

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> May 9, 2011
	<b>Agenda Item No.</b> 43 <b>Roll Call No.</b> <u>11-812</u> <b>Communication No.</b> <u>11-286</u> <b>Submitted by:</b> Scott E. Sanders, <b>Finance Director</b>

**AGENDA HEADING:**

Directing the sale of Series 2011A, General Obligation Bonds for the FY2011-12 Capital Improvement Budget and approving Preliminary Offering Statement.

**SYNOPSIS:**

Recommend approval of the sale of General Obligation Bonds to finance \$ in acquisition and construction projects as part of the FY2011-12 Capital Improvement Budget.

**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.

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:**

Public hearings were held with no public comment. City staff reviewed projects that anticipated the availability of non-City funding to determine the certainty of those funds. Only one project has uncommitted non-city funding.

Recreation Trails: (\$800,000 State grant – committed; \$549,540 Federal RECAT grant – uncommitted; and \$25,000 Polk County; \$150,000 Private – contingent upon RECAT funding)

City staff continues to pursue this funding sources but does not have commitments in writing. Staff recommends the City proceed with the \$1,200,000 portion of debt associated with Recreation Trails. These proceeds will not be spent while the non-city funding is pursued.

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 - \$400,000 addition  
Local funding requirements may necessitate this amount for the 4-mile housing buy-out program.

6. Sidewalk Replacement - \$290,000 addition  
To replace NIRP portion funded with CDBG funds. The federal CDBG program was cut retroactive to January 1, 2011.

7. Recreation Trails - \$550,000 addition  
To match the timing of the Botanical Center agreement to relocate the trail (\$75,000) and the most current estimate to replace the trail from I-235 to the University Avenue Bridge of \$475,000. The segment of the trail from the Armory to I-235 will be programmed at a later date along with possible raising of the levee and Robert D Ray Drive, when the impacts associated with the Corps flow frequency study have been established.

Net Changes from Adopted 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	\$ 3,505,000
• Municipal Building Improvements	\$ 6,800,000
• Park Improvements	\$ 5,425,000
• Street Improvements	\$ 12,285,000
 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: April 25, 2011

Roll Call Number: [11-0718](#)

Action: On items regarding issuance of General Obligation Bonds: ([Council Communication No. 11-257](#))

- (A) [\\$21,180,000](#) (Essential Corporate Purposes - Miscellaneous).  
(1) [Authorization](#) for additional action. **Motion Carried 7-0.**
- (B) [\\$12,490,000](#) (Essential Corporate Purposes – Urban Renewal).  
(1) [Authorization](#) for additional action. **Motion Carried 7-0.**
- (C) [\\$930,000](#) (General Corporate Purposes – Library).  
(1) [Authorization](#) for additional action. **Motion Carried 7-0.**
- (D) [\\$965,000](#) (General Corporate Purposes – Municipal Buildings).  
(1) [Authorization](#) for additional action. **Motion Carried 7-0.**
- (E) [\\$735,000](#) (General Corporate Purposes – Fire, Library, Municipal Buildings).  
(1) [Authorization](#) for additional action. **Motion Carried 7-0.**
- (F) [\\$865,000](#) (General Corporate Purposes – Miscellaneous Improvements).  
(1) [Authorization](#) for additional action. **Motion Carried 7-0.**
- (G) [\\$330,000](#) (General Corporate Purposes – Parks).  
(1) [Authorization](#) for additional action. **Motion Carried 7-0.**
- (H) [\\$325,000](#) (General Corporate Purposes - Parks).  
(1) [Authorization](#) for additional action. **Motion Carried 7-0.**
- (I) [\\$10,000,000](#) (General Corporate Purposes – Refunding Series 2005A).  
(1) [Authorization](#) for additional action. **Motion Carried 7-0.**

Date: April 11, 2011

Roll Call Number: [11-0582](#)

Action: On items regarding issuance of General Obligation Bonds, (4-25-11): ([Council Communication No. 11-225](#)) [Resolution](#) electing classifications and procedures for proposed bond projects. **Moved by Hensley to adopt. Motion Carried 6-1.**

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:**

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.

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**PROJECT**

ADA Modifications (\$2,500,000)

Equipment Acquisition (\$890,000)

4-Mile Hazard Mitigation (\$400,000)

Neighborhood Finance Corp. (\$1,000,000)

Neighborhood Development Corp. (\$1,000,000)

City Tree Replacement Fund (\$155,000)

Public Art (\$100,000)

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 (\$1,200,000)

Urban Conservation Projects (\$100,000)

ADA Compliance (\$350,000)

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 – SE 14<sup>th</sup> to Army Post Road (\$500,000)

McKinley Avenue 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 – SE 14<sup>th</sup> St to SE 30<sup>th</sup> St (\$5,500,000)

City-wide Sidewalk Replacement Program (\$615,000)

City-wide Traffic Signal Interconnect (\$100,000)

City-wide Neighborhood Traffic Control Program (\$20,000)

Traffic Signals, Channelization and School Crossings (\$330,000)  
Municipal Service Center (\$3,250,000)  
Library Building Improvements (\$500,000)  
Central Fire Station Replacement (\$6,500,000)  
Principal Park Stadium Improvements (\$500,000)  
Grants to Blank Park Zoo for Improvements (\$1,050,000)  
Asphaltic Paving Restoration Program (\$320,000)  
Mulberry Street Paving (\$260,000)  
Collection Additions and Replacement (\$905,000)  
Energy Conservation Program (\$350,000)  
Municipal Building Reroofing (\$100,000)  
HVAC, Electrical & Plumbing Improvements (\$225,000)  
Municipal Building Improvements (\$225,000)  
Public Works Building Improvements (\$50,000)  
Fire Station Remodeling (\$265,000)  
Southeast Branch Improvements (\$25,000)  
North Side/South Side HVAC Improvements (\$280,000)  
Miscellaneous Library Improvements (\$50,000)  
Police Facility Improvements (\$100,000)  
Enhanced City-wide Information System (\$500,000)  
Enterprise Resource Planning (\$350,000)  
Community Center Improvements (\$175,000)  
Swimming Pool and Aquatic Improvements (\$125,000)  
Wading Pool Improvements (\$25,000)  
First Tee (\$320,000)

Issuance Costs (\$470,000)