

**CITY OF GREAT FALLS, MONTANA
AGENDA REPORT**

AGENDA# 3
DATE October 7, 2003

ITEM RESOLUTION NO. 9345, RELATING TO FINANACING THE CONSTRUCTION OF THE 14TH/15TH STREET STORM DRAINAGE SYSTEM; ESTABLISHING COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE

INITIATED BY FISCAL SERVICES

ACTION REQUESTED ADOPT RESOLUTION 9345

PREPARED BY MARTHA CAPPIS, OPERATIONS SUPERVISOR

PRESENTED BY COLEEN BALZARINI, CITY CONTROLLER

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RECOMMENDATION: Staff recommends adoption of Resolution 9345, to establish compliance with reimbursement bond regulations under the internal revenue code.

MOTION: I move the City Commission adopt Resolution 9345.

SYNOPSIS: Staff will be moving forward with the issuance of storm drainage system debt, not to exceed \$5,000,000. Proceeds of the debt are intended to finance construction of the City's storm drain improvements along 14th/15th street, which are being done in accordance to the Memorandum of Understanding between the City and the Montana Department of Transportation dated June of 2001. All issuance fees and costs will also be paid out of this financing. Staff will be reviewing the programs available through the Department of Natural Resources and Conservation and also in the open market to determine the most cost effective financing. A cash flow analysis of the storm drain utility indicates sufficient cash is available in the fund pending completion of the financing package. The debt financing is necessary to supplement the yearly capital improvement funds. Adoption of this Resolution serves as official recognition of the intent to reimburse related expenses for construction costs from debt financed proceeds.

BACKGROUND: The City's Storm Drain Master Plan, completed in 1989, included recommended improvements to the 15th Street storm drain and its main connecting storm drains. This project will construct a new large storm drain from near River Drive along 14th Street to Central Avenue and then from 14th Street along Central Avenue to 15th Street. The continuation, scheduled for 2005, will extend a large storm drain from 15th Street along Central Avenue to 18th Street and along 1st Avenue North from 18th Street to 19th Street.

cc. Jim Young
Mark Frahm