

CITY COUNCIL COMMUNICATION 97-153  
MARCH 24, 1997 AGENDA

SUBJECT:	TYPE:	SUBMITTED BY:
SETTING PUBLIC HEARING DATE TO DISCUSS ISSUANCE OF GO BONDS	◆ RESOLUTION ORDINANCE RECEIVE/FILE	KEVIN RIPER FINANCE DIRECTOR

**SYNOPSIS —**

Setting an April 7, 1997, public hearing date to discuss the merits of issuing concurrently four series of General Obligation (GO) Bonds, listed as follows, to fund a significant portion of the City's 1997-98 Capital Improvements Program:

- \$11,600,000 GO Bonds (Essential Corporate Purposes)
- \$ 990,000 GO Bonds (General Corporate Purposes—Fire and Municipal Buildings)
- \$ 925,000 GO Bonds (General Corporate Purposes—Library and Parks)
- \$ 1,000,000 GO Bonds (General Corporate Purpose—Citywide Information & Communication System)

**FISCAL IMPACT —**

The funding amounts in these bond issues for various capital projects are consistent with the 1997-98 CIP, adopted by Council on March 3, 1997. Issuing the bonds this spring ensures that funds will be in hand once payments need to be made on CIP construction and acquisition projects in the new fiscal year—a policy change from prior years—when GO Bonds were issued well into the fiscal year.

At current interest rates, combined annual debt service for the four issues would be approximately \$1.3 million for the next 20 years.

**RECOMMENDATION —**

Staff and the City's financial advisor recommend that Council approve the setting of four public hearings on April 7 to discuss the merits of issuing GO Bonds to fund a portion of the City's 1997-98 CIP.

**BACKGROUND —**

Major CIP projects to be financed include:

- Firefighting equipment acquisition (\$600,000)
- Abandoned housing demolition (\$400,000)
- Citywide information and communication system (\$1,000,000)
- Bike trails (\$250,000)
- Blank Park Zoo projects (\$250,000)
- Neighborhood park improvements (\$300,000)
- Park infrastructure (\$225,000)
- Swimming pool renovation (\$250,000)
- Sidewalks and Downtown Skywalk System (\$390,000)

- Citywide paving in neighborhoods (\$1,394,000)
- Concrete median island replacement (\$300,000)
- Concrete paving restoration (\$500,000)
- Merle Hay & Meredith intersection (\$285,000)
- SE Indianola—Army Post Road (\$562,000)
- Traffic signals (\$463,000)
- Neighborhood Finance Corporation (\$1,000,000; non-CIP)
- Capitolview South Affordable Housing (\$290,000; non-CIP)

The structure of the bond issues is consistent with the City's debt management policy. Annual principal and interest payments would be funded by a combination of debt service levy and tax increment, as available. The bond sale is proposed for April 21, 1997, with closing on May 8, 1997.