

COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number: 23-450	Meeting: October 4, 2023
	Agenda Item: 5	Roll Call: 23-1390
	Submitted by: Nickolas Schaul, Finance Director	

AGENDA HEADING:

Excepting fiscal year 2024 from the City's Debt Limit Policy.

SYNOPSIS:

Resolution approving an exception to the Council-Directed Debt Issuance and Limitation Policy in the Debt Management Program. The Council approved the Debt Management Program, which contains various financial policies. This action would only apply to the debt limit portion of the Debt Management Program.

FISCAL IMPACT:

No direct fiscal impact, and the exception is only during fiscal year 2024.

ADDITIONAL INFORMATION:

Current City Council policy for general obligation debt is to issue no more than 80 percent (80%) of the constitutional limit, which itself is five percent (5%) of total assessed valuation in the City.

The current legal debt limit for fiscal year 2024 is \$803,564,354, which is 5% of the 2022 actual valuation of property of \$16,071,287,088. The self-imposed limit of 80% is \$642,851,483.

After the City issues the General Obligation debt for 2023A (\$72,630,000, subject to change), there would only be \$21,787,009 remaining of the self-imposed limit for the \$50,000,000 debt planned for the upcoming purchase and related improvements for 1200 Locust Street.

Also, there will be approximately \$49 million of General Obligation debt paid on June 1, 2024, before the fiscal year is ended on June 30th. So, the City may be back under the self-imposed limit as early as the end of the fiscal year.

PREVIOUS COUNCIL ACTION(S):

Date: August 28, 2000

Roll Call Number: 00-3619

Action: Amending Council Policy to increase the City's General Obligation Debt Limit, from 70% to 80% of the Constitutional Debt Limit, (continued from 8-21-00). ([Council Communication No. 00-378 of 8-21-00](#)). Moved by McPherson to adopt. Motion Carried 6-1. Nays: Flagg.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the first floor of City Hall, 400 Robert D Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to cityclerk@dmgov.org.