

AGENDA



Thursday, January 27, 2011

Budget
RECOMMENDATION FOR COUNCIL ACTION**Item No. 7**

Subject: Approve a resolution declaring the City of Austin's official intent to reimburse itself from November 2010 Proposition 1 General Obligation Bonds to be issued for expenditures in the amount of \$56,290,000 related to transportation.

Amount and Source of Funding: \$56,290,000 in General Obligation Public Improvement Bonds to be issued in August 2011 or later. Related to Item #6.

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

For More Information: Leslie Browder, Chief Financial Officer, 974-2283; Art Alfaro, Treasurer, 974-7882

A city must have budgeted for and provided a source of funds in order to enter into a contract. For the City to award contracts or expend funds, 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 costs 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 the 2010-11 Amended Capital Budget items for General Obligation debt, as described below:

2010 P1 - \$27,260,000 for Pedestrian/ADA/Bikeways projects,

2010 P1 - \$9,750,000 for Street Reconstruction projects,

2010 P1 - \$16,975,000 for Mobility Improvements, and

2010 P1 - \$2,305,000 for Traffic Signals.