

ITEM # 29
DATE 10-23-2007

COUNCIL ACTION FORM

SUBJECT: SALE AND ISSUANCE OF ESSENTIAL CORPORATE PURPOSE GENERAL OBLIGATION BONDS, SERIES 2007A ISSUE, IN AN AMOUNT NOT TO EXCEED \$9,630,000

BACKGROUND:

The budget for FY 2007/08 included General Obligation Bond funded capital improvement projects and a July 2007 referendum authorized issuance of G.O bonds to fund an outdoor aquatic center. On September 25, 2007, the City Council held a public hearing and took action to authorize issuance of the bonds.

Projects to be funded by this issue include the following:

S. E. 16 th Street Assessments (Abated)	\$ 1,500,000
S. E. 16 th Street Paving/Bridge	800,000
Grand Avenue Extension	1,000,000
S. Dayton Avenue Realignment	1,050,000
Bloomington Road Widening	250,000
Collector Street Pavement Improvements	940,000
Concrete Pavement Reconstruction	300,000
Raw Well Water Loop Line (Abated by Water)	500,000
Donald & Ruth Furman Aquatic Center	3,090,000
Capitalized Interest/Issuance Cost/Allow for Premium	200,000
Total	<u>\$ 9,630,000</u>

On the morning of October 23, 2007, the City of Ames 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, bond counsel, and City staff to recommend award to the bidder with the lowest cost. Council will then be asked to adopt a resolution accepting bids and authorizing that the sale of bonds be awarded to the recommended bidder.

ALTERNATIVES:

1. City Council may adopt a resolution accepting bids and authorizing the sale and issuance of Essential Corporate Purpose General Obligation Bonds in an amount not to exceed \$9,630,000.
2. The Council may 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 this fiscal year and construction of the Donald and Ruth Furman Aquatic Center.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving a resolution accepting bids and authorizing the sale and issuance of Essential Corporate Purpose General Obligation Bonds in an amount not to exceed \$9,630,000.