CENTERVILLE WORK SESSION AGENDA

NOTICE IS HEREBY GIVEN THAT THE CENTERVILLE CITY COUNCIL WILL HOLD ITS WORK SESSION MEETING AT 5:30 PM ON May 21, 2019 AT THE CENTERVILLE CITY COMMUNITY CENTER, 250 NORTH MAIN STREET, CENTERVILLE, UTAH. THE AGENDA IS SHOWN BELOW.

A. ROLL CALL

B. NEW BUSINESS

1. FY 2020 Budget Discussion
2. Island View Park Discussion

C. ADJOURNMENT

Mackenzie Wood
Centerville City Recorder

CENTERVILLE

Staff Backup Report
5/21/2019

Item No. 2.

Short Title: Island View Park Discussion

Initiated By:

Scheduled Time:

SUBJECT

RECOMMENDATION

Review and discuss funding options for Island View Park Project.

BACKGROUND

See the attached Bid Comparison Table prepared by Lewis Young Robertson and Burningham, Centerville City's financial advisor.

ATTACHMENTS:

Description

- Direct Purchase Bid Comparison Table with Debt Service Schedules

LYRB

Centerville City, Utah Special Obligation Sales Tax Revenue Bonds, Series 2019

Summary of Direct Placement Bid Responses

	Opus Bank	Zions Bank - RAP Tax Option	Zions Bank - Property Lease Option	Washington Federal	Bank of American Fork	Key Bank
Par Amount of Bonds:	$ 1,600,000	$ 1,600,000	$ 1,600,000	$ 1,600,000	$ 1,600,000	$ 1,600,000
Net Funds for Project Construction:	$ 1,580,000	$ 1,587,000	$ 1,582,000	$ 1,579,500	$ 1,579,500	$ 1,562,000
Debt Service Schedule:	*See Attached*	*See Attached*	*See Attached*	*See Attached*	*See Attached*	*See Attached*
True-Interest-Cost (TIC %):	2.958%	2.643%	2.702%	3.244%	2.731%	2.435%
Net-Interest-Cost (NIC %):	2.980%	2.660%	2.720%	3.270%	2.750%	2.450%
All-Inclusive-Cost (AIC%):	**3.247%**	**2.893%**	**2.961%**	**3.542%**	**3.027%**	**2.984%**
Total Issuance Costs:	$ 20,000	$ 13,000	$ 18,000	$ 20,500	$ 20,500	$ 38,000
Bond Counsel	5,500	5,500	-	5,500	5,500	5,500
Purchaser Fee	1,000	-	10,000	2,500	5,000	-
Purchaser's Counsel	6,000	-	-	5,000	2,500	25,000
LYRB Fee	7,500	7,500	6,000	7,500	7,500	7,500
Title Insurance	-	-	2,000	-	-	-
DSRF Requirement:	Not Required	Not Required	Not Required	Not Required	Not Required	Not Required
Total Principal and Interest over life:	$ 1,824,245	$ 1,799,553	$ 1,804,218	$ 1,846,689	$ 1,806,525	$ 1,783,628
Other Bid Conditions						
Subject to Credit Approval	Yes	Yes	Yes	Yes	Yes	Yes
Early Redemption Provisions:	Call Options for Issuer: i) No Prepayment for 4 years, or ii) option to prepay with declining premium schedule	Callable any time at par with 30-days notice	Callable any time at par with 30-days notice	Callable at any time with premium based on loss incurred by Bank. Make whole prepayment structure and would be negotiated.	Callable at anytime with 30 day's notice	Call flexibility is provided but no specific mention of the exact terms; subject to negotiation
Other Bid Features	Monthly draws over 18 months with cancellation of unused funds with no penalty;	Rate locked through July 2, 2019 if bid is accepted by May 18, 2019; credit concern regarding the Debt Service Coverage of 1.25X	Real Property Lease Option would not require Bond Counsel; title insurance would be required; Rate locked through July 2, 2019 if accepted by 5/18/2019.	The interest rate bid is above the maximum rate specified in the Parameters Resolution. Thus, would require modification to parameters to consider this bid.	Concerned with the coverage level of 1.25X; Bank would consider only to the extent the City provided more like 1.75-2.00X Coverage; this factor would reduce borrowing capacity below $1.3M level.	Credit approval not available at the 1.25X debt service coverage level
	Bid expires on 5/20/2019 unless accepted by the City. Rate lock until July 2, 2019	Credit was not approved at the 1.25X level and therefore the full $1.60M or greater could not be achieved.	Real Property Lease structure would allow the City to exceed $1,600,000 and would not be subject to the parameters resolution; Zions' original interest rate indication was 2.83%	Proposal expires on 6/7/2019 if not previously accepted by the City.		Credit was not approved at the 1.25X level and therefore the full $1.60M or greater could not be achieved.

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.
AN INDEPENDENT MUNICIPAL FINANCIAL ADVISORY AND CONSULTING FIRM

LYRB

$1,600,000

City of Centerville, Utah

Special Obligation Sales Tax Revenue Bond, Series 2019

(Island View Park Project: Opus Bank Bid)

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$1,600,000

City of Centerville, Utah

Special Obligation Sales Tax Revenue Bond, Series 2019

(Island View Park Project: Opus Bank Bid)

Sources & Uses

Dated 06/30/2019 | Delivered 06/30/2019

Sources Of Funds

Par Amount of Bonds	$1,600,000.00
Total Sources	**$1,600,000.00**

Uses Of Funds

Costs of Issuance	20,000.00
Deposit to Project Construction Fund	1,580,000.00
Total Uses	**$1,600,000.00**

$1,600,000

City of Centerville, Utah

Special Obligation Sales Tax Revenue Bond, Series 2019

(Island View Park Project: Opus Bank Bid)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/30/2019	-	-	-	-	-
06/30/2020	13,000.00	2.980%	47,680.00	60,680.00	60,680.00
06/30/2021	208,000.00	2.980%	47,292.60	255,292.60	255,292.60
06/30/2022	229,000.00	2.980%	41,094.20	270,094.20	270,094.20
06/30/2023	250,000.00	2.980%	34,270.00	284,270.00	284,270.00
06/30/2024	291,000.00	2.980%	26,820.00	317,820.00	317,820.00
06/30/2025	309,000.00	2.980%	18,148.20	327,148.20	327,148.20
06/30/2026	300,000.00	2.980%	8,940.00	308,940.00	308,940.00
Total	**$1,600,000.00**	**-**	**$224,245.00**	**$1,824,245.00**	**-**

Yield Statistics

Bond Year Dollars	$7,525.00
Average Life	4.703 Years
Average Coupon	2.9800000%
Net Interest Cost (NIC)	2.9800000%
True Interest Cost (TIC)	2.9581238%
Bond Yield for Arbitrage Purposes	2.9581238%
All Inclusive Cost (AIC)	3.2474200%

IRS Form 8038

Net Interest Cost	2.9800000%
Weighted Average Maturity	4.703 Years

LYRB

$1,600,000

City of Centerville, Utah

Special Obligation Sales Tax Revenue Bond, Series 2019

(Island View Park Project: Zions Bank Bid)

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$1,600,000

City of Centerville, Utah

Special Obligation Sales Tax Revenue Bond, Series 2019

(Island View Park Project: Zions Bank Bid)

Sources & Uses

Dated 06/30/2019 | Delivered 06/30/2019

Sources Of Funds

Par Amount of Bonds	$1,600,000.00
Total Sources	**$1,600,000.00**

Uses Of Funds

Costs of Issuance	13,000.00
Deposit to Project Construction Fund	1,587,000.00
Total Uses	**$1,600,000.00**

$1,600,000

City of Centerville, Utah

Special Obligation Sales Tax Revenue Bond, Series 2019

(Island View Park Project: Zions Bank Bid)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/30/2019	-	-	-	-	-
06/30/2020	15,000.00	2.660%	42,560.00	57,560.00	57,560.00
06/30/2021	210,000.00	2.660%	42,161.00	252,161.00	252,161.00
06/30/2022	230,000.00	2.660%	36,575.00	266,575.00	266,575.00
06/30/2023	250,000.00	2.660%	30,457.00	280,457.00	280,457.00
06/30/2024	290,000.00	2.660%	23,807.00	313,807.00	313,807.00
06/30/2025	308,000.00	2.660%	16,093.00	324,093.00	324,093.00
06/30/2026	297,000.00	2.660%	7,900.20	304,900.20	304,900.20
Total	**$1,600,000.00**	**-**	**$199,553.20**	**$1,799,553.20**	**-**

Yield Statistics

Bond Year Dollars	$7,502.00
Average Life	4.689 Years
Average Coupon	2.6600000%
Net Interest Cost (NIC)	2.6600000%
True Interest Cost (TIC)	2.6425424%
Bond Yield for Arbitrage Purposes	2.6425424%
All Inclusive Cost (AIC)	2.8291063%

IRS Form 8038

Net Interest Cost	2.6600000%
Weighted Average Maturity	4.689 Years

$1,600,000

City of Centerville, Utah

Special Obligation Sales Tax Revenue Bond, Series 2019

(Island View Park Project: Zions Bank Real Property Lease Option)

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LYRB

$1,600,000

City of Centerville, Utah

Special Obligation Sales Tax Revenue Bond, Series 2019

(Island View Park Project: Zions Bank Real Property Lease Option)

Sources & Uses

Dated 06/30/2019 | Delivered 06/30/2019

Sources Of Funds

Par Amount of Bonds	$1,600,000.00
Total Sources	**$1,600,000.00**

Uses Of Funds

Costs of Issuance	18,000.00
Deposit to Project Construction Fund	1,582,000.00
Total Uses	**$1,600,000.00**

$1,600,000

City of Centerville, Utah

Special Obligation Sales Tax Revenue Bond, Series 2019

(Island View Park Project: Zions Bank Real Property Lease Option)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/30/2019	-	-	-	-	-
06/30/2020	14,000.00	2.720%	43,520.00	57,520.00	57,520.00
06/30/2021	210,000.00	2.720%	43,139.20	253,139.20	253,139.20
06/30/2022	230,000.00	2.720%	37,427.20	267,427.20	267,427.20
06/30/2023	250,000.00	2.720%	31,171.20	281,171.20	281,171.20
06/30/2024	290,000.00	2.720%	24,371.20	314,371.20	314,371.20
06/30/2025	308,000.00	2.720%	16,483.20	324,483.20	324,483.20
06/30/2026	298,000.00	2.720%	8,105.60	306,105.60	306,105.60
Total	**$1,600,000.00**	**-**	**$204,217.60**	**$1,804,217.60**	**-**

Yield Statistics

Bond Year Dollars	$7,508.00
Average Life	4.693 Years
Average Coupon	2.7200000%
Net Interest Cost (NIC)	2.7200000%
True Interest Cost (TIC)	2.7017513%
Bond Yield for Arbitrage Purposes	2.7017513%
All Inclusive Cost (AIC)	2.9607799%

IRS Form 8038

Net Interest Cost	2.7200000%
Weighted Average Maturity	4.693 Years

$1,600,000

City of Centerville, Utah

Special Obligation Sales Tax Revenue Bond, Series 2019

(Island View Park Project: Washington Federal Bid)

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WE PROVIDE SOLUTIONS

LYRB

$1,600,000

City of Centerville, Utah

Special Obligation Sales Tax Revenue Bond, Series 2019

(Island View Park Project: Washington Federal Bid)

Sources & Uses

Dated 06/30/2019 | Delivered 06/30/2019

Sources Of Funds

Par Amount of Bonds	$1,600,000.00
Total Sources	**$1,600,000.00**

Uses Of Funds

Costs of Issuance	20,500.00
Deposit to Project Construction Fund	1,579,500.00
Total Uses	**$1,600,000.00**

$1,600,000

City of Centerville, Utah

Special Obligation Sales Tax Revenue Bond, Series 2019

(Island View Park Project: Washington Federal Bid)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/30/2019	-	-	-	-	-
06/30/2020	11,000.00	3.270%	52,320.00	63,320.00	63,320.00
06/30/2021	207,000.00	3.270%	51,960.30	258,960.30	258,960.30
06/30/2022	228,000.00	3.270%	45,191.40	273,191.40	273,191.40
06/30/2023	250,000.00	3.270%	37,735.80	287,735.80	287,735.80
06/30/2024	291,000.00	3.270%	29,560.80	320,560.80	320,560.80
06/30/2025	311,000.00	3.270%	20,045.10	331,045.10	331,045.10
06/30/2026	302,000.00	3.270%	9,875.40	311,875.40	311,875.40
Total	**$1,600,000.00**	**-**	**$246,688.80**	**$1,846,688.80**	**-**

Yield Statistics

Bond Year Dollars	$7,544.00
Average Life	4.715 Years
Average Coupon	3.2700000%
Net Interest Cost (NIC)	3.2700000%
True Interest Cost (TIC)	3.2436961%
Bond Yield for Arbitrage Purposes	3.2436961%
All Inclusive Cost (AIC)	3.5417181%

IRS Form 8038

Net Interest Cost	3.2700000%
Weighted Average Maturity	4.715 Years

$1,600,000

City of Centerville, Utah

Special Obligation Sales Tax Revenue Bond, Series 2019

(Island View Park Project: Bank of American Fork Bid)

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$1,600,000

City of Centerville, Utah

Special Obligation Sales Tax Revenue Bond, Series 2019

(Island View Park Project: Bank of American Fork Bid)

Sources & Uses

Dated 06/30/2019 | Delivered 06/30/2019

Sources Of Funds

Par Amount of Bonds	$1,600,000.00
Total Sources	**$1,600,000.00**

Uses Of Funds

Costs of Issuance	25,500.00
Deposit to Project Construction Fund	1,574,500.00
Total Uses	**$1,600,000.00**

LYRB

$1,600,000

City of Centerville, Utah

Special Obligation Sales Tax Revenue Bond, Series 2019

(Island View Park Project: Bank of American Fork Bid)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/30/2019	-	-	-	-	-
06/30/2020	14,000.00	2.750%	44,000.00	58,000.00	58,000.00
06/30/2021	210,000.00	2.750%	43,615.00	253,615.00	253,615.00
06/30/2022	229,000.00	2.750%	37,840.00	266,840.00	266,840.00
06/30/2023	250,000.00	2.750%	31,542.50	281,542.50	281,542.50
06/30/2024	291,000.00	2.750%	24,667.50	315,667.50	315,667.50
06/30/2025	308,000.00	2.750%	16,665.00	324,665.00	324,665.00
06/30/2026	298,000.00	2.750%	8,195.00	306,195.00	306,195.00
Total	**$1,600,000.00**	**-**	**$206,525.00**	**$1,806,525.00**	**-**

Yield Statistics

Bond Year Dollars	$7,510.00
Average Life	4.694 Years
Average Coupon	2.7500000%
Net Interest Cost (NIC)	2.7500000%
True Interest Cost (TIC)	2.7313493%
Bond Yield for Arbitrage Purposes	2.7313493%
All Inclusive Cost (AIC)	3.0996007%

IRS Form 8038

Net Interest Cost	2.7500000%
Weighted Average Maturity	4.694 Years

LYRB

$1,600,000

City of Centerville, Utah

Special Obligation Sales Tax Revenue Bond, Series 2019

(Island View Park Project: Key Bank Bid)

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$1,600,000

City of Centerville, Utah

Special Obligation Sales Tax Revenue Bond, Series 2019

(Island View Park Project: Key Bank Bid)

Sources & Uses

Dated 06/30/2019 | Delivered 06/30/2019

Sources Of Funds	
Par Amount of Bonds	$1,600,000.00
Total Sources	**$1,600,000.00**
Uses Of Funds	
Costs of Issuance	38,000.00
Deposit to Project Construction Fund	1,562,000.00
Total Uses	**$1,600,000.00**

$1,600,000

City of Centerville, Utah

Special Obligation Sales Tax Revenue Bond, Series 2019

(Island View Park Project: Key Bank Bid)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/30/2019	-	-	-	-	-
06/30/2020	15,000.00	2.450%	39,200.00	54,200.00	54,200.00
06/30/2021	211,000.00	2.450%	38,832.50	249,832.50	249,832.50
06/30/2022	230,000.00	2.450%	33,663.00	263,663.00	263,663.00
06/30/2023	251,000.00	2.450%	28,028.00	279,028.00	279,028.00
06/30/2024	290,000.00	2.450%	21,878.50	311,878.50	311,878.50
06/30/2025	307,000.00	2.450%	14,773.50	321,773.50	321,773.50
06/30/2026	296,000.00	2.450%	7,252.00	303,252.00	303,252.00
Total	**$1,600,000.00**	**-**	**$183,627.50**	**$1,783,627.50**	**-**

Yield Statistics

Bond Year Dollars	$7,495.00
Average Life	4.684 Years
Average Coupon	2.4500000%
Net Interest Cost (NIC)	2.4500000%
True Interest Cost (TIC)	2.4351748%
Bond Yield for Arbitrage Purposes	2.4351748%
All Inclusive Cost (AIC)	2.9836224%

IRS Form 8038

Net Interest Cost	2.4500000%
Weighted Average Maturity	4.684 Years