


COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	19-100	Meeting:	March 11, 2019
	Agenda Item:	47-56	Roll Call:	19-392
	Submitted by:	Bob Fagen, Finance Director		

AGENDA HEADING:

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

SYNOPSIS:

Hold nine (9) public hearings and direct publication of notices regarding the issuance of GO bonds to fund the fiscal year (FY) 2020 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 2019 with the bond sale planned for July or August 2019.
- City staff will continue to review GO funding needs to monitor if additional grant funding can reduce the amount of City debt issuance.

PREVIOUS COUNCIL ACTION(S):

Date: February 18, 2019

Roll Call Number: [19-0243](#), [19-0244](#), [19-0245](#), [19-0246](#), [19-0247](#), [19-0248](#), [19-0249](#), [19-0250](#), [19-0251](#), and [19-0252](#)

Action: Setting date of hearing on the following items: ([Council Communication No. 19-064](#))

- (A) [Resolution](#) electing Classification and Procedures for proposed Bond Projects. Moved by Boesen to adopt. Motion Carried 4-3. Absent: Cownie, Coleman and Gatto.
- (B) [On](#) issuance of not to exceed \$61,855,000 General Obligation Bonds, (for Essential Corporate Purposes). Moved by Boesen to adopt. Motion Carried 4-3. Absent: Cownie, Coleman and Gatto.
- (C) [On](#) issuance of not to exceed \$955,000 General Obligation Bonds, (for General Corporate Purposes). Moved by Boesen to adopt. Motion Carried 4-3. Absent: Cownie, Coleman and Gatto.
- (D) [On](#) issuance of not to exceed \$790,000 General Obligation Bonds, (for General Corporate Purposes). Moved by Boesen to adopt. Motion Carried 4-3. Absent: Cownie, Coleman and Gatto.
- (E) [On](#) issuance of not to exceed \$515,000 General Obligation Bonds, (for General Corporate Purposes). Moved by Boesen to adopt. Motion Carried 4-3. Absent: Cownie, Coleman and Gatto.
- (F) [On](#) issuance of not to exceed \$955,000 General Obligation Bonds, (for General Corporate Purposes). Moved by Boesen to adopt. Motion Carried 4-3. Absent: Cownie, Coleman and Gatto.
- (G) [On](#) issuance of not to exceed \$775,000 General Obligation Bonds, (for General Corporate Purposes). Moved by Boesen to adopt. Motion Carried 4-3. Absent: Cownie, Coleman and Gatto.
- (H) [On](#) issuance of not to exceed \$590,000 General Obligation Bonds, (for General Corporate Purposes). Moved by Boesen to adopt. Motion Carried 4-3. Absent: Cownie, Coleman and Gatto.
- (I) [On](#) issuance of not to exceed \$930,000 General Obligation Bonds, (for General Corporate Purposes). Moved by Boesen to adopt. Motion Carried 4-3. Absent: Cownie, Coleman and Gatto.
- (J) [On](#) issuance of not to exceed \$955,000 General Obligation Bonds, (for General Corporate Purposes). Moved by Boesen to adopt. Motion Carried 4-3. Absent: Cownie, Coleman and Gatto.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

The final sizing of the bonds will occur in June 2019 with the bond sale planned for July/August 2019. 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.