

A G E N D A



Recommendation for Council Action

Austin City Council

Item ID

17471

Agenda Number

18.

Meeting Date:

8/2/2012

Department:

Communications and
Technology Mgmt

Subject

Approve a resolution declaring the City of Austin's official intent to reimburse itself from Contractual Obligations in the amount of \$2,060,000 for the purchase of a Multiplexing Optical Network System, hardware components, supporting devices, optical network management and network design modeling software, integration and implementation services. Related to Items # 17 and 46.

Amount and Source of Funding

\$2,060,000 in Contractual Obligations to be issued no earlier than Fiscal Year 2012-13.

Fiscal Note

A fiscal note is attached.

Purchasing
Language:

Prior Council
Action:

For More
Information:

Peggy MacCallum, CTM 974-1661; Tina Van Wie, Budget Office 974-7921

Boards and
Commission
Action:

MBE / WBE:

Related Items:

Additional Backup Information

The Communications and Technology Management Department requests approval, in accordance with Federal Treasury Regulations, of an Official Declaration of Intent to Reimburse costs for the purchase of a Multiplexing Optical Network System, hardware components, supporting devices, optical network management and network design modeling software, integration and implementation services.

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 is generally drafted by bond counsel to protect the tax-exempt status of the future issuance. The resolution must be passed not more than 60 days after the date that the cost to be reimbursed is paid. 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 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.