



AGENDA MEMORANDUM

Action Item for the City Council Meeting December 1, 2020

DATE: November 17, 2020

TO: Peter Zaroni, City Manager

FROM: Heather Hurlbert, Director of Finance and Business Analysis
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Reimbursement Resolution for 2020 Bond Election Projects

CAPTION:

Resolution relating to City of Corpus Christi's intention to reimburse itself from future issuances of General Obligation bonds in an amount not to exceed \$75,000,000 for expenses related to projects included in the voter approved 2020 Bond Election incurred before the issuance of the bonds.

SUMMARY:

The City of Corpus Christi is planning on awarding contracts for projects included in the voter approved 2020 Bond Election prior to the issuance of General Obligation bonds planned in 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 General Obligation Bonds to fund projects approved in the voter approved 2020 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 plans on issuing bonds later in the fiscal year and will reimburse itself an amount not to exceed \$75,000,000 for expenditures with the bond proceeds

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 2020 Bond election projects prior to the bond issuance. Once the General Obligation 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