



AGENDA MEMORANDUM

First Reading for the City Council Meeting of November 11, 2014
Second Reading for the City Council Meeting of November 18, 2014

DATE: November 11, 2014

TO: Ronald L. Olson, City Manager

FROM: Lawrence Mikolajczyk, Director of Solid Waste Operations
LawM@cctexas.com
(361) 826-1972

Constance P. Sanchez, Director of Financial Services
ConstanceP@cctexas.com
(361) 826-3227

Appropriation of Funds for Solid Waste Debt Service Payment
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CAPTION:

Ordinance appropriating \$1,100,000 from the unreserved fund balance in the No. 1020 General Fund and transferring to and appropriating in the No. 2010 Debt Service Fund to pay principal and interest in Fiscal Year (FY) 2014-2015 for Solid Waste certificates of obligation; and changing the FY 2014-2015 Operating Budget adopted by Ordinance No. 030294 to increase revenues by \$1,100,000 and expenditures by \$1,100,000 in the No. 2010 Debt Service Fund and to increase expenditures by \$1,100,000 in the General Fund.

PURPOSE:

The City plans on issuing Combination Tax and Revenue Taxable Certificates of Obligation (Landfill Project) in an amount not to exceed \$14,500,000 in fiscal year (FY) 2014-2015. Funding for the debt service payment was not included in the FY2014-2015 operating budget. Therefore, this item is needed to align funding for the debt service payment in FY2014-2015.

BACKGROUND AND FINDINGS:

The City plans on issuing Combination Tax and Revenue Taxable 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 FY 2014-2015 Capital Improvement Plan. The FY 2014-2015 debt service payment is estimated to be approximately \$1,100,000, but this was not included in the FY 2014-2015 operating budget. Therefore, staff is recommending this payment be appropriated from the unreserved fund balance of the General Fund from excess funds generated by Solid Waste in FY 2013-2014 and prior fiscal years. The solid waste fees in future fiscal year are anticipated to generate sufficient revenues to fund these certificates.

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

FISCAL YEAR:	Project to Date Exp. (CIP Only)	Current Year	Future Years	TOTALS
Budget	-	\$ -	-	\$ -
Encumbered/Expended amount of (date)	-	-	-	-
This item	-	\$ 1,100,000	-	\$ 1,100,000
BALANCE	-	\$ 1,100,000	-	\$ 1,100,000
FUND(S): Debt Service Fund				

COMMENTS: n/a

RECOMMENDATION:

Staff recommends approval of the ordinance as presented.

LIST OF SUPPORTING DOCUMENTS:

Ordinance