



AGENDA MEMORANDUM

Action Item for the City Council Meeting March 16, 2021

DATE: March 8, 2021

TO: Peter Zanoni, City Manager

FROM: Heather Hurlbert, Director of Finance and Business Analysis
Heatherh3@cctexas.com
(361) 826-3227

Reimbursement Resolution for Certificates of Obligation Projects

CAPTION:

Resolution relating to City of Corpus Christi's intention to reimburse itself from future issuances of Certificates of Obligation in an amount not to exceed \$12,000,000 for expenses budgeted in the Fiscal Year 2020-2021 Capital Improvement Plan (CIP) and two additional needed projects that may begin before the issuance of the Certificates of Obligation.

SUMMARY:

The City of Corpus Christi is planning on awarding contracts for several General Fund capital projects included in the Fiscal Year 2020-2021 Capital Improvement Plan (CIP) and two additional needed projects prior to the issuance of certificates of obligation planned in the spring. This resolution is needed for the City to move forward with incurring capital costs and then reimburse itself for these costs with proceeds from the certificates of obligation once they are issued.

BACKGROUND AND FINDINGS:

The City is planning on issuing Certificates of Obligation to fund ten projects in the Fiscal Year 2020-2021 Capital Improvement Plan (CIP) along with two additional needed projects. The ten projects included in the Fiscal Year 2020-2021 CIP include the following:

City Hall First Floor Renovation	\$ 125,000
City Hall 6th Floor Conference Room	\$ 480,000
Various Facility Improvements	\$1,000,000
Museum of Science and History Cooling and Heating	\$1,342,440
Cefe Valenzuela Landfill Sector 2C Cell Development	\$ 517,000
Cefe Valenzuela Gas Collection & Control System	\$ 315,000
Cefe Valenzuela Landfill Road Improvements	\$2,000,000
JC Elliott Landfill Road Improvements	\$1,100,000
Solid Waste Facility Complex	\$2,516,500
Police Substation - Flour Bluff	\$1,200,000

The two additional projects being recommended for funding were identified subsequent to the adoption of the Fiscal Year 2020-2021 CIP. They include:

City Hall Elevators	\$1,250,000
Veteran's Pavilion	\$ 175,000

The three public elevators at City Hall are in need of a complete overhaul in order to pass inspection. The Veteran's Pavilion project will provide shade structure at Sherrill Park located at 222 South Shoreline Boulevard.

The City is able to award contracts for these projects prior to the issuance of the certificates of obligation in order to move forward with the projects early in the fiscal year. The City plans on issuing the certificates of obligation later in the fiscal year and will reimburse itself an amount not to exceed \$12,000,000 for expenditures with the proceeds from the certificates of obligation.

For the City to be eligible for reimbursement of any expenditure incurred prior to the sale of the certificates of obligation, the City must declare its intent to reimburse itself for payments made prior to the certificates 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 start of the projects until the certificates of obligation have been issued.

FISCAL IMPACT:

Approval of this item will authorize City staff to encumber and spend available cash to begin awarding contracts for projects prior to the bond issuance. Once the certificates of obligation are issued, the cash funds will be replenished with the proceeds.

RECOMMENDATION:

Staff recommends approval of the resolution as presented.

LIST OF SUPPORTING DOCUMENTS:

Resolution
2020-2021 Certificate of Obligation CIP Projects