


COUNCIL COMMUNICATION

	Number:	19-064	Meeting:	February 18, 2019
	Agenda Item:	4	Roll Call:	19-243-52
	Submitted by:	Bob Fagen, Finance Director		

AGENDA HEADING:

Set date for public hearing regarding the issuance of general obligation (GO) bonds for the fiscal year (FY) 2020 Capital Improvements Budget and for refunding and refinancing certain current outstanding bonds.

SYNOPSIS:

Set date for nine (9) public hearings and direct publication of notices regarding the issuance of GO bonds to fund the FY2020 Capital Improvements Program (CIP) and for refunding and refinancing GO Bonds, Series 2011A. This is the first step in the process to finance the construction of capital projects totaling \$42,725,000 and refunding bonds in the amount of \$23,345,000. The purpose of the refunding is to achieve an interest rate savings. The hearings are being held in tandem with the approval of the capital budget so that the debt payments associated with these projects can be included in the FY2020 budget.

FISCAL IMPACT:

Amount: \$42,725,000 project funds plus interest and \$1,450,000 issuance cost; FY2019-20 debt service payment is estimated at \$3,032,023. Refunding anticipated to result in approximately \$1 million net present value savings.

Funding Source: FY2020 operating budget, property tax debt service levy, D001 ND400576

ADDITIONAL INFORMATION:

- A public hearing must be held prior to any borrowing by the City. This hearing is to consider borrowing for the FY2020 Capital Improvement budget that will be submitted for approval by Council on March 11, 2019.
- The refunding bond issue will provide for \$23,345,000 on June 1, 2019 for GO Refunding Bonds, Series 2011A, which is maturing through 2020 with coupons between 4.0% and 4.125%.
- The final sizing of the bonds will occur in June with the bond sale planned for July or August.

- City staff will continue to review GO funding needs to monitor if additional grant funding can reduce the amount of City debt issuance. Projects are summarized by category as follows:

ISSUANCE SUMMARY

Hearing	Amount	Costs	Total
ECP-1	\$59,805,000	\$2,050,000	\$61,855,000
GCP-2	925,000	30,000	955,000
GCP-3	765,000	25,000	790,000
GCP-4	500,000	15,000	515,000
GCP-5	925,000	30,000	955,000
GCP-6	750,000	25,000	775,000
GCP-7	575,000	15,000	590,000
GCP-8	900,000	30,000	930,000
GCP-9	925,000	30,000	955,000
TOTAL	\$66,070,000	\$2,250,000	\$68,320,000

- Specific projects to be financed are detailed by bond hearing at the end of this communication.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

March 11, 2019: Hold hearings on debt issuance and approve the capital budget and CIP plan and approve levy for associated first year’s debt payments for this bond issue to be included in the FY2020 budget; also known as a “pre-levy.”

PROJECT CLASSIFICATIONS
and HEARINGS SUMMARY

ECP-1

NOT TO EXCEED \$61,855,000
GENERAL OBLIGATION BONDS
(Essential Corporate Purposes)

- a. the opening, widening, extending, repairing, grading, and draining of the right-of-way of streets, alleys, public grounds, and market places, and the removal and replacement of dead or diseased trees thereon; the acquisition, installation, and repair of traffic control devices; and the acquisition of real estate needed for any of the foregoing purposes;
- b. the acquisition, construction, improvement, and installation of street lighting fixtures, connections, and facilities;

- c. the construction, reconstruction, and repair of sidewalks and pedestrian underpasses and overpasses, and the acquisition of real estate needed for such purposes;
- d. the acquisition, construction, reconstruction, extension, improvement, and equipping of works and facilities useful for the collection, treatment, and disposal of sewage and industrial waste in a sanitary manner, and for the collection and disposal of surface waters and streams;
- e. the acquisition, construction, reconstruction, enlargement, improvement, and repair of bridges, culverts, retaining walls, viaducts, underpasses, grade crossing separations, and approaches thereto;
- f. the acquisition, construction, reconstruction, and improvement of waterways, and real and personal property, useful for the protection or reclamation of property situated within the corporate limits of cities from floods or high waters, the development and beautification of the banks and other areas adjacent to flood control improvements;
- g. the equipping of fire, police, sanitation, street, and civil defense departments and the acquiring, developing, and improving of a geographic computer data base system suitable for automated mapping and facilities management;
- h. the acquisition and improvement of real estate for cemeteries, and the construction, reconstruction, and repair of receiving vaults, mausoleums, and other cemetery facilities;
- i. the acquisition of ambulances and ambulance equipment;
- j. the rehabilitation and improvement of parks already owned, including the removal replacement and planting of trees in the parks, and facilities, equipment, and improvements commonly found in city parks;
- k. the acquisition, construction, reconstruction, improvement, repair, and equipping of waterworks, water mains, and extensions, and real and personal property, useful for providing potable water to residents of a city;
- l. the acquisition, restoration, or demolition of abandoned, dilapidated, or dangerous buildings, structures or properties or the abatement of a nuisance;
- m. the establishment and funding of programs to provide for or assist in providing for the acquisition, restoration, or demolition of housing, as part of a municipal housing project;
- n. the acquisition of peace officer communication equipment and other emergency services communication equipment and systems; and
- o. the settlement, adjustment, renewing, or extension of any part or all of the legal indebtedness of a city, whether evidenced by bonds, warrants, or judgments, or the funding or refunding of the same, whether or not such indebtedness was created for a purpose for which general obligation bonds might have been issued in the original instance.

E. 30th Street Bridge over UPRR	500,000
Fire Equipment Acquisition	1,100,000
City Tree Replacement Fund	100,000
Emerald Ash Borer Response Plan	150,000
NDC	1,000,000
NFC	1,000,000
Neighborhood Revitalization Strategy	2,500,000
Police RMS	900,000
Public Art	100,000
Vacant Property Redevelopment	100,000
Cemetery Infrastructure	200,000
Chesterfield Park	450,000
Gray's Lake Park	250,000
MacRae Park	100,000
Multi-Use Trails	200,000
Park Building Improvements	325,000
Park Improvements	1,375,000
Park Playground Improvements	265,000
Riverview Park - Site, Plaza and Shelter	1,250,000
Riverwalk	400,000
Road, Sidewalk, and Utility Improvements - Parks	500,000
Sprayground Improvements	160,000
Urban Conservation Projects	100,000
Witmer Park	435,000
Active Transportation	300,000
Beaverdale to Downtown - Complete Streets	50,000
E. Douglas Widening - E 42nd - E 56th	1,000,000
Hubbell Ave - E 33rd to E 38th	2,650,000
Indianola Widen- E Army Post Rd-Hwy 69	250,000
Ingersoll Streetscape	175,000
LED Street Lighting Upgrades	150,000
Northeast Montessori School Improvements	75,000
PCC Pavement Replacement Program	625,000
Public Works - Asphalt Road Improvements	725,000
Public Works - Concrete Street and Curb Rehab.	700,000
Roadway Reconstruction - Fleur Drive	4,000,000
Roadway Rehabilitation - Residential Overlays	1,500,000
Railroad Crossing Surface Repairs and Signal Improvements	50,000
Sidewalks - ADA Compliance	1,500,000
Sidewalk Replacement	675,000
Sidewalks - School and Priority Routes	1,500,000
6th Avenue Streetscape	1,000,000

Southeast Connector - S.E. 30th Street to US 65	2,000,000
SW Infrastructure and Planning	275,000
Traffic Median Island Replacement	250,000
Traffic and Pedestrian Signals - New	250,000
Traffic Signals - Replacement	800,000
Traffic Studies and Improvements	250,000
Traffic System Operation Improvements	1,500,000
University Avenue - 42nd Street to 63rd Street	750,000
Refunding GO Bonds, Series 2011A	23,345,000

GCP-2

**NOT TO EXCEED \$955,000
GENERAL OBLIGATION BONDS**

(General Corporate Purpose)

- a. various municipal building repairs, improvements, and equipment, including the Fire Department facilities, the Public Works Building, various ADA compliance projects and various energy conservation projects

Fire Station Remodeling	550,000
ADA Modifications	275,000
Energy Conservation Program	50,000
P.W. Building Improvements	50,000

GCP-3

**NOT TO EXCEED \$790,000
GENERAL OBLIGATION BONDS**

(General Corporate Purpose)

- a. library collection additions and replacements

Collection Additions and Replacements	765,000
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GCP-4

**NOT TO EXCEED \$515,000
GENERAL OBLIGATION BONDS**

(General Corporate Purpose)

- a. acquisition and installation of CISCO core network equipment

CISCO Core Network Equipment	500,000
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GCP-5

**NOT TO EXCEED \$955,000
GENERAL OBLIGATION BONDS
(General Corporate Purpose)**

- a. the construction, repair and improvement of recreation grounds, trails, golf courses, watershed park amenities, sports complexes, swimming pools and aquatic centers, and wading pools

Des Moines Regional Trail – Phase 2	200,000
Golf Course Improvements	175,000
Sports Complexes	100,000
Swimming Pool and Aquatic Improvements	200,000
Watershed Park Amenities	250,000

GCP-6

**NOT TO EXCEED \$775,000
GENERAL OBLIGATION BONDS
(General Corporate Purpose)**

- a. acquisition and installation of HP network storage equipment

HP Network Storage Equipment	750,000
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GCP-7

**NOT TO EXCEED \$590,000
GENERAL OBLIGATION BONDS
(General Corporate Purpose)**

- a. library building improvements

Library Building Improvements	575,000
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GCP-8

**NOT TO EXCEED \$930,000
GENERAL OBLIGATION BONDS
(General Corporate Purpose)**

- a. building repairs, improvements and equipment for the Armory and police facility and roofing replacements at various municipal buildings

Armory Improvements	250,000
Municipal Building Re-Roofing	350,000
Police Facility Improvements	300,000

GCP-9**NOT TO EXCEED \$955,000
GENERAL OBLIGATION BONDS
(General Corporate Purpose)**

- a. various HVAC, plumbing, electrical and general improvements to municipal buildings

HVAC, Electrical, and Plumbing Improvement	350,000
Municipal Building Improvements	575,000

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