

**COUNCIL ACTION FORM**

**SUBJECT: SALE AND ISSUANCE OF GENERAL OBLIGATION BONDS SERIES 2018A ISSUE IN AN AMOUNT NOT TO EXCEED \$8,120,000**

**BACKGROUND:**

The FY 2018/19 adopted budget includes General Obligation (G.O.) Bond-funded capital improvement projects in the amount of \$7,987,000. The City Council held a public hearing on the issuance of these bonds on March 6, 2018 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:

Grand Avenue Extension	\$ 3,700,000	
Collector Street Improvements	1,750,000	
Asphalt Street Improvements	1,400,000	
City-Wide Radio System	1,000,000	
Fire Station #1 Concrete Replacement	137,000	
<b>Subtotal Tax Supported Bonds</b>		<b>\$ 7,987,000</b>
<b>Issuance Cost and Allowance for Premium</b>		<b>133,000</b>
<b>Grand Total – 2018/19 G.O. Issue</b>		<b>\$8,120,000</b>

On the morning of August 28, 2018, 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 28 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 General Obligation Bonds in an amount not to exceed \$8,120,000.
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 improvement projects during this fiscal year.

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 General Obligation Bonds in an amount not to exceed \$8,120,000.