



Council Communication

Office of the City Manager

Date

September 11, 2006

Agenda Item No. 44
Roll Call No. 06-
Communication No. 06-561
Submitted by: Allen McKinley, Finance
Director

AGENDA HEADING:

Resolution declaring an official intent to issue debt to reimburse the Des Moines Stormwater Utility for certain original expenditures paid in connection with proposed projects.

SYNOPSIS:

Recommend approval to declare an official intent to issue debt to reimburse the Des Moines Stormwater Utility for various expenditures for CIP projects. The adopted CIP anticipates the issuance of \$15,000,000 of Stormwater Revenue Bonds in FY2007. Two projects scheduled for action on this agenda, Leetown Wooden Box Replacement – Phase 4, and Crawford Creek Watershed Improvements - E. Gray St. to S.E. 9th St, are planned to be funded with revenue bonds which have not yet been issued. This resolution is required under treasury regulation 1.150-2 to allow the Stormwater Utility to start these projects now and issue bonds at a later date.

FISCAL IMPACT:

Amount: The exact annual debt service cost will not be known until later this year when the final sizing of the debt is determined and the terms of the bond are established at the time of issuance (length of debt retirement and interest rate).

Funding Source: Revenue bonds to be issued.

ADDITIONAL INFORMATION:

The adopted CIP anticipated the issuance of \$15,000,000 of Stormwater Utility Revenue Bonds. The October 19, 2005 council workshop included a 5-year financial forecast of the Stormwater Utility Fund which incorporated an annual debt service cost of this planned debt issuance of approximately \$1.4 million. The 5-year financial forecast assumed no change in the stormwater utility fee schedule already adopted by council.

PREVIOUS COUNCIL ACTION(S):

Date: March 6, 2006

Roll Call Number: 06-454

Action: Hearing [on](#) proposed Annual Budget for fiscal year ending June 30, 2007, and approving the Capital Improvements Program for fiscal years 2006-2007 to 2011-2012. ([Council Communication No. 06-111](#)) Moved by Coleman to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

Date:

Roll Call Number:

Action:

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Various council hearings and actions related to the issuance of Storm Water Utility Revenue bonds.