

COUNCIL ACTION FORM

**SUBJECT: SALE AND ISSUANCE OF ESSENTIAL CORPORATE PURPOSE
 GENERAL OBLIGATION AND REFUNDING BONDS SERIES 2021A
 ISSUE IN AN AMOUNT NOT TO EXCEED \$22,405,000**

BACKGROUND:

The FY 2021/22 adopted budget includes General Obligation (G.O.) Bond-funded capital improvement projects in the amount of \$11,055,400. The City Council held a public hearing on the issuance of these bonds and for the refunding of bonds on February 23, 2021 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:

| | | | |
|---|----|---|---------------------|
| Arterial Street Pavement Improvements (N. Dakota/Ontario) | \$ | 800,000 | |
| Collector Street Pavement Improvements (Hoover Avenue) | | 2,400,000 | |
| Concrete Pavement Improvements | | 3,500,000 | |
| Asphalt Street Pavement Improvements | | 2,500,000 | |
| Seal Coat Pavement Improvements | | 750,000 | |
| Downtown Pavement Improvements (Duff to Sherman Alley) | | 245,000 | |
| Intelligent Transportation System | | 160,400 | |
| Downtown Plaza - General Corporate Purpose- | | 700,000 | |
| Subtotal Tax Supported Bonds | | | \$11,055,400 |
| Refunding Bonds | | | 11,055,000 |
| | | | 294,600 |
| | | Estimated Issuance Costs | |
| | | Grand Total – 2021/22 G.O. Issue | \$22,405,000 |

On the morning of August 10, 2021, the City will accept bids for the bonds per the terms of our offering statement. The bids will be evaluated by our financial advisor, 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 10, 2021 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 and Refunding Bonds in an amount not to exceed \$22,405,000.
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 and Refunding Bonds in an amount not to exceed \$22,405,000.