



## AGENDA MEMORANDUM

Action Item for the City Council Meeting April 11, 2023

**DATE:** April 1, 2023

**TO:** Peter Zaroni, City Manager

**FROM:** Heather Hurlbert, CPA, Director of Finance and Procurement  
[Heatherh3@cctexas.com](mailto:Heatherh3@cctexas.com)  
361-826-3227

Notice of Intention to Issue Certificates of Obligation for Construction of and Capital Improvements to City Facilities, Parks, and Solid Waste Infrastructure and Presentation of the FY2023 Plan of Finance

### **CAPTION:**

Fiscal Year 2023 Plan of Finance and 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 \$15,000,000 in one or more series of Certificates of Obligation for certain facility construction and capital improvements, as included in the Fiscal Year 2023 Capital Budget; complying with the requirements contained in Securities and Exchange Commission Rule 15c2-12; and providing an effective date.

### **SUMMARY:**

The City Council will consider a resolution approving the Notice of Intention to Issue Certificates of Obligation in preparation of the issuance of up to \$15,000,000 in certificate of obligation bonds for various facility capital improvements, public safety facility construction, and solid waste and landfill facility capital repairs and improvements as approved in the CIP. The Plan of Finance which includes the \$15,000,000 CO issuance, will be given by the City's Financial Advisor, Specialized Public Finance (SPFI).

### **BACKGROUND AND FINDINGS:**

In preparation for the issuance debt to fund the approved Capital Improvement Projects (CIP), SPFI will present the Plan of Finance for FY2023 which will include a plan for not only the Certificates of Obligation, but also Revenue Bonds, General Obligation Bonds, and Tax Notes that will be issued in current fiscal year.

In the adopted FY 2022-2023 Capital Improvement Budget, a total of \$49,820,600 was budgeted to use certificate of obligations for the funding of the projects. After the beginning of the fiscal year, the CIP was amended to include an additional \$3,763,536 in certificates of obligation for the Police Academy project. In the capital team's analysis, many of these projects are only in the initial stages of design the funding will not be needed in the next 12 months. As a result, staff recommends limiting the debt issuance to \$15,000,000 for the following projects:

C Valenzuela Backup Generators	\$551,892
C Valenzuela Landfill Sector 2A Cell development	\$6,948,108
Gabe Lozano Golf Course	\$1,200,000
Police Training Academy	\$6,300,000
Subtotal	\$15,000,000

The total amount recommended to be funded with certificates of obligation is an amount not to exceed \$15,000,000. 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 16, 2023 and Sunday, April 23, 2023. The ordinance authorizing the delegation of the authorization to issue the certificates of obligation is scheduled as a first reading on May 23, 2023 with a second and final reading on June 13, 2023; 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 \$15,000,000 in certificates of obligation for certain facility construction and capital improvements.

**LIST OF SUPPORTING DOCUMENTS:**

- Resolution
- Project Listing
- Presentation