



**CITY COUNCIL
COMMUNICATION:**

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

02-039

SYNOPSIS -

AGENDA:

JANUARY 28, 2002

Authorization is necessary for issuance of Sewer Revenue Bonds in an aggregate amount not to exceed \$15,420,000, to pay for the City's sanitary sewer improvements as approved in the City's Fiscal Year (FY) 2001-2002 and FY 2002-2003 Capital Improvement Program (CIP).

SUBJECT:

SEWER REVENUE
BOND ISSUE,
SERIES 2002C

The City will receive competitive bids from underwriters at 12:00 PM on Monday, January 28, 2002. At tonight's City Council meeting, Council will be asked to award the sale to the firm or group of firms with the best bid (lowest interest rate) and to authorize issuance of the bonds. Information regarding bids received will be provided just prior to the Council meeting.

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

FISCAL IMPACT -

The City pledges that annual debt service will be paid from revenues of the City's Sanitary Sewer System. This is a revenue bond issue-not a general obligation bond issue. Hence, the debt does not count toward the City's constitutional debt limit. The sanitary sewer projects are consistent with the FY2001-2002 and FY2002-2003 CIP, adopted by City Council on March 2, 2001.

SUBMITTED BY:

MERRILL R.
STANLEY
FINANCE
DIRECTOR

RECOMMENDATION -

- 1) Award the sale of not to exceed \$15,420,000 Sewer Revenue Bonds, Series 2002C.**
- 2) Provide a method of payment of bonds.**

BACKGROUND -

The sanitary sewer improvements to be financed include the following

estimated project costs:

NE Four Mile Trunk Sewer (Broadway and Hubbell Ave. Trunks)	\$300,000
Upper Union Park Sewer Separation Project	\$2,500,000
Relining Sanitary Trunk Sewers	\$8,000,000
CSO Flow Meter Installation	\$225,000
East University Avenue Relief Sewer	\$485,000
Citywide Sanitary Sewers	\$1,130,000
