



Agenda Item:

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COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: 10/25/04
04-546

Communication No.:

Agenda Item Type: Resolution
No.:

Roll Call

Submitted by: Merrill R. Stanley, Finance Director

SUBJECT—

Direct the advertisement for sale of Sewer Revenue Refunding Bonds, Series 2004H.

SYNOPSIS—

Direct the advertisement for sale of Sewer Revenue Refunding Bonds, Series 2004H, in the amount of \$14,790,000, and approve the form of the Preliminary Official Statement. This is an important step in the process of refinancing city sewer debt issued prior to the July 1, 2004, restructuring of the Wastewater Reclamation Authority.

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 bond issue—not a general obligation bond issue. Hence, the debt does not count toward the City's constitutional debt limit.

RECOMMENDATION—

Approval

BACKGROUND—

On July 1, 2004, an Amended and Restated Agreement for the Des Moines Metropolitan Wastewater Reclamation Authority (WRA) went into effect. A key aspect of this agreement provides that the WRA's debt will no longer be issued in the name of the City of Des Moines. With this change, the credit pledged for WRA debt and city debt was altered significantly. As such, outstanding debt for both the WRA and City of Des Moines needs to be reissued under the new bond indentures.

A public hearing was held October 11, 2004, which began the process of refinancing outstanding city sanitary sewer revenue bonds, namely the Sewer Revenue Bonds 2002C and the Sewer Revenue of 1995A (State Revolving Fund – Loan 5). This action continues the process by directing the advertisement for sale and scheduling the sale for November 8, 2004. Interest rate bids will be received at 10:00 a.m. on November 8th, and Council will be requested to award the sale to the low bidder at that day's regular City Council meeting.

A companion Roll Call on the City Council agenda for October 25, 2004, will direct the issuance of \$5,160,000 Sewer Revenue Bonds, Series 2004G, to finance the Southeast Ridge Trunk Sewer project, with a sale date set for November 8, 2004. An additional action will be requested at the November 8th City Council meeting to authorize Sewer Revenue Capital Loan Notes in the amount of \$5,965,000 to finance the Upper Union Park Sewer Separation Project and the Clark Sanitary Station Pump Replacement Project.