

 <p style="text-align: center;"><b>Council</b> <b>Communication</b> Office of the City Manager</p>	<b>Date</b>	May 18, 2009
	<b>Agenda Item No.</b> 75 <b>Roll Call No.</b> <u>09-</u> <b>Communication No.</b> <u>09-303</u> <b>Submitted by:</b> Allen McKinley, Finance Director	

**AGENDA HEADING:**

Directing the sale of Series 2009E, F, and G General Obligation Bonds for the FY2009-10 Capital Improvement Budget.

**SYNOPSIS:**

Recommend approval of the sale of three series of General Obligation Bonds to finance \$25,439,500 in acquisition and construction projects as part of the FY2009-10 Capital Improvement Budget.

- Series 2009E is \$19,605,000, with a 20-year term, federal tax exempt, to be repaid from the debt levy and Housing Services funds
- Series 2009F is \$3,055,000, with an 8-year term, federal and state tax exempt, to be repaid from tax increment
- Series 2009G is \$3,115,000, with a 10-year term, taxable to be repaid from the debt levy

Issuance costs are estimated to be \$335,500 and are \$45,000 less than originally projected.

**FISCAL IMPACT:**

Amount: \$25,775,000 made up of \$25,439,500 project costs and \$335,500 issuance expenses.

Funding Source: Fiscal Year 2009-10 Operating Budget:

- Property Tax Debt Service Levy – Debt Service Fund – DS001, FIN900100, Page 114.
- Tax Increment Fund – Special Revenue Fund – SP370, FIN909105, Page 115.
- Housing Services Fund – Enterprise Fund – SP350, HSG029000, Page 138.

**ADDITIONAL INFORMATION:**

Ten public hearings were held by the City Council on May 4, 2009 to consider projects to be included in the FY2009-10 bonding, as set out in the adopted Capital Improvement Budget. The hearings had a total not to exceed amount of \$25,820,000. Subsequent to the hearings, the City’s financial advisor (Public Financial Management) lowered the estimated issuance costs by \$45,000, so the total bond issue is \$25,775,000. As set out in previous communications and approved by the City Council in previous council actions, the bond sale will reflect the following adjustments:

1. Housing Services Energy Performance Improvements - \$500,000 addition

This is to meet the local match requirement for federal stimulus funding for energy performance improvements to be made to Housing Services facilities. Available cash on hand is prohibited from being used as the local match. The retirement of the debt will come from Housing Services funds.

2. Superblock Improvements - \$2,600,000 reduction

The maximum allowable bonding under the current circumstances is \$1,000,000. The balance (\$2.6 million) of funding cannot be accomplished until the adoption of an urban renewal plan. Such plan is being developed by city staff and will be presented to Council for consideration later this summer.

Projects are summarized by category as follows:

<u>CATEGORY</u>	<u>AMOUNT</u>
• Bridge Improvements	\$ 1,200,000
• Neighborhood/Economic Development Improvements	\$ 2,167,000
• Fire Protection Improvements	\$ 1,785,000
• Library Improvements	\$ 675,000
• Municipal Building Improvements	\$ 2,517,500
• Park Improvements	\$ 7,135,000
• Sidewalk Improvements	\$ 455,000
• Street Improvements	\$ 8,755,000
• Traffic Control Improvements	\$ 250,000
• <u>Housing</u>	\$ 500,000
<u>TOTAL PROJECT IMPROVEMENTS</u>	<u>\$25,439,500</u>
<u>Issuance Costs</u>	<u>\$ 335,500</u>
<u>TOTAL BOND ISSUE</u>	<u>\$25,775,000</u>

**PREVIOUS COUNCIL ACTION(S):**

Date: May 4, 2009

Roll Call Number: 09-773 to 792

Action: On the following items regarding General Obligation Bonds, (a special Council meeting will be held on June 3rd at 4:00 PM): (Council Communication No. 09-261)

Date: April 20, 2009

Roll Call Number: 09-625 to 635

Action: Resolutions electing classifications and procedures for proposed bond projects. Moved by Vlassis to adopt. Motion Carried 7-0.

Date: February 23, 2009

Roll Call Number: 09-331

Action: On proposed Annual Budget for fiscal year ending June 30, 2010 and Capital Improvements Program for fiscal years 2009-10 to 2014-15. Moved by Coleman to adopt. Motion carried 7-0.

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

June 3, 2009: Special Council meeting to award low bid on sale of bonds.

June 8, 2009: Council authorization to issue bonds and levy taxes.

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the second floor of City Hall, 400 Robert D. Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to [cityclerk@dmgov.org](mailto:cityclerk@dmgov.org).