

COUNCIL ACTION FORM

SUBJECT: SALE AND ISSUANCE OF ESSENTIAL CORPORATE PURPOSE GENERAL OBLIGATION BONDS PER THE CITY CAPITAL IMPROVEMENT PROGRAM, SERIES 2008A ISSUE IN AN AMOUNT NOT TO EXCEED \$8,355,000

BACKGROUND:

The budget for FY 2008/09 included General Obligation Bond funded capital improvement projects in the amount of \$12,170,573. All projects were reviewed and issuance amounts adjusted based on timing of projects and current price estimates. Adjustments primarily related to delays in projects have significantly reduced our bond issue amount. A July 2007 referendum authorized issuance of G.O. bonds to fund an outdoor aquatic center.

Projects to be funded by this issue include the following:

Arterial Street Improvements (North Dakota)	\$ 30,000
CyRide Route Improvements (Various Locations)	100,000
Collector Street Pavement Improvements	100,000
Downtown Paving (Burnett)	50,000
Concrete Pavement Reconstruction	200,000
Furman Aquatic Center	5,278,000
Raw Well Water Loop Line (Abated by Water)	2,500,000
Issuance Costs	97,000
Total	<u>\$ 8,355,000</u>

On the morning of September 23, 2008, 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 may then 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 \$8,355,000.
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 adopting a resolution accepting bids and authorizing the sale and issuance of Essential Corporate Purpose General Obligation Bonds in an amount not to exceed \$8,355,000.