

 <b>Council</b> <b>Communication</b> Office of the City Manager	<b>Date:</b>	April 11, 2011
	<b>Agenda Item No.</b>	<b>21</b>
	<b>Roll Call No.</b>	<b><u>11-582-11-591</u></b>
	<b>Communication No.</b>	<b><u>11-225</u></b>
	<b>Submitted by:</b>	<b>Scott Sanders, Finance Director</b>

**AGENDA HEADING:**

Electing classifications and procedures for proposed bond projects and setting the date of public hearings regarding the issuance of general obligation bonds for the FY 2011-12 Capital Improvement Budget (April 25, 2011).

**SYNOPSIS:**

Recommend approval of project classifications and to set the date of April 25, 2011, to hold nine public hearings regarding the issuance of general obligation bonds for the FY 2011-12 Capital Improvement Budget. This is the first step in the process to finance the construction of capital projects totaling \$37.43 million and the refinancing of the series 2005A bonds (refunded par amount of \$8,810,000).

**FISCAL IMPACT:**

Amount: \$47,820,000; made up of \$37,430,000 project costs, \$9,920,000 refunding and \$470,000 issuance expenses.

Funding Source: Fiscal Year 2011-12 Operating Budget:

- Property Tax Debt Service Levy – Debt Service Fund – DS001 FIN900100, Page 119.
- Tax Increment Fund – Special Revenue Fund – SP370 FIN909105, Page 120.

Savings from Refinancing: A net present value savings of at least \$400,000 is anticipated (4.6% savings). Approximately 24% of the savings (\$96,000) will accrue to tax increment and 76% (\$304,000) will accrue to the debt service levy. The term of the refunding is the same as the refunded bonds.

**ADDITIONAL INFORMATION:**

A public hearing must be held prior to any borrowing by the City. This action sets the date for the public hearing to consider bonding for the FY2011-12 Capital Improvement Budget that was approved by City Council on February 28, 2011. City staff is in the process of reviewing projects that anticipated the availability of non-city funding to determine the certainty of those funds. The final sizing of the bonds will not be established until staff presents to the City Council the status of non-city funding related to the projects that will be funded in part with bond proceeds from this issuance. Projects under this review are listed below with type of match involved:

Recreation Trails (Federal)  
Neighborhood Traffic Control (State)  
Signal Channelization (State)

Traffic Signal Interconnect (Federal)  
 East Indianola Widening (Federal, State, DMWW)  
 Southeast Connector (Federal)

Since the adoption of the budget city staff has further reviewed general obligation funding needs and recommends the following adjustments which have been incorporated into the recommended council actions:

1. Energy Conservation Program - \$250,000 addition  
 This is a local match requirement related to grant awards.
  
2. Municipal Service Center - \$12,500,000 reduction  
 This project is being phased and does not require the full allocation at this time. The scope and costs of the project have not changed. The reduction now will require a higher future bond issue in a like amount.
  
3. Miscellaneous Building Improvements - \$500,000 addition  
 This amount will address the Central Library HVAC issues.
  
4. Mulberry Street Paving - \$75,000 addition  
 Actual bids are higher than the original estimates (unneeded bonding from other projects were moved to this project to help offset the higher bids).
  
5. Hazard Mitigation - \$1,240,000 addition  
 Local funding requirements may necessitate this higher amount for the 4-mile housing buy-out program.

Net Changes from CIP: \$10,435,000 reduction

Specific projects to be financed are detailed in a list at the end of this communication. Projects are summarized by category as follows:

CATEGORY	AMOUNT
• Fire Protection Improvements	\$ 7,655,000
• Library Improvements	\$ 1,760,000
• Miscellaneous Improvements	\$ 4,345,000
• Municipal Building Improvements	\$ 6,800,000
• Park Improvements	\$ 4,875,000
• Street Improvements	\$ 11,995,000
 TOTAL PROJECT IMPROVEMENTS	 \$ 37,430,000
TOTAL REFUNDING	\$ 9,920,000
Issuance Costs	\$ 470,000
TOTAL BOND ISSUE	\$ 47,820,000

**PREVIOUS COUNCIL ACTION(S):**

Date: February 28, 2011

Roll Call Number: 11-0365

Action: [On](#) proposed annual budget for fiscal year ending June 30, 2012 and adoption of the Capital Improvement Program (CIP) for 2011-2012/2016-2017. **Moved by Coleman to adopt. If additional funding becomes available in the CIP, the Council will revisit funding for the Public Art Foundation. Motion Carried 7-0.**

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

April 25, 2011: Public hearing concerning issuance of bonds.

May 9, 2011: Directing sale of bonds and approval to release preliminary offering statement.

May 25, 2011: Special Council meeting to award low bid on sale of bonds.

June 13, 2011: 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).

**PROJECT CLASSIFICATIONS**  
**and**  
**HEARINGS SUMMARY**

**ECP-1**

**NOT TO EXCEED \$21,180,000**  
**GENERAL OBLIGATION BONDS**  
(Misc. Essential Corporate Purposes)

*Building Improvements (\$2,500,000)*

- ADA Modifications (\$2,500,000)

*Fire Protection Improvements (\$890,000)*

- Equipment Acquisition (\$890,000)

*Miscellaneous Improvements (\$3,495,000)*

- 4-Mile Hazard Mitigation (\$1,240,000)
- Neighborhood Finance Corp. (\$1,000,000)
- Neighborhood Development Corp. (\$1,000,000)
- City Tree Replacement Fund (\$155,000)
- Public Art (\$100,000)

*Parks Improvements (\$2,680,000)*

- Cemetery Infrastructure and Improvements (\$200,000)
- Fort Des Moines Stabilization Projects (\$55,000)
- Forestry Improvements (\$125,000)
- Gray's Lake Park Improvements (\$150,000)
- Neighborhood Park Improvements (\$750,000)
- Park Building Improvements (\$400,000)
- Park Redevelopment (\$250,000)
- Recreation Trails (\$650,000)
- Urban Conservation Projects (\$100,000)

*Sidewalk Improvements (\$350,000)*

- ADA Compliance (\$350,000)

*Street Improvements (\$10,735,000)*

- Asphaltic Paving Restoration (\$800,000)
- Residential Paving Program (\$50,000)
- Concrete Curb & Median Replacement (\$595,000)
- Concrete Paving Restoration – PW (\$600,000)
- SW 9<sup>th</sup> Street and DART Lane Intersection (\$150,000)
- E. Indianola Widening - S.E. 14<sup>th</sup> to Army Post Road (\$500,000)

- McKinley Ave. Widening (\$100,000)
- Rehabilitation and Preservation of Major Roadways (\$200,000)
- Neighborhood Infrastructure Rehabilitation Program (\$1,090,000)
- Streetscape Improvements (\$100,000)
- Euclid Avenue Intersection Improvements (\$55,000)
- SW 9<sup>th</sup> Street Widening - Titus to Kenyon (\$450,000)
- Park Avenue Widening – SW 56<sup>th</sup> St to SW 63<sup>rd</sup> St (\$100,000)
- Southeast Connector – S.E. 14<sup>th</sup> St to S.E. 30<sup>th</sup> St (\$5,500,000)
- City-Wide Sidewalk Replacement Program (\$325,000)
- City-wide Traffic Signal Interconnect (\$100,000)
- City-Wide Neighborhood Traffic Control Program (\$20,000)

Traffic Control Improvements (\$330,000)

- Traffic Signals, Channelization, and School Crossings (\$330,000)

Issuance Costs (\$200,000)

**ECP-2**

**NOT TO EXCEED \$12,490,000**

**GENERAL OBLIGATION BONDS**

(Essential Corporate Purposes - Urban Renewal)

Building Improvements (\$3,750,000)

- Municipal Service Center (\$3,250,000)
- Library Building Improvements (\$500,000)

Fire Improvements (\$6,500,000)

- Central Fire Station Replacement (\$6,500,000)

Parks Improvements (\$1,550,000)

- Principal Park Stadium Improvements (\$500,000)
- Grants to Blank Park Zoo for Improvements (\$1,050,000)

Street Improvements (\$580,000)

- Asphaltic Paving Restoration Program (\$320,000)
- Mulberry Street Paving (\$260,000)

Issuance Costs (\$110,000)





