

AGENDA



Recommendation for Council Action

AUSTIN CITY COUNCIL

Regular Meeting: October 12, 2017

Item Number: 004

Budget

Approve a resolution declaring the City of Austin's official intent to reimburse itself from Contractual Obligations in the amount of \$1,600,000 for the Austin Resource Recovery vehicles and equipment, and \$165,000 for vehicles and equipment for other City departments.

Lead Department	Budget Office, Financial Services
Fiscal Note	A fiscal note is attached. \$1,765,000 in General Obligation Contractual Obligations to be issued in August 2018 or later.
Prior Council Action	9/13/2017
For More Information	Ed Van Eenoo, Deputy Chief Financial Officer, 512-974-2638

Additional Backup Information:

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, state and federal law require the City to approve a reimbursement resolution. The resolution must contain certain information to 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 of costs associated with Fiscal Year 2017-2018 Approved Capital Budget items for General Obligation debt, as described below:

General Obligation Contractual Obligations: \$1,765,000

- \$1,600,000 for Austin Resource Recovery vehicles and equipment;
- \$165,000 for vehicles and equipment for other City departments.