



AGENDA OF THE SPECIAL SESSION OF THE  
COUNCIL OF THE CITY OF WASHINGTON, IOWA  
TO BE HELD AT WASHINGTON FREE PUBLIC LIBRARY  
NICOLA-STOUFER MEETING ROOM  
115 W. WASHINGTON STREET  
AT 6:00 P.M., TUESDAY, DECEMBER 8, 2015

**Call to Order**

**Pledge of Allegiance**

**Roll call**

Agenda for the Special Session to be held at 6:00 PM on December 8, 2015 to be approved as proposed or amended.

**PRESENTATION FROM THE PUBLIC** - Please limit comments to 3 Minutes.

Discussion & Consideration of Municipal Building Projects

Discussion & Consideration of Update to Calendar Year 2016 Strategic Priorities

**DEPARTMENTAL REPORTS**

Police Department  
City Administrator  
City Attorney

**MAYOR & COUNCILPERSONS**

Sandra Johnson, Mayor  
Brendan DeLong  
Jaron Rosien  
Kathy Salazar  
Bob Shepherd  
Millie Youngquist  
Russ Zieglowsky

**ADJOURNMENT**

Illa Earnest, City Clerk

*Brent Hinson, City Administrator  
Sandra Johnson, Mayor  
Illa Earnest, City Clerk  
Kevin Olson, City Attorney*



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**Memorandum**

November 20, 2015

To: Mayor & City Council  
Cc: Illa Earnest, City Clerk

From: Brent Hinson  
City Administrator

A handwritten signature in blue ink, appearing to be "BH", is written over the name "Brent Hinson" in the "From:" field.

Re: Municipal Building Process

I have attached detailed information on our facility processes for improvement of space for Police, Fire & City Hall. This has frankly been a long and difficult process, and we have never been able to get all of the City Council members fully on the same page. That is no way to successfully proceed with a major project (or in this case, two major projects). The next logical step in the path we are on, in renovating the Former Library for City Hall, is to hire a project manager and an architect. When that occurs, we will quickly start to reach a point of no return at which we will have invested hundreds of thousands of dollars and much more time and staff resources in a solution that might not be truly supported by the Council. This is a precarious and unacceptable situation. With three new councilors coming on board, it seems to be a logical time to reassess and re-examine our path, and to determine how to move forward together. It may be that we cannot get all six councilors to reach 100% agreement initially. However, hopefully you can all agree on a fair process for making a final decision, and then once the decision is made, all will support that path from that point forward, to the projects' conclusion.

The two options most strongly considered following the building study were:

1) Renovation of the Former Library for City Hall, and renovation and expansion of the Municipal Building for Police and Fire (the current option that is selected); and 2) Construction of a new Fire Station, and renovation of the Municipal Building for Police and City Hall (also known as the "Campus option"). As part of the information attached, I have included a "pros and cons" document, but the main crux of the dispute seems to be this: Supporters of the Campus option, including the majority of the staff, believe it would offer superior public access and organizational efficiency; however, supporters of the Former

Library option rightly point out that it would be unacceptable for the City to leave the building empty and unused.

I personally find strong points of agreement with both sides of this argument. To this end, we went through a process to try to sell the Former Library, and did not end up getting any proposals. A building of its size (nearly 10,000 square feet) would need an organization with the resources and long-term stability to afford to make the necessary improvements. Most private individuals we have talked to have found the possible renovation costs to be beyond their risk tolerance. No matter the scenario, moving forward on the Campus option would involve trying to figure out what to do with the Former Library. I believe if we try to proceed without a feasible plan for the Former Library, we will eventually pay the price in terms of public backlash. This issue would be highly unhelpful to a bond referendum campaign for a new Fire Station, for example.

Ultimately, the issues the Council faces in dealing with these facilities are not at all easy. No matter which path is chosen, there are significant and thorny issues that will need to be dealt with. However, I strongly believe that now is the time to proceed with making the facility improvements, as none of these issues, nor the substantial lack of space we have in the current facilities will go away. We have significant financial resources earmarked toward getting these projects done, and as the attached timeline shows, have been working very hard on these issues for nearly three years already.

I look forward to discussion at the meeting.

**Washington Municipal Building Project Process Timeline**

1974	Municipal Building constructed with current 9,403 square foot footprint
2005	Police Department moves into Municipal Building (Council Chambers); City Council meetings move to Helen Wilson Gallery of (Now Former) Library
2009	Library moves out of 120 East Main; City Council agrees to take responsibility for building; Council Chambers moved to main floor of building & upper floor leased to Public Health
January 11, 2013	Request for Proposals (RFP) prepared for architect study of building options for City Hall, Police & Fire
February 20, 2013	City Council approves architect study proposal by Klingner & Associates Architects of Burlington
February 18, 2014	Klingner completes building study & reports to Council; Council defers to April 22 workshop for further discussion
March/April, 2014	Staff group meets to review and discuss building study and formulate recommendation to Council; recommends Option 2 (build new Fire Station; renovate Municipal Building for Police & City Hall)
April 22, 2014	Council holds workshop on study; votes to proceed with Option 1 (renovate Former Library for City Hall; renovate Municipal Building for Police & Fire)
May 6, 2014	Staff presents preliminary Former Library construction schedule & budget; Council tables to May 20 meeting
May 20, 2014	Council votes to hold off on construction process for Former Library; directs staff to investigate a process for advertising the sale of the Former Library
June 24, 2014	Council holds workshop to discuss draft RFP for advertising sale of Former Library
September 2, 2014	Council passes resolution to create Former Library RFP Committee to finalize & publicize RFP to sell building
October 1, 2014	Committee finalizes & begins publicizing Former Library RFP
January 15, 2015	Due date for proposals (none received, deadline extended by committee to allow more time based on two possible interested parties)
April 28, 2015	Having received no proposals, Council meets to discuss moving forward with Former Library renovation project, including acquisition of three properties (216 & 220 East Jefferson & 123 E. 2 <sup>nd</sup> Street); Council authorizes property acquisition negotiations following closed session discussion
May 5, 2015	Council authorizes purchase agreement for 123 W. 2 <sup>nd</sup> Street
May 19, 2015	Council authorizes purchase agreements for 216 & 220 East Jefferson Street
June 23, 2015	Council holds workshop to discuss Former Library construction project committee; directs staff to bring back a resolution to this

	effect, in consultation with committee chair Jaron Rosien
July 7, 2015	Council votes to create project committee; asks committee to review former Kirkwood site as an option for City Hall
July 28, 2015	Project committee meets & tours former Kirkwood facility; votes to eliminate it as an option
September 1, 2015	Project committee meets to discuss tours of similar (City Hall) facilities in comparable communities
October 6, 2015	Project committee tours facilities in Oskaloosa and Pella



## Municipal Building Options

COUNCIL WORKSHOP EXAMINATION  
NOVEMBER 24, 2015

### What are the Options?

- The issue: Police, Fire and City Hall are all out of space. Police has been in a temporary location since 2005, and the City owns the Former Library building, which is essentially vacant.
- Municipal Building Study, completed February 2014, identified four options, but only two received serious consideration:
  - "Former Library Option": Renovate Former Library for City Hall, then expand Municipal Building for Police and Fire.
  - "Campus Option": Build new Fire Station, then renovate Municipal Building for Police and City Hall.

### What Formal Steps Have Been Taken?

- April 2014: Council selects Former Library option; this decision later suspended.
- September 2014-April 2015: Following Council approval, RFP committee markets Former Library for sale. No proposals received.
- April-May 2015: Council authorizes proceeding with purchases of 123 E. 2<sup>nd</sup> Street, 216 & 220 E. Jefferson
- July 2015: Council creates project committee for renovation of Former Library

### Pros & Cons of Former Library Option

Pros	Cons
Reuse of large downtown building	Lowest Fire Dept square footage
Least property acquisition (and it is completed)	Uncertainty in cost of renovating (Former Library)
Investment in time & resources up to this point	ADA issues (Former Library)
Potential to finance without a public referendum	Parking lot location serves more to keep staff vehicles off street than public parking (Former Library)
	Difficulty of major construction-blocking of streets (Former Library)
	Possible interference with "egg" sewer (Fire)

### Project Flow & Finance: Former Library Option

- **Former Library- \$700,000 loan, not subject to referendum**
  - Most of the remainder of funding comes from quarterly Riverboat payments
  - Any streetscape improvements paid from Essential Corporate Purpose bond money
- **Former Library is renovated fully before City Hall moves in**
- **Municipal Building improvements are financed by additional \$700,000 loan, not subject to referendum, and other funding sources, including quarterly Riverboat payments & grants**
- **Municipal Building (City Hall portion) is renovated for Police, and then they move in**
- **Municipal Building (Police portion) is renovated for Police & for joint training room**
- **Municipal Building (Fire portion) addition is constructed**

### Pros & Cons of Campus Option

Pros	Cons
Keeps 3 departments together • Public convenience • Security, safety, shared space	May require working with up to 2 additional property owners
Most square footage for Fire	Lowest square footage for Police (still 3.5x larger than current)
Probable best plan for phasing of project construction & least public disruption	Status of Former Library?
Shared generator- current generator sized to handle entire complex	Likely need for a public referendum (Fire)- most expensive part done first
Best access for public traffic	Possible interference with "egg" sewer

### Project Flow & Finance: Campus Option

- **Fire Station approx \$1,800,000 loan, subject to referendum**
  - Additional money from grants & funds on hand
- **New Fire Station is constructed; Fire Station moves out of Municipal Building**
- **Municipal Building- \$700,000 loan, non-referendum**
  - Additional money from quarterly Riverboat and other funds
- **Phase 1 of Municipal Building renovation begins- renovation of current Fire Station portion**
- **City Hall and Police temporarily move into Phase 1 portion after it is completed**
- **Phase 2 of Municipal Building renovation is done; City Hall and Police move into full office space**



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## **Memorandum**

December 4, 2015

To: Mayor & City Council  
Cc: Illa Earnest, City Clerk

From: Brent Hinson  
City Administrator

Re: Progress Report on Strategic Priorities, December 2015

**Background:** The City Council unanimously adopted a resolution setting strategic priorities for calendar years 2015 and 2016 on December 16, 2014. A work plan detailing the implementation of these priorities was unanimously approved on January 20, 2015. Each of the past three years, we have had a goal-setting session with an outside facilitator in November or December, but last year, the Council expressed the desire last year to take a year off from this process. However, with three new councilors coming on board, it seems very appropriate to review the priorities that were established last year for a time period including calendar 2016 to see what has already been accomplished, what may need to be added, and perhaps what may need to be pushed back.

In recognition of the length of this memo, a single-page summary sheet follows the memo, for your quick reference.

To assist with quantifying the timing of bond issuances, etc., for the information presented below, I have also attached a separate memo and spreadsheets showing the usage of our bond capacity, in a scenario where the debt service tax levy is kept level.

### **Calendar Years 2015-2016 Priorities:**

#### **1. Complete downtown revitalization project within next 4 years; develop maintenance program for existing downtown streetscape features**

Staff Primarily Responsible: City Administrator, Mayor, City Engineer or contract engineer, Engineering Technician, Main Street Washington



Based on events and discussions that have occurred since this priority was initially established, I would propose that the Council push the streetscape expansion project back several years. This would allow for a bond issuance for a major sewer I/I reduction project to be determined. While it will be important to eventually address the many ADA sidewalk issues still remaining in the downtown area, this is a project that could wait a few years without major issues resulting.

## **2. (tie) Develop communications strategy with public**

Staff Primarily Responsible: City Administrator, City Clerk, and City Hall Administrative Assistant

Staff has begun work on a communications policy, which will be designed to allow the City to do the best possible job of “getting the word out” on important topics, but it has unfortunately been sidelined by more pressing projects. This issue needs to be taken back up in the near future. On a related note, one important priority that has already been identified in the City’s communication strategy is to develop a regular newsletter that is mailed out to all households. We have since completed and mailed out newsletters in April and September 2015.

## **2. (tie) Hotel/Motel Tax referendum**

Staff Primarily Responsible: City Administrator and Washington Chamber of Commerce

The Chamber has committed significant resources to preparing a communications plan for this initiative, in cooperation with the University of Iowa’s Institute for Sustainable Communities. It is staff’s recommendation that the Chamber and City work together with other stakeholders in advance of any referendum to determine how monies would be administered and distributed should the referendum be approved. To this end, I plan to meet with Tourism Committee members this week to discuss further. It is thought at this time that the issue could be ready for public vote sometime next year.

## **2. (tie) Remove one-way on Sitler Drive**

Staff Primarily Responsible: City Engineer, Engineering Technician, and City Administrator

The City initiated an Iowa DOT Transportation Engineering Assistance Program (TEAP) study of the intersection of South Iowa and Sitler in January 2015. The last update we received, in October 2015, from the DOT’s contract engineering firm for the study was that the study was nearly ready to go to the DOT for final review. We have made several attempts by phone and email to contact the engineer for the project since that time, and are still attempting to ascertain the status of this report. It is critical that this intersection be addressed to allow for any plan to turn this block of Sitler back to two-way traffic due to potential safety issues for traffic turning onto South Iowa from Sitler. The street was

changed to one-way traffic in 2012 in anticipation of the completion of the new high school and the vast increase in the before- and after-school traffic in the area.

The street program for the 2016 construction season was originally to include the paving of South Avenue E from Sitler to Lincoln, but the engineer's estimate for this project has increased to close to \$800,000, which is beyond the resources the City is able to commit at this time. Therefore, I would propose that, pending the completion of the TEAP intersection study, the City instead address this section of Sitler in 2016 (which should be well under our usual street program budget of \$500,000), and then address the remaining section of South Avenue E in 2017 with the leftover funds from the 2016 program. Returning the one-way portion of Sitler to two-way traffic will vastly improve the traffic flow in the area, and figures in nicely with the street improvements envisioned in the Comprehensive Plan, with this street serving as part of a collector system that will stretch to Highway 1 via South Avenue E and West Buchanan Street.

## **2. (tie) Implement City Council policies on behavior & expectations (COMPLETED)**

Staff Primarily Responsible: Mayor, City Administrator, City Clerk and City Attorney

After extensive discussion over a number of meetings, the City Council adopted the City Council Rules of Procedure in July 2015.

## **2. (tie) LED conversion for traffic signals (COMPLETED)**

Staff Primarily Responsible: Water Superintendent and City Administrator

The City completed this project, which involved upgrading 126 stoplight bulbs to LED, several months ago. The final cost before Alliant rebates was \$12,405. The City received rebates in the amount of \$2,175.75 for the project, reducing the upfront cost significantly.

### **Summary Progress for On-Going Commitments & Priorities:**

- **Public Trust:** Recognizing that communication is a vital facet of earning and maintaining public trust, we have introduced a citywide newsletter and sent this to all residents twice thus far, as described above.
- **Public Safety:** We have been working hard on facility issues for public safety, which will assist them in their work. The Police and Fire Departments remain very active in community outreach.
- **Budget & Financial Issues:** A large array of capital projects over the next few years will stress available resources somewhat, but the City is in a much better position than just a few years ago and fund balances are very strong.

- **Inflow/Infiltration Reduction:** Much work has been done, including flow monitoring in the north-central area of town, approval of the construction contract for the Courthouse sewer separation project (to be completed in 2016), and comprehensive modeling of the southeast sewer basin. While it is important to recognize that I/I will need to continue to be an ongoing priority for a number of years, it is proposed that this activity also be included in the section above as a 2016 priority to emphasize the City's need to commit significant and urgent effort to this topic.
- **\$500,000 Street Program:** The 2015 project, Sitler Drive widening from South E to South B, is nearly completed, and is open to traffic. As discussed above, we may need to look at moving Sitler from South B to South Iowa up by one year and South E from Sitler to Lincoln back by one year due to funding constraints.
- **Economic Development Programs:** The City has continued funding for the Washington Economic Development Group. I serve on the WEDG board as a voting member, and Mayor Johnson serves as ex-officio. We have been strategically using tax increment financing for development of the Oakwood Village subdivision and Washington Business Park, among other projects.
- **Support Main Street:** The City has continued funding of Main Street Washington, and Councilor Salazar and Steve Donnolly are currently serving on the board of directors.
- **Implement Sidewalk Program:** We have been stalled on the sidewalk to Wal-Mart due to the Gretter bankruptcy and other issues. We did not receive Riverboat Foundation funding for the project, so may need to look at special assessments to pay for a portion of the project. We will hopefully be able to take this issue back up in the spring. We are also working on a sidewalk trip hazard program in which we will identify hazards and send repair notices to a section of town each year.
- **Implement rental housing inspections:** Rental inspections began in July, and nearly all properties slated for this fiscal year have been initially inspected.
- **Continue development of new industrial park, including West Buchanan corridor:** We are nearing final DOT approval of Phase I of the Business Park project, and it is expected that the project will be let in early 2016. Construction started today on the Highway 1 water main portion of the project.

The remainder of the West Buchanan project has been submitted for Federal DOT Surface Transportation Program funding for Fiscal Year 2020.

- **Assist in development process for Wellness Park, including infrastructure:** As discussed in early 2015, it may be possible to squeeze a \$1 million bond issuance into our plans to allow for the paving of Avenue F and extension of utilities for the Wellness Park in 2018, which would help to make the project a reality. This issuance is shown in the companion debt limit analysis memo and spreadsheet.



- **Airport runway relocation:** Ten years after discussions started on the project, the construction project is substantially complete. The new runway opened to traffic in November.
- **Make a decision regarding Municipal Building facility needs and use:** This continues to be an important topic of discussion, and we may want to amend the 2016 priorities above to indicate moving forward on the project route the Council determines. For either route, this would involve hiring a project manager and an architect in 2016 and proceeding with design. In the campus option, we would initially need to look at a process for disposing of the former library.
- **Water System Improvements:** The North Tower project is under contract and well underway, with expected completion in August 2016. The companion parallel water main project is also under contract, and may be substantially complete this month, depending on weather conditions. The reverse osmosis (RO) pilot study is nearly complete, with FOX Engineering nearly ready to begin work on the final report. When this report is completed, it is expected that we will move quickly to design of the water plant improvements. Well #6 will be repaired in kind for now following Council discussion on this topic. That project is expected to go out for complete quotations late this month or in January.
- **Maintain/improve existing parks:** The Park Board completed nice upgrades this year on site improvements and bleachers for Redlinger Field and Watertown Park. We have not made much progress thus far on a parks master plan, but I expect this process to pick up in the near future.
- **Focus on Comprehensive Plan:** The City adopted a Comprehensive Plan for land use in 2012. This long-term plan was developed by a large citizen steering committee over the period of a year, with extensive public input. It envisioned how the community would develop over the next 20 years. The plan included a wide variety of recommendations. A number of changes have been made due to the Comp Plan. The City restructured its commercial urban renewal (TIF) areas to match the development anticipated in the plan. A Housing Improvement Task Force was appointed in the wake of the completion of the plan, and made many recommendations for improvements to code and procedures, including the implementation of rental inspections. The Planning & Zoning Commission has spent many hours on working through the recommendations of the plan to create formal recommendations for City Council approval. I can report that overall, the Comp Plan is being extensively used in our deliberations, and is still proving to be very useful.
- **Continue equipment replacement plan:** We have been actively looking to improve the overall quality and function of our fleet with each budget, and I believe we have made substantial progress. A nice thing to report in this regard is that the Council was able to fund replacement of one fire truck this year, and when the debt is paid off in five

years, we could theoretically use the same funding source (rural fire contributions, which increased starting this fiscal year under the new agreement) to purchase the next truck, which is also a rural unit. Having our fire truck needs figured out for the next 10 years is a great position to be in, as fire trucks can often be a budget-busting item.

I feel that we have made excellent progress in a variety of areas in the past year, and I hope you do as well. Working together, I feel that we can accomplish a great deal for the town and its residents in the coming years.

*Brent Hinson, City Administrator  
Sandra Johnson, Mayor  
Illa Earnest, City Clerk  
Kevin Olson, City Attorney*



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**Strategic Priorities for Calendar Years 2015 and 2016**  
**Summary of Progress & Recommendations for Updates, December 2015**

**Priorities Fully Accomplished:**

- Implement City Council Policies on behavior & expectations
- LED conversion for traffic signals
- Airport runway relocation

**Priorities to Retain for 2016:**

- Develop communications strategy with public
- Hotel/Motel Tax referendum
- Remove one-way on Sitler Drive
- All on-going priorities except airport runway

**Items to Add to List of Priorities:**

- Inflow/Infiltration Reduction- emphasize as a special 2016 priority

**Priorities to Defer to Future Years:**

- Complete downtown revitalization project



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## **Memorandum**

December 2, 2015

To: Mayor & City Council  
Cc: Illa Earnest, City Clerk

From: Brent Hinson  
City Administrator

A handwritten signature in blue ink, appearing to be "BH", is written over the name "Brent Hinson" in the "From:" field.

Re: Debt Limit and Debt Service Levy Analysis

We had a debt limit analysis done by Public Financial Management in early 2015. Since that time, several things have changed, which require an updated analysis. Therefore, I took the concepts in PFM's spreadsheets and developed my own spreadsheet, which will allow us to examine both the debt limit impact and debt service levy impact of any changes to the City's planned future bond issuances. This model is designed to help you weigh the relative effects of future bond issuances related to the numerous major capital projects we have discussed for the upcoming years.

The term "debt limit" relates to Article XI of the Iowa Constitution, which states that cities may not incur total long-term general obligation (G.O.) debts in excess of 5% of the actual valuation of properties within the city limits. This debt limit does not relate to issuances for utilities, where only direct user fees and not property taxes are pledged to repay the debt (such as our wastewater plant debt). Our current debt limit is around \$17.5 million, while we have about \$6.8 million in outstanding G.O. debts. The typical guideline used by Iowa cities is to only issue up to 70% of the legal limit, which provides a contingency for natural disasters, etc. We are well below that figure (we're currently at 38.65% of the legal limit), and even with all of the issuances shown in the attached analysis, we never get above 54.43% of the legal limit at any point between now and 2040. This shows that while the plan detailed is ambitious, it does not stretch the City's financial capacity unduly.

An additional factor that must be weighed is the effect on the annual property tax levy. Cities in Iowa can levy the rate necessary to pay the debt service on any issuances, up to the debt limit I just described. Theoretically, we could issue \$5.5 million in new debt next week, and decide to pay that back within the span of just a few years. However, the tax levy

impact of that decision would be so significant that it would likely create widespread and sustained citizen dissatisfaction. Therefore, we have typically tried to make our decisions related to the debt service levy with the goal of keeping the levy as level as possible. In our case, this requires spreading our issuances over longer terms than I would really like to have in an ideal situation, with several issuances stretching to the legal maximum of 20 years. However, considering that many of these improvements are designed to last many decades, I still believe it is fully appropriate to spread the debt for projects with long-term benefit to property taxpayers over a relatively long time period. It still might not be possible to keep the levy the same year-to-year in all cases, and the Council may choose to be more aggressive to get much-needed projects done, but the tax levy impact definitely should be examined carefully in all cases. In any event, the annual debt service levy impact is much more of a limiting factor for our situation at the current time than the total long-term debt limit.

The attached analysis consists of two spreadsheets. The first, titled "Projection of G.O. Debt Capacity", looks at the debt limit portion of the equation, while the second, titled "Projection of Debt Service Levy" shows the property tax levy impact based on annual debt payments versus projected property tax base.

With a goal of keeping the debt service levy impact as similar to current as possible, and accommodating the things that have been discussed by the City Council recently, I show 4 proposed G.O. debt issuances between now and 2024. One final detail I'd like to provide before discussing these issuances is the difference between "Essential Corporate Purpose" (ECP) and "General Corporate Purpose" (GCP) under Iowa law. ECPs are the things under the law that the Legislature deems to be essential functions of cities, such as constructing streets and putting in utilities, and are not subject to public referendum. The City could issue a bond for an ECP for any amount, and no referendum would be required. GCPs are typically things like constructing city buildings, and for a city of our size, any issuance over \$700,000 is required to have a public referendum.

Here are the proposed issuances:

- 1) An issuance of \$2,800,000 in 2017 for construction of a Fire Station and for I/I projects to be determined.
  - Fire Station issuance: \$1,800,000 for 20-year term, GCP subject to public referendum
  - I/I issuance: \$1,000,000 for 7-year term, ECP not subject to referendum
- 2) An issuance of \$1,700,000 in 2018 for construction of the Municipal Building improvements and for extension of Avenue F & utilities to the Wellness Park.
  - Municipal Building issuance: \$700,000 for 20-year term, GCP not subject to public referendum (below referendum threshold)
  - Avenue F issuance: \$1,000,000 for 20-year term, ECP not subject to public referendum

- 3) An issuance of \$750,000 in 2020 for local match share of the West Buchanan paving project. This project is anticipated to be 80% funded by U.S. DOT funds, and the local match would come from TIF property taxes produced by our industrial developments, not from the debt service levy. This ECP debt would have an 8-year term, which is the fastest we can pay back based on currently estimated TIF resources.
- 4) An issuance of \$2,000,000 in 2024 for downtown streetscape expansion. This ECP debt would carry a 20-year term. This issuance has been pushed back from the previously forecasted date of 2018 to accommodate a debt issuance for I/I projects, and to accommodate the larger bond issue needed for the new Fire Station versus what would be needed for the Former Library renovation.

Additionally, I have shown continuation of our annual street program issuances of \$250,000, with each issuance carrying a five-year term. The 2016 issuance will be the 5<sup>th</sup> year of this program, meaning from that point forward, the street program is fully built into our levy and we will be both issuing and retiring a street program debt each year.

With the development of this spreadsheet model, you could easily choose to change the timing of any of the issues, stretch out or reduce any of the loan terms, or add or delete issuances. In any of these cases, I could easily make the adjustments and quickly show you the debt capacity and debt service levy impact. I have simply tried to give you a picture of what I think would be a good use of debt capacity and the debt service levy for discussion purposes, based on your past guidance and current issues.

The model I present in the spreadsheet is based on an average increase of 1% in actual valuations and 0.5% in taxable valuations. Based on past history, this seems to be a conservative assumption. However, it is always pretty iffy trying to forecast out 25 years. Many things could change in that time, either for better or for worse. Valuations could increase much more than forecast due to new development, increasing both our debt limit and spreading our annual debt payments over a broader base and lowering the debt service levy. Alternatively, the Iowa Legislature could choose to drastically roll back taxable valuations, undermining our tax base and making it difficult to issue all the debt imagined in this analysis. However, I believe this model makes sense as a forecasting tool if it is kept current. Much as we handle the water and sewer cash-flow documents, this would be a good tool to update annually and use in budgetary decision-making.

I know this memo and spreadsheet present a great deal of technical detail, which is why I'm providing the information a little earlier than usual for meeting packet items. I encourage the new members especially to do your best to digest all of the information, and then to please contact me with any questions you may have.



City of Washington  
Projection of G.O. Debt Capacity

Fis Year	Gross Debt Limit		Effective (70%) Debt Limit	Existing G.O. Debt	Fire Station/I&J Series 2017	Mun Bldg/Wellness Series 2018	West Buchanan Series 2020	Streetscape Series 2024	Street Program Annual	TIF Rebates	Total		* % of Debt Limit	* Spare G.O. Capacity
	Debt Limit	Debt Limit									G.O. Debt	G.O. Debt		
2016	17,529,690	12,270,783	\$6,775,171								\$6,775,171	38.65%	\$5,495,612.50	
2017	17,704,987	12,393,491	\$5,878,390	\$2,800,000				\$250,000		\$11,033	\$8,939,423	50.49%	\$3,454,068.27	
2018	17,882,037	12,517,426	\$4,958,498	\$2,612,943	\$1,700,000			\$450,000		\$11,529	\$9,732,969	54.43%	\$2,784,456.25	
2019	18,060,857	12,642,600	\$4,064,892	\$2,418,404	\$1,642,911			\$600,000		\$11,529	\$8,737,736	48.38%	\$3,904,864.40	
2020	18,241,466	12,769,026	\$3,695,000	\$2,216,084	\$1,583,538	\$750,000		\$700,000		\$11,529	\$8,956,151	49.10%	\$3,812,875.39	
2021	18,423,880	12,896,716	\$3,370,000	\$2,005,670	\$1,521,791	\$668,604		\$750,000		\$11,140	\$8,327,205	45.20%	\$4,569,511.37	
2022	18,608,119	13,025,683	\$3,100,000	\$1,786,840	\$1,457,574	\$583,952		\$750,000		\$8,730	\$7,687,096	41.31%	\$5,338,587.40	
2023	18,794,200	13,155,940	\$2,825,000	\$1,559,257	\$1,390,788	\$495,915		\$750,000		\$8,730	\$7,029,689	37.40%	\$6,126,251.18	
2024	18,982,142	13,287,500	\$2,540,000	\$1,322,571	\$1,321,330	\$404,355		\$750,000		\$8,730	\$8,346,986	43.97%	\$4,940,513.83	
2025	19,171,964	13,420,375	\$2,245,000	\$1,243,026	\$1,249,094	\$309,134		\$750,000		\$8,730	\$7,737,821	40.36%	\$5,682,554.08	
2026	19,363,683	13,554,578	\$1,940,000	\$1,160,300	\$1,173,969	\$210,103		\$750,000		\$8,730	\$7,106,089	36.70%	\$6,448,489.69	
2027	19,557,320	13,690,124	\$1,625,000	\$1,074,265	\$1,095,839	\$107,111		\$750,000		\$2,291	\$6,444,849	32.95%	\$7,245,275.13	
2028	19,752,893	13,827,025	\$1,290,000	\$984,788	\$1,014,584	\$0		\$750,000		\$2,291	\$5,756,456	29.14%	\$8,070,569.61	
2029	19,950,422	13,965,296	\$940,000	\$891,733	\$930,078			\$750,000		\$2,291	\$5,150,323	25.82%	\$8,814,972.92	
2030	20,149,927	14,104,949	\$610,000	\$794,955	\$842,192			\$750,000		\$791	\$4,552,444	22.59%	\$9,552,504.24	
2031	20,351,426	14,245,998	\$495,000	\$694,306	\$750,791			\$750,000		\$791	\$4,160,411	20.44%	\$10,085,587.23	
2032	20,554,940	14,388,458	\$375,000	\$589,631	\$655,733			\$750,000		\$791	\$3,752,296	18.25%	\$10,636,162.05	
2033	20,760,490	14,532,343	\$255,000	\$480,769	\$556,874			\$750,000		\$791	\$3,332,657	16.05%	\$11,199,686.06	
2034	20,968,094	14,677,666	\$130,000	\$367,553	\$454,060			\$750,000		\$791	\$2,896,032	13.81%	\$11,781,634.50	
2035	21,177,775	14,824,443	\$0	\$249,808	\$347,133			\$750,000		\$791	\$2,441,942	11.53%	\$12,382,501.17	
2036	21,389,553	14,972,687	\$0	\$127,353	\$235,930			\$750,000		\$791	\$2,104,888	9.84%	\$12,867,799.21	
2037	21,603,449	15,122,414	\$0	\$0	\$120,278			\$750,000		\$0	\$1,753,561	8.12%	\$13,368,852.94	
2038	21,819,483	15,273,638	\$0	\$0	\$0			\$750,000		\$0	\$1,521,451	6.97%	\$13,752,186.98	
2039	22,037,678	15,426,375	\$0	\$0	\$0			\$750,000		\$0	\$1,405,146	6.38%	\$14,021,228.81	
2040	22,258,055	15,580,638	\$0	\$0	\$0			\$750,000		\$0	\$1,284,188	5.77%	\$14,296,450.23	

\* "% of Debt Limit" column is relative to "Gross Debt Limit", while "Spare G.O. Capacity" is relative to "Effective (70%) Debt Limit"

CITY OF WASHINGTON  
Debt Obligations  
Projection of Debt Service Levy

Project	Amount	(As of 7/1/15)															
		15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28			
08 Dwtwn/Library	\$4,355,000	516,670	519,420	525,700													
09 Wat Twr/Sew Lnd Water/Sewer Rev Share	\$3,500,000 6/1/16 call	136,120	112,220	108,060	188,640	188,060	191,980	190,180	193,005	195,235	196,850	197,830	203,155	207,575			
09 Wash Pres Rbate	\$1,889	1,889	1,889	1,889	1,889	1,889	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500			
12 Streets	\$250,000	51,500	50,377														
13 Streets/Airport	\$250,000	51,115	50,740	49,079													
14 Streets	\$250,000	52,536	52,137	51,538	50,790												
15 N Tower/Street/Fire Water Rev Share	\$2,335,000	52,157	52,025	50,900	54,400	52,800	0	0	0	0	0	0	0	0	0	0	0
Township Rev Share		127,743	139,163	137,888	136,188	134,488	147,575	145,325	142,825	140,325	137,575	134,825	137,075	133,925			
12 Ins on Ave TIF		823	1,319	1,319	1,319	1,319	989	989	989	989	989	791	791	791			
14 Marshall's TIF		8,321	8,321	8,321	5,037	0											
Street Program FY17 thru FY40		53,000	53,000	106,000	159,000	212,000	265,000	265,000	265,000	265,000	265,000	265,000	265,000	265,000	265,000	265,000	265,000
17 Fire Station/I&I Riverboat Quarterly Sewer Rev Share	\$2,800,000			0	299,057	299,057	299,057	299,057	299,057	299,057	299,057	132,447	132,447	132,447	132,447	132,447	132,447
18 Mun Bldg/Wellness	\$1,700,000				125,089	125,089	125,089	125,089	125,089	125,089	125,089	125,089	125,089	125,089	125,089	125,089	125,089
20 West Buchanan TIF	\$750,000						111,396	111,396	111,396	111,396	111,396	111,396	111,396	111,396	111,396	111,396	111,396
24 Streetscape	\$2,000,000										147,164	147,164	147,164	147,164	147,164	147,164	147,164
Funding Sources		833,581	863,402	864,760	850,459	850,489	854,609	852,809	855,634	857,864	840,033	841,013	846,338	850,758			
DS Levy		26,517	26,517	26,517	26,517	26,517	26,517	26,517	26,517	26,517	26,517	26,517	26,517	26,517	26,517	26,517	26,517
DS Reserves/Backfill		29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000
General Fund		60,000	80,000	246,610	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Sewer Revenues		167,743	179,163	177,888	176,188	174,488	187,575	185,325	182,825	180,325	177,575	174,825	177,075	173,925			
Water Revenues		11,033	11,529	11,529	8,245	3,208	113,885	113,885	113,885	113,885	113,885	113,885	113,885	113,885	113,885	113,885	113,885
TIF		1,127,874	1,189,611	1,356,303	1,110,409	1,103,702	1,202,586	1,198,536	1,198,861	1,198,591	1,178,010	1,176,042	1,183,617	1,184,887			
Estimated DS Levy (0.5% Growth)		3,91031	4,03005	4,01631	3,93024	3,91082	3,91022	3,88257	3,87605	3,86682	3,76760	3,75323	3,75821	3,75904			
Taxable valuation for debt service purposes		213,175	214,241	215,312	216,389	217,471	218,558	219,651	220,749	221,853	222,962	224,077	225,197	226,323			

