

November 18, 2014

To: Mayor Bemrich and City Council
From: David Fierke, City Manager
**Subject: Community Sewer Initiative –
Phase 1 Improvements
Set Public Hearing for SRF Sewer Revenue Loan &
Disbursement Agreement**



ACTION: For vote Monday, November 24, 2014

Brief History

McClure Engineering is nearing the completion of the SSES program. McClure has identified \$80 million worth of improvements needed to the sanitary sewer system.

Over the last several months Council workshops have been conducted to discuss potential projects and how to fund the improvements. At this time, it is proposed that \$30 million of improvements be constructed to improve the sanitary sewer system. Projects were selected to continue to address the overloaded sanitary sewers, eliminate or greatly reduce the chance of sewage backups into basements, and to eliminate or reduce the need for bypass pumping from the sanitary sewer system into the storm sewer system.

Those projects include:

- East Lawn Lift Station Replacement
- Main Lift Station Replacement
- Hydraulic Capacity Improvements
 - Southeast Area Trunk Sewer (S. 18th St. & 13th Ave. S.)
 - 10th Ave. N. Trunk Sewer
 - Ave. E & C St. Trunk Sewers
- Sewer Rehabilitation – Throughout the Community

On July 14, 2014 Council approved a contract with McClure for engineering services for the Community Sewer Initiative – Phase 1 Improvements. Under this agreement, McClure will provide preliminary design, final design, advertising, bidding, and contract award services. The approved fee was \$2,135,300. Construction administration, observation, and staking services will be negotiated after the final design is complete.

Analysis of Issue

A Public Hearing is needed before entering into an agreement for an SRF Sewer Revenue Loan and Disbursement (See Attachments). This planning and design loan is

for \$2,300,000. This amount will then be rolled into the \$30,000,000 construction loan as construction begins on the proposed project improvements.

Budget Impact

This project will be funded through the sanitary sewer fund. A Community Sewer Initiative fee is in the process of Council approval to pay for these improvements (\$30 million). A State Revolving Loan will be sought in order to finance the projects over a 30-year time period.

Strategic Plan Impact

Policy D.4.2: Advanced planning for all infrastructure facilities shall be supported and routinely updated. Facilities benefitted by advanced planning shall include, at a minimum; schools, health care, residential areas, roads, water, sewer, storm water management, parks, recreation and greenways.

Impact on Existing Plans

Implementation of the results from the Sanitary Sewer Evaluation Study.

Subcommittee or Commission Review / Recommendation

N/A

Staff Conclusions / Recommendations

It is the Engineering Department's recommendation to set December 8, 2014 at 6:00 PM as the date and time for Public Hearing on the SRF Sewer Revenue Loan and Disbursement Agreement.

Alternatives

None

Implementation and Accountability

The Engineering Department and McClure Engineering will be responsible for the loan's administration.

Signed:



Chad W. Schaeffer, P.E.
City Engineer

Approved:



David Fierke
City Manager

MINUTES TO SET DATE FOR HEARING
ON ENTERING INTO A LOAN AND
DISBURSEMENT AGREEMENT

419414-94 (N/I)

Fort Dodge, Iowa

November 24, 2014

The City Council of the City of Fort Dodge, Iowa, met on November 24, 2014, at _____ o'clock ____m., at the _____, in the City. The Mayor presided and the roll was called showing the following members of the Council present and absent:

Present: _____

Absent: _____.

Council Member _____ introduced a resolution hereinafter next set out and moved its adoption, seconded by Council Member _____; and after due consideration thereof by the Council, the Mayor put the question upon the adoption of the said resolution and the roll being called, the following named Council Members voted:

Ayes: _____

Nays: _____.

Whereupon, the Mayor declared the resolution duly adopted as follows:

RESOLUTION NO. _____

Resolution to fix a date for a public hearing on a proposal to enter into a Sewer Revenue Loan and Disbursement Agreement and borrow money thereunder in a principal amount not to exceed \$2,300,000

WHEREAS, the City of Fort Dodge (the “City”), in the County of Webster, State of Iowa, did heretofore establish a Municipal Sanitary Sewer System (the “Utility”) in and for the City which has continuously supplied sanitary sewer service in and to the City and its inhabitants since its establishment; and

WHEREAS, the management and control of the Utility are vested in the City Council (the “Council”) and no board of trustees exists for this purpose; and

WHEREAS, pursuant to a prior resolution of the Council, the City has heretofore issued its Sewer Revenue Bond, Series 1999A, dated September 30, 1999 (the “Series 1999A Bond”), in the aggregate principal amount of \$243,597, a portion of which remains outstanding; and

WHEREAS, pursuant to a prior resolution of the Council, the City has heretofore issued its Sewer Revenue Bond, Series 1999B, dated September 30, 1999 (the “Series 1999B Bond”), in the aggregate principal amount of \$10,142,403, a portion of which remains outstanding; and

WHEREAS, pursuant to a prior resolution of the Council, the City has heretofore issued its Sewer Revenue Bond, Series 2002, dated June 4, 2002 (the “Series 2002 Bond”), in the aggregate principal amount of \$1,331,000, a portion of which remains outstanding; and

WHEREAS, pursuant to a prior resolution of the Council, the City has heretofore issued its Sewer Revenue Bond, Series 2002A, dated August 2, 2002 (the Series 2002A Bond”), in the aggregate principal amount of \$3,705,000, a portion of which remains outstanding; and

WHEREAS, pursuant to a prior resolution of the Council, the City has heretofore issued its Sewer Revenue Bond, Series 2012, dated November 16, 2012 (the “Series 2012 Bond”), in the aggregate principal amount of \$23,575,000, a portion of which remains outstanding; and

WHEREAS, pursuant to a prior resolution of the Council, the City has heretofore issued its Taxable Sewer Revenue Refunding Bond, Series 2014, dated February 28, 2014 (the “Series 2014 Refunding Bond”), in the aggregate principal amount of \$22,467,000, a portion of which remains outstanding; and

WHEREAS, pursuant to a prior resolution of the Council, the City has heretofore issued its Taxable Sewer Revenue Bond, Series 2014, dated June 6, 2014 (the “Series 2014 Bond”), in the aggregate principal amount of \$8,200,000, a portion of which remains outstanding; and

WHEREAS, pursuant to the resolutions authorizing the issuance of the Series 1999A Bond, the Series 1999B Bond, the Series 2002 Bond, the Series 2002A Bond, the Series 2012 Bond, the Series 2014 Refunding Bond and the Series 2014 Bond (hereinafter collectively referred to as the “Outstanding Bonds”), the City reserved the right to issue additional

obligations payable from the net revenues of the Utility and ranking on a parity with the Outstanding Bonds; and

WHEREAS, the City now proposes to enter into a Sewer Revenue Loan and Disbursement Agreement (the "Agreement") and to borrow money thereunder in a principal amount not to exceed \$2,300,000 pursuant to the provisions of Section 384.24A of the Code of Iowa for the purpose of paying the cost, to that extent, of planning, designing and constructing improvements and extensions to the Utility, and it is necessary to fix a date of meeting of the Council at which it is proposed to take action to enter into the Agreement and to give notice thereof as required by such law;

NOW, THEREFORE, Be It Resolved by the City Council of the City of Fort Dodge, Iowa, as follows:

Section 1. This Council shall meet on the 8th day of December, 2014, at the _____, in the City, at _____ o'clock ____m., at which time and place a hearing will be held and proceedings will be instituted and action taken to enter into the Agreement.

Section 2. The City Clerk is hereby directed to give notice of the proposed action on the Agreement setting forth the amount and purpose thereof, the time when and place where the said meeting will be held, by publication at least once and not less than four nor more than twenty days before the meeting, in a legal newspaper which has a general circulation in the City. The notice shall be in substantially the following form:

NOTICE OF PROPOSED ACTION TO INSTITUTE
PROCEEDINGS TO ENTER INTO A LOAN AND DISBURSEMENT AGREEMENT AND
TO BORROW MONEY THEREUNDER IN A PRINCIPAL AMOUNT NOT TO EXCEED
\$2,300,000

(SEWER REVENUE)

The City Council of the City of Fort Dodge, Iowa, will meet on the 8th day of December, 2014, at the _____, in the City, at _____ o'clock ____m., for the purpose of instituting proceedings and taking action to enter into a loan and disbursement agreement (the "Agreement") and to borrow money thereunder in a principal amount not to exceed \$2,300,000, for the purpose of paying the cost, to that extent, of planning, designing and constructing improvements and extensions to the Municipal Sanitary Sewer System.

The Agreement will not constitute a general obligation of the City, nor will it be payable in any manner by taxation but, together with the City's Sewer Revenue Bond, Series 1999A, dated September 30, 1999; Sewer Revenue Bond, Series 1999B, dated September 30, 1999; Sewer Revenue Bond, Series 2002, dated June 4, 2002; Sewer Revenue Bond, Series 2002A, dated August 2, 2002; Sewer Revenue Bond, Series 2012, dated November 16, 2012; Taxable Sewer Revenue Refunding Bond, Series 2014, dated February 28, 2014; and Taxable Sewer Revenue Bond, Series 2014, dated June 6, 2014, and any additional obligations of the City as may be hereafter issued and outstanding from time to time ranking on a parity therewith, will be payable solely and only from the Net Revenues of the Municipal Sanitary Sewer System of the City.

At the aforementioned time and place, oral or written objections may be filed or made to the proposal to enter into the Agreement. After receiving objections, the City may determine to enter into the Agreement, in which case, the decision will be final unless appealed to the District Court within fifteen (15) days thereafter.

By order of the City Council of the City of Fort Dodge, Iowa.

Jeff Nemmers
City Clerk

Section 3. All resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this November 24, 2014.

Mayor

Attest:

City Clerk

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On motion and vote, the meeting adjourned.

Mayor

Attest:

City Clerk

STATE OF IOWA
COUNTY OF WEBSTER
CITY OF FORT DODGE

SS:

I, the undersigned, Clerk of the aforementioned City, do hereby certify that attached hereto is a true and correct copy of the proceedings of the City Council relating to fixing a date for hearing on the City Council's proposal to take action in connection with a Sewer Revenue Loan and Disbursement Agreement.

WITNESS MY HAND this _____ day of _____, 2014.

City Clerk

STATE OF IOWA
COUNTY OF WEBSTER SS:
CITY OF FORT DODGE

I, the undersigned City Clerk, do hereby certify that the City of Fort Dodge is organized and operating under the provisions of Title IX of the Code of Iowa and that the City is operating under the Home Rule Charter form of government and that there is not pending or threatened any question or litigation whatsoever touching the incorporation of the City, the inclusion of any territory within its limits or the incumbency in office of any of the officials hereinafter named.

And I do further certify that the following named parties are officials of the City as indicated:

- _____, Mayor
- _____, City Manager
- _____, City Clerk
- _____, Deputy City Clerk/Treasurer
- _____, Council Member
- _____, Council Member
- _____, Council Member
- _____, Council Member
- _____, Council Member
- _____, Council Member
- _____, Council Member

And I do further certify that the City has provided for the office of Treasurer, and the Council has selected the Treasurer.

WITNESS MY HAND this ____ day of _____, 2014.

City Clerk

STATE OF IOWA
 COUNTY OF WEBSTER SS:
 CITY OF FORT DODGE

I, the undersigned, City Clerk of the City of Fort Dodge, Iowa (the “City”), do hereby certify that the City established the Municipal Sanitary Sewer System (the “Utility”) and that the Utility has been in continuous operation by the City since its establishment as aforesaid in supplying sanitary sewer service to the City and its inhabitants.

I further certify that the management and control of the Utility are vested in the Council of the City, and that no board of trustees exists which has any part of the control and management of such Utility.

I further certify that the City has no bonds or other obligations of any kind now outstanding which are secured by and payable from the revenues derived from the operation of the Utility, except as follows:

Date	Type	Original Principal Amount	Current Principal Outstanding	Final Maturity
09-30-1999	Sewer Revenue Bonds, Series 1999A	\$243,597	\$_____	December 1, 2021
09-30-1999	Sewer Revenue Bonds, Series 1999B	\$10,142,403	\$_____	December 1, 2021
06/04/2002	Sewer Revenue Bond, Series 2002	\$1,331,000	\$_____	December 1, 2021
08/02/2002	Sewer Revenue Bond, Series 2002A	\$3,705,000	\$_____	December 1, 2021
11/16/2012	Sewer Revenue Bond, Series 2012	\$23,575,000	\$_____	June 1, 2033
02/28/2014	Taxable Sewer Revenue Refunding Bond, Series 2014	\$22,467,000	\$_____	June 1, 2036
06/06/2014	Taxable Sewer Revenue Bond, Series 2014	\$8,200,000	\$_____	June 1, 2035

(Attach here a separate sheet listing any other outstanding obligations of the City secured by and payable from the revenues of the Utility excluding the proposed issue.)

I further certify that the annual earnings and annual operating expenses in connection with the operation of the Utility for each of the years indicated have been as follows:

Fiscal Year Ending	Gross Revenues	Operation and Maintenance Expenses (do not include Bond Debt Service and Capital Expense Items)	Net Revenues from Operation Before Payment of Capital Expenditures and Bond Debt Service
2013	\$ _____	\$ _____	\$ _____
2014	\$ _____	\$ _____	\$ _____

I do further certify that the rates which were in effect for services furnished to customers by the Utility during the aforementioned fiscal years were as follows:

(Attach here a copy of each of the rate schedules in effect during such fiscal years).

I further certify that the budgeted annual earnings and annual operating expenses in connection with the operation of the Utility for the Fiscal Year ending June 30, 2015 are as follows:

Fiscal Year Ending	Gross Revenues	Operation and Maintenance Expenses (do not include Bond Debt Service and Capital Expense Items)	Net Revenues from Operation Before Payment of Capital Expenditures and Bond Debt Service
2015	\$ _____	\$ _____	\$ _____

I do further certify that attached hereto is a true, correct and complete copy of the present rate ordinance for the Utility.

(Attach here a copy of the current rate ordinance).

WITNESS MY HAND this _____ day of _____, 2014.

City Clerk

(PLEASE NOTE: Please do not date and return this certificate until you have received the publisher's affidavit and have verified that the notice was published on the date indicated in the affidavit, but please return all other completed pages to us as soon as they are available.)

STATE OF IOWA
COUNTY OF WEBSTER
CITY OF FORT DODGE

SS:

I, the undersigned, Clerk of the aforementioned City, do hereby certify that pursuant to the resolution of its Council fixing a date of meeting at which it is proposed to take action to enter into a loan and disbursement agreement, the notice, of which the printed slip attached to the publisher's affidavit hereto attached is a true and complete copy, was published on the date and in the newspaper specified in such affidavit, which newspaper has a general circulation in the City.

WITNESS MY HAND this _____ day of _____, 2014.

City Clerk

(Attach here the publisher's original affidavit with clipping of the notice, as published.)

November 17, 2014

VIA EMAIL

Jeff Nemmers
City Clerk/City Hall
Fort Dodge, IA

Re: \$2,300,000 SRF Sewer Revenue Loan and Disbursement Agreement
File No. 419414-94

Dear Jeff:

We have prepared and attach proceedings for the November 24, 2014 City Council meeting to enable the Council to set December 8, 2014, as the date for a hearing on the proposal to enter into the SRF Sewer Revenue Loan and Disbursement Agreement (the "Agreement").

The documents attached include the following items:

1. Resolution fixing the date of meeting at which it is proposed to take action to enter into the Agreement. The form of notice is set out as part of Section 2 of the resolution. Please print an extra copy for delivery to the newspaper. Please insert the time and place of the hearing in both the resolution and the notice.
2. Certificate attesting the transcript.
3. Organization certificate.
4. Certificate with respect to the establishment of the Sewer Utility, its outstanding debt, its earnings and expenses and its rates and charges to customers.
5. Certificate with respect to publication of the notice, to which must be attached the publisher's affidavit of publication with a clipping of the notice as published.

The notice must be published at least once, not less than 4 nor more than 20 days before the meeting date set for the hearing, in a legal newspaper which has a general circulation in Fort Dodge.

As soon as the notice appears in the newspaper, please have a copy faxed to our office at (515) 283-1060.

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Please return one fully executed copy of all completed pages to us as soon as they are available.

Please call Amy Bjork or me if you have questions.

Best regards,

John P. Danos

Attachments

cc: David Fierke
Tracy Scebold
Derick Anderson
Jon Burmeister