# CITY OF WEST DES MOINES
# CITY COUNCIL MEETING COMMUNICATION

**ITEM:** Establish Date of Public Hearing to Authorize the Issuance of Not to Exceed $5,200,000 Storm Water Capital Loan Notes

**DATE:** October 17, 2022

**FINANCIAL IMPACT:** Any and all underlying future debt will be backed by city's current stormwater fund balance and currently approved rates ($6.90 currently per Equivalent Residential Unit or ERU, with $0.25 increases planned on July 1, 2023, and July 1, 2024). The proposed note agreement will be executed with the Iowa Finance Authority at the appropriate time to coincide with such time that construction obligations become due. The notes will bear interest at 1.75% plus an administrative fee of 0.25%.

**BACKGROUND:** The public hearing will consider the future execution of a note not to exceed $5.2 million with the Iowa Finance Authority using the Iowa Water Pollution Control Works Finance Program. This financing will partially defray the costs of planning, undertaking, and carrying out stormwater projects within the Blue Creek Basin as contemplated in the City's Capital Improvement Program and as authorized by State Code Section 384.24A and 384.84A. Per the Code of Iowa, the first step in the debt process is to set a public hearing date. Staff is proposing the public hearing be held on November 21, 2022.

Following the public hearing, the Council will be asked to adopt a resolution directing that the City's current and future budgets include the proper amount of revenue needed to meet the debt service requirements of these issuances. This approval will allow the City to institute proceedings needed to issue the notes and collect revenue through Stormwater Fees in amounts needed to repay the notes.

**OUTSTANDING ISSUES** (if any): None.

**RECOMMENDATION:** Adoption of Resolution instituting proceedings to hold a public hearing on November 21, 2022, to consider the issuance of $5.2 million Storm Water Capital Loan Notes.

**Lead Staff Member:** **Tim Stiles, Finance Director**

**STAFF REVIEWS**

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|---|---|
| Department Director | |
| Appropriations/Finance | |
| Legal | |
| Agenda Acceptance | |

**PUBLICATION(S)** (if applicable)

| | |
|---|---|
| Published In | |
| Dates(s) Published | |

**SUBCOMMITTEE REVIEW** (if applicable)

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| Committee | Finance & Administration | | |
| Date Reviewed | March 3, 2022 | | |
| Recommendation | Yes | No | Split |

Council Member _____ introduced the following Resolution entitled "RESOLUTION FIXING DATE FOR A MEETING ON THE AUTHORIZATION OF A LOAN AND DISBURSEMENT AGREEMENT AND THE ISSUANCE OF NOT TO EXCEED $5,200,000 STORM WATER REVENUE CAPITAL LOAN NOTES OF THE CITY OF WEST DES MOINES, STATE OF IOWA, AND PROVIDING FOR PUBLICATION OF NOTICE THEREOF", and moved that the same be adopted. Council Member _____ seconded the motion to adopt. The roll was called and the vote was,

AYES: _____

_____

NAYS: _____

Whereupon, the Mayor declared the resolution duly adopted as follows:

RESOLUTION FIXING DATE FOR A MEETING ON THE AUTHORIZATION OF A LOAN AND DISBURSEMENT AGREEMENT AND THE ISSUANCE OF NOT TO EXCEED $5,200,000 STORM WATER REVENUE CAPITAL LOAN NOTES OF THE CITY OF WEST DES MOINES, STATE OF IOWA, AND PROVIDING FOR PUBLICATION OF NOTICE THEREOF

WHEREAS, it is deemed necessary and advisable that the City of West Des Moines, State of Iowa, should provide for the authorization of a Loan and Disbursement Agreement and the issuance of Storm Water Revenue Capital Loan Notes, to the amount of not to exceed $5,200,000, as authorized by Sections 384.24A and 384.84A, of the Code of Iowa, for the purpose of providing funds to pay costs of carrying out project(s) as hereinafter described; and

WHEREAS, the population of the City is between 5,000 and 75,000 and the projects to be financed by the Notes are more than $1,500,000; and

WHEREAS, the City has applied for a loan through the Iowa Water Pollution Control Works Financing Program pursuant to which the Iowa Finance Authority has agreed to purchase the City's Notes and has requested that such Notes be issued as a single Note in a denomination equal to the total amount of the issue as authorized by Chapter 384 of the Code of Iowa; and

WHEREAS, the Loan and Disbursement Agreement and Notes shall be payable solely and only out of the Net Revenues of the Storm Water Utility and shall be a first lien on the future Net Revenues of the Utility; and shall not be general obligations of the City or payable in any manner by taxation and the City shall be in no manner liable by reason of the failure of the Net

Revenues to be sufficient for the payment of the Loan and Disbursement Agreement and Notes; and

WHEREAS, before the Loan and Disbursement Agreement and Notes may be issued, it is necessary to comply with the provisions of the Code, and to publish a notice of the proposal to issue such notes and of the time and place of the meeting at which the Council proposes to take action for the authorization of the Loan and Disbursement Agreement and Notes and to receive oral and/or written objections from any resident or property owner of the City to such action and the right to petition for an election.

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

Section 1. That this Council meet in the Council Chambers, City Hall, 4200 Mills Civic Parkway, West Des Moines, Iowa, at _____ _____.M., on the 21st day of November, 2022, for the purpose of taking action on the matter of the authorization of a Loan and Disbursement Agreement and the issuance of not to exceed $5,200,000 Storm Water Revenue Capital Loan Notes, the proceeds of which notes will be used to provide funds to pay the costs of acquisition, construction, reconstruction, extending, remodeling, improving, repairing and equipping all or part of the Storm Water Utility, including those costs associated with Blue Creek Stormwater Detention Facilities Project.

Section 2. That the Clerk is hereby directed to cause at least one publication to be made of a notice of the meeting, in a legal newspaper, printed wholly in the English language, published at least once weekly, and having general circulation in the City. The publication to be not less than thirty (30) clear days before the date of the public meeting on the issuance of the Notes.

Section 3. The notice of the proposed action to issue notes shall be in substantially the following form:

(To be published on or before: October 20, 2022)

NOTICE OF MEETING OF THE CITY COUNCIL OF THE CITY OF WEST DES MOINES, STATE OF IOWA, ON THE MATTER OF THE PROPOSED AUTHORIZATION OF A LOAN AND DISBURSEMENT AGREEMENT AND THE ISSUANCE OF NOT TO EXCEED $5,200,000 STORM WATER REVENUE CAPITAL LOAN NOTES, AND THE HEARING ON THE ISSUANCE THEREOF

PUBLIC NOTICE is hereby given that the City Council of the City of West Des Moines, State of Iowa, will hold a public hearing on the 21st day of November, 2022, at _____ _____.M., in the Council Chambers, City Hall, 4200 Mills Civic Parkway, West Des Moines, Iowa, at which meeting the Council proposes to take additional action for the authorization of a Loan and Disbursement Agreement by and between the City and the Iowa Finance Authority and the issuance to the Iowa Finance Authority of not to exceed $5,200,000 Storm Water Revenue Capital Loan Notes, bearing interest at the rate of not to exceed nine percent (9%) per annum to evidence the obligations of the City under the said Loan and Disbursement Agreement, in order to provide funds to pay the costs of acquisition, construction, reconstruction, extending, remodeling, improving, repairing and equipping all or part of the Storm Water Utility, including those costs associated with Blue Creek Stormwater Detention Facilities Project.

The Notes will not constitute general obligations or be payable in any manner by taxation, but will be payable from and secured by the Net Revenues of the Storm Water Utility. Under Chapter 8 of the West Des Moines, Iowa, Code of Ordinances, stormwater management charges are imposed upon and collected from all persons, properties and entities served by and/or benefiting from the Utility's acquisition, management, maintenance, extension and improvement of the public storm water management systems and facilities, with the charge for each class of property being an established percentage or multiple of an "equivalent residential unit" (ERU) set forth in Section 4-8B-3 of Article B, Chapter 8. An ERU is currently based on 4,000 square feet of impervious surface area. The current monthly charge per ERU is based on category of property: $0.00 per ERU for undeveloped property. Beginning July 1, 2022, $6.90 per ERU for Residential and Commercial property. Monthly ERU rates for Residential and Commercial property automatically increase by $0.25 per ERU on July 1 of every year through July 1, 2024, subject to review of rates as detailed in Section 4-8B-8 of Article 8B, Chapter 8.

At the above meeting the Council shall receive oral or written objections from any resident or property owner of the City to the above action. After all objections have been received and considered, the Council will at the meeting or at any adjournment thereof, take additional action for the authorization of a Loan and Disbursement Agreement and the issuance of the Notes to evidence the obligation of the City thereunder or will abandon the proposal to issue said Notes.

This notice is given by order of the City Council for and on behalf of the Storm Water Utility of the City of West Des Moines, State of Iowa, as provided by Sections 384.24A and 384.84A of the Code of Iowa.

Dated this 17th day of October, 2022.

City Clerk, City of West Des Moines, State of Iowa

(End of Notice)

PASSED AND APPROVED this 17th day of October, 2022.

_____
Mayor

ATTEST:

_____
City Clerk