

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	June 11, 2012
	Agenda Item No.	60A-1
	Roll Call No.	<u>12-0937</u>
	Communication No.	<u>12-270</u>
	Submitted by:	Scott E. Sanders, Finance Director

AGENDA HEADING:

Setting the date of hearing regarding issuance of General Obligation Sanitary Sewer Bonds.

SYNOPSIS:

Recommend holding a public hearing on June 25, 2012, authorizing the issuance of General Obligation Debt to be paid by the Sanitary Sewer Utility. Projects to be funded are included in the approved Capital Improvements Program (CIP).

FISCAL IMPACT:

Amount: Estimated \$13,210,000 of debt to be issued, with debt service payments in FYE 2013 estimated at \$665,000.

Funding Source: Fiscal Year 2012-13 Budget:

- Sanitary Sewer Sinking Fund – EN110, PWK070490, Page 237.

ADDITIONAL INFORMATION:

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

- **City-Wide Sanitary Sewer - \$1,500,000:**
This project provides funding for minor projects and emergency repairs of the City Sanitary Sewer system.
- **Lining Sanitary Trunk and Lateral Sewers - \$5,000,000:**
This project provides for rehabilitation of major trunk and sanitary sewers and lateral sanitary sewers that have not yet failed, but that are in an advanced state of deterioration due to age. These sewers will be lined by various techniques.
- **Riverpoint Trunk Sewer Separation - \$2,000,000:**
This project provides for construction of a sanitary sewer and pump station to provide sanitary sewer service for the redevelopment of the Riverpoint West area that is bounded by the east-west portion on MLK Parkway on the north, S.W. Fifth on the east, and the Raccoon River on the south and west. A pump station will also serve Principal Park. This project is almost complete and due to cash flow, bonding for this project has been increased \$500,000 from what is shown in the adopted CIP.

- **Storm Water Pump Station Rehabilitation - \$500,000:**
This project provides for replacement of both StormWater and Sanitary Sewer pumps, trash racks, and other pump station infrastructure and equipment throughout the City. Sanitary Sewer bonds are shown being transferred from the City-Wide Sanitary Sewer project to this project in the Storm Water section of the CIP.
- **I - 235 Storm and Sanitary Sewer Improvement - \$4,000,000:**
This will provide funds for the final loan payment to the State of Iowa for the City's share of various sanitary sewer improvements made during the I-235 improvement project. (Additional payments are also being made for the City's share of storm water improvements).
- **Lower Union Park Sewer Separation - \$0.**
Due to cash flow issues, the \$500,000 that was planned to be issued for this project will be replaced with operating revenues. The \$500,000 of anticipated bonding has been shifted to the Riverpoint Trunk project noted above.
- **Issuance Costs - \$210,000.**

PREVIOUS COUNCIL ACTION(S):

Date: February 27, 2012

Roll Call Number: [12-0334](#)

Action: [On](#) proposed annual budget for fiscal year ending June 30, 2013 and adoption of the Capital Improvement Program (CIP) for 2012-2013/2017-2018. ([Council Communication No. 12-101](#))
Moved by Coleman to adopt; Motion Carried 6-1. Nays: Griess.

BOARD/COMMISSION ACTION(S): NONE**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

Hold Public Hearing on June 25, 2012.

Sale Bonds on July 25, 2012.

Close (receive proceeds) in early September.

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