

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: August 23, 2010
	Agenda Item No. 18 Roll Call No. <u>10-1368</u> Communication No. <u>10-514</u> Submitted by: Allen McKinley, Finance Director

AGENDA HEADING:

Resolution fixing date for a meeting on the proposition of the issuance of three Stormwater Management Utility Capital Loan Notes, not to exceed \$15 million, \$6.6 million, and \$5.7 million, and providing for publication of notices thereof.

SYNOPSIS:

To fix the date for public hearings on September 27, 2010, for the issuance of three Stormwater Management Capital Loan Notes in aggregate amounts not to exceed \$15 million (new projects), \$6.6 million (refinancing 2004F), and \$5.7 (refinancing 2003B) million. With this type of borrowing there is a 30-day notice requirement. This will begin the process of borrowing from the capital markets to pay for the City’s stormwater improvements as approved in the City’s FY2010/11 – 2015/16 Capital Improvement Program and to refinance current outstanding stormwater debt Series 2003B and 2004F.

FISCAL IMPACT:

The City pledges that annual debt service will be paid from revenues of the City’s Stormwater Management Utility System. This is a revenue debt issue, not a general obligation bond issue. Hence, the debt will not count toward the City’s constitutional debt limit.

ADDITIONAL INFORMATION:

The stormwater improvements to be financed include the following estimated project costs:

- **\$3,000,000 - Flood Protection System Improvements**
This project provides for the local funding of the Birdland and Central Place levee reconstruction and levee closure reliability upgrades in the downtown area.
- **\$2,000,000 - Crawford Creek Watershed Improvements**
This project provides for improvements addressing structural and capacity deficiencies in the 1,350 acre Crawford Creek Watershed.
- **\$2,000,000 - Dean’s Lake Pump Station/Conveyance Improvements**
This project will provide for construction of a storm water pumping station in the Dean’s Lake Watershed at the levee outlet to the Des Moines River, and railway and roadway culvert improvements as recommended in the Dean’s Lake Flood Control Study.

- **\$2,250,000 - Court Avenue/Water Street Sewer Separations**
This project provides for the construction of a separate storm sewer system and storm pump station in the Water Street/Court Avenue area.
- **\$3,100,000 - I-235 Storm and Sanitary Sewer Improvements**
This project provides for various improvements needed in conjunction with the I-235 improvement project. The State of Iowa advanced the City's share in the project with the City making three repayments with the last repayment scheduled for June, 2011.

In 2003, the City issued the Series 2003B Stormwater Management Utility Revenue Bonds in the amount of \$9,440,000. The bonds are not callable until June 1, 2011. However, by completing the required statutory notification requirements now, the City will be in position to quickly issue refunding debt at a date yet to be determined. The estimated NPV savings from this refunding is conservatively estimated at \$159,000.

In 2004, the City issued the Series 2004F Stormwater Management Utility Revenue Bonds in the amount of \$8,510,000. The bonds are callable now with a thirty-day notification. The estimated NPV savings from this refunding is conservatively estimated at \$258,000.

PREVIOUS COUNCIL ACTION(S):

Date: June 28, 2010

Roll Call Number: 10-1041

Action: Declaring an official intent under Treasury Regulation 1.150-2 to issue debt to reimburse the City for certain original expenditures paid in conjunction with specified storm water projects. (Council Communication No. 10-374) Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Public hearings and authorization to proceed with the issuance of Stormwater Management Utility Capital Loan Notes

Approval of Preliminary Offering Statement and bids for the sale of bonds

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