

Midway City Council  
4 August 2020  
Regular Meeting

970 South Transmission Line /  
Bonding



# Memo

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**Date:** 31 July 2020  
**To:** Mayor, City Council and Staff  
**Cc:** File  
**From:** Brad Wilson, City Recorder/Financial Officer  
**RE:** Bonding to Bury the 970 South Transmission Line

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I have attached tax impact summaries, prepared by Zions Bank Public Finance, for general obligation bonds issued for \$3.5 million and \$6.5 million with 20-year terms. The cost per \$100,000 of value is shown on the bottom of the first page of each summary. The summary also gives the debt service schedule, pricing summary, and issuance costs.

The maximum indebtedness of a municipality is established in the Utah Constitution, Article XIV, Section 4. It states that "no city, town, school district, or other municipal corporation, may become indebted to an amount, including existing indebtedness, exceeding four per centum of the value of the taxable property therein." 4% of the City's 2020-21 taxable value (\$992,975,968) is \$39,719,039. Existing debt is \$37,800 (Bonds to purchase additional land for the cemetery) and \$5,000,000 (Bonds for the purchase of open space) for a total of \$5,037,800. This decreases the debt limit to \$34,681,239.

Another option would be a sales tax bond. This bond type pledges sales tax revenue for repayment (Annual revenue must be at least twice the amount of annual principal and interest payments), has a higher interest rate, and does not require voter approval.

Please contact me if you have any questions.

# Midway City, Utah

## General Obligation Bonds

### (\$3.5 Million Authorization)

#### Tax Impact Analysis Summary

\$3,230,000			
General Obligation Bonds			
Series 2021			
Fiscal Year	Principal	Interest	Total P+I
2021	\$ -	\$ -	\$ -
2022	80,000	129,126	209,126
2023	120,000	91,700	211,700
2024	125,000	88,100	213,100
2025	125,000	84,350	209,350
2026	130,000	79,350	209,350
2027	135,000	74,150	209,150
2028	145,000	68,750	213,750
2029	150,000	61,500	211,500
2030	155,000	54,000	209,000
2031	165,000	46,250	211,250
2032	175,000	38,000	213,000
2033	175,000	34,500	209,500
2034	180,000	31,000	211,000
2035	185,000	27,400	212,400
2036	190,000	23,700	213,700
2037	190,000	19,900	209,900
2038	195,000	16,100	211,100
2039	200,000	12,200	212,200
2040	205,000	8,200	213,200
2041	205,000	4,100	209,100
<b>Total</b>	<b>\$ 3,230,000</b>	<b>\$ 992,376</b>	<b>\$ 4,222,376</b>

Tax Impact Summary	
2020-21 Collected Taxable Valuation	\$ 992,975,968
Maximum Debt Service	\$ 213,750
Tax Rate Levy on Max Debt Service	0.000215
Annual Impact on \$100,000 FMV Home	\$ 11.84
Monthly Impact on \$100,000 FMV Home	\$ 0.99
Annual Impact on \$100,000 FMV Business	\$ 21.53
Monthly Impact on \$100,000 FMV Business	\$ 1.79



# Midway City, Utah

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\$3,230,000 General Obligation Bond

Series February 1, 2021

(\$3.5 Million Authorization)

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## Midway City, Utah

\$3,230,000 General Obligation Bond

Series February 1, 2021

(\$3.5 Million Authorization)

### Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/01/2021	-	-	-	-	-
12/15/2021	-	-	82,076.11	82,076.11	-
06/15/2022	80,000.00	3.000%	47,050.00	127,050.00	209,126.11
12/15/2022	-	-	45,850.00	45,850.00	-
06/15/2023	120,000.00	3.000%	45,850.00	165,850.00	211,700.00
12/15/2023	-	-	44,050.00	44,050.00	-
06/15/2024	125,000.00	3.000%	44,050.00	169,050.00	213,100.00
12/15/2024	-	-	42,175.00	42,175.00	-
06/15/2025	125,000.00	4.000%	42,175.00	167,175.00	209,350.00
12/15/2025	-	-	39,675.00	39,675.00	-
06/15/2026	130,000.00	4.000%	39,675.00	169,675.00	209,350.00
12/15/2026	-	-	37,075.00	37,075.00	-
06/15/2027	135,000.00	4.000%	37,075.00	172,075.00	209,150.00
12/15/2027	-	-	34,375.00	34,375.00	-
06/15/2028	145,000.00	5.000%	34,375.00	179,375.00	213,750.00
12/15/2028	-	-	30,750.00	30,750.00	-
06/15/2029	150,000.00	5.000%	30,750.00	180,750.00	211,500.00
12/15/2029	-	-	27,000.00	27,000.00	-
06/15/2030	155,000.00	5.000%	27,000.00	182,000.00	209,000.00
12/15/2030	-	-	23,125.00	23,125.00	-
06/15/2031	165,000.00	5.000%	23,125.00	188,125.00	211,250.00
12/15/2031	-	-	19,000.00	19,000.00	-
06/15/2032	175,000.00	2.000%	19,000.00	194,000.00	213,000.00
12/15/2032	-	-	17,250.00	17,250.00	-
06/15/2033	175,000.00	2.000%	17,250.00	192,250.00	209,500.00
12/15/2033	-	-	15,500.00	15,500.00	-
06/15/2034	180,000.00	2.000%	15,500.00	195,500.00	211,000.00
12/15/2034	-	-	13,700.00	13,700.00	-
06/15/2035	185,000.00	2.000%	13,700.00	198,700.00	212,400.00
12/15/2035	-	-	11,850.00	11,850.00	-
06/15/2036	190,000.00	2.000%	11,850.00	201,850.00	213,700.00
12/15/2036	-	-	9,950.00	9,950.00	-
06/15/2037	190,000.00	2.000%	9,950.00	199,950.00	209,900.00
12/15/2037	-	-	8,050.00	8,050.00	-
06/15/2038	195,000.00	2.000%	8,050.00	203,050.00	211,100.00
12/15/2038	-	-	6,100.00	6,100.00	-
06/15/2039	200,000.00	2.000%	6,100.00	206,100.00	212,200.00
12/15/2039	-	-	4,100.00	4,100.00	-
06/15/2040	205,000.00	2.000%	4,100.00	209,100.00	213,200.00
12/15/2040	-	-	2,050.00	2,050.00	-
06/15/2041	205,000.00	2.000%	2,050.00	207,050.00	209,100.00
<b>Total</b>	<b>\$3,230,000.00</b>	<b>-</b>	<b>\$992,376.11</b>	<b>\$4,222,376.11</b>	<b>-</b>

### Yield Statistics

Bond Year Dollars	\$38,872.28
Average Life	12.035 Years
Average Coupon	2.5529147%
Net Interest Cost (NIC)	1.6316396%
True Interest Cost (TIC)	1.5473085%
Bond Yield for Arbitrage Purposes	1.4663126%
All Inclusive Cost (AIC)	1.7858834%

### IRS Form 8038

Net Interest Cost	1.4580165%
Weighted Average Maturity	11.726 Years

\$3.5 GO 07/30/20 | SINGLE PURPOSE | 7/30/2020 | 4:06 PM

## Midway City, Utah

\$3,230,000 General Obligation Bond

Series February 1, 2021

(\$3.5 Million Authorization)

### Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Par	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
06/15/2022	Serial Coupon	3.000%	0.430%	100.000%	80,000.00	103.512%	-	-	-	82,809.60
06/15/2023	Serial Coupon	3.000%	0.450%	100.000%	120,000.00	106.009%	-	-	-	127,210.80
06/15/2024	Serial Coupon	3.000%	0.460%	100.000%	125,000.00	108.489%	-	-	-	135,611.25
06/15/2025	Serial Coupon	4.000%	0.510%	100.000%	125,000.00	115.070%	-	-	-	143,837.50
06/15/2026	Serial Coupon	4.000%	0.590%	100.000%	130,000.00	118.005%	-	-	-	153,406.50
06/15/2027	Serial Coupon	4.000%	0.690%	100.000%	135,000.00	120.599%	-	-	-	162,808.65
06/15/2028	Serial Coupon	5.000%	0.840%	100.000%	145,000.00	129.676%	-	-	-	188,030.20
06/15/2029	Serial Coupon	5.000%	0.910%	100.000%	150,000.00	132.897%	-	-	-	199,345.50
06/15/2030	Serial Coupon	5.000%	0.980%	100.000%	155,000.00	135.912%	-	-	-	210,663.60
06/15/2031	Serial Coupon	5.000%	1.050%	100.000%	165,000.00	138.720%	-	-	-	228,888.00
06/15/2032	Serial Coupon	2.000%	1.160%	100.000%	175,000.00	108.186%	c 1.227%	06/15/2031	100.000%	189,325.50
06/15/2033	Serial Coupon	2.000%	1.280%	100.000%	175,000.00	106.972%	c 1.385%	06/15/2031	100.000%	187,201.00
06/15/2034	Serial Coupon	2.000%	1.420%	100.000%	180,000.00	105.574%	c 1.537%	06/15/2031	100.000%	190,033.20
06/15/2035	Serial Coupon	2.000%	1.520%	100.000%	185,000.00	104.589%	c 1.640%	06/15/2031	100.000%	193,489.65
06/15/2036	Serial Coupon	2.000%	1.570%	100.000%	190,000.00	104.100%	c 1.696%	06/15/2031	100.000%	197,790.00
06/15/2037	Serial Coupon	2.000%	1.660%	100.000%	190,000.00	103.226%	c 1.772%	06/15/2031	100.000%	196,129.40
06/15/2038	Serial Coupon	2.000%	1.700%	100.000%	195,000.00	102.840%	c 1.809%	06/15/2031	100.000%	200,538.00
06/15/2039	Serial Coupon	2.000%	1.790%	100.000%	200,000.00	101.979%	c 1.872%	06/15/2031	100.000%	203,958.00
06/15/2040	Serial Coupon	2.000%	1.830%	100.000%	205,000.00	101.598%	c 1.901%	06/15/2031	100.000%	208,275.90
06/15/2041	Serial Coupon	2.000%	1.920%	100.000%	205,000.00	100.748%	c 1.955%	06/15/2031	100.000%	206,533.40
<b>Total</b>	-	-	-	-	<b>\$3,230,000.00</b>	-	-	-	-	<b>\$3,605,885.65</b>

### Bid Information

Par Amount of Bonds	\$3,230,000.00
Reoffering Premium or (Discount)	375,885.65
Gross Production	\$3,605,885.65
Total Underwriter's Discount (0.550%)	\$(17,765.00)
Bid (111.087327%)	3,588,120.65
Total Purchase Price	\$3,588,120.65
Bond Year Dollars	\$38,872.28
Average Life	12.035 Years
Average Coupon	2.5529147%
Net Interest Cost (NIC)	1.6316396%
True Interest Cost (TIC)	1.5473085%

\$3.5 GO 07/30/20 | SINGLE PURPOSE | 7/30/2020 | 4:06 PM

## Midway City, Utah

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\$3,230,000 General Obligation Bond

Series February 1, 2021

(\$3.5 Million Authorization)

### Sources & Uses

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Dated 02/01/2021 | Delivered 02/01/2021

#### Sources Of Funds

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Par Amount of Bonds	\$3,230,000.00
Reoffering Premium	375,885.65

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<b>Total Sources</b>	<b>\$3,605,885.65</b>
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#### Uses Of Funds

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Deposit to Project Construction Fund	3,500,000.00
Costs of Issuance	75,000.00
Total Underwriter's Discount (0.550%)	17,765.00
Gross Bond Insurance Premium ( 26.2 bp)	11,062.63
Rounding Amount	2,058.02

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<b>Total Uses</b>	<b>\$3,605,885.65</b>
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# Midway City, Utah

## General Obligation Bonds

### (\$6.5 Million Authorization)

#### Tax Impact Analysis Summary

\$5,955,000			
General Obligation Bonds			
Series 2021			
Fiscal Year	Principal	Interest	Total P+i
2021	\$ -	\$ -	\$ -
2022	150,000	238,492	388,492
2023	220,000	169,300	389,300
2024	225,000	162,700	387,700
2025	235,000	155,950	390,950
2026	245,000	146,550	391,550
2027	255,000	136,750	391,750
2028	265,000	126,550	391,550
2029	275,000	113,300	388,300
2030	290,000	99,550	389,550
2031	305,000	85,050	390,050
2032	320,000	69,800	389,800
2033	325,000	63,400	388,400
2034	330,000	56,900	386,900
2035	340,000	50,300	390,300
2036	345,000	43,500	388,500
2037	350,000	36,600	386,600
2038	360,000	29,600	389,600
2039	365,000	22,400	387,400
2040	375,000	15,100	390,100
2041	380,000	7,600	387,600
<b>Total</b>	<b>\$ 5,955,000</b>	<b>\$ 1,829,392</b>	<b>\$ 7,784,392</b>

Tax Impact Summary	
2020-21 Collected Taxable Valuation	\$ 992,975,968
Maximum Debt Service	\$ 391,750
Tax Rate Levy on Max Debt Service	0.000395
Annual Impact on \$100,000 FMV Home	\$ 21.70
Monthly Impact on \$100,000 FMV Home	\$ 1.81
Annual Impact on \$100,000 FMV Business	\$ 39.45
Monthly Impact on \$100,000 FMV Business	\$ 3.29





# Midway City, Utah

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\$5,955,000 General Obligation Bond

Series February 1, 2021

(\$6.5 Million Authorization)

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## Midway City, Utah

\$5,955,000 General Obligation Bond

Series February 1, 2021

(\$6.5 Million Authorization)

### Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/01/2021	-	-	-	-	-
12/15/2021	-	-	151,592.22	151,592.22	-
06/15/2022	150,000.00	3.000%	86,900.00	236,900.00	388,492.22
12/15/2022	-	-	84,650.00	84,650.00	-
06/15/2023	220,000.00	3.000%	84,650.00	304,650.00	389,300.00
12/15/2023	-	-	81,350.00	81,350.00	-
06/15/2024	225,000.00	3.000%	81,350.00	306,350.00	387,700.00
12/15/2024	-	-	77,975.00	77,975.00	-
06/15/2025	235,000.00	4.000%	77,975.00	312,975.00	390,950.00
12/15/2025	-	-	73,275.00	73,275.00	-
06/15/2026	245,000.00	4.000%	73,275.00	318,275.00	391,550.00
12/15/2026	-	-	68,375.00	68,375.00	-
06/15/2027	255,000.00	4.000%	68,375.00	323,375.00	391,750.00
12/15/2027	-	-	63,275.00	63,275.00	-
06/15/2028	265,000.00	5.000%	63,275.00	328,275.00	391,550.00
12/15/2028	-	-	56,650.00	56,650.00	-
06/15/2029	275,000.00	5.000%	56,650.00	331,650.00	388,300.00
12/15/2029	-	-	49,775.00	49,775.00	-
06/15/2030	290,000.00	5.000%	49,775.00	339,775.00	389,550.00
12/15/2030	-	-	42,525.00	42,525.00	-
06/15/2031	305,000.00	5.000%	42,525.00	347,525.00	390,050.00
12/15/2031	-	-	34,900.00	34,900.00	-
06/15/2032	320,000.00	2.000%	34,900.00	354,900.00	389,800.00
12/15/2032	-	-	31,700.00	31,700.00	-
06/15/2033	325,000.00	2.000%	31,700.00	356,700.00	388,400.00
12/15/2033	-	-	28,450.00	28,450.00	-
06/15/2034	330,000.00	2.000%	28,450.00	358,450.00	386,900.00
12/15/2034	-	-	25,150.00	25,150.00	-
06/15/2035	340,000.00	2.000%	25,150.00	365,150.00	390,300.00
12/15/2035	-	-	21,750.00	21,750.00	-
06/15/2036	345,000.00	2.000%	21,750.00	366,750.00	388,500.00
12/15/2036	-	-	18,300.00	18,300.00	-
06/15/2037	350,000.00	2.000%	18,300.00	368,300.00	386,600.00
12/15/2037	-	-	14,800.00	14,800.00	-
06/15/2038	360,000.00	2.000%	14,800.00	374,800.00	389,600.00
12/15/2038	-	-	11,200.00	11,200.00	-
06/15/2039	365,000.00	2.000%	11,200.00	376,200.00	387,400.00
12/15/2039	-	-	7,550.00	7,550.00	-
06/15/2040	375,000.00	2.000%	7,550.00	382,550.00	390,100.00
12/15/2040	-	-	3,800.00	3,800.00	-
06/15/2041	380,000.00	2.000%	3,800.00	383,800.00	387,600.00
<b>Total</b>	<b>\$5,955,000.00</b>	<b>-</b>	<b>\$1,829,392.22</b>	<b>\$7,784,392.22</b>	<b>-</b>

### Yield Statistics

Bond Year Dollars	\$71,551.58
Average Life	12.015 Years
Average Coupon	2.5567460%
Net Interest Cost (NIC)	1.6304101%
True Interest Cost (TIC)	1.5458007%
Bond Yield for Arbitrage Purposes	1.4647206%
All Inclusive Cost (AIC)	1.7187237%

### IRS Form 8038

Net Interest Cost	1.4563500%
Weighted Average Maturity	11.706 Years

\$6.5 GO 07/30/20 | SINGLE PURPOSE | 7/30/2020 | 4:09 PM

## Midway City, Utah

\$5,955,000 General Obligation Bond

Series February 1, 2021

(\$6.5 Million Authorization)

### Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Par	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
06/15/2022	Serial Coupon	3.000%	0.430%	100.000%	150,000.00	103.512%	-	-	-	155,268.00
06/15/2023	Serial Coupon	3.000%	0.450%	100.000%	220,000.00	106.009%	-	-	-	233,219.80
06/15/2024	Serial Coupon	3.000%	0.460%	100.000%	225,000.00	108.489%	-	-	-	244,100.25
06/15/2025	Serial Coupon	4.000%	0.510%	100.000%	235,000.00	115.070%	-	-	-	270,414.50
06/15/2026	Serial Coupon	4.000%	0.590%	100.000%	245,000.00	118.005%	-	-	-	289,112.25
06/15/2027	Serial Coupon	4.000%	0.690%	100.000%	255,000.00	120.599%	-	-	-	307,527.45
06/15/2028	Serial Coupon	5.000%	0.840%	100.000%	265,000.00	129.676%	-	-	-	343,641.40
06/15/2029	Serial Coupon	5.000%	0.910%	100.000%	275,000.00	132.897%	-	-	-	365,466.75
06/15/2030	Serial Coupon	5.000%	0.980%	100.000%	290,000.00	135.912%	-	-	-	394,144.80
06/15/2031	Serial Coupon	5.000%	1.050%	100.000%	305,000.00	138.720%	-	-	-	423,096.00
06/15/2032	Serial Coupon	2.000%	1.160%	100.000%	320,000.00	108.186%	c 1.227%	06/15/2031	100.000%	346,195.20
06/15/2033	Serial Coupon	2.000%	1.280%	100.000%	325,000.00	106.972%	c 1.385%	06/15/2031	100.000%	347,659.00
06/15/2034	Serial Coupon	2.000%	1.420%	100.000%	330,000.00	105.574%	c 1.537%	06/15/2031	100.000%	348,394.20
06/15/2035	Serial Coupon	2.000%	1.520%	100.000%	340,000.00	104.589%	c 1.640%	06/15/2031	100.000%	355,602.60
06/15/2036	Serial Coupon	2.000%	1.570%	100.000%	345,000.00	104.100%	c 1.696%	06/15/2031	100.000%	359,145.00
06/15/2037	Serial Coupon	2.000%	1.660%	100.000%	350,000.00	103.226%	c 1.772%	06/15/2031	100.000%	361,291.00
06/15/2038	Serial Coupon	2.000%	1.700%	100.000%	360,000.00	102.840%	c 1.809%	06/15/2031	100.000%	370,224.00
06/15/2039	Serial Coupon	2.000%	1.790%	100.000%	365,000.00	101.979%	c 1.872%	06/15/2031	100.000%	372,223.35
06/15/2040	Serial Coupon	2.000%	1.830%	100.000%	375,000.00	101.598%	c 1.901%	06/15/2031	100.000%	380,992.50
06/15/2041	Serial Coupon	2.000%	1.920%	100.000%	380,000.00	100.748%	c 1.955%	06/15/2031	100.000%	382,842.40
<b>Total</b>	-	-	-	-	<b>\$5,955,000.00</b>	-	-	-	-	<b>\$6,650,560.45</b>

### Bid Information

Par Amount of Bonds	\$5,955,000.00
Reoffering Premium or (Discount)	695,560.45
Gross Production	\$6,650,560.45
Total Underwriter's Discount (0.550%)	\$(32,752.50)
Bid (111.130276%)	6,617,807.95
Total Purchase Price	\$6,617,807.95
Bond Year Dollars	\$71,551.58
Average Life	12.015 Years
Average Coupon	2.5567460%
Net Interest Cost (NIC)	1.6304101%
True Interest Cost (TIC)	1.5458007%

\$6.5 GO 07/30/20 | SINGLE PURPOSE | 7/30/2020 | 4:09 PM

## Midway City, Utah

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\$5,955,000 General Obligation Bond

Series February 1, 2021

(\$6.5 Million Authorization)

### Sources & Uses

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Dated 02/01/2021 | Delivered 02/01/2021

#### Sources Of Funds

Par Amount of Bonds	\$5,955,000.00
Reoffering Premium	695,560.45

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<b>Total Sources</b>	<b>\$6,650,560.45</b>
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#### Uses Of Funds

Deposit to Project Construction Fund	6,500,000.00
Costs of Issuance	95,000.00
Total Underwriter's Discount (0.550%)	32,752.50
Gross Bond Insurance Premium ( 26.2 bp)	20,395.11
Rounding Amount	2,412.84

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<b>Total Uses</b>	<b>\$6,650,560.45</b>
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