



AGENDA MEMORANDUM

Future Item for the City Council Meeting of January 10, 2017
Action Item for the City Council Meeting of January 17, 2017

DATE: December 16, 2016

TO: Margie C. Rose, City Manager

FROM: Constance P. Sanchez, Director of Financial Services
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Waiving of Qualified Energy Conservation Bond Allocation

CAPTION:

Resolution of the City Council of the City of Corpus Christi, Texas, waiving the City's Qualified Energy Conservation Bond allocation and releasing the City's allocation to the State of Texas for reallocation; authorizing matters incident and related thereto; and providing an effective date.

PURPOSE:

The City of Corpus Christi has been allocated \$3,022,035 by the State of Texas for Qualified Energy Conservation Bonds. A Qualified Energy Conservation Bond (QECB) is a bond that enables qualified state, tribal, and local government issuers to borrow money at attractive rates to fund energy conservation projects. It is important to note that QECBs are not grants. The City of Corpus Christi currently does not have any projects identified to qualify for this type of bond, and as a result, the City would like to release its allocation back to the State of Texas.

BACKGROUND AND FINDINGS:

The State of Texas, under the American Recovery and Reinvestment Act of 2009, received a Qualified Energy Conservation Bond (QECB) volume cap allocation of \$252,378,000, of which \$205,881,199 was awarded to local "large" governments in Texas with a population of 100,000 or more. These governments have the option to waive and release to the State their allocation to the Texas Bond Review Board (TBRB) that been designated as the State's QECB volume cap administrator. A QECB waiver is required along with a resolution of the local government's governing body waiving the allocation and releasing the allocation to the State.

The City of Corpus Christi received a “large local government” QECB volume cap allocation of \$3,022,035 to be used by the City only for specific purposes as defined by the QECB program. The City does not have any projects identified for which QECB’s can be issued, and so is recommending that the City’s allocation be released for reallocation by the TBRB.

ALTERNATIVES: The City could decide not to release its funds for reallocation, at which time the funds would remain unspent, and no municipality would benefit.

OTHER CONSIDERATIONS: n/a

CONFORMITY TO CITY POLICY:

This item conforms to City policy.

EMERGENCY / NON-EMERGENCY: n/a

DEPARTMENTAL CLEARANCES:

- Facilities
- Financial Services
- Bond Counsel
- City Attorney’s Office

FINANCIAL IMPACT:

☐ Operating ☐ Revenue ☐ Capital x Not applicable

Fiscal Year: 2016-2017	Current Year	Future Years	TOTALS
Line Item Budget			
Encumbered / Expended Amount			
This item			
BALANCE			

Fund(s):

COMMENTS: n/a

RECOMMENDATION:

Staff recommends approval of the resolution as presented.

LIST OF SUPPORTING DOCUMENTS:

Resolution