

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	March 8, 2018
	Agenda Item No.	54-64
	Roll Call No.	<u>18-0388</u>
	Communication No.	<u>18-121</u>
	Submitted by:	Bob Fagen, Finance Director

AGENDA HEADING:

Items regarding issuance of proposed General Obligation (GO) Bonds.

SYNOPSIS:

Hold 10 public hearings to institute proceedings for the issuance of GO Bonds for the fiscal year (FY) 2018-2019 capital budget of the Capital Improvements Program (CIP) and levying a tax for the debt service of said bonds in FY 2018-19. This is the first step in the process to finance the construction of capital projects funded, in part, with GO Bonds, totaling \$46,215,000. 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 2018-2019 budget.

FISCAL IMPACT:

Amount: \$46,790,000 - (\$46,215,000 of GO Bonds for construction and \$575,000 issuance cost). FY2018-2019 debt service payment is estimated at \$3,533,445 and a maximum rate not to exceed of \$3.57 per \$1,000 taxable valuation.

Funding Source: FY 2018-2019 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 FY2019 Capital Improvement budget that will be submitted for approval by Council on March 8, 2018. The final sizing of the bonds will occur in June with the bond sale planned for July or August. 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. Court Avenue Bridge/Des Moines River - \$950,000 TIF Bonds (\$5,600,000 federal - committed)
 2. Locust Street Bridge over the Des Moines River - \$2,100,000 TIF Bonds (\$1,000,000 federal - committed)
 3. Multi-Use Trails - \$800,000 GO Bonds (\$550,000 federal - committed – Des Moines River Trail)
 4. East 42nd and Hubbell Avenue Intersection Improvements - \$200,000 GO Bonds (\$300,000 state - committed)
 5. Hubbell Avenue and Broadway Intersection Improvements - \$550,000 GO Bonds (\$150,000 state - pending)

6. Hubbell Avenue Improvements – East 33rd Street to East 38th Street - \$1,000,000 Bonds (\$4,500,000 state - committed, \$400,000 state - pending)
7. Sixth Avenue Streetscape - \$250,000 GO Bonds (\$600,000 private - uncommitted/not-received, \$600,000 federal - committed)
8. University Avenue – 42nd Street to 63rd Street - \$300,000 GO Bonds (\$500,000 federal - committed)
9. Walnut Streetscape -\$500,000 Bonds (private - uncommitted)

PREVIOUS COUNCIL ACTION(S):

Date: February 19, 2018

Roll Call Number: [18-0273](#), [18-0274](#), [18-0275](#), [18-0276](#), [18-0277](#), [18-0278](#), [18-0279](#), [18-0280](#), [18-0281](#), [18-0282](#), and [18-0283](#)

Action: Items regarding General Obligation Bonds (2018/2019 CIP): ([Council Communication No. 18-093](#))

- (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 \$33,780,000 (for Essential Corporate Purposes). Moved by Gatto to adopt. Motion Carried 7-0.
- (C) [On](#) issuance of not to exceed \$920,000 (for General Corporate Purposes). Moved by Gatto to adopt. Motion Carried 7-0.
- (D) [On](#) issuance of not to exceed \$870,000 (for General Corporate Purposes). Moved by Gatto to adopt. Motion Carried 7-0.
- (E) [On](#) issuance of not to exceed \$830,000 (for General Corporate Purposes). Moved by Gatto to adopt. Motion Carried 7-0.
- (F) [On](#) issuance of not to exceed \$655,000 (for General Corporate Purposes). Moved by Gatto to adopt. Motion Carried 7-0.
- (G) [On](#) issuance of not to exceed \$720,000 (for General Corporate Purposes). Moved by Gatto to adopt. Motion Carried 7-0.
- (H) [On](#) issuance of not to exceed \$520,000 (for General Corporate Purposes). Moved by Gatto to adopt. Motion Carried 7-0.
- (I) [On](#) issuance of not to exceed \$660,000 (for General Corporate Purposes). Moved by Gatto to adopt. Motion Carried 7-0.

(J) On issuance of not to exceed \$775,000 (for General Corporate Purposes). Moved by Gatto to adopt. Motion Carried 7-0.

(K) On issuance of not to exceed \$520,000 (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 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

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