

# 2019 CITY BOND ISSUANCE



**Forest Lake**  
AS GOOD AS IT SOUNDS

## OVERVIEW

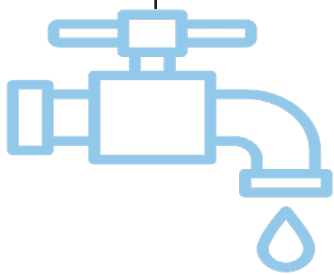
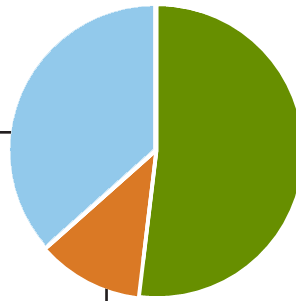
\$35 million dollars\* in bonds are being considered for the following projects: water treatment system improvements, road maintenance, and refinancing the existing city center debt. These projects have been identified as high priority projects for the city.



## WHY NOW

The Bond Market is experiencing historic low interest rates for long term bonds making it the ideal time to issue bonds.

## SCOPE



### WATER



### ROADS



### REFINANCE

#### \$12.98 million\*

- Will fund construction of a new water treatment plant
- Rehab and modernization of 2 existing treatment plants
- Water meters will be replaced
- No impact on property tax, payments will come from the water enterprise fund

#### \$4.04 Million\*

- Funding will be used to perform maintenance on city streets
- Currently over 50 % of city streets are rated 6 or less on a scale of 1-10 with 10 being the best
- Funding will significantly reduce backlog of deferred maintenance on city streets

#### \$18.17 Million\*

- Refinance of existing city center bonds - *city does not take on additional debt by refinancing*
- Same payback period as current issuance
- Anticipated General Fund savings of 1 million dollars over the life of the bond

## ANNUAL RESIDENT COST



**\$18.00\***

*Estimated Annual cost to a \$250,000 home in Forest Lake*



## NEXT STEPS

- Public Hearing October 14 where recommendations on package are brought forward
- November (if authorized) bonds put out for bid
- December bond closing

*\*All numbers subject to adjustment due to market conditions*