CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

ITEM: Pre-Levy for Issuance of $15,945,000 General Obligation Bonds or Capital Loan Notes, 2024 Series A **DATE:** March 18, 2024

FINANCIAL IMPACT: Issuance proceeds are calculated to reflect overall debt service (principal and interest) levy, for FY 2024-25 at the Council-established goal of $1.91/$1,000 taxable valuation level. The debt has been structured to accommodate annual borrowing proceeds of $15.0 million each year into the future.

Total tax revenue to be received in FY 2024-25 through the Debt Service Levy will be approximately $14,901,918, of which this issuance will require a payment in FY 2024-25 of approximately $2,050,616.11. These details are discussed in further detail in the accompanying resolution.

BACKGROUND: This action will allow the future sale of General Obligation Bonds or Capital Loan Notes (not-to-exceed amount $15,945,000; anticipated total $15,200.000) to partially defray the costs of constructing several CIP projects included in prior, current, and future fiscal year budgets. A copy of the budgeted proposed projects is included with the public hearing items being conducted earlier on this agenda.

With this item, the Council is being asked to adopt a resolution directing that the FY 2024-25 budgets include the proper amount of revenue needed to meet the debt service requirements of this issue (plus that of previous issuances), while still meeting the Council goal of an overall debt service levy rate of $1.91/$1,000 taxable valuation. This approval will allow the City to issue these bonds and collect revenue through the debt service levy in an amount needed to repay the bonds.

OUTSTANDING ISSUES (if any): None

RECOMMENDATION: Adopt resolution authorizing the issuance of not-to-exceed $15,945,000 General Obligation Bonds and levying a tax for the payment thereof. The resulting overall debt service tax levy will remain $1.91 per $1,000 of taxable valuation for FY 24-25.

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

Council Member _____ introduced the following Resolution entitled "RESOLUTION AUTHORIZING THE ISSUANCE OF $15,945,000 GENERAL OBLIGATION CAPITAL LOAN NOTES, SERIES 2024A, AND LEVYING A TAX FOR THE PAYMENT 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 AUTHORIZING THE ISSUANCE OF $15,945,000 GENERAL OBLIGATION CAPITAL LOAN NOTES, SERIES 2024A, AND LEVYING A TAX FOR THE PAYMENT THEREOF

WHEREAS, the City of West Des Moines, State of Iowa ("Issuer"), is a municipal corporation, organized and existing under the Constitution and laws of the State of Iowa, and is not affected by any special legislation; and

WHEREAS, the Issuer is in need of funds to pay costs of the costs of certain projects included within the Capital Improvements Program of the City, including the opening, widening, extending, grading, and draining of the right-of-way of streets, highways, avenues, alleys, public grounds, and market places, and the removal and replacement of dead or diseased trees thereon; the construction, reconstruction, and repairing of any street improvements, including median renovations; the acquisition, installation, and repair of traffic control devices and street signage, and the acquisition of real estate needed for any of the foregoing purposes; acquisition, construction, improvement, and installation of street lighting fixtures, connections, and facilities; construction, reconstruction, and repair of sidewalks, pedestrian underpasses and overpasses, and the acquisition of real estate needed for such purposes; acquisition, construction, reconstruction, enlargement, improvement, and repair of bridges, culverts, retaining walls, viaducts, underpasses, grade crossing separations, and approaches thereto; rehabilitation and improvement of City parks already owned, including the removal, replacement and planting of trees in the parks, and facilities, equipment, and improvements commonly found in city parks; and acquisition and improvement of real estate for cemeteries; acquisition, construction, reconstruction, enlargement, improvement, and equipping of city facilities, including a new parking lot in Valley Junction, and remodeling improvements at the fire administration building; acquisition, construction, reconstruction, enlargement, improvement, and equipping of city

facilities, including equipping and improving East Public Service facility fueling, Public Safety Station #22, and concessions at Valley View Aquatic Center; acquisition, construction, reconstruction, enlargement, improvement, and equipping of city facilities, including roof and generator improvements at City Hall; acquisition, construction, reconstruction, enlargement, improvement, and equipping of city facilities, including roof and generator improvements at City Hall; and constructing street, sanitary sewer, storm water drainage and sidewalk improvements; and installing street lighting, signage and signalization improvements, and it is deemed necessary and advisable that General Obligation Capital Loan Notes, Series 2024A, in the amount of $15,945,000 be issued; and

WHEREAS, the City Council has taken such acts as are necessary to authorize issuance of the Notes.

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

Section 1. Authorization of the Issuance. General Obligation Capital Loan Notes, Series 2024A, in the amount of $15,945,000 dated June 5, 2024, shall be issued pursuant to the provisions of Iowa Code Sections 384.24A and/or 384.25, 384.26, and 384.28 for the purposes covered by the hearing. Additional action shall be taken by the City Council to provide for the issuance of the Notes upon the subsequent sale.

Section 2. Levy of Annual Tax. For the purpose of providing funds to pay the principal and interest as required under Chapter 76.2, there is levied for each future year the following direct annual tax upon all the taxable property in the City of West Des Moines, State of Iowa, to wit:

AMOUNT	FISCAL YEAR (JULY 1 TO JUNE 30) YEAR OF COLLECTION
$2,050,616.11	2024/2025
$2,024,050.00	2025/2026
$2,022,550.00	2026/2027
$2,022,800.00	2027/2028
$2,019,550.00	2028/2029
$2,022,800.00	2029/2030
$2,027,050.00	2030/2031
$2,027,050.00	2031/2032
$2,027,800.00	2032/2033
$2,022,800.00	2033/2034

Principal and interest coming due at any time when the proceeds of the tax on hand are insufficient to pay the amount due shall be promptly paid when due from current funds available for that purpose and reimbursement must be made.

Section 3. Amendment of Levy of Annual Tax. Based upon the terms of the future sale of the Notes to be issued, this Council will file an amendment to this Resolution ("Amended Resolution") with the County Auditor.

Section 4. Filing. A certified copy of this Resolution shall be filed with the County Auditor of Counties of Polk, Warren, Madison and Dallas, State of Iowa, who shall, pursuant to Iowa Code Section 76.2, levy, assess and collect the tax in the same manner as other taxes and, when collected, these taxes shall be used only for the purpose of paying principal and interest on the Notes.

PASSED AND APPROVED this 18th day of March, 2024.

_____
Mayor

ATTEST:

_____
City Clerk