



## **AGENDA MEMORANDUM**

Future Item for the City Council Meeting of November 11, 2014  
Action Item for the City Council Meeting of November 18, 2014

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**DATE:** November 11, 2014

**TO:** Ronald L. Olson, City Manager

**FROM:** Lawrence Mikolajczyk, Director of Solid Waste Operations  
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Authorization for Solid Waste Certificates of Obligation

### **CAPTION:**

Resolution by the City Council of the City of Corpus Christi, Texas, authorizing and approving publication of Notice of Intention to issue Certificates of Obligation; complying with the requirements contained in Securities and Exchange Commission Rule 15c2-12; and providing an effective date.

### **PURPOSE:**

The City plans on issuing taxable Combination Tax and Revenue Certificates of Obligation in an amount not to exceed \$14,500,000 for the purpose of paying contractual obligations relating to the construction of improvements to the City's solid waste facilities, construction of municipal landfill waste disposal cells, construction of a solid waste Citizens' Collection Center, and the payment of fiscal, engineering and legal fees incurred in connection with the certificates.

### **BACKGROUND AND FINDINGS:**

The City plans on issuing taxable Combination Tax and Revenue Certificates of Obligation in an amount not to exceed \$14,500,000 to fund public health and safety

projects related to the J. C. Elliott Transfer Station and Cefé Valenzuela Landfill outlined in the Fiscal Year 2015 Capital Improvement Plan. These projects include the following:

JC Elliott Office Building .....	\$1,750,000
Pavement/Life Cycle Replacement.....	1,500,000
(JC Elliott and Cefé Valenzuela Landfills)	
Cefé Valenzuela Landfill Disposal Cell Interim Cover .....	2,292,844
Cefé Valenzuela Landfill Disposal Cell Construction B&C .	3,457,500
Citizens' Collection Center – Flour Bluff / Padre Island ....	4,650,000
Cefé Valenzuela Outfall Modifications .....	<u>559,800</u>
TOTAL	<u>\$14,210,144</u>

The fiscal year 2014-2015 debt service payment is estimated to be approximately \$1,100,000. This was not included in the fiscal year 2014-2015 operating budget, and so staff is recommending this payment be appropriated from the unreserved fund balance of the General Fund from excess funds generated by Solid Waste in fiscal year 2013-2014 and prior fiscal years. The solid waste fees in future fiscal year are anticipated to generate sufficient revenues to fund these certificates.

State law requires that a notice of intention be published when certificates of obligation are to be sold. The notice must be published once a week for 2 consecutive weeks in a newspaper, with the date of the first publication to be before the 30<sup>th</sup> day before the date tentatively set for the passage of the ordinance authorizing the issuance of the certificates. Since there a limited number of City Council meetings in the month of December, the ordinance authorizing the issuance of the certificates is tentatively scheduled as a first reading on January 13, 2015 with a second and final reading on January 20, 2015. This means that we must advertise in the Corpus Christi Caller-Times by Sunday, December 14, 2014.

**ALTERNATIVES:** n/a

**OTHER CONSIDERATIONS:** n/a

**CONFORMITY TO CITY POLICY:**

This item conforms to City policy.

**EMERGENCY / NON-EMERGENCY:** n/a

**DEPARTMENTAL CLEARANCES:**

- Solid Waste Services
- Financial Services
- Bond Counsel
- Legal Department

**FINANCIAL IMPACT:**

Not Applicable     Operating Expense     Revenue     CIP

<b>FISCAL YEAR:</b>	<b>Project to Date Exp. (CIP Only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Budget	-	\$ 14,500,000	-	\$ 14,500,000
Encumbered/Expended amount of (date)	-	-	-	-
This item	-	\$ 14,500,000	-	\$ 14,500,000
BALANCE	-	-	-	-
FUND(S): CIP Fund				

**COMMENTS:** n/a

**RECOMMENDATION:**

Staff recommends approval of the resolution as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Resolution