



Agenda Item:

64

COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: 11/8/04

No.: 04-564

Agenda Item Type: Resolution

No.:

Communication

Roll Call

Submitted by: Merrill R. Stanley, Finance Director

SUBJECT—

Approving the issuance of Sewer Revenue Capital Loan Notes 2004I (Iowa Finance Authority Revolving Fund Loan) to finance sanitary sewer improvements.

SYNOPSIS—

Approving the issuance of Sewer Revenue Capital Loan Notes (Iowa Finance Authority Revolving Fund Loan) in an aggregate amount not to exceed \$5,965,000, and approving related loan documents and agreements.

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—

Proceeds of this loan will finance the Upper Union Park Sewer Separation project and the Clark Sanitary Pump Replacement project. Project work has already begun pursuant to Council action on April 19, 2004, declaring an official intent to reimburse project costs from future bond proceeds.

A rate of 3% interest has already been determined for the loan, so bids will not be taken as is done with revenue bond issues