



Council Communication

Office of the City Manager

Date:	August 8, 2011
Agenda Item No.	33
Roll Call No.	<u>11-1377</u>
Communication No.	<u>11-536</u>
Submitted by:	Scott E. Sanders, Finance Director

AGENDA HEADING:

Resolution declaring an official intent under treasury regulation 1.150-2 to issue debt to reimburse the Des Moines Sanitary Sewer Utility for certain original expenditures paid in connection with proposed projects.

SYNOPSIS:

The adopted CIP anticipated the issuance of \$2,250,000 of Sanitary Sewer Revenue Bonds for the Riverpoint Trunk Separation and Pump Station project. The project has been started and payments will need to be made prior to having the proceeds from the bond sale which is scheduled for later this fall. The adopted CIP also anticipated the issuance of \$4,000,000 of Sanitary Sewer Revenue Bonds to fund the final payment to Iowa Department of Transportation (IDOT) for utility work completed along I-235. The remaining amount due to IDOT is \$4,166,667 and will likely be paid in August. The bond issue is intended to also fund several other CIP projects. This resolution will allow the Riverpoint project to continue unabated and for payment to be made to IDOT with the intent to reimburse both projects with bond proceeds upon issuance of the Sanitary Sewer Revenue Bonds later this fall.

FISCAL IMPACT:

Amount: The exact annual debt service cost will not be known until the debt is issued this fall. The bond issue will also finance other projects approved in the CIP that have yet to be started.

Funding Source: 2011-2012 CIP, Page Sanitary Sewer-16, Riverpoint Trunk Separation and Pump Station, SAE123 and 2011-2012 CIP, Page Street Improvements-17, I-235 Storm and Sanitary Sewer Improvements, STR197.

ADDITIONAL INFORMATION:

The adopted CIP anticipated the issuance of \$10,250,000 in Sanitary Sewer Revenue Bonds to finance these two projects and several others that have not been started.

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:

Various council hearings and actions related to the issuance of Sanitary Sewer Revenue Bonds.

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