ITEM #:	42
DATE:	09-23-25
DEPT:	FIN

COUNCIL ACTION FORM

SUBJECT: **RESOLUTION AUTHORIZING AND APPROVING A LOAN AGREEMENT, PROVIDING FOR THE SALE AND ISSUANCE OF GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2025A, AND PROVIDING FOR THE LEVY OF TAXES TO PAY THE SAME**

BACKGROUND:

The FY 2025/26 Budget includes General Obligation (G.O.) Bond–funded capital improvement projects totaling **$13,610,195**. As part of the budget process, the City Council held the required public hearing on March 25, 2025, which authorized the proceedings under *Iowa Code* Section 384.24A.

To finance these improvements, the City proposes to enter into two loan agreements:

The first is an **Essential Purpose Loan Agreement in a principal amount not to exceed $13,500,000,** to fund street and related public infrastructure, lighting, signage, and signalization improvements, trail improvements at Ada Hayden Heritage Park, and improvements at the municipal airport.

The second is a **General Purpose Loan Agreement in a principal amount not to exceed $235,000,** to fund the fire station alerting system improvements.

The **Capital Improvements Plan's FY 2025/26 G.O. Bond issue includes the following:**

Fire Station Alerting System (General Corporate Purpose)	$ 211,905
Asphalt Street Pavement Improvements	4,000,000
Concrete Pavement Improvements	3,800,000
Seal Coat Street Pavement Improvements	1,000,000
Collector Street Pavement Improvements	500,000
Alley Pavement Improvements	400,000
Downtown Street Pavement Improvements	250,000
Traffic System Capacity Improvements	1,520,000
Intelligent Transportation System	367,540
Airport Airside Improvements	531,750
Airport Facility Improvements	329,000
Ada Hayden Heritage Park	700,000
Total Project Costs	**$13,610,195**
Issuance Costs/Rounding	124,805
Total Issuance Amount	**$13,735,000**

On the morning of September 23, 2025, the City will accept bids for the bonds per the terms of our offering statement. The bids will be evaluated by the City's financial advisor, the City's Bond Counsel, and by City staff to recommend an award to the bidder with the lowest cost. A report of bids will be provided to Council at the September 23, 2025 meeting. The City Council will then be asked to adopt a resolution accepting bids and authorizing the award of the sale of bonds to the chosen bidder.

ALTERNATIVES:

1. Adopt a resolution accepting bids and authorizing the sale and issuance of General Obligation Bonds in an amount not to exceed $13,735,000.

2. Reject the bond sale resolution and delay the capital projects.

CITY MANAGER'S RECOMMENDED ACTION:

Issuance of these bonds is necessary in order to accomplish the City's approved capital improvements during this fiscal year. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.