRED: $6,000,000	**AMOUNT BUDGETED**: $6,000,000
FUNDING SOURCE: Streets & Storm Sewer $2 Million – General Fund Capital Project Fund; Water tower and sewer system - $4 Million – Water/Wastewater Capital Project Fund; Both amounts include engineering & debt issuance cost;	
RECOMMENDED ACTION: Approve Controller's recommendation to finance Garrison Farm improvements using $2,000,000 from Future Capacity Reserve and $4,000,000 negotiated revenue bond financing with the assistance of the City's financial advisory firm Public Financial Management. Amount borrowed to include cost of borrowing.	

Background

On February 27, 2012 City Council approved up to $6 million of in-kind contributions for the Garrison Farm infrastructure and the related Calpine project. These projects have been built into the FY13 Capital Improvement Plan. Staff is working on these projects and we will need to have the financing in place when they start up. This evening's Council Agenda includes the approval of the engineering services.

Financing Recommendation

The City has approved two major projects for the Garrison tract that is meeting or will meet our future power supply needs for mandated renewable energy requirements and new generation in the City of Dover (and on the peninsula). It is staff's recommendation to finance the street and storm sewer infrastructure of this project with $2 million from the Future Capacity Reserve in light of these two projects.

The water/sewer projects of $4 million are being recommended to be financed with revenue bonds to be paid by the revenues of the Water/Wastewater Fund. In order to minimize cost and required time, staff would recommend a negotiated bid rather than a competitive bid for the revenue bonds.

Debt Policy excerpt

B. Competitive Bid Method
Any competitive sale of the City's debt shall require approval of the City Council. The City's debt issued on a competitive bid basis shall be sold to the bidder(s) proposing the lowest true interest cost to the City. Such bid may take the form of hand-delivered or electronically transmitted offers to purchase the bonds. The City may use the services of a financial advisor to administer the bid.

C. Negotiated Bid
When deemed appropriate to minimize costs and risks of the City's debt issue, the Legislative, Finance and Administrative Committee shall submit to the City a request to sell the debt issue on a negotiated basis. If debt is sold on a negotiated basis, the negotiations of terms and conditions shall include, but not be limited to, prices, interest rates, underwriting or remarketing fees and commissions. All negotiated bids shall have a financial advisor who shall evaluate the terms offered by the underwriter(s) and comparisons with the terms and conditions in the marketplace for comparable issuers. The City shall require a post-sale analysis as described in the section Roles and Responsibilities, Financial Advisors, above. No debt issue shall be sold on a negotiated basis without an independent financial advisor.