



**CITY COUNCIL
COMMUNICATION:**

ITEM _____

02-208

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

AGENDA:

SYNOPSIS -

APRIL 22, 2002

SUBJECT:

SETTING DATE OF
HEARING FOR
GENERAL
OBLIGATION BOND
ISSUE

Setting the date for six separate public hearings on May 6, 2002, for issuance of General Obligation Bonds in an aggregate amount not to exceed \$41,645,000. This will begin the annual springtime process of borrowing from the capital markets to pay for the City's FY 2002-03 Capital Improvements Program (CIP). Like last year, a large number of public hearings are required this year because the diverse nature of the FY 2002-03 CIP projects yields a wide range of categories for which, under State law, separate public hearings must be held.

TYPE:

FISCAL IMPACT -

RESOLUTION
ORDINANCE
RECEIVE/FILE

The funding amounts for various capital projects are consistent with the FY 2002-03 CIP, adopted by City Council on March 4, 2002. Annual debt service on this year's General Obligation Bond issue will be paid, as usual, from: (1) the property tax debt service levy approved by City Council and certified to the State; and (2) tax increment funds, as available.

SUBMITTED BY:

MERRILL R.
STANLEY
FINANCE
DIRECTOR

RECOMMENDATION -

Approval.

BACKGROUND -

CIP improvements to be financed include projects in the following categories: bridge and viaduct, fire protection, flood control, library, municipal buildings, parks, sidewalk, street, traffic control, and neighborhood/economic development.

Attached are two lists of the various projects to be financed by this bond issue. The first list is the "bond-sizing spreadsheet." This three-page document follows the same structure and sequence as the CIP document, listing every project to be financed and the associated

dollar amount of the borrowing, including issuance costs. Bond counsel has provided the second list showing the same projects sorted into separate public hearings which will be conducted on May 6, 2002.

The General Obligation Bond issue includes \$700,000 for police vehicles. Currently, a Request for Proposals is being issued to determine the true cost of leasing these vehicles. This will assist in determining the most cost-effective way to purchase and finance the vehicles. The \$700,000 is included in the preliminary bond work to keep our options open.

Also included is \$1.6 million as the final in a four-year series of General Obligation Bonds totaling \$16.2 million for the Gateway Project. (Last year the City borrowed \$4 million for Gateway). Debt service on the bonds issued for Gateway will be paid from tax increment.
