

ITEM # 31
 DATE: 08-23-16

COUNCIL ACTION FORM

SUBJECT: SALE AND ISSUANCE OF ESSENTIAL CORPORATE PURPOSE GENERAL OBLIGATION BONDS SERIES 2016A ISSUE IN AN AMOUNT NOT TO EXCEED \$12,705,000

BACKGROUND:

The 2016/17 budget and Council-approved changes include General Obligation (G.O.) Bond-funded capital improvement projects in the amount of \$5,945,000. The City Council held public hearings on the issuance of these bonds and refunding bonds on March 1, 2016, as part of the budget process. Council action is now required to authorize the sale.

Projects to be funded by this bond issue include the following:

East Industrial Utility Extension	\$ 3,300,000	
Debt Abated by other Revenues		\$ 3,300,000
Flood Mitigation	500,000	
Storm Water Erosion Control	250,000	
Asphalt Street Improvements	1,250,000	
Grand Avenue Extension	1,300,000	
Concrete Pavement Improvements	1,050,000	
Arterial Street Pavement Improvements	345,000	
Downtown Street Pavement Improvements	375,000	
CyRide Route Improvements	525,000	
Bridge Rehabilitation Program	350,000	
Subtotal Tax Supported Bonds	5,945,000	\$ 5,945,000
Refunding Bonds		3,335,000
Issuance Cost and Allowance for Premium		125,000
Grand Total – 2016/17 G.O. Issue		\$ 12,705,000

On the morning of August 23, 2016, 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 August 23 meeting. The City Council will then be asked to adopt a resolution accepting bids and authorizing award of the sale of bonds 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 \$12,705,000.

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 \$12,705,000.