



Legislation Text

File #: 19-833, Version: 1

TO: Mayor and Members of City Council

THRU: Telly C. Whitfield, Ph.D., Assistant City Manager

FROM: Tracey Broyles, Budget and Evaluation Director
Jay C. Toland, Chief Financial Officer

DATE: May 28, 2019

RE:
Adoption of Capital Project Ordinance Amendment 2019-39 to Amend the Project Ordinance for the Lake Rim Aquatic Center to Appropriate Limited Obligation Bond Proceeds In Lieu of Bank Financing Proceeds and to Fund Issuance Costs

COUNCIL DISTRICT(S):
District 7

Relationship To Strategic Plan:

Goal IV: Desirable Place to Live, Work and Recreate - Objective A: To enhance recreation, leisure and cultural opportunities for all to thrive that reflects diversity.

Executive Summary:

On May 13, 2019, Council adopted a resolution authorizing the sale of Limited Obligation Bonds (LOBs) to finance improvements at the downtown stadium and for the Lake Rim aquatic center. Capital Project Ordinance Amendment 2019-39 will amend the source of funding for the construction of the pool from previously planned bank financing proceeds to LOBS, and will appropriate \$106,914 of additional proceeds to provide sufficient funding for current estimates of project costs and issuance costs.

Background:

Council adopted Capital Project Ordinance 2019-14 effective July 1, 2019 to provide funding for the development of an aquatic center at Lake Rim Park. The estimated project costs at that time were \$3,032,500. The original appropriation did not include an appropriation for issuance costs for the financing.

The City's financial advisers are estimating that the share of issuance costs for the LOBs related to the aquatic center to be \$125,379. These costs, along with estimated project costs of \$3,014,035 are proposed to be funded from total anticipated proceeds from the LOB issuance for the pool of \$3,139,414. The proceeds include \$2,745,000 from the face value of the LOBs and an estimated

premium on the sale of the bonds of \$394,414.

Issues/Analysis:

None.

Budget Impact:

The General Fund capital funding plan includes funding for the future debt service for the LOBs.

Options:

- Adopt Capital Project Ordinance Amendment 2019-39 to amend the type of financing for the project and to increase the project appropriation to fund issuance costs from the limited obligation bond proceeds.
- Do not adopt the capital project ordinance amendment as presented, and provide guidance to staff.

Recommended Action:

Staff recommends that Council move to adopt Capital Project Ordinance Amendment 2019-39 as presented.

Attachments:

Capital Project Ordinance Amendment 2019-39