

# AGENDA ITEM SUMMARY SHEET

## City of Rollingwood

Meeting Date: June 21, 2023

**Submitted By:**

Staff

**Agenda Item:**

Discussion and possible action on a recommendation regarding the amount of the 2023 GO Bond Issuance for Water System Improvements

**Description:**

At the May 17, 2023 City Council meeting, the City Council discussed the amount of debt that will need to be issued this summer to make sure that we have enough money to get the water system improvements started but that we won't be paying interest on more money than we need right now. After extensive conversations with the City Engineer, Staff's recommendation is to issue \$3,900,000 to begin the Water System Improvements.

The engineers have projected the total cost of the design of packages 1-4 to be about \$4,080,000. Issuing \$3,900,000 right now would constitute half of the total amount of both Propositions A and B combined, and would allow us to wrap up the final amount of water bond issuance at the same time that we ultimately issue bonds for the City Hall project. Issuing \$3,900,000 right now will also give us the flexibility to speed up the Water Improvements construction timeline, which is currently estimated to be November 2023 to December 2024, in the event that a contractor who bids on the project has the availability and resources to get the projects done faster.

Once the projects have been awarded/bid out later this year, we will have a better idea of construction costs so we can see how those measure up to what we have estimated.

**Action Requested:**

To take action on a recommendation regarding the amount of the 2023 GO Bond Issuance for Water System Improvements.

Suggested Motion: Move to approve the recommendation as presented and instruct Bond Counsel and Financial Advisor to proceed with issuance of \$3.9M General Obligation Bonds for the design and construction of water system improvements.

**Fiscal Impacts:**

Fiscal impacts to be recognized in the interest and sinking rate as reflected in the 2023-2024 budget packet to be presented at the August City Council Meeting.

**Attachments:**

- Draft tax rate analysis for \$3.9 million bond issuance