



**Reimbursement Resolution
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

AGENDA ITEM NO.: 14
AGENDA DATE: Mon 09/13/2004
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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 \$12,910,000 related to right-of-way acquisition and utility relocation; and to reimburse itself from Contractual Obligations in the amount of \$2,330,000 for expenditures related to the City of Austin Telecommunications Network and in the amount of \$860,000 for expenditures for capital equipment for Parks and Recreation Department golf courses.

AMOUNT & SOURCE OF FUNDING: \$12,910,000 in General Obligation Public Improvement Bonds to be issued in August 2005 or later; \$3,190,000 in non-tax-supported General Obligation Contractual Obligations to be issued in August 2005 or later.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Financial and **DIRECTOR'S**
DEPARTMENT: Administrative Services - **AUTHORIZATION:** Vickie Schubert
Budget

FOR MORE INFORMATION CONTACT: Vickie Schubert, Deputy Chief Financial Officer, 974-7822

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

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 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 2004-2005 Approved Capital Budget items for General Obligation debt, as described below:

General Obligation Public Improvement Bonds: \$12,910,000

- 2000 Proposition One - \$12,910,000 for Right-of-Way Acquisition and Utility Relocation

Contractual Obligations: \$3,190,000

- \$2,330,000 for COATN – City of Austin Telecommunications Network
- \$860,000 for capital expenditures for Parks and Recreation Department golf courses.



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The debt service for these projects will be supported through transfers from the enterprise departments receiving the appropriation.