

ITEM #: 25
DATE: 08-27-24
DEPT: FIN

COUNCIL ACTION FORM

**SUBJECT: OFFICIAL STATEMENT FOR GENERAL OBLIGATION CORPORATE
PURPOSE BONDS, SERIES 2024A**

BACKGROUND:

The FY 2024/25 Budget includes General Obligation (G.O.) Bond-funded capital improvement projects in the amount of \$18,534,116. The City Council held a public hearing on the issuance of these bonds on March 26, 2024. Separately, on September 14, 2021, the City Council held a public hearing for the issuance of G.O. Bonds to fund a capital improvement project for the Indoor Aquatic Center.

This action is necessary to proceed with a total G.O. Bond issuance of \$18,810,000, including \$1,856,100 for capital improvement projects and \$16,678,016 for a portion of the Indoor Aquatic Center. The required Council action is to approve the official statement, set the date of sale for September 10, 2024, and authorize electronic bidding.

Please note that in addition to the amount to fund the G.O. Bond-funded capital projects, the amount not-to-exceed includes additional authorization to allow for issuance costs and the option to sell our bonds at a premium over the par or face value of bonds. In any case, debt will not be issued in an amount where debt service exceeds the property tax levy included in the adopted budget.

The Capital Improvements Plan's FY 2024/25 G.O. Bond issue includes the following:

FY 2024/25:

Intelligent Transportation System	476,100
Airport Entryway Improvements	680,000
<u>Ada Hayden Heritage Park</u>	<u>700,000</u>
Total G.O. Essential Corporate Purpose:	1,856,100
<u>Indoor Aquatic Center:</u>	<u>16,678,016</u>
Total G.O. Issuance:	18,534,116
<u>Issuance Costs/Sale at Premium</u>	<u>275,884</u>
Grand Total - 2024/25 G.O. Issuance	18,810,000

As part of the process for issuing bonds, the City is also required to approve the Official Statement, or "Preliminary Official Statement," which is the offering document for municipal securities in preliminary form, which does not contain pricing information. The Statement provides several financial disclosures and information about the City. This "Preliminary Official Statement" is on file in the City Clerk's Office and is attached for the Council's review. **Additionally, the Council is being asked to approve electronic bidding as the method to provide a secure and highly competitive process for the sale of the bonds.** The proposed issuance complies with the City Council-approved debt policy.

ALTERNATIVES:

1. Adopt a resolution approving the Official Statement for General Obligation Corporate Purpose Bonds, Series 2024A, setting the date of sale for September 10, 2024, and authorize electronic bidding for the sale.
2. Refer the Official Statement back to City staff for modifications.

CITY MANAGER'S RECOMMENDED ACTION:

Issuance of these bonds is necessary in order to accomplish the City's approved Capital Improvements Plan for the current fiscal year. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.

ATTACHMENT(S):

[Ames_IA_2024A_GO_Prelim_Official_Statement_For_City_Council_Approval.pdf](#)