



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 14th and May 28th. 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.