



## CITY COUNCIL MEMORANDUM

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**TO:** City Council

**FROM:** Matthew R. Schmitz, MPA - City Manager

**DATE OF MEETING:** May 13, 2024

**ITEM TITLE:** Resolution taking additional action with respect to a Sewer Revenue Loan and Disbursement Agreement and authorizing, approving and securing the payment of a \$2,178,000 Sewer Revenue Loan and Disbursement Agreement Anticipation Project Note (IFA Interim Loan and Disbursement Agreement)

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### BACKGROUND:

During conversations with our Financial Advisor – Speer Financial, Inc., we discovered that we could apply for and possibly receive a loan for the Planning & Design portion of the Wastewater Treatment Plant project through the Iowa State Revolving Fund (SRF). A public hearing was heard earlier during this meeting as required for the process to continue moving forward.

### DISCUSSION:

This loan is a 0% interest loan during Planning & Design and then will transition over to being part of the main SRF construction funding loan when the project moves to Construction. The SRF has approved our application. To move forward with the debt issuance, the attached resolution needs to be approved by the City Council. Bond Counsel (Dorsey & Whitney LLP) has been engaged to assist with this process as we move forward.

This is the last step in the process for the Council to approve this loan. The final closing for the loan is scheduled for June 21, 2024.

### RESULTS:

The City has established priorities during strategic planning sessions. This item supports the Vision from that session of Expanding and Enhancing Infrastructure. This item helps achieve that vision by providing needed funding for the planning & design portion of this essential project.

### FINANCIAL CONSIDERATION:

There is no cost for this item immediately, but it will enter the City into a loan agreement which will eventually become part of the overall State Revolving Fund program for the Wastewater Treatment Plant. While we are in design, there is no interest cost to this loan and the proceeds from the loan will be deposited into the Wastewater Department to offset already expended funds for the Engineering Contract that is currently underway.

### RECOMMENDATION:

Staff recommends a motion to approve and authorize the Mayor to sign the resolution taking additional action with respect to a Sewer Revenue Loan and Disbursement Agreement and authorizing, approving, and securing the payment of a \$2,178,000 Sewer Revenue Loan and Disbursement Agreement Anticipation Project Note (IFA Interim Loan and Disbursement Agreement).