

AGENDA ITEM COVER SHEET

SUBJECT

Consideration and possible action to approve a resolution expressing official intent to reimburse costs related to capital equipment and the construction/design of various capital projects in an amount not to exceed \$39,000,000 with proceeds from bonds that will be issued in the Spring of 2022. – Nathan Parras, Assistant Finance Director

ITEM SUMMARY

The FY2022 Budget includes \$79,871,500 of proposed debt issuance. Bond reimbursement resolutions are used to allow bond funded projects to begin work before the debt for the project is issued. City reserves are used to provide cash flow for the initial planning and preliminary costs of the project and then the reserves are reimbursed when the bonds are issued.

The Certificate of Obligation bonds that are eligible for reimbursement total \$5,873,000 for public safety vehicles, radios, Self-Contained Breathing Apparatus, GTEC projects, Stormwater curb and gutter, Facility improvements, such as a Fire Logistics Building, and other projects detailed in the attached resolution.

The General Obligation bonds from the 2008 Parks bond authorization include the Regional Trail, San Gabriel Park, and land purchase for Southeast Community Park. The bonds to be reimbursed for the Parks bond projects total \$4,190,000.

The General Obligation bonds from the 2008 Road bond authorization include DB Wood Road (Oak Ridge to Williams Dr). The bonds to be reimbursed for the road project total \$3,000,000.

The General Obligation bonds from the 2015 Road bond authorization include the DB Wood Rd (SH 29 to Oak Ridge), Sidewalk and intersection improvements, and Shell Rd. The bonds to be reimbursed for road bond projects total \$6,602,000.

The General Obligation bonds from the 2021 Road bond authorization include the Austin Ave Bridge, Intersections/Bike Lanes/Sidewalks, Southeast Inner Loop, and Shell Rd. The bonds to be reimbursed for the road bond projects total \$3,900,000.

The Revenue bonds that are eligible for reimbursement include Electric and Water projects totaling \$15,286,500.

The project and funding plans have previously been reviewed and approved by Parks Board, GTAB, and Council.

This resolution does not commit the City to the bonds in the event the projects are delayed or funded in another manner.

COMMENTS

The process of using a bond reimbursement resolution has been used routinely to provide better debt and project management. The City's Fiscal and Budgetary Policy require tax-supported debt to be issued within the term of the Council approving the reimbursement resolution. The other projects are a part of the voter approved Transportation bond from 2008, 2015, and 2021. Normally, the same City Council who adopts the resolution is the same Council to approve the debt sale. However, since the District 6 seat is vacant due to resignation, there will be one new Council Member. This will be an unforeseen exception to City policy.

FINANCIAL IMPACTS

The projected bond projects in the FY2022 budget and debt sale are within the tax rate and utility rates projected during development of the FY2022 budget, and within the overall annual tax rate impacts presented to the voters at the time of the bond election.

ATTACHMENTS

Proposed Resolution

FY2022 Proposed Debt Schedule

Submitted By:

Nathan Parras, Assistant Finance Director