CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

ITEM: Public Hearing for the issuance of Not to Exceed $7,4000,000 Essential Corporate Purpose General Obligation Bonds (ECP)

DATE: February 17, 2020

FINANCIAL IMPACT: Final debt service amounts (principal and interest) are not known, pending sale date and interest rate charged. Projected costs will most likely be included in the FY 2020-2021 budget because it is expected that the bonds will be sold, and proceeds received, after June 30, 2020. Issuance proceeds and corresponding repayments are calculated to maintain the overall debt service (principal and interest) levy for FY 2020-21 at $1.95/$1,000. The upcoming issuance will be structured to accommodate future annual borrowings at a borrowing level staying around $10 million in future years.

BACKGROUND: This public hearing will allow the sale of not to exceed $7.4 million General Obligation Bonds to partially defray the costs of constructing several CIP projects included in prior, current, and future fiscal year budgets. The anticipated borrowings are separated into six (6) separate series in order to comply with rules associated with GCP bonds, which do not permit an individual issuance of greater than $700,000.

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 $10.0 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 2020-21 budgets. A listing of all associated CIP projects is attached.

OUTSTANDING ISSUES (if any): None

RECOMMENDATION: Adopt Resolution instituting proceedings to take additional actions on the issuance of not to exceed $7.40 million ECP 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	Des Moines Register
Dates(s) Published	February 7, 2020

SUBCOMMITTEE REVIEW (if applicable)

Committee			
Date Reviewed			
Recommendation	Yes	No	Split

RESOLUTION NO. _____

Resolution authorizing Loan Agreements, approving the future issuance of General Obligation Corporate Purpose Bonds and providing for the levy of taxes to pay the same

WHEREAS, the City of West Des Moines (the "City"), in Dallas, Madison, Polk and Warren Counties, State of Iowa, pursuant to the provisions of Section 384.24A of the Code of Iowa, proposes to enter into a loan agreement (the "Essential Purpose Loan Agreement") and to borrow money thereunder in a principal amount not to exceed $7,400,000 for the purpose of paying the costs, to that extent, of (1) constructing street, road, alley, bridge, pedestrian overpass, sanitary sewer system, water system, storm water drainage and sidewalk improvements; (2) acquiring and installing street and pedestrian traffic lighting and signalization improvements; (3) acquiring real property for future storm water drainage improvements; and (4) improving and equipping existing municipal parks, and has published notice of the proposed action and has held a hearing thereon on February 17, 2020; and

WHEREAS, the City also proposes to enter into a loan agreement (the "General Purpose Loan Agreement #1") and to borrow money thereunder in a principal amount not to exceed $700,000, pursuant to the provisions of Section 384.24A of the Code of Iowa, for the purpose of paying the costs, to that extent, of (1) of designing, acquiring and installing community entrance enhancements and welcome signs; and (2) constructing improvements to the garage and restrooms at the 318 5th Street building, and in lieu of calling an election upon such proposal, has published notice of the proposed action and has held a hearing thereon, and as of February 17, 2020, no petition had been filed with the City asking that the question of entering into the General Purpose Loan Agreement #1 be submitted to the registered voters of the City; and

WHEREAS, the City also proposes to enter into a loan agreement (the "General Purpose Loan Agreement #2") and to borrow money thereunder in a principal amount not to exceed $700,000, pursuant to the provisions of Section 384.24A of the Code of Iowa, for the purpose of paying the costs, to that extent, of (1) constructing improvements and repairs to parking lots at municipal buildings and grounds; and (2) replacing a generator at City Hall, and in lieu of calling an election upon such proposal, has published notice of the proposed action and has held a hearing thereon, and as of February 17, 2020, no petition had been filed with the City asking that the question of entering into the General Purpose Loan Agreement #2 be submitted to the registered voters of the City; and

WHEREAS, the City also proposes to enter into a loan agreement (the "General Purpose Loan Agreement #3") and to borrow money thereunder in a principal amount not to exceed $700,000, pursuant to the provisions of Section 384.24A of the Code of Iowa, for the purpose of paying the costs, to that extent, of (1) constructing improvements to the fueling facility, installing an addressable fire alarm system and replacing the flat roof over the paint booth at the Public Services Building; and (2) installing an addressable fire alarm system at the Law Enforcement Center, and in lieu of calling an election upon such proposal, has published notice of the proposed action and has held a hearing thereon, and as of February 17, 2020, no petition had been filed with the City asking that the question of entering into the General Purpose Loan Agreement #3 be submitted to the registered voters of the City; and

WHEREAS, the City also proposes to enter into a loan agreement (the "General Purpose Loan Agreement #4") and to borrow money thereunder in a principal amount not to exceed $485,000, pursuant to the provisions of Section 384.24A of the Code of Iowa, for the purpose of paying the costs, to that extent, of planning, designing and constructing recreational trail improvements, and in lieu of calling an election upon such proposal, has published notice of the proposed action and has held a hearing thereon, and as of February 17, 2020, no petition had been filed with the City asking that the question of entering into the General Purpose Loan Agreement #4 be submitted to the registered voters of the City; and

WHEREAS, the City also proposes to enter into a loan agreement (the "General Purpose Loan Agreement #5") (collectively, the Essential Purpose Loan Agreement, the General Purpose Loan Agreement #1, the General Purpose Loan Agreement #2, the General Purpose Loan Agreement #3, the General Purpose Loan Agreement #4 and the General Purpose Loan Agreement #5 are sometimes referred to hereinafter as the "Loan Agreements") and to borrow money thereunder in a principal amount not to exceed $695,000, pursuant to the provisions of Section 384.24A of the Code of Iowa, for the purpose of paying the costs, to that extent, of (1) constructing improvements to the pump pit and installing a diving platform at the Valley View Aquatic Center; (2) planning, designing and constructing pickleball courts at Valley View Park; (3) constructing improvements to the pump pit at the Holiday Park Aquatic Center; and (4) constructing improvements to the softball building at Raccoon River Park, and in lieu of calling an election upon such proposal, has published notice of the proposed action and has held a hearing thereon, and as of February 17, 2020, no petition had been filed with the City asking that the question of entering into the General Purpose Loan Agreement #4 be submitted to the registered voters of the City; and

WHEREAS, the City intends to enter into one or more combinations of the Loan Agreements in the future and to issue one or more series of General Obligation Corporate Purpose Bonds (the "Bonds") in evidence of its obligations thereunder and anticipates that principal and/or interest will come due on such Bonds before July 1, 2021; and

WHEREAS, it is now necessary to make provision for the levy of a debt service property tax in the 2020-2021 fiscal year for the payment of such principal and interest;

NOW, THEREFORE, Be It Resolved by the City Council of the City of West Des Moines, Iowa, as follows:

Section 1. The City Council hereby determines to enter into one or more combinations of the Loan Agreements in the future and orders that the Bonds shall be issued in a principal amount not to exceed $10,680,000 at such time, in evidence thereof. The City Council further declares that this constitutes the "additional action" required by Section 384.24A of the Code of Iowa.

Section 2. For the purpose of providing for the levy and collection of a direct annual tax sufficient to pay the principal of and interest on the Bonds as the same become due, there is hereby ordered levied on all the taxable property in the City the following direct annual tax:

For collection in the fiscal year beginning July 1, 2020,
sufficient to produce the net annual sum of $5,259,755.

provided, however, that at the time the Bonds are issued, the actual tax levy amounts required to pay the principal of and interest on the Bonds in each year shall be determined based upon the interest rate or rates at which the Bonds are issued, and this resolution shall be supplemented by resolution of the City Council to provide for such actual and necessary tax levy amounts.

Section 3. A certified copy of this resolution shall be filed with the County Auditors of Dallas, Madison, Polk and Warren Counties, and said Auditors are hereby instructed to enter for collection and assess the tax hereby authorized. When annually entering such taxes for collection, the County Auditors shall include the same as a part of the tax levy for Debt Service Fund purposes of the City and when collected, the proceeds of the taxes shall be converted into the Debt Service Fund of the City and set aside therein as a special account to be used solely and only for the payment of the principal of and interest on the Bonds hereby authorized and for no other purpose whatsoever.

Section 4. All resolutions or parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 5. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved February 17, 2020.

_____
Mayor

Attest:

_____
City Clerk

General Obligation Bonds Projects - FY 2021

Streets	Valley Junction Alley Improvements	500,000	ECP
Parks	Tennis / Basketball Court Renovation - Various	600,000	ECP
Land / Stormwater	Acquire Property (Bridges Facility)	690,000	ECP
Streets	88th St - Paving Ashworth to Abram	520,000	ECP
Streets	Holiday Park Access Road - 9th to 11th	70,000	ECP
Streets	Bridge Removal - Army Post Rd w of 42nd	100,000	ECP
Streets	Intersection Impr - Prairie View & Ashworth	85,000	ECP
Streets	Intersection Impr - Grand Ave & RR Drive	125,000	ECP
Streets	Ped Crossing (HAWK) - 39th & EP True	50,000	ECP
Streets	Ped Crossing (HAWK) - 41st & Mills Pkwy	175,000	ECP
Parks	Valley View Park - Roadway (2nd half of const.)	2,000,000	ECP
Parks	Valley View Park - Lighted Pickleball Courts (design)	75,000	ECP
Parks	Ped Bridge over Raccoon River (design - 2nd half)	345,000	ECP
Parks	Holiday Park - Phase 6 Baseball Fields 3&4 (design)	150,000	ECP
Parks	Parks entrance signage (Phase 2)	200,000	ECP
Parks	Tennis court lighting (Crossroads)	300,000	ECP
Parks	Crossroads Park / Legion Park - infield renovations	50,000	ECP
Parks	Huston Cemetary Improvements	50,000	ECP
Parks	Raccoon River Park Trail - LED Lighting	650,000	ECP
Parks	Plygrd repl - Peony, Willow Springs, Scenic Valley (design)	100,000	ECP
Parks	Raccoon River Park - Master Plan Update	75,000	ECP
Parks	Holiday Park Softball Field Improvements	120,000	ECP
Buildings	318 5th St - Garage & Restroom Renovation	200,000	GCP 1
Streets	City Entrance Signs (Level 1) - 6 locations	450,000	GCP 1
Buildings	City Hall - Generator Replacement	350,000	GCP 2
City Facilities	Parking Lot Renovation - Various City Facilities	300,000	GCP 2
Buildings	Existing Public Svs Bldg - Fueling Facility Renovation	450,000	GCP 3
Buildings	Existing PS Bldg - Flat Roof over Paint Booth	50,000	GCP 3
Buildings	Existing PS Bldg - Addressable Fire Alarm System	75,000	GCP 3
Buildings	LEC - Addressable Fire Alarm System	75,000	GCP 3
Parks	Fox Creek Greenway Trail (design)	50,000	GCP 4
Parks	Woodland Hills Greenway Trail (Sugar Creek Drive area)	400,000	GCP 4
Buildings	RR Park - Softball Building Renovation	120,000	GCP 5
Parks	Valley View Aquatic Center - Pump Pit Repair	150,000	GCP 5
Parks	Holiday Park Aquatic Center - Pump Pit Repair	100,000	GCP 5
Parks	Valley View Park Aquatic Ctr - 3 meter diving platform	200,000	GCP 5
		10,000,000	

	Estimate	Not-To-Exceed
ECP	7,030,000.00	7,400,000
GCP 1	650,000.00	700,000
GCP 2	650,000.00	700,000
GCP 3	650,000.00	700,000
GCP 4	450,000.00	485,000
GCP 5	570,000.00	695,000
	10,000,000	**10,680,000**

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