

 <p style="text-align: center;"><b>Council</b> <b>Communication</b> Office of the City Manager</p>	<b>Date:</b>	August 22, 2016
	<b>Agenda Item No.</b>	<b>59</b>
	<b>Roll Call No.</b>	<u>16-1443 16-1444 16-1445 16-1446 16-1447 16-1448 16-1449</u>
	<b>Communication No.</b>	<u>16-483</u>
	<b>Submitted by:</b>	<b>Dan Ritter, Finance Director</b>

**AGENDA HEADING:**

Hold public hearing, institute proceedings to take additional action, and direct the direct the sale of Stormwater Management Utility revenue bonds for capital project funding and refunding and refinancing of outstanding debt.

**SYNOPSIS:**

There are seven (7) separate roll calls relating to the action steps that are required for the sale of Stormwater Management Utility Bonds - Series 2016C, not to exceed \$14.8 million and Series 2016D, not to exceed \$10.9 million. The bonds will provide for refunding and financing outstanding debt in order to achieve an interest rate savings, and for new capital project financing for Fiscal Year (FY) 2017. The roll calls are required action on public hearings, proceeding with action for the issuance of the bonds, directing the sale, and approving the items related to the sale. If all action moves ahead, sales of the bonds is scheduled for August 31, 2016, with a special Council meeting to award the bonds set for 4:00 p.m.

**FISCAL IMPACT:**

Amount: Series 2016C refinancing of Series 2006D is expected to result in approximately \$700,000 in savings, or about \$100,000 annually with final payment in June 2023. Series 2016D refunding of Series 2010F will resultant in approximately \$560,000 net present value savings, with payments until June 2030.

Funding Source: This debt is secured on solely on the net revenues of the Stormwater Management Utility and have no impact on the City’s General Obligation capacity. Operating Budget page 230, E310 ND403630 – Stormwater Sinking Fund.

**ADDITIONAL INFORMATION:**

- A public hearing must be held prior to any borrowing by the City. After input is received, if Council decides to issue the bonds, action must be taken on a second roll call to institute proceedings for the issuance, and then action to direct the date of sale and approve a preliminary Official Statement describing the issuance and bid procedures.
- Series 2016C is for the issuance of not to exceed \$5.4 million Stormwater bonds to fund certain projects in FY 2017 through 2021 Capital Improvement Program, and not to exceed \$9.4

million for the current refunding and refinancing of Series 2006D Stormwater Management Utility revenue bonds.

- Series 2016D is for the issuance of not to exceed \$10.9 million for the refunding and refinancing of Stormwater Management Utility Revenue Capital Loan Notes, Series 2010F, in order to achieve an interest rate savings, callable on June 1, 2018.

**PREVIOUS COUNCIL ACTION(S):**

Date: July 11, 2016

Roll Call Number: [16-1122](#), [16-1123](#), and [16-1124](#)

Action: On the following bond issues:

- (B) Not to exceed \$5,400,000 Stormwater Management Utility Revenue Bonds, Series 2016C, (current refunding portion), (8-22-16). ([Council Communication No. 16-391](#)) Moved by Hensley to adopt. Motion Carried 7-0.
- (C) Not to exceed \$9,400,000 Stormwater Management Utility Revenue Bonds, Series 2016C, (new money CIP portion), (8-22-16). ([Council Communication No. 16-391](#)) Moved by Hensley to adopt. Motion Carried 7-0.
- (D) Not to exceed \$10,900,000 of Stormwater Management Utility Revenue Refunding Bonds, Series 2016D, (8-22-16). ([Council Communication No. 16-393](#)) Moved by Hensley to adopt. Motion Carried 7-0.

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

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

- August 31, 2016 award bonds and authorize redemption of bonds to be refinanced.
- September 2016 adopt authorizing resolution and approve final documents.

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