



**AGENDA MEMORANDUM**  
Action Item for the City Council Meeting April 12, 2022

**DATE:** April 1, 2022

**TO:** Peter Zaroni, City Manager

**FROM:** Heather Hurlbert, CPA, Director of Finance and Procurement  
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Notice of Intention to Issue Certificates of Obligation  
for Construction of and Capital Improvements to  
City Facilities, Parks, and Solid Waste Infrastructure

**CAPTION:**

Resolution by the City Council of the City of Corpus Christi, Texas, authorizing and approving publication of Notice of Intention to issue not more than \$21,000,000 in one or more series of Certificates of Obligation for certain facility construction and capital improvements, as included in the Fiscal Year 2022 Capital Budget; complying with the requirements contained in Securities and Exchange Commission Rule 15c2-12; and providing an effective date.

**SUMMARY:**

The City plans on issuing up to \$21,000,000 of certificate of obligation bonds for various facility capital repairs and improvements, public safety facility construction, and solid waste and landfill facility capital repairs and improvements.

**BACKGROUND AND FINDINGS:**

In the adopted FY 2021-2022 Capital Improvement Budget, several projects were budgeted to use certificate of obligations totaling \$18,014,500 for the funding of the projects. The projects include:

Solid Waste Facility Complex	\$4,200,000
Solid Waste Compost Facility	\$4,821,500
Parks Tourist District Facility & Warehouse	\$330,000
City Hall HVAC Upgrade & Water Treatment	\$22,000
City Hall Window Replacement	\$500,000
City Hall Carpet Replacement	\$636,000
City Hall Skylight Replacement	\$425,000
Citywide Library Improvements	\$1,720,000
Police Training Academy	\$5,360,000
Subtotal	\$18,014,500

Since the adoption of the Capital Improvement Budget, one additional needed project was identified. The project is to make improvements at the Health Department Facility on Horne Road due to needed capital maintenance that has been deferred over the years.

Health Department Building		\$2,000,000
	Total Projects	<u>\$20,014,500</u>

The total amount recommended to be funded with certificates of obligation is an amount not to exceed \$21,000,000. State law requires that a notice of intention be published when certificates of obligation are to be sold. This notice is for the maximum amount of certificates of obligation, including issuance costs, the City intends to issue. The City can issue less than the amount noticed but cannot exceed this noticed amount. The notice must be published once a week for two consecutive weeks in a newspaper, with the date of the first publication to be before the 45<sup>th</sup> day before the date tentatively set for the passage of the ordinance authorizing the issuance of the certificates. The City is planning to advertise in the Corpus Christi Caller-Times on Sunday, April 17, 2022 and Sunday, April 24, 2022. The ordinance authorizing the delegation of the authorization to issue the certificates of obligation is scheduled as a first reading on June 14, 2022 with a second and final reading on June 21, 2022; thus in compliance with State law.

**ALTERNATIVES:**

City Council could choose not to approve the notice of intention, and the City would not be able to issue certificates of obligation to fund the projects.

**FISCAL IMPACT:**

There is no fiscal impact as a result of the notice of intention. The City Council may choose not to issue the certificates of obligation after the notice period.

**RECOMMENDATION:**

Staff recommends approval of the resolution authorizing and approving the notice of intention to issue not more than \$21,000,000 in certificates of obligation for certain facility construction and capital improvements.

**LIST OF SUPPORTING DOCUMENTS:**

- Resolution
- Project Listing
- Presentation