



AGENDA MEMORANDUM

Future Item for the City Council Meeting of June 12, 2012
Action Item for the City Council Meeting of June 19, 2012

DATE: June 19, 2012

TO: Ronald L. Olson, City Manager

FROM: Constance P. Sanchez, Director of Financial Services
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Approval of Reimbursement Resolution
for Expenditure of Funds Related to Airport System Improvements

PURPOSE:

Resolution relating to establishing the City's intention to reimburse itself in an amount not to exceed \$6,000,000 for the prior lawful expenditure of funds from the proceeds of obligations to be issued by the City for authorized purposes relating to constructing improvements to the City's Airport System; authorizing matters incident and related thereto; and providing an effective date.

BACKGROUND AND FINDINGS:

On September 13, 2011, Airport staff, in conjunction with KSA Engineers, made a presentation to the City Council regarding a Runway Safety Project. The Federal Aviation Administration (FAA) has approved the planning, design, and construction of this project, which includes displacement of thresholds and reconfiguration of our runway and taxiway system. These improvements will eliminate runway incursion incidents which result when an unauthorized intrusion occurs into a runway by aircraft, vehicle, or person that creates a collision hazard. The total cost of the project is estimated to be \$55,000,000 – with 90% as FAA's share and 10% as the local share. The City of Corpus Christi is anticipating issuing Certificates of Obligation in an amount not to exceed \$6,000,000 to fund the local share of this project and \$500,000 in contingencies that are not tied to the grant. The debt service payments, although

backed by the full faith and credit of the City, would be transferred from the Airport's operating fund to the City's debt service fund. It is anticipated that the funds would be needed by early fall 2012. This agenda item would allow reimbursement of qualifying expenditures prior to actual receipt of debt proceeds.

ALTERNATIVES: n/a

OTHER CONSIDERATIONS: n/a

FINANCIAL IMPACT:

X Not Applicable Operating Expense Revenue CIP

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

COMMENTS:

n/a

RECOMMENDATION:

Staff recommends approval of the resolution as presented.

CONFORMITY TO CITY POLICY:

This item conforms to City policy.

EMERGENCY / NON-EMERGENCY:

n/a

DEPARTMENTAL CLEARANCES:

- Bond Counsel
- Legal Department
- Airport
- Financial Services

LIST OF SUPPORTING DOCUMENTS:

Resolution

cc: Lisa Aguilar, Assistant City Attorney
Eddie Houlihan, Assistant Director of Management and Budget
Margie C. Rose, Assistant City Manager
Wesley S. Pierson, Assistant City Manager