



AGENDA MEMORANDUM

Action Item for the City Council Meeting June 15, 2021

DATE: May 17, 2021

TO: Peter Zaroni, City Manager

FROM: Heather Hurlbert, CPA, Director of Finance and Business Analysis
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Notice of Intention to Issue Tax-Exempt 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 \$18,500,000 in Certificates of Obligation for certain facility construction and capital improvements; 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 \$18,500,000 of certificate of obligation bonds for various facility capital repairs and improvements, golf course improvements, solid waste and landfill facility capital repairs and improvements.

BACKGROUND AND FINDINGS:

In the adopted FY 2020-2021 Capital Improvement Budget, several projects were budgeted to use certificate of obligations totaling \$11,730,940 for the funding of the projects. The projects included:

City Hall First Floor Renovation	\$ 125,000
City Hall 6th Floor Conference Room	\$ 480,000
City Hall Fencing and Gates	\$ 135,000
Various Facility Improvements	\$ 2,000,000
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	<u>\$ 1,200,000</u>
Total from FY 2020-2021 Capital Improvement Budget	<u>\$11,730,940</u>

Since the adoption of the Capital Improvement Budget, several additional needed projects were identified. The projects are:

Golf Course Improvements	\$ 2,300,000
City Hall Elevators	\$ 1,250,000
Veteran's Memorial Park	\$ 125,000
Additional facility improvements	<u>\$ 3,000,000</u>
Total additional projects	<u>\$ 6,675,000</u>
Grand Total	<u>\$18,405,940</u>

The total amount recommended to be funded with certificates of obligation is an amount not to exceed \$18,500,000. 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 45th 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, June 20, 2021. The ordinance authorizing the issuance of the certificates of obligation is scheduled as a first reading on July 27, 2021 with a second and final reading on August 10, 2021; thus in compliance with State law.

On March 16, 2021, the City Council approved a resolution relating to establishing the City's intention to reimburse itself for the prior lawful expenditure of funds relating to constructing various City improvements from the proceeds of the certificates of obligation to be issued by the City for authorized purposes in an aggregate amount not to exceed \$12,000,000. Once issued, the proceeds from the certificates of obligation will reimburse any amounts already spent for the projects.

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 and reimburse any funds already spent.

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 \$18,500,000 in certificates of obligation for certain facility construction and capital improvements.

LIST OF SUPPORTING DOCUMENTS:

- Resolution
- Project Listing
- Debt Strategy Presentation