

**ROCHELLE CITY COUNCIL
AGENDA ITEM MEMO
REGULAR MEETING**

SUBJECT: Public Hearing concerning the intent of the Council to issue General Obligation Bonds (Electric System Alternate Revenue Source) of the City in an amount not to exceed \$5,200,000 for the purpose of paying the costs of improving the City's electric system

Staff Contact: Jeff Fiegenschuh, City Manager

Summary: The purpose of the hearing will be to receive public comments on the proposal to sell bonds of the City in an amount not to exceed \$5,200,000 to finance infrastructure improvements in the City's electric system including but not limited to the Centerpoint substation, the diesel plant feeder exits, and several residential underground projects that will be necessary in the next few years. Rather than deplete the cash reserves, staff recommends taking advantage of the low interest rate environment and issue bonds. The debt service payments will be paid out of operating revenues. This will reduce the percentage of rate increases to our customers.

Funding Sources:

Source:	Budgeted Amount:	Proposed Expenditure:

Strategic Plan Goal Application: Reduce/Re-evaluate Debt – Long Term Complex, Maintain Fiscal Stability & Balanced Budget – Short Term Routine, Create a 20 Year Capital Improvement Plan – Short-Term Routine & Long-Term Complex

Recommendation: