

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: July 15, 2013
	Agenda Item No. 57 Roll Call No. <u>13-1142</u> Communication No. <u>13-373</u> Submitted by: Scott E. Sanders, Finance Director

AGENDA HEADING:

Hold public hearings regarding the issuance of general obligation bonds for the Fiscal Year (FY) 2013-14 Capital Improvement Budget and to advance refund the General Obligation Bonds, Series 2006A and General Obligation Urban Renewal Bonds, Series 2006B. Directing sale of \$37,985,000 General Obligation Bonds, Series 2013A (new projects) and \$22,535,000 General Obligation Refunding Bonds, Series 2013B (refinancing).

SYNOPSIS:

Hold public hearings regarding the issuance of general obligation bonds and set the date for the sale. The first hearing is necessary to provide additional funding for the Municipal Service Center facility with the debt service paid from Tax Increment Financial (TIF) revenues. The second hearing is to authorize the advance refunding of the Series 2006A and Series 2006B bonds for savings. All other hearings associated with the FY 2013-14 Capital Improvement Budget were held in February. The third item for approval is to set the sale of the bonds for July 24th and approve the preliminary official statement(s).

FISCAL IMPACT:

Amount: \$1,250,000 in additional bond proceeds associated with the Municipal Service Center. Total borrowing for new projects is \$37,985,000 plus interest; made up of \$37,345,000 project costs and \$640,000 issuance expenses.

Funding Sources:

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

The \$1,250,000 in additional bonds will be funded by the Southeast Agribusiness Tax Increment Fund. The savings associated with the refundings will be shared between the Property Tax Debt Service Levy and various TIF District Funds.

ADDITIONAL INFORMATION:

A public hearing must be held prior to any borrowing by the City. The first hearing is to consider bonding for the FY2013-14 Capital Improvement Budget associated with the Municipal Service Center project that was approved by City Council on April 8, 2013.

Additionally, there is an opportunity to refund two (2) series of bonds for savings. The refunding will have the same final maturity as the bonds being refunded.

City staff reviewed projects that anticipated the availability of non-City funding to determine the certainty of those funds. Only the East 46th and Hubbell Avenue Intersection Improvement project anticipates non-City funding that has not been committed to date. An application to the Iowa Department of Transportation (IDOT) is being made and Engineering has a high level of confidence funding will be received.

There continues to be fewer municipal debt issuances scheduled for Wednesdays and therefore we can expect more aggressive bidding by holding a special meeting on Wednesday, July 24th. The following is the amount of debt being issued by category.

CATEGORY	AMOUNT
Bridge Improvements	\$ 1,600,000
Fire Protection Improvements	\$ 1,450,000
Library Improvements	\$ 735,000
Miscellaneous Improvements	\$ 2,805,000
Municipal Building Improvements	\$ 9,360,000 (\$1,200,000 added)
Park Improvements	\$ 4,490,000
Street Improvements	<u>\$ 16,905,000</u>
TOTAL PROJECT IMPROVEMENTS	\$ 37,345,000
Issuance Costs	<u>\$ 640,000</u> (\$50,000 added)
TOTAL BOND ISSUE	<u>\$ 37,985,000</u>

The following are the projects approved in February.

Bridge Improvements (\$1,600,000)

- Citywide Bridge Repairs (\$1,000,000)
- South Union Street Bridge over Yeader Creek (\$600,000)

Fire Protection Improvements (\$1,450,000)

- Equipment Acquisition (\$1,160,000)
- Fire Station Remodeling (\$290,000)

Library Improvements (\$735,000)

- Collection Additions and Replacement (\$500,000)
- Miscellaneous Building Improvements (\$135,000)
- SE Branch (\$100,000)

Miscellaneous Improvements (\$2,805,000)

- Neighborhood Finance Corp. (\$1,000,000)
- Neighborhood Development Corp. (\$1,000,000)
- City Tree Replacement Fund (\$200,000)
- Public Art (\$100,000)
- Underground Storage Tank (\$25,000)
- Enhanced City-wide Information System (\$480,000)

Municipal Building Improvements (\$8,160,000)

- Energy Conservation Program (\$150,000)
- HVAC, Electrical & Plumbing Improvements (\$350,000)
- Municipal Building Improvements (\$400,000)
- Public Works Building Improvements (\$50,000)
- Municipal Building Re-Roofing (\$135,000)
- Police Academy Improvements (\$100,000)

- Police Facility Improvements (\$225,000)
- Municipal Service Center (\$6,750,000)

Parks Improvements (\$4,490,000)

- Cemetery Infrastructure and Improvements (\$50,000)
- Gray's Lake Park Improvements (\$90,000)
- Neighborhood Park Improvements (\$725,000)
- Park Building Improvements (\$500,000)
- Recreation Trails (\$770,000)
- Road, Sidewalk, and Utility Improvements (\$100,000)
- Urban Conservation Projects (\$175,000)
- Principal Park Stadium Improvements (\$500,000)
- Grants to Blank Park Zoo for Improvements (\$1,150,000)
- Community Center Improvements (\$120,000)
- Sports Complexes (\$130,000)
- Swimming Pool and aquatic Improvements (\$150,000)
- Wading Pool Improvements (\$30,000)

Street Improvements (\$16,905,000)

- Asphaltic Paving Restoration (\$700,000)
- Concrete Curb & Median Replacement (\$675,000)
- Concrete Paving Restoration (\$700,000)
- Indianola Avenue Widening (\$1,750,000)
- East 46th and Hubbell Intersection (\$100,000)
- Euclid Avenue Intersection Improvements (\$425,000)
- McKinley Ave Widening (\$100,000)
- Neighborhood Infrastructure Rehabilitation Program (\$1,375,000)
- Park Avenue Widening – SW 56th Street to SW 63rd Street (\$100,000)
- Residential Paving Program (\$100,000)
- Southeast Connector – SE 14th Street to SE 30th Street (\$6,000,000)
- SW 9th Street Widening (\$550,000)
- Sidewalk Replacement Program (\$550,000)
- Sidewalks – ADA Compliance (\$1,000,000)
- Sidewalks – School and Priority Routes (\$100,000)
- Streetscape Improvements (\$200,000)
- Traffic Control Neighborhood (\$120,000)
- Traffic Signal, Channelization, and School Crossings (\$100,000)
- Traffic Signal Interconnection (\$120,000)
- Traffic Signal LED Replacement Program (\$20,000)
- Traffic Sign Inventory Program (\$220,000)
- Southeast Connector – SE 6th Street to SE 14th Street (\$1,000,000)
- Southeast Connector – SE 14th Street to SE 30th Street (\$750,000)
- Skywalk Improvements (\$150,000)

PREVIOUS COUNCIL ACTION(S):

Date: June 24, 2013

Roll Call Number: [13-0979](#) & [13-0980](#)

Action: On proposed issuance of General Obligation Bonds for the following, (7-15-13): ([Council Communication No. 13-343](#))

(A) [\\$1,250,000](#) (Urban Renewal Purposes). Moved by Hensley to adopt. Motion Carried 7-0.

(B) [\\$24,000,000](#) (Essential Corporate Purpose). Moved by Hensley to adopt. Motion Carried 7-0.

Date: April 8, 2013

Roll Call Number: [13-0609](#)

Action: [On](#) Municipal Service Center - Phase 1: Resolution approving plans, specifications, form of contract documents, engineer's estimate and designating lowest responsible bidder as Neumann Brothers, Inc., (Marshall G. Linn III, President), \$15,005,900. ([Council Communication No. 13-182](#)) Moved by Meyer to adopt. Motion Carried 7-0.

Date: February 25, 2013

Roll Call Number: [13-0351](#) and [13-0352](#)

Action: On proposed issuance of the following: ([Council Communication No. 13-094](#))

(B) [\\$10,475,000](#) General Obligation Bonds (Urban Renewal Purposes). Moved by Mahaffey to adopt. Motion Carried 7-0.

(1) [Authorization](#) for additional action. Moved by Mahaffey to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

July 24, 2013: Take bids at 10 a.m. Special Council meeting at 4:30 p.m. to award bonds to lowest bidder.

August 12, 2013: Final approvals including authorization to levy taxes.

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