



Denver City Council

**Finance Committee
Summary**

Wednesday, February 21, 2007 1:30 p.m. 3rd Floor Council Conference Room

Committee Members Present: Faatz, Chair; Brown, Vice-Chair; Boigon, Lehmann
Committee Members Absent: Rodriguez

Agenda:

- 1) *Wastewater Enterprise Fund project rescissions, re-appropriations, and supplemental*
- 2) *Series 2007 General Obligation Mini Bonds – Justice System Facilities Project*

1) Wastewater Enterprise Fund project rescissions, re-appropriations, and supplemental:

Committee Action

The Committee approved rescinding \$8.4 million from various Wastewater Enterprise Fund projects and appropriating \$15 million to the Montclair Storm Project and various storm drainage projects. In addition, a supplemental in the amount of \$6.6 million for storm capital improvements was approved.

Committee Discussion

Stu Williams, Public Works, indicated that some of the Storm Capital Improvement Projects (CIP) had surplus funding from completed projects and that Public Works wanted to take this opportunity to utilize that left-over surplus funding plus other project funding to complete the Montclair Storm Drainage Project for Ferril Lake Phase II. He noted that accelerating the Montclair project with other capital funds would save the City an estimated \$50 million. Ferril Lake was drained last fall and the related improvements will be completed this spring. He clarified that stormwater systems refer to impervious (solid/concrete) areas not “grassy” areas. Mr. Williams outlined the specific surplus funds that would be used for the Montclair project and the proposed delayed projects as follows:

- Curtis Park Stormwater = completed project, remaining surplus of \$146,270;
- 2nd Ave. & Wolf St. Storm = completed project, remaining surplus of \$47,762.88;
- 11th Ave. & Decatur St. Storm Dr. = completed project, remaining surplus of \$128,186.03;
- Bayaud & Hooker Storm Extension = completed project, remaining surplus of \$149,486.64;
- 27th & Federal Phase 4 = delay project, \$1 million, anticipate funding in 08-09 budget;

- 14th & Stout Storm Extension = delay project, \$9,512.37, anticipate funding in 08-09 budget;
- 14th & Stout Street Storm Drainage Extension PH3 = delay project, RTD issues, \$2 million, anticipate funding in 08-09 budget;
- Rocky Mtn. Ditch Flow Separate = completed project, remaining surplus of \$1,456,789;
- Lafayette Extension = delay project, radium-related, \$1,442,977.03, anticipate funding in 08-09 budget;
- Lakewood Gulch – Sheridan Phase 2 = delay project, remaining funds of \$1,961,018.38, anticipate funding in 08-09 budget;
- Virginia Village Storm Phase 5 = completed project, remaining surplus of \$57,997.67.

He added that paving work for the 17th Avenue improvements along City Park would be delayed until this summer. Also, Public Works is identifying projects impacted by recommendations that would come from the Infrastructure Task Force. It is important for Public Works to take a holistic view when evaluating projects, including working with Urban Drainage to help prioritize and fund projects, stated Mr. Williams.

2) **Series 2007 General Obligation Mini Bonds – Justice System Facilities Project:**

Committee Action

The Committee authorized issuance of the 2007 General Obligation Mini Bonds related to the Justice System Facilities Project.

Committee Discussion

Alan Nuss, Department of Revenue, explained that mini-bonds have been used historically as a way of funding various projects for parks, street improvements, library facilities, and for the 1999 Neighborhood Bond Program. The proposed 2007 mini-bond program would be used to fund the new Justice Center project. Highlights of the program include:

- A maximum of \$10 million may be issued;
- Bonds will be available in \$500 denominations – a limit of 40 bonds per individual (\$20,000 purchase limit);
- Bonds are estimated at a rate of 4.75% tax-free yield and will mature in 15 years;
- April 2 through April 6 is the order period – purchasers must drop off order form with qualified payment at a designated Wells Fargo branch or mail in the order within the order period;
- Open to Colorado residents – information can be retrieved on-line, by phone through 311, or at designated Wells Fargo offices;
- An order form along with the Official Statement is required and can be retrieved by mail request or from the city's website (denvergov.org);
- A marketing theme for the "2007 James Bonds" will be kicked off at a press conference on March 13. Enhanced marketing will begin after that date, including utilizing Council Office newsletters.

Mr. Nuss stated this bond sale is a great opportunity for Denver residents to invest for future education or retirement. Councilmember Faatz noted she recommended this program so that Denver residents could partner in the project; not only with their tax money, but also reap the benefits while investing into the project. She added that the City's tax base supports this type of

program. Mr. Nuss reported that Denver's bonds are rated high by bond agencies (Aa1/AA+/AA+ by Moody's, Standard and Poor's, and Fitch, respectively), and that translates into the general obligation bonds program being a great investment for citizens. James Mejia, Mayor's Office, thanked Councilwoman Faatz for suggesting the financing structure and employees from the Dept. of Revenue for developing the bond program.