



Council Communication No. 97-330

SYNOPSIS –

On February 4, 1997, by Resolution No. A97-50, the Airport Board approved a recommendation to the City Council for approval of Airport Revenue Capital Loan Notes in an aggregate amount not to exceed \$3,600,000. On April 7, 1997, by Roll Call No. 97-1234, City Council authorized and directed the sale of \$3,515,000 of Airport Revenue Capital Loan Notes, Series 1997A.

Because of higher than anticipated bids on the CAT II Lighting Component of the Loan Note Issuance, it is necessary that additional funding be identified. Because the Loan Note issuance included five separate project components, including the CAT II Project, it has been determined that the optimum funding source for this increase is through a reallocation of loan proceeds. It is recommended that funds in the amount of \$450,000 be reallocated from the Utility Relocation Project to the CAT II Lighting Project. The Utility Relocation Project is proposed to be funded by Loan Note funds remaining after all the components are bid or completed or through future debt issuance. The CAT II Lighting Project is an integral part of the development of the Airport that will add operational capacity, which allows the Airport to remain open in marginal weather conditions, and consists of a considerable amount of equipment that is being provided directly by the Federal Aviation Administration without cost to the City. The Airport Board is expected to award, subject to Council’ s approval of this reallocation of loan proceeds, the construction contract for the CAT II Lighting Project at a June 16, 1997, Special Meeting.

The Airport Revenue Capital Loan Notes do not constitute a charge against the City's General Obligation (GO) Debt Capacity and have no impact on future borrowings of the City. This item is placed before the City Council because the Council, in the ordinance creating the Airport Board, reserved unto itself the undertaking of debt, including the issuance of bonds or the execution of any form of loan or promissory note.

FISCAL IMPACT –

There is no fiscal impact on the City of Des Moines General Fund. This item will not change the payment structure or create any additional impact to the Airport Enterprise Fund. Bond Counsel has confirmed that the requested reallocation of Loan Note proceeds is allowable and acceptable under both the approved Resolution and Loan Agreement and current tax law. The principal and interest payments on the loan are obligations of the Airport System (i.e., Enterprise Fund) and are payable solely from Airport revenues. Debt service attributable to the 1997 Capital Loan Notes is contained within the Airport’ s FY1996-97 Revised and FY1997-98 Recommended Operating Budgets which were approved by Council on March 3, 1997.

RECOMMENDATION –

Authorize reallocation of \$450,000 in proceeds of the \$3,515,000 Series 1997A, Airport Revenue Capital Loan Notes from the Utility Relocation project to the CAT II Centerline Lighting Project reallocation.

BACKGROUND –

The loan proceeds were originally allocated to the Parking Garage Design (\$1,100,000) Project, Parking Lot Revenue Control Equipment (\$600,000), Utility Relocations related to the Parking Garage Project (\$450,000), Interim Parking Modifications (\$350,000), and the CAT II Centerline Lighting Project (\$900,000) and included \$115,000 for financing and miscellaneous cost.

SYNOPSIS –

Accepting the bid for folding picnic tables, which will be used to supplement the current inventory in locations where neighborhood or City-wide events require the need for additional tables. The current bid is one of three which were sent out and the only one returned. There are very few manufacturers of these types of tables, and the returned bid price of \$175 per table was approximately \$250 less per table than the anticipated purchase price. A proto-type has been evaluated by staff, and it appears to be durable enough to meet customer needs.

FISCAL IMPACT –

The total cost of the purchase for 60 tables and replacement parts is \$12,100.

RECOMMENDATION –

Accept the bid submitted by Fry and Associates, 1501 Burlington, #201, Kansas City, MO.

BACKGROUND –

The current inventory of picnic tables in area parks is adequate for normal park use. At times when neighborhood events create the need for additional tables, usually on a weekend, the current practice of borrowing tables from other parks creates a shortage throughout the system. Moving these tables is also very time consuming since each table weighs nearly 200 pounds and is of the size that only six can be moved at a time by a pickup and trailer. Moving 25 tables can tie up four staff up to four hours each to move the tables to the site, and four hours each to return them often leaving the assigned park without any tables for neighborhood use for the duration of the event.

The plan is to purchase folding tables, permanently store them on a trailer which could be easily transported to the site and set up by two staff in half the time of the current process. However,

these tables are not readily available on the market, and only three sources were found. Two of those three did not return the bid. Staff research indicated the best possible price we could have expected to pay was \$439 per table. The quality of the \$175 tables is acceptable. Accepting the bid will allow the City to improve services at a lower cost.

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