



## 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:** November 28, 2016  
**TO:** Margie C. Rose, City Manager  
**FROM:** Constance P. Sanchez, Director of Financial Services  
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### Reimbursement Resolution for Certificates of Obligation

#### **CAPTION:**

Resolution relating to establishing the City's intention to reimburse itself for the prior lawful expenditure of funds from the proceeds one or more series of tax-exempt or taxable obligations to be issued by the City in an aggregate amount not to exceed \$2,500,000 for authorized purposes relating to constructing various City improvements; authorizing matters incident and related thereto; and providing an effective date.

#### **PURPOSE:**

The City plans on issuing up to \$2,500,000 of certificates of obligation to fund regulatory capital projects for Solid Waste. In the event that expenses are incurred prior to the receipt of the proceeds from the certificates of obligation, this resolution gives the City the authority to reimburse itself from the proceeds for qualifying expenditures.

#### **BACKGROUND AND FINDINGS:**

At the August 9, 2016, City Council meeting, the City Council discussed upcoming bond projects for the following fiscal year. A subsequent memo was sent to the City Council outlining the City's pending bond projects for Fiscal Year 2017. One pending issuance included in the memo was the funding of Solid Waste's Fiscal Year 2017 capital needs totaling \$18,000,000. Since that time, City staff has been able to narrow down the size of the projects in addition to utilizing existing funds available for Solid Waste to fund those projects so that only \$2,500,000 of certificates of obligation will be needed in Fiscal Year 2017 rather than \$18,000,000. The certificates of obligation will be needed to fund some key capital projects for Solid Waste that are associated with a compliance deadline, including a Gas Collection and Control System (GCCS) that must be operational by November 11, 2017 and the procurement of a flare.

For the City to be eligible for reimbursement of any expenditures incurred prior to the issuance of the certificates of obligation, 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:**

Not applicable

**OTHER CONSIDERATIONS:**

Not applicable

**FINANCIAL IMPACT:**

Not Applicable     Operating Expense     Revenue     CIP

<b>FISCAL YEAR:</b>	<b>Project to Date Exp. (CIP Only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Budget - Debt Payments	-	-	-	-
Encumbered/Expended amount of (date)	-	-	-	-
This item	-	-	-	-
BALANCE	-	-	-	-
FUND(S):				

**COMMENTS:**

Not applicable

**RECOMMENDATION:**

Staff recommends approval of the resolution as presented.

**CONFORMITY TO CITY POLICY:**

This item conforms to City policy.

**EMERGENCY / NON-EMERGENCY:**

Not applicable

**DEPARTMENTAL CLEARANCES:**

- Financial Services
- Bond Counsel
- City Attorney's Office

**LIST OF SUPPORTING DOCUMENTS:**

Resolution