



## MAYOR AND COUNCIL COMMUNICATION

DATE: July 2, 2013

**REGULAR**

ITEM #: 14

**MOTION**

**AGENDA ITEM:** Approve Issuance and Sale of G.O. Improvement Bonds

**SUBMITTED BY:** Cathy Bendel, Finance Director

**THROUGH:** Cathy Bendel, Finance Director

**REVIEWED BY:** Dean Zuleger, City Administrator

**SUMMARY AND ACTION REQUESTED:** The City Council is respectfully requested to consider approving the issuance and sale of General Obligation Improvement Bonds to fund the 2013 CIP projects.

**BACKGROUND INFORMATION:** The 2013 Capital Improvement Plan was reviewed and discussed at workshops on May 14<sup>th</sup> and May 28<sup>th</sup>. The City Council is being asked to consider approving bonding for the following projects:

- Keats MSA Street and Trunk Watermain Improvements - \$500,000  
This project consists of \$1.3M for Street Improvements and \$1.1M in Trunk Watermain Improvements. The street improvements will be funded 100% by MSA Grant monies and assessment funds. The water improvements will be funded through a MN-DEED water grant for \$450k, assessments of \$75k and a new water bond for \$500k. The water fund will make the water bond payments with annual water revenues.
- Production Well #4 and connecting Watermain - \$500,000  
This is a \$1.5M project, \$550k will be funded through a MN-DEED water grant, \$450 will be funded from the cash reserves in the water fund and \$500k will be funded by a new water bond.
- Lake Elmo Avenue Sewer Infrastructure Improvements - \$3,000,000  
This is a \$4M project, \$1M of which will be paid by the MN-DEED Sewer Grant  
Bond payments will be made by the Sewer fund.
- Section 34 (Lennar Area) Water and Sewer Utility Extension - \$1,600,000  
The City will bond for the project to pay the vendors and the bond amount will be 100% assessed and recovered. A bond will be negotiated so that the bond can be paid off as the assessment funds are available.

**RECOMMENDATION:** It is recommended that the City Council approve bonding for the above mentioned projects.