

FINANCE COMMITTEE

08-0744R

RESOLUTION APPROVING CAPITAL IMPROVEMENT PLAN AND CALLING FOR PUBLIC HEARING ON INTENTION TO ISSUE IMPROVEMENT BONDS AND REALLOCATION OF BOND PROCEEDS UNDER MINNESOTA STATUTES, SECTION 475.521.

CITY PROPOSAL:

BE IT RESOLVED, by the city council (the council) of the city of Duluth, Minnesota (the city), as follows:

Section 1. Capital improvement plan.

1.01 (a) Under and pursuant to Minnesota Statutes, Section 475.521 (the act), the council has authorized preparation of a capital improvement plan for the years 2009 through 2013 which has been presented to the council in the section entitled capital improvement program bond summary in the document entitled capital improvement budget and five year plan 2009-2013 dated November 2008 (the plan);

(b) The council has caused due notice to be given and has held on December 1, 2008, a public hearing as required by the act, to provide an opportunity for residents to express their views on the plan;

(c) The council has considered the following for each project discussed in the plan and for the overall plan:

(1) The condition of the city's existing infrastructure, including the projected need for repair or replacement;

(2) The likely demand for the improvement;

(3) The estimated cost of the improvement;

(4) The available public resources;

(5) The level of overlapping debt in the city;

(6) The relative benefits and costs of alternative uses of the funds;

(7) Operating costs of the proposed improvements; and

(8) Alternatives for providing services more efficiently through shared facilities with other cities or local government units.

1.02 (a) Based on the considerations set forth in the plan and Section 1.01(c) hereof, the council finds that the plan is desirable and beneficial to the city and its residents;

(b) The council finds that the proposed improvements under the plan will result in no unnecessary duplication of public facilities provided by other units of government in the region.

1.03 The plan is approved.

Section 2. Intent to issue bonds and reallocation of bond proceeds.

2.01 (a) The council is considering the issuance of capital improvement bonds under the act and Minnesota Statutes, Chapter 475, in an amount not to exceed \$1,800,000 (the bonds), for the purpose of providing funds for the acquisition and betterment of the following projects: improvements at City Hall including roof and window replacement, elevator improvements and repairs to the courtyard and Second Street vault; improvements to fire department facilities including masonry, overlays and remodeling; and modifications and maintenance of the mechanical systems at the main library; and payment of discount and costs of issuance;

(b) The city hereby expresses its intent to issue the bonds for the projects in an aggregate principal amount not to exceed \$1,800,000, pursuant to the plan, the act and Minnesota Statutes, Chapter 475;

(c) The city will issue the Bonds if no petition requesting a vote on the issuance of the bonds signed by voters equal to five percent of the votes cast in the city in the last general election is filed with the city clerk within 30 days after the date of the public hearing described in Section 2.03 of this resolution.

2.02 (a) The city previously issued its \$1,240,000 general obligation capital improvement bonds, Series 2007C, dated December 13, 2007 (the Series 2007C bonds). \$80,000 of the proceeds from the Series 2007C bonds allocated to remodeling city offices in City Hall shall be reallocated to improvements to City

Hall, including the steam tunnel;

(b) The city will reallocate \$80,000 of the proceeds of the Series 2007C bonds if no petition requesting a vote on the reallocation of the Series 2007C bonds signed by voters equal to five percent of votes cast in the city in the last general election is filed with the city clerk within 30 days after the date of the public hearing described in Section 2.03 of this resolution.

2.03 The council shall hold a public hearing on the issuance of the bonds and the reallocation of such proceeds of the Series 2007C bonds at 7:00 p.m. on January 26, 2009. The city clerk is authorized and directed to cause the notice of public hearing, substantially in the form on file in the office of the city clerk as Public Document No. _____, to be published in the official newspaper of the city or a newspaper of general circulation in the jurisdiction of the city not less than 14 days nor more than 28 days prior to the date set for the public hearing.

2.04 The administrative staff of the city and its agents are hereby authorized to take such further action necessary to carry out the intent and purpose of this resolution and the requirements of the act.

Approved:

Approved for presentation to council:

Department Director

Chief Administrative Officer

Approved as to form:

Approved:

Attorney

Auditor

FINANCE RET:CW:rb 12/3/2008

STATEMENT OF PURPOSE: This resolution approves the 2009-2013 capital improvement plan and calls for a public hearing on the intention to issue improvement bonds, in the maximum amount of \$1,800,000 (\$1,702,000 for project costs and the balance available for costs of issuance and discount) and the reallocation of \$80,000 of the proceeds of the general obligation capital improvement bonds, Series 2007C.