

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b>	November 17, 2014
	<b>Agenda Item No.</b>	<b>29</b>
	<b>Roll Call No.</b>	<b><u>14-1782</u></b>
	<b>Communication No.</b>	<b><u>14-548</u></b>
	<b>Submitted by:</b>	<b>Daniel E. Ritter, Interim Finance Director</b>

**AGENDA HEADING:**

Resolution approving and authorizing an amendment to loan and disbursement agreement by and between the City of Des Moines and the Iowa Finance Authority (IFA), and authorizing and providing for reissuance of the \$5,965,000 sewer revenue capital loan note, series 2004I at a reduced interest rate.

**SYNOPSIS:**

Approve and authorize amendment to current loan and disbursement agreement with IFA, and related documents, and provide for reissuance of the \$5,965,000 sewer revenue capital loan note, series 2004I at a reduced interest rate.

**FISCAL IMPACT:**

Amount: \$268,681 in savings over 10 years

Funding Source: Sanitary sewer fund, Fiscal Year (FY) 2014 -2015 Operating Budget, page 225

**ADDITIONAL INFORMATION:**

The State Revolving Fund (SRF) for Clean Water and Drinking Water Program (SRF Program) recently reduced the interest rate on all new 20-year SRF loans to 1.75%, and is now offering the new interest rate to all existing SRF loans at least 10 years old. That means as of December 1, 2014, the interest rate on the City of Des Moines Sewer Revenue Capital Loan Note MC55R will be reduced from 3% to 1.75%. Over the remaining term of the loan this is estimated to save the City enterprise fund \$268,681 interest expense. This is the only SRF loan the City has outstanding.

This interest reduction changes the terms of the original loan agreement which, therefore, needs to be amended and the agreement and related documents approved by City Council.

**PREVIOUS COUNCIL ACTION(S):**

Date: November 8, 2004

Roll Call Number: [04-2454](#)

Action: \$5,965,000 Sewer Revenue Capital Loan Notes, Series 2004I—Series Resolution approving and authorizing form of Loan and Disbursement Agreement, between the City, Iowa Finance Authority, Iowa Dept. of Natural Resources and Wells Fargo Bank, N.A., and providing for issuance and securing payment and providing for a method of payment. ([Council Communication No. 04-564](#)) Moved by Vlassis to adopt. Motion Carried 7-0.

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

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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