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-4) General Obligation Bonds or Capital Loan Notes

DATE: March 18, 2024

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 2023-24 budget because it is expected that the bonds or notes will be sold, and proceeds received before June 30, 2024. Issuance proceeds and corresponding repayments are calculated to maintain the overall debt service (principal and interest) levy for FY 2023-24 and FY 2024-25 at $1.91/$1,000. The upcoming issuance will be structured to accommodate future annual borrowings to generate approximately $15.0 million of overall GO Bond proceeds available for projects each future fiscal year.

BACKGROUND: The public hearings contemplated on this agenda will allow the sale of not to exceed $15.3 million General Obligation Bonds or Capital Loan Notes 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 five (5) separate hearings and issuances to comply with rules associated with General Corporate Purpose (GCP) bonds and notes, which do not permit an individual issuance of greater than $700,000. Note that Essential Corporate Purpose bonds do not have such a limitation.

Analysis of future borrowing needs has been projected by the City's Financial Advisory Firm, Public Financial Management (PFM), using an assumption that in the future the borrowing limit will remain steady at approximately $15 million per year. Note that this recommended action is subject to reverse referendum. However, if no petition is received, will establish authorization for the City to receive bids on the sale of the bonds or notes any time after the certification of the FY 2024-25 budgets. A listing of all planned underlying Capital Improvement projects is attached.

OUTSTANDING ISSUES (if any): None

RECOMMENDATION: Conduct Public Hearing and adopt resolution instituting proceedings to take additional actions related to the issuance of not to exceed $700,000 General Corporate Purpose (GCP) General Obligation Bonds or Capital Loan Notes.

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	March 5, 2024

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 $700,000 GENERAL OBLIGATION BONDS OR CAPITAL LOAN NOTES (GCP-4)", and moved:

☐ that the Resolution be adopted.

☐ to ADJOURN and defer action on the Resolution and the proposal to institute proceedings for the issuance to the meeting to be held at _____ _____.M. on the _____ day of _____, 2024, 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 OR CAPITAL LOAN NOTES (GCP-4)

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 authorization of the issuance of not to exceed $700,000 General Obligation Bonds or Capital Loan Notes, for the general corporate purposes, in order to provide funds to pay the costs of acquisition, construction, reconstruction, enlargement, improvement, and equipping of city facilities, including various annual city parking lot improvements; recreation improvements at Holiday Park; and sidewalk improvements at the City Campus, and has considered the extent of objections received from residents or property owners as to the proposed issuance of Bonds or Capital Loan Notes; 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 or Capital Loan Notes, 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 or Notes. The amounts so advanced shall be reimbursed from the proceeds 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 18th day of March, 2024.

_____
Mayor

ATTEST:

_____
City Clerk

City of West Des Moines

Capital Improvement Program

FY 24-25 through FY 28-29

Project Name	24-25 Budget	Purposes/Authority	Total	Not-to-Exceed
Valley Junction Alleys	600,000	ROW		
Valley Junction - Intersection & Mid-Block Bumpouts on 5th Street	25,000	Streets		
Pavement Rehabilitation Program	3,000,000	Streets		
Median Renovations	250,000	Streets		
Bridge Repairs	110,000	Bridges		
Trail Renovation	300,000	Parks/Sidewalks/ROW		
Court Renovations	200,000	Parks		
Concrete Pavement Renovations in Parks	100,000	Parks		
Ashworth Road RAISE Grant Application - 1st Street to 50th Street	120,000	Streets		
Grand Avenue Widening - West of I-35 to S. 60th Street	1,737,500	Streets		
Raccoon River Bridges - Feasibility Study	200,000	Bridges		
Traffic Signal Installation - 68th Street & Beechtree Drive	485,000	Traffic signals		
Traffic Signal Installation (Temp Only) - S. JCP & Grand Avenue	150,000	Traffic signals		
Pedestrian Hybrid Beacon - 50th Street & Dakota Drive	240,000	Traffic signals		
New Pedestrian Rapid Flashing Beacons - 4 Locations (TSIP)	20,000	Traffic signals		
New Programable Signal Heads - 6 Locations (TSIP)	45,000	Traffic signals		
New Streetlights (locations were determined by study)	250,000	Street lights		
Valley View Park - Grading/Utilities/Park Road/Pickleball Parking	500,000	Parks		
Pearson Park - South & North Bridge Replacement	350,000	Bridges/parks		
Southwoods Park - Completion of Singletrack Trails	40,000	Parks		
1st Street Trail - Trail from Raccoon River Bridge to Lincoln Street	650,000	Parks/Sidewalks/ROW		
Ashawa Park - Play Equipment Replacement	625,000	Parks/Sidewalks/ROW		
Wild Rose Park - Play Equipment Replacement	625,000	Parks		
Scenic Valley Park - Pickleball Courts	180,000	Parks		
Raccoon River Park - Dog Park Improvements	125,000	Parks		
Raccoon River Park - Asphalt Trail Reconstruction	270,000	Parks		
Valley View Park - Maint Bldg & Pickleball Court Shelter/Restrooms	650,000	Parks		
Huston Cemetery - Fencing & Landscape Improvements	50,000	Cemetery	11,897,500 NTE	12,500,000
329-333 6th Street Parking Lot	475,000	New parking lot		
Trash Enclosure at 329-333 6th Street Parking Lot	100,000	Parking lot		
Fire Administration - Supplemental Remodel Needs	100,000	Facilities	675,000 NTE	700,000
East Public Services Facility - Fueling Facility Updates	90,000	Facilities		
Public Safety Station #22 - ERU Replacement & DOAS Addition	200,000	Facilities		
Public Safety Station #22 - Overhead Door Replacements	30,000	Facilities		
Valley View Aquatic Center - Concessions Upgrades	250,000	Facilities/Aquatics	570,000 NTE	700,000
City Hall - Generator Replacement	360,000	Facilities		
City Hall - Flat Roof Replacement	200,000	Facilities	560,000 NTE	700,000
Parking Lot Repairs - Various City Facilities	450,000	Facilities		
Holiday Park - Complex Improvements	100,000	Sports complex		
City Campus - Pedestrian Improvements	110,000	Facilities/Sidewalks	660,000 NTE	700,000
Total	14,362,500		14,362,500	15,300,000