



## AGENDA MEMORANDUM

Action Item for the City Council Meeting November 15, 2022

**DATE:** November 7, 2022

**TO:** Peter Zaroni, City Manager

**FROM:** Heather Hurlbert, CPA, CGFO Director of Finance and Procurement  
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### Reimbursement Resolution for Street Reconstruction Projects

#### **CAPTION:**

Resolution relating to establishing the City of Corpus Christi's intention to reimburse itself for the prior lawful expenditure of funds relating to any capital expenditures from the proceeds of tax-exempt obligations to be issued by the City in an aggregate amount not to exceed \$3,500,000 for authorized purposes

#### **SUMMARY:**

The City of Corpus Christi is planning on awarding contracts for street reconstruction projects included in the Fiscal Year 2022-2023 Capital Improvement Plan (CIP) prior to the issuance of tax notes planned after the first of the year 2023. This resolution is needed for the City to move forward with incurring capital costs and then to reimburse itself for these costs with tax note proceeds once issued.

#### **BACKGROUND AND FINDINGS:**

The City is planning on issuing tax notes to complete the funding needed for the street reconstruction of Gollihar Road between Greenwood and Crosstown Expressway. This project was included in the 2018 bond, but due to current costs in excess of the original estimates, there is a gap in funding of approximately \$3.33M. The City is permitted to award contracts for this project prior to the issuance of the tax notes in order to move forward with the projects. The City plans on issuing the tax notes after the first of the year and will reimburse itself an amount not to exceed \$3,330,000 for expenditures with the tax note proceeds.

For the City to be eligible for reimbursement of any expenditure incurred prior to the sale of the tax notes, the City must declare its intent to reimburse itself for payments made prior to the tax notes being sold. This action must meet specific U.S. Treasury Regulations and requires approval by the City Council.

#### **ALTERNATIVES:**

The alternative would be to reject the reimbursement resolution, but this would prevent contracts from being awarded and delay the award of the contract until the tax notes have been issued.

**FISCAL IMPACT:**

Approval of this item will authorize City staff to encumber and spend available streets' cash to award the contract for the street reconstruction project. Once the tax notes are issued, the cash funds will be replenished with tax note proceeds.

**RECOMMENDATION:**

Staff recommends approval of the resolution as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Resolution