



Agenda Report

Agenda of: June 24, 2025

Department: Administration

Subject: Discuss and take appropriate action to adopt a resolution authorizing and approving publication and posting of notice of intention to issue combination tax and revenue certificates of obligation and other matters in connection therewith.

Recommended Motion: I move to approve the City's Notice of Intention Resolution.

Background:

This item includes a presentation and discussion by SAMCO Capital Markets regarding the City's consideration of multiple potential debt issuances to fund critical infrastructure and capital improvement projects. The presentation will outline financing strategies, timelines, and the financial impact of issuing Certificates of Obligation (COs) or other forms of debt.

There are three primary components under consideration for potential debt issuance:

1. Water Utility Project – Flat Creek Water Well

- **Estimated Cost: ~\$3.5 million**
- Scope: Construction of a new water well to enhance water supply capacity and reliability for the City.

2. General Fund Projects

- **Estimated Costs: ~\$3.5 million - \$4.5 million**
- Potential Projects Include:
 - Library Expansion
 - New Police Department Building
 - Park Improvements
 - Street Rehabilitation Projects
 - City Hall Remodel
 - Downtown Revitalization Efforts

3. Future Water Rights Acquisition

- **Estimated Cost: ~\$1.2 million**
- Scope: Purchase of additional water rights to support long-term water supply planning.
- Proposed Funding Source: Revenues from the Water Acquisition Fund used for debt service.

The City is evaluating whether to **combine these projects into a single debt issuance** to achieve **cost savings on issuance and professional fees**.

Fiscal Summary:

Exact fiscal impact will be determined following final project selection, debt structuring, and market analysis by the City's financial advisor. Future debt service would be structured to align with available revenues (e.g., Water Acquisition Fund, General Fund, Utility Revenues).

Next Steps:

Fiscal Impact: N/A

☐ **Budgeted** ☐ **Requires Budget Amendment**

Source of Funding:

Attachments: Resolution Notice of Intention (\$8M Option)

Resolution Notice of Intention (\$3.5M Option)

Historical Tax Rate and Tax Revenue Allocation (2020 – 2024)

Urgency (0-5 = Low Urgency to High Urgency): 5

Impact (0-5 = Low Impact to High Impact): 3

Submitted by: Scott Dixon