

**CITY COUNCIL  
COMMUNICATION:**

**ITEM \_\_\_\_\_**

**02-230**

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

**AGENDA:**

**SYNOPSIS -**

MAY 6, 2002

**SUBJECT:**

**PUBLIC HEARINGS  
FOR GENERAL  
OBLIGATION BOND  
ISSUE**

Public hearings are necessary for the 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 Fiscal Year (FY) 2002-03 Capital Improvement Program (CIP). Like last year, a large number of public hearings are required this year because the diverse nature of the FY2002-03 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 FY2002-03 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 tonight.

The General Obligation Bond issue includes \$700,000 for police vehicles. Currently, a Request for Proposals has been 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.

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