



Thursday, March 22 2007

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Budget
RECOMMENDATION FOR COUNCIL ACTION

ITEM No 3

Subject Approve a resolution declaring the City of Austin's official intent to reimburse itself from November 2006 Proposition 4 General Obligation Bonds to be issued for expenditures in the amount of \$500 000 related to Community and Cultural facility projects

Amount and Source of Funding Funding of \$500 000 in General Obligation Public Improvement Bonds to be issued in August 2007 or later (Related to item #2)

Fiscal Note There is no unanticipated fiscal impact. A fiscal note is not required.

**Additional Backup
Material**

(click to open)

No Attachments Available

For More Information John Stephens, Chief Financial Officer 974 2076

A city must have budgeted for and provided a source of funds in order to enter into a contract. For the City to spend money today, but reimburse itself from the issuance of debt obligations in the future, a reimbursement resolution is required by state and federal law. The resolution must contain certain information and protect the tax-exempt status of the future issuance. Failure to adopt a qualified declaration of official intent will prohibit the City from reimbursing the cost with the proceeds of tax-exempt obligations. Reimbursement bonds generally must be issued no later than 18 months after the later of: the date the expenditure was made, or the date that the project with respect to which the expenditure was made is placed in service. This action expresses the City Council's intent to authorize the reimbursement for costs associated with 2006-2007 Amended Capital Budget items for General Obligation debt, as described below: 2006 P4: \$500 000 for the Mexican American Cultural Center.