COUNCIL ACTION FORM

SUBJECT: **SALE AND ISSUANCE OF ESSENTIAL CORPORATE PURPOSE GENERAL OBLIGATION BONDS SERIES 2013 ISSUE IN AN AMOUNT NOT TO EXCEED $23,500,000**

BACKGROUND:

The 2013/14 budget includes General Obligation (G.O.) Bond funded capital improvement projects in the amount of $21,034,370. City staff also identified outstanding bonds that could be refunded at a savings to the City and have included with the 2013 bond issuance.

Projects to be funded by this issue include the following:

Street Improvements		$ 6,200,000
Library Renovation and Addition		13,479,000
Resource Recovery Improvements (abated debt)		1,355,370
	Subtotal	$ 21,034,370
Refunding Bonds		2,250,000
Issuance Cost / Allowance for Sale at Premium		215,630
	Total Debt Issue	**$ 23,500,000**

On the morning of May 14, 2013, the City will accept bids for the bonds per the terms of our offering statement. The bids will be evaluated by our financial advisor, Public Financial Management, by the City's bond counsel, and by City staff to recommend award to the bidder with the lowest cost. A report of bids will be provided to Council at the May 14th meeting. Council may then adopt a resolution accepting bids and authorizing that the sale of bonds be awarded to the chosen bidder.

ALTERNATIVES:

1. The City Council can adopt a resolution accepting bids and authorizing the sale and issuance of Essential Corporate Purpose General Obligation Bonds in an amount not to exceed $23,500,000.

2. The Council can reject the bond sale resolution and delay the capital projects.

MANAGER'S RECOMMENDED ACTION:

Issuance of these bonds is necessary in order to accomplish the City's approved capital improvements during this fiscal year and savings can be realized by bond refunding.

Therefore, it is the recommendation of the City Manager that the City Council accept Alternative No. 1, thereby adopting a resolution accepting bids and authorizing the sale and issuance of Essential Corporate Purpose General Obligation Bonds in an amount not to exceed $23,500,000.