

## AGENDA



Monday, September 10, 2007

**Budget****Item No. 12****RECOMMENDATION FOR COUNCIL ACTION**

**Subject:** Approve a resolution declaring the City of Austin's official intent to reimburse itself from November 2000 Proposition 1 General Obligation bonds to be issued for expenditures in the amount of \$18,846,544 related to street improvements and bicycle improvements; to reimburse itself from November 2006 Proposition 1 General Obligation bonds to be issued for expenditures in the amount of \$15,200,000 related to street reconstruction, sidewalks and traffic signals; to reimburse itself from November 2006 Proposition 2 General Obligation bonds to be issued for expenditures in the amount of \$26,000,000 related to watershed protection master plan projects and Open Space acquisition; to reimburse itself from November 2006 Proposition 3 General Obligation bonds to be issued for expenditures in the amount of \$13,995,000 related to parks facilities improvements and renovations and parkland acquisition; to reimburse itself from November 2006 Proposition 4 General Obligation bonds to be issued for expenditures in the amount of \$9,250,000 related to community and cultural facilities; to reimburse itself from November 2006 Proposition 5 General Obligation bonds to be issued for expenditures in the amount of \$8,500,000 related to affordable housing programs; to reimburse itself from November 2006 Proposition 6 General Obligation bonds to be issued for expenditures in the amount of \$1,000,000 related to the new central library project; to reimburse itself from November 2006 Proposition 7 General Obligation bonds to be issued for expenditures in the amount of \$19,775,000 related to public safety facilities; to reimburse itself from Certificates of Obligation in the amount of \$28,100,000 for expenditures related to Solid Waste Services facilities; to reimburse itself from Contractual Obligations in the amount of \$16,970,000 for expenditures related to solid waste services equipment; to reimburse itself from Contractual Obligations in the amount of \$440,000 for expenditures related to parks and recreation golf equipment; and to reimburse itself from Contractual Obligations in the amount of \$3,800,000 for expenditures related to IT improvement projects. (This resolution is required Pursuant to Section 103 of the Internal Revenue Code, which protects the tax-exempt status of the referenced expenditures.)

**Amount and Source of Funding:** \$112,566,544 in General Obligation Public Improvement Bonds to be issued in August 2008 or later; \$28,100,000 in non tax-supported General Obligation Certificates of Obligation to be issued in August 2008 or later; and \$21,210,000 in non tax-supported General Obligation Contractual Obligations to be issued in August 2008 or later.

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

**For More Information:** Greg Canally, Budget Officer, 974-2609

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 protects 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 subsequently issued 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 the 2007-2008 Approved Capital Budget items for General Obligation debt, as described below:

General Obligation Public Improvement Bonds: \$112,566,544

- 2000 Proposition One - \$18,546,544 for street improvements
- 2000 Proposition One - \$300,000 for bicycle improvements
- 2006 Proposition One - \$1,200,000 for sidewalk and reconstruction improvements
- 2006 Proposition One - \$250,000 for traffic signal improvements
- 2006 Proposition One - \$13,750,000 for street reconstruction
- 2006 Proposition Two - \$16,000,000 for watershed protection master plan projects
- 2006 Proposition Two - \$10,000,000 for open space acquisition and preservation
- 2006 Proposition Three - \$9,995,000 for park facilities, facility improvements and renovations
- 2006 Proposition Three - \$4,000,000 for parkland acquisition and development
- 2006 Proposition Four - \$9,250,000 for community and cultural facilities
- 2006 Proposition Five - \$8,500,000 for affordable housing programs
- 2006 Proposition Six - \$1,000,000 for the new central library project
- 2006 Proposition Seven - \$19,775,000 for public safety facilities

Certificates of Obligation: \$28,100,000

- \$12,100,000 for capital expenditures for landfill capital requirements
- \$16,000,000 for capital expenditures for a single stream recycling facility

Contractual Obligations: \$21,210,000

- \$16,970,000 for capital expenditures for solid waste services capital equipment
- \$440,000 for capital expenditures for parks and recreation golf capital equipment
- \$3,800,000 for capital expenditures for information technology improvement projects