

ALREADY ACTED UPON 10/18/2010-For Information Only

**ADMINISTRATION AND FINANCE COMMITTEE
CITY COUNCIL CHAMBERS
140 WEST PINE STREET
MISSOULA MONTANA
October 18, 2010, 6:45pm**

Members present: Stacy Rye, Chair; Ed Childers; Renee Mitchell; Pam Walzer; Jason Wiener; Dick Haines; Lyn Hellegaard; Roy Houseman; Dave Strohmaier; Jon Wilkins; Bob Jaffe.

Members absent: Lynn Hellegaard

Others present: Brentt Ramharter, Dave MacGillivray,

I. Administrative Business

- A. Approve committee minutes dated: to be submitted at a later date.
- B. **Public Comment on items not listed on the agenda-None**

II. Consent Agenda

- A. Discuss the proposed pricing for the city's sewer revenue bonds for the \$11.5 million Taxable Sewer System Revenue Bonds, Series 2010 (Recovery Zone Economic Development Bonds) priced on October 18, 2010. ([memo](#))—Regular Agenda (Brentt Ramharter) **REMOVE FROM AGENDA**

Motion: The committee recommends the City Council accept the terms and conditions associated with the proposed contracted sale and pricing of the city's the \$11.5 million sewer revenue bonds (Taxable Sewer System Revenue Bonds, Series 2010 - Recovery Zone Economic Development Bonds) with DA Davidson.

Brentt Ramharter, Finance Director, said the actual sizing of the bond issue is considerably less than indicated and Mr. MacGillivray will explain the reasons why.

Dave MacGillivray, Springsted, said today we sold \$10,345,000 as a result of a good credit rating. So for \$9.5 million in project costs you will have \$10,345,000 in debt. The bonds were issued as taxable municipal bonds under the Federal Stimulus Program and the City will receive a direct payment back of 45% of the total interest costs. So after consideration of the direct payment back, the interest rate will be 3.23%. According to Moody's Credit Rating Report there were 3 main comments:

- Our sewer service area is anchored by the University Of Missoula
- Low Liquidity
- An approved multi-year sewer rate increase that should provide adequate debt service coverage.

Mr. MacGillivray said they recommend the award to D.A. Davidson.

Bob Jaffe asked if we borrowed less because of our credit rating.

Mr. MacGillivray said yes

Renee Mitchell asked about the difference in credit rating between AA and A2.

Pam Walzer moved to accept the terms and conditions associated with the sale of the sewer revenue bonds 2010 with D.A. Davidson.

Upon a voice vote the motion carried

III. Adjournment

The meeting adjourned at 7:00pm

Respectfully submitted,

Dee Andersen

Administrative Secretary