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ITEM # 6
DATE: 08-11-09

COUNCIL ACTION FORM

SUBJECT: SETTING DATE OF PUBLIC HEARING FOR AUTHORIZATION TO ISSUE ESSENTIAL GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2009B, IN AN AMOUNT NOT TO EXCEED \$170,000

BACKGROUND:

The 2009/10 budget included General Obligation Bond funded capital improvement projects in the amount of \$11,165,000. All projects were reviewed and issuance amounts adjusted based on timing of projects and current price estimates. Favorable bids for the raw water loop line eliminated the need to issue planned additional bonds in the amount of \$400,000 for the project. A public hearing was held as part of the budget process that covered all project activities with the exception of sanitary sewer and electric improvements to the South Bell Tax Increment Financing District.

Projects to be funded by this issue include the following:

2009/2010 CIP G.O. Bond Issue:

SW Ames Stormwater Management	\$ 475,000
Arterial Street Pavement Improvements	468,000
Collector Street Pavement Improvements	1,000,000
CyRide Route Pavement Improvements	800,000
Concrete Pavement Improvements	1,625,000
Asphalt Pavement Improvement Program	500,000
Downtown Pavement Improvements	500,000
Subtotal	<u>\$ 5,368,000</u>

Carried Forward from 2008/2009 CIP:

Concrete Pavement Improvements	\$ 1,225,000
Asphalt Pavement Improvement Program	350,000
Collector Street Pavement Improvements	900,000
CyRide Route Pavement Improvements	900,000
Arterial Street Pavement Improvements	437,573
Downtown Pavement Improvements	700,000
Subtotal	<u>\$ 4,512,573</u>

Planned Tax Increment Financing (TIF):

South Bell TIF	\$ 1,152,000
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Issuance Costs	\$ 132,427
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Total Debt Issue	<u>\$ 11,165,000</u>
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Issuance of bonds requires that a public hearing be held. A public hearing was held on March 3, 2009 as part of the FY 09/10 budget process for a G.O. bond debt issuance in an amount adequate to cover the entire issuance. The public hearing was held for purposes of funding improvements to streets, storm sewers, and the municipal waterworks system. As the \$1,152,000 funding for the South Bell TIF district was finalized, improvements were included to the sanitary sewer and municipal electric system in an amount totaling \$170,000. A public hearing is required to allow the use of proceeds from the bond issuance for these additional purposes. This additional hearing will allow the City to make a single issuance of \$11,165,000 to cover all G.O. bond debt funding for FY 09/10.

ALTERNATIVES:

1. Establish August 25, 2009, as the date to take action to authorize the issuance of Essential General Obligation Corporate Purpose Bonds, Series 2009B, not to exceed \$170,000.
2. Delay the hearing on the issuance of General Obligation bonds.

MANAGER'S RECOMMENDED ACTION:

Issuance of these bonds is necessary in order to accomplish the City's approved capital improvements this coming year.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby establishing August 25, 2009, as the date to take action to authorize the issuance of Essential General Obligation Corporate Purpose Bonds, Series 2009B, not to exceed \$170,000.