CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

ITEM: Public Hearing for the Issuance of Not to Exceed $700,000 General Corporate Purpose (GCP) General Obligation Bonds (Hearing 5)

DATE: February 9, 2015

FINANCIAL IMPACT: Final debt service amounts (principal and interest) not known, pending sale date and interest rate charged; projected costs are included in the fiscal year 2015-16 budget. Staff estimates that actual amount of all borrowing under a number of issuances to be considered at his meeting will be approximately $12,150,000, with the total "not to exceed" being $12,800,000

BACKGROUND: The seven (7) public hearings will allow the sale of not to exceed $12.8 million General Obligation Bonds to partially defray the costs of constructing a number of CIP projects included in prior, current, and future fiscal year budgets. The borrowing is separated into several series in order to comply with rules associated with GCP bonds, which do not permit an issuance of greater than $700,000. This particular issuance will provide funds to replace/improve the HVAC mechanical system at Fire/EMS Station #18.

It is expected that these bonds will be sold and will close after June 30, 2015, so staff has factored the cost of this proposed issuance into the proposed FY 2015-16 Capital and Operating Budgets. Staff will also factor these funds into the total amount of funds available for the CIP program – it is expected that a majority of the proceeds will be expended in FY 2015-16. Following the issuance, the City's debt service levy will drop to the newly-established goal of $1.95 per $1,000 of taxable valuation. Analysis of future borrowing needs has been projected by the City's Financial Advisory Firm, Public Financial Management with the assumption that in the future the typical borrowing limit will be approximately $7.5 million, which is consistent with ceilings of previous years.

The recommended action will establish authorization for the City to receive bids on the sale of the bonds after the certification of the FY 2015-16 budgets.

OUTSTANDING ISSUES (if any): None

RECOMMENDATION: Adoption of Resolution instituting proceedings to take additional action on the issuance of not to exceed $700,000 General Corporate Purpose General Obligation Bonds.

Lead Staff Member: Tim Stiles, Finance Director

STAFF REVIEWS

Department Director	
Appropriations/Finance	
Legal	
Agenda Acceptance	RTG

PUBLICATION(S) (if applicable)

Published In	Des Moines Register
Dates(s) Published	January 28, 2015

SUBCOMMITTEE REVIEW (if applicable)

Committee	Finance & Administration		
Date Reviewed	January 14, 2015		
Recommendation	Yes	No	Split

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Whereupon, Council Member _____ introduced and delivered to the Clerk the Resolution hereinafter set out entitled "RESOLUTION INSTITUTING PROCEEDINGS TO TAKE ADDITIONAL ACTION FOR THE ISSUANCE OF NOT TO EXCEED $700,000 GENERAL OBLIGATION BONDS", and moved:

☐ that the Resolution be adopted.

☐ to ADJOURN and defer action on the Resolution and the proposal to institute proceedings for the issuance of bonds to the meeting to be held at _____ _____.M. on the _____ day of _____, 2015, at this place.

Council Member _____ seconded the motion. The roll was called and the vote was,

AYES: _____

_____

NAYS: _____

Whereupon, the Mayor declared the measure duly adopted.

RESOLUTION INSTITUTING PROCEEDINGS TO TAKE ADDITIONAL ACTION FOR THE ISSUANCE OF NOT TO EXCEED $700,000 GENERAL OBLIGATION BONDS

WHEREAS, pursuant to notice published as required by law, the City Council has held a public meeting and hearing upon the proposal to institute proceedings for the issuance of not to exceed $700,000 General Obligation Bonds, for the general corporate purposes, in order to provide funds to pay the costs of HVAC improvements to Fire/EMS station #18, and has considered the extent of objections received from residents or property owners as to the proposed issuance of Bonds; and no petition was filed calling for a referendum thereon. The following action is now considered to be in the best interests of the City and residents thereof.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WEST DES MOINES, STATE OF IOWA:

Section 1. That this Council does hereby institute proceedings and take additional action for the authorization and issuance in the manner required by law of not to exceed $700,000 General Obligation Bonds, for the foregoing general corporate purposes.

Section 2. This Resolution shall serve as a declaration of official intent under Treasury Regulation 1.150-2 and shall be maintained on file as a public record of such intent. It is reasonably expected that the general fund moneys may be advanced from time to time for capital expenditures which are to be paid from the proceeds of the above Bonds. The amounts so advanced shall be reimbursed from the proceeds of the Bonds not later than eighteen months after the initial payment of the capital expenditures or eighteen months after the property is placed in service. Such advancements shall not exceed the amount authorized in this Resolution unless the same are for preliminary expenditures or unless another declaration of intention is adopted.

PASSED AND APPROVED this 9th day of February, 2015.

_____
Mayor

ATTEST:

_____
City Clerk