



## AGENDA MEMORANDUM

Action Item for the City Council Meeting January 30, 2024

**DATE:** December 4, 2023  
**TO:** Peter Zaroni, City Manager  
**FROM:** Alma Iris Casas, Interim Director of Finance and Procurement  
Almac@cctexas.com  
(361) 826-3610

### Reimbursement Resolution for Utility Capital Projects

#### **CAPTION:**

Resolution relating to City of Corpus Christi's intention to reimburse itself from future issuances of Utility System Revenue bonds in an amount not to exceed \$360,000,000 for Utility System expenditures budgeted in the Fiscal Year 2023-2024 Capital Improvement Plan but incurred before the issuance of the bonds.

#### **SUMMARY:**

The City of Corpus Christi is planning on awarding contracts for utility system capital projects included in the Fiscal Year 2023-2024 Capital Improvement Plan (CIP) prior to the issuance of Utility System Revenue Bonds planned for the spring. 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 Utility System Revenue Bonds to fund projects approved in the Fiscal Year 2023-2024 Utility System CIP. 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 plans on issuing bonds as funds are needed beginning in spring 2025 and will reimburse itself an amount not to exceed \$360,000,000 for expenditures with the bond proceeds. This amount includes \$38,170,936 in support of the storm water utility, \$183,258,620 in support of the water utility, \$20,105,190 in support of the gas utility and \$117,602,662 in support of the wastewater utility.

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. It is not anticipated that the full amount will be committed prior to the bond issuance, but it is best practice to approve the reimbursement for the full amount.

**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 authorize City staff to encumber and spend available Utility System cash to begin awarding projects budgeted in the Fiscal Year 2023-2024 CIP. Once the Utility System Revenue Bonds are issued, the cash funds will be replenished with bond proceeds.

**RECOMMENDATION:**

Staff recommends approval of the resolution as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Resolution  
2023-2024 CIP Project List