

COUNCIL COMMUNICATION

	Number:	20-123	Meeting:	March 9, 2020
	Agenda Item:	29	Roll Call:	20-0433
	Submitted by:	Jonathan A. Gano, P.E., Public Works Director		

AGENDA HEADING:

Approve loan agreement and related funding actions for the Metro Waste Authority (MWA) to construct a material recovery facility, refund current debt, and future debt in a total amount not to exceed \$50,000,000.

SYNOPSIS:

Recommend authorizing and approving the MWA Board to take the following funding actions:

1. Borrow an amount not to exceed \$24,500,000 for a material recovery facility.
2. Refunding now, or in the future, the outstanding approximate \$8,000,000 Taxable Note (Grimes Solid Waste Transfer Station Project).
3. Issue additional indebtedness not to exceed an aggregate principal amount outstanding at any time of \$50,000,000.

FISCAL IMPACT: NONE

ADDITIONAL INFORMATION:

- The MWA Board has begun the process of financing the construction of a material recovery facility. In accordance with the Code of Iowa, each MWA member is required to adopt a resolution that confirms the ability of the Board to complete the financing.
- The City Council action confirms indebtedness of the MWA will be repaid solely from the net revenues of the MWA and is not a general obligation of any of the members. Through landfill fees, the MWA will retain the ability to charge all members, including Des Moines, for the debt service on the obligations. In addition, each member acknowledges the intent of the MWA to borrow on a federal tax-exempt basis and acknowledges the tax-exempt indebtedness will be apportioned amongst the members and count against the annual \$10,000,000 bank-qualification of the members. This does not affect the City of Des Moines, as the City does not currently issue bank-qualified debt.
- The additional debt, for an aggregate amount up to \$50,000,000, will be used to fund future improvements, such as a transfer station. While there would be Board action(s), there would not be a need for individual member actions for future projects or expenditures.

- The material recovery facility will benefit all members of the MWA by reducing the amount of trash that goes to the landfill. The MWA Board intends for the material recovery facility to be self-supporting. The new facility is planned to be operational by the end of 2021. Fees to utilize the material recovery facility have not yet been established.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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