

Electronic bids will be accepted beginning at 9:30 a.m. Central Daylight Time ("CDT") and ending at 10:00 a.m. CDT, on Thursday, August 26, 2010. Bids will be verified by the City's Financial Advisor, Public Financial Management, Inc.

This item has been posted for not later than 2:00 p.m. to allow City Council action prior to the close of financial markets.

The Debt Service Cost for the \$22,300,000 issuance is estimated as follows:

	<u>2010-2011</u>	<u>Total Cost over 20 Years</u>	<u>Average Per Year</u>
Principal	\$ 675,000	\$22,300,000	\$1,115,000
Interest	<u>1,164,556</u>	<u>13,535,556</u>	<u>676,778</u>
Total Debt Service	<u>\$1,839,556</u>	<u>\$35,835,556</u>	<u>\$1,791,778</u>

Of the \$22,300,000 that is being issued, \$9,000,000 is tax supported and \$13,300,000 is self-supporting debt paid by transfers to the General Obligation Debt Service Fund from operating funds.

ATTACHMENT A
FINANCIAL POLICIES

POLICY

1. It is the City's priority to fund capital expenditures with cash or voter approved debt. However, non-voter approved debt may be used for capital expenditures as an alternative to lease/purchase or other financing options if capital expenditure is:
 - * Urgent,
 - * Unanticipated,
 - * Necessary to prevent an economic loss to the City,
 - * Revenue generating, resulting in an economic gain to the City within a reasonable time, or
 - * Approved and budgeted for financing in the annual budget, and
 - * Non-voter approved debt is the most cost effective option available.

STATUS

The projects were included in the 2009-2010 Amended Capital Budget or are included in the proposed 2010-2011 Capital Budget. Certificates of Obligation provide the most cost-effective option available.

POLICY

2. The average maturity of non-voter approved debt shall not exceed the average life of the capital items financed.

STATUS

It is anticipated that this issue of Certificates of Obligation will have an average maturity of less than thirteen years. The minimum life of the projects is in excess of thirteen years.

POLICY

3. Capital items financed with non-voter approved debt shall have a value of at least \$10,000 and life of at least four years.

STATUS

All items are in compliance.

ATTACHMENT B

PROJECTS PROPOSED FOR FINANCING

<u>Description</u>	<u>Approximate Cost</u>	<u>Useful Life</u>
1. Manor Road Facility	\$ 1,350,000	20 years
2. Evidence Storage Facility	\$ 3,850,000	20 years
3. Landfill Closure	\$ 8,100,000	20 years
4. Transportation Projects/Street Improvements	\$ 9,000,000	20 years

Of the \$22,300,000 that is being issued, Debt Service for \$13,300,000 will be funded by transfers from operating funds and the other \$9,000,000 will be tax supported.