

MARSHALLTOWN

— I O W A —

City Administrator's Office

Joel Greer, Mayor
Jessica Kinser, Administrator
Alicia Hunter, City Clerk
24 North Center Street
Marshalltown, IA 50158-4911
Tel - (641) 754-5799
Fax - (641) 754-5717

To: Mayor Greer and the City Council
From: Jessica Kinser, City Administrator
Date: January 17, 2022
RE: Debt Capacity/GO Borrowing

The attached Debt Capacity Workbook has been updated to reflect the projects identified in the CIP which would require borrowing. There are updates required to this schedule, which we respectfully request your direction on at the January 24th meeting or to a future budget meeting.

1. Reduce \$400,000 for municipal park improvements

We have approximately \$400,000 remaining from the 2019 GO Borrowing (Fund 360). A large portion of this is related to the Anson Park Shelter project which was deemed to be infeasible due to the costs. Therefore, we recommend allocating these dollars to one or more park projects on the attached list.

Staff Recommendations:

- Remove the Farmer's Market Improvements, reduce costs \$200,000
- Remove Park 101, reduce costs to \$200,000

2. Reduce the total GO Borrowing to \$10 million for tax exempt status

To keep the entire GO Borrowing as tax exempt, the total borrowed needs to be \$10 million or less. Tax exempt status means that the bondholder does not have to pay taxes on all or portions of the interest repaid. This generally results in a lower interest rate than if the bond is not tax exempt.

Staff Recommendation:

- Reduce Street Improvement to \$4,078,500

City Council

Al Hoop, Gabriel Isom, Barry Kell, Mike Ladehoff,
Jeff Schneider, Gary Thompson, Dex Walker

