CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

ITEM: Public Hearing for the issuance of not to exceed $600,000 General Corporate Purpose (GCP) General Obligation Bonds (GCP-4)

DATE: February 21, 2017

FINANCIAL IMPACT: Final debt service amounts (principal and interest) not known, pending sale date and interest rate charged; projected costs are already included in the fiscal year 2017-18 budget. Staff estimates that actual amount of borrowing under this issuance, based on the underlying projects, is approximately $535,000.

BACKGROUND: This public hearing will allow the sale of not to exceed $600,000 General Obligation Bonds to partially defray the costs of constructing a number of CIP projects included in prior, current, and future fiscal year budgets. A listing of the proposed projects is attached with this item. The anticipated borrowings for FY 2017-18 are separated into five (5) separate series in order to comply with rules associated with GCP bonds, which do not permit an individual issuance of greater than $700,000.

It is expected that these bonds will close after June 30, 2017, so staff has factored the cost of this proposed issuance into the FY 2017-18 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 2017-18. Following the issuance, the City's debt service levy will remain at $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 annual general obligation borrowing limit will be approximately $10 million.

The recommended action will establish authorization for the City to receive bids on the sale of the bonds any time after the certification of the FY 2017-18 budgets.

OUTSTANDING ISSUES (if any): None

RECOMMENDATION: Adoption of Resolution instituting proceedings to take additional actions on the issuance of not to exceed $600,000 GCP General Obligation Bonds.

Lead Staff Member: Tim Stiles, Finance Director

STAFF REVIEWS

Department Director	
Appropriations/Finance	
Legal	
Agenda Acceptance	

PUBLICATION(S) (if applicable)

Published In	
Dates(s) Published	

SUBCOMMITTEE REVIEW (if applicable)

Committee			
Date Reviewed			
Recommendation	Yes	No	Split

The Council then considered the proposed action and the extent of objections thereto.

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 $600,000 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 _____, 2017, 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 $600,000 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 $600,000 General Obligation Bonds, for the general corporate purposes, in order to provide funds to pay the costs of parking lot repairs and improvements to various City facilities; and improvements to City Hall, including heat pump replacements, 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 $600,000 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 21st day of February, 2017.

_____
Mayor

ATTEST:

_____
City Clerk