



AGENDA MEMORANDUM

Action Item for the City Council Meeting December 03, 2024

DATE: December 03, 2024

TO: Peter Zaroni, City Manager

FROM: Sergio Villasana, Director of Finance
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Reimbursement Resolution for 2024 Bond Election Projects and for FY 2025 Capital and Operating Budget Projects.

CAPTION:

Consideration and approval of a resolution relating to establishing the City's intention to reimburse itself for the prior lawful expenditure of funds relating to any capital expenditures from the proceeds of one or more series of tax-exempt or taxable obligations to be issued by the city in an aggregate amount not to exceed \$693,000,000 for authorized purposes, consisting of an amount not to exceed \$175,000,000 for expenses related to projects approved by the voters at the 2024 bond election, and an amount not to exceed \$518,000,000 for expenses related to projects approved by the city council through the adoption of the fiscal year 2024-2025 operating and capital budget; authorizing other matters incident and related thereto; and providing an effective date

SUMMARY:

The City of Corpus Christi is planning on awarding contracts for projects included in the voter approved 2024 Bond Election and the FY 2025 Operating and Capital Budgets prior to the issuance of general obligation bonds, revenue bonds, certificates of obligation and tax notes. This resolution is needed for the City to move forward with incurring capital costs and then reimburse itself for these costs with bond proceeds once issued.

BACKGROUND AND FINDINGS:

The City is planning on issuing debt to fund projects approved in the FY 2025 Capital and Operating Budget and the voter approved 2024 Bond election. The City is able to award contracts for these projects prior to the issuance of bonds in order to move forward with the projects early in the fiscal year.

The City is approved to issue the following debt:

General Obligation Bonds

Proposition A Streets	\$	89,500,000
Proposition B Parks		37,650,000
Proposition C Public Safety		45,000,000
Proposition D Cultural Facilities		2,850,000
Total General Obligations Bonds	\$	175,000,000

Revenue Bonds

	\$	
Gas Revenue Bonds		26,933,144
Storm Water Revenue Bonds		37,874,357
Wastewater Revenue Bonds		162,203,701
Water Revenue Bonds		247,197,726
<i>subtotal-CIP funds</i>		474,208,928
FY 2025 utility support for street projects from GO Bonds		17,186,197
Total Utility Revenue Bonds	\$	491,395,125

Certificates of Obligation

Public Facilities	\$	1,565,415
Public Health & Safety		2,215,000
Streets		11,500,000
Total Certificates of Obligation	\$	15,280,415

Tax Notes

Municipal Court-Cells/Build out	\$	2,192,600
Police- 75 Marked Units		4,300,000
Fire - 3 Medic Units		685,100
Parks-Dump Truck		250,000
Streets-Developer Participation Projects		3,691,927
Total Tax Notes	\$	11,119,627

Total Debt Issuance \$ 692,795,167

For the City to be eligible for reimbursement of any expenditure incurred prior to the bond sale, the City must declare its intent to reimburse itself for payments made prior to the bonds 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 bonds have been issued.

FISCAL IMPACT:

Approval of this item will allow City staff to use these funds, once appropriated, in support of the voter approved 2024 Bond election and projects included in the approved FY 2025 Capital and Operating budget prior to the bond issuance. Once the debt is issued, the cash funds will be replenished with bond proceeds.

RECOMMENDATION:

Staff recommends approval of the resolution as presented.

LIST OF SUPPORTING DOCUMENTS:

Resolution