



Agenda Item:

61B

## COUNCIL COMMUNICATION City Manager's Office

### GENERAL INFORMATION

Agenda Date: 10/11/04

Communication No.: 04-

496

Agenda Item Type: Resolution  
No.:

Roll Call

Submitted by: Merrill R. Stanley, Finance Director

### SUBJECT—

Public hearing for the issuance of Sewer Revenue Capital Loan Notes (State of Iowa Revolving Fund Loan) to finance sanitary sewer improvements.

### SYNOPSIS—

Public hearing on the issuance of Sewer Revenue Capital Loan Notes (State of Iowa Revolving Fund Loan) in an aggregate amount not to exceed \$5,965,000. This will begin the process of financing city sewer improvements scheduled to begin in FY04.

### FISCAL IMPACT—

The City pledges that annual debt service will be paid from revenues of the City's Sanitary Sewer Fund. This is a revenue pledge—not a general obligation pledge. Hence, the debt does not count toward the City's constitutional debt limit. The Iowa Finance Authority is currently offering interest rates at a maximum of 3%.

### RECOMMENDATION—

Approval

**BACKGROUND—**

The public hearing is an important step in the process of financing city sanitary sewer improvements to be funded with State Revolving Fund (SRF) loans. A companion roll call will address the issuance of new money Sewer Revenue Bonds. A third roll call will address the refunding of Sewer Revenue Bonds 2002C and SRF Loan 5.

The public hearing will provide the required public input prior to issuance. The timing of this bond issue will be scheduled around the issuance of WRA (Wastewater Reclamation Authority) financings.