

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	February 22, 2016
	Agenda Item No.	57
	Roll Call No.	[_____]
	Communication No.	<u>16-095</u>
	Submitted by:	Dan Ritter, Finance Director

AGENDA HEADING:

Items regarding proposed General Obligation Bonds.

SYNOPSIS:

Hold 10 public hearings to institute proceedings for the issuance of general obligation bonds for the fiscal year (FY) 2016-2017 capital budget in the Capital Improvements Program (CIP) and levying a tax for the debt service of said bonds in FY 2016-17. This is the first step in the process to finance the construction of capital projects funded, in part, with General Obligation (GO) Bonds, totaling \$42,185,000. The hearings are being held in tandem with the approval of the budget so that the debt payments associated with these projects can be included in the FY 2016-2017 budget.

FISCAL IMPACT:

Amount: \$42,185,000 of GO Bonds plus interest and \$700,000 issuance cost. FY2016-17 debt service payment is estimated at \$2,857,500 and the rate at \$4.01 per \$1,000 taxable valuation.

Funding Source: FY 2016-2017 operating budget, property tax debt service levy, D001 ND400500

ADDITIONAL INFORMATION:

A public hearing must be held prior to any borrowing by the City. This hearing is to consider borrowing for the FY 2016-2017 capital improvement budget that will be submitted for approval by Council also on February 22, 2016. The final sizing of the bonds will occur before the sale in the summer. City staff reviewed projects that anticipated the availability of non-City funding to determine the certainty of those funds. Below is the current status of non-City funding related to the projects that will be funded in part with bond proceeds from this issuance:

1. Grand Avenue Bridge over the Des Moines River - \$4,270,000 Bonds (\$2,130,000 federal – committed)
2. Locust Street Bridge over the Des Moines River - \$500,000 Bonds (\$1,000,000 federal - committed, \$2,100,000 gaming – committed)
3. East 42nd and Hubbell Avenue Intersection Improvements - \$1,450,000 (\$500,000 state - committed, \$400,000 state – pending)
4. East 46th and Hubbell Avenue Intersection Improvements - \$750,000 Bonds (\$665,000 state – committed, \$35,000 state-pending)
5. 42nd Avenue Streetscape – \$250,000 Bonds (\$470,000 private - committed, \$480,000 federal – committed, \$500,000 state – committed)

6. Hubbell Avenue Intersection Improvements E 33rd Street to E 38th Street - \$500,000 Bonds (\$1,400,000 state – pending)
7. Indianola Avenue Widening SE 14th Street to Army Post Road - \$500,000 Bonds (\$800,000 federal – committed)
8. Park Avenue Widening – SW 56th Street to SW 63rd Street - \$2,150,000 Bonds (\$2,050,000 federal – committed)
9. Traffic Signals, Channelization and School Crossings - \$800,000 Bonds (\$480,000 federal – committed, \$150,000 state – committed)
10. Traffic System Operation Improvements - \$300,000 Bonds (\$140,000 federal – committed)
11. SE Connector to HWY-69- \$500,000 Bonds (\$4,932,000 federal – committed)

Projects requiring non-City funding will be reviewed once again prior to issuing the debt.

PREVIOUS COUNCIL ACTION(S):

Date: February 8, 2016

Roll Call Number: [16-0194](#)

Action: Items regarding proposed General Obligation Bonds for the following, (2-22-160:

- (A) [Resolution](#) electing classifications and procedures for proposed bond projects. Moved by Gatto to adopt. Motion Carried 7-0.
- (B) [On](#) issuance of not to exceed \$26,395,000 (for Essential Corporate Purposes). Moved by Gatto to adopt. Motion Carried 7-0.
- (C) [On](#) issuance of not to exceed \$7,175,000, (for Urban Renewal Purposes). Moved by Gatto to adopt. Motion Carried 7-0.
- (D) [On](#) issuance of not to exceed \$3,505,000 (for Urban Renewal Purposes). Moved by Gatto to adopt. Motion Carried 7-0.
- (E) [On](#) issuance of not to exceed \$985,000 (for General Corporate Purposes). Moved by Gatto to adopt. Motion Carried 7-0.
- (F) [On](#) issuance of not to exceed \$825,000, (for General Corporate Purposes). Moved by Gatto to adopt. Motion Carried 7-0.
- (G) [On](#) issuance of not to exceed \$950,000, (for General Corporate Purposes). Moved by Gatto to adopt. Motion Carried 7-0.
- (H) [On](#) issuance of not to exceed \$885,000, (for General Corporate Purposes). Moved by Gatto to adopt. Motion Carried 7-0.
- (I) [On](#) issuance of not to exceed \$920,000, (for General Corporate Purposes). Moved by Gatto to adopt. Motion Carried 7-0.

(J) On issuance of not to exceed \$260,000, (for General Corporate Purposes). Moved by Gatto to adopt. Motion Carried 7-0.

(K) On issuance of not to exceed \$985,000, (for General Corporate Purposes). Moved by Gatto to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

The final sizing of the bonds will occur in June/July with the bond sale planned for July/August. Council will need to take later action to direct the sale of the bonds and approve the official statement and related sale actions.

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the first floor of City Hall, 400 Robert D. Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to cityclerk@dmgov.org.