



Recommendation for Action

File #: 21-3665, **Agenda Item #:** 13.

12/2/2021

Posting Language

Approve a resolution declaring the City of Austin's official intent to reimburse itself from proceeds of Certificates of Obligations to be issued for expenditures in the total amount of \$27,000,000. Related to Items #12, and #16.

Lead Department

Financial Services Department.

Fiscal Note

\$27,000,000 in General Obligation Certificates of Obligations to be issued August 2022 or later. A fiscal note is attached.

For More Information:

Kim Olivares, Deputy Chief Financial Officer, 512-974-2924

Additional Backup Information:

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 reviewed 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.

This action expressed the City Council's intent to authorize the reimbursement for costs associated with Fiscal Year 2021-2022 Capital Budget items for General Obligation debt as described below:

- Municipal Building Renovations \$27,000,000.

Strategic Outcome(s):

Government that Works for All.