



Peggy Steeno
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MEMORANDUM

TO: Honorable Mayor and Members of the Common Council

FROM: Peggy Steeno, Finance Director

DATE: October 11, 2018

RE: Approve Initial Resolutions Authorizing an Amount Not To Exceed \$8,715,000 of General Obligation Bonds of the City of West Allis

Approve Resolution Directing Publication of Notice to Electors

Approve Resolution directing the advertisement and sale of up to \$8,715,000 aggregate principal amount of General Obligation Corporate Purpose Bonds, Series 2018 A, of the City of West Allis

BACKGROUND

In order to borrow money through a general obligation public bonding process, the City is required to issue an initial resolution stating its intent, along with another resolution that authorizes staff to proceed with the preparation and documentation needed to sell the bonds and receive the proceeds. The sale of the bonds cannot occur until at least 30 days after the initial resolution is authorized.

ANALYSIS

The currently proposed general obligation borrowing of \$8,715,000 includes the following:

- \$2,750,000 of tax exempt general obligation corporate purpose bonds to fund street improvement projects that call for a ten (10) year borrowing as included in the 2018 Budget approved by the Council on November 21, 2017 (Budget included \$2,750,000)
- \$2,740,000 of tax exempt general obligation corporate purpose bonds to fund: (1) water system improvements that call for a fifteen (15) year borrowing, and (2) water system equipment that calls for a ten (10) year borrowing, both included in the 2018 Budget approved by the Council on November 21, 2017 (Budget included \$2,217,000 for infrastructure improvements and \$469,350 for equipment, plus two projects that were not quantified), and
- \$3,225,000 of tax exempt general obligation corporate purpose bonds to fund sanitary sewer improvements that call for a fifteen (15) year borrowing included in the 2018 Budget as approved by the Council on November 21, 2017 (Budget included \$3,208,000 for infrastructure and \$160,000 for property and equipment improvements).

Also, please find attached a Pre-Sale Report, issued by Ehlers, Inc., the City's Financial Advisor, which outlines additional details of the proposed borrowings.

FISCAL IMPACT

The above amounts, totaling \$8,715,000, if borrowed, will be added to the City's outstanding debt obligations, and funded through the applicable budgets, specifically the Debt Service Fund/General Fund, the Water Utility Fund, and the Sanitary Sewer Utility Fund.

RECOMMENDATION

Staff recommends adoption of the above noted resolutions.