



CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** January 14, 2019
SUBJECT: Consider Reimbursement Resolution No. 2019-004 for the Fiscal Year 2018-2019 Amended Capital Improvement Program and associated equipment and services in an amount not to exceed \$1,296,825.
PRESENTER: Mark Mills, Finance Director

SUMMARY:

The Fiscal Year 2018-2019 Amended Capital Projects Budget includes the purchase of a new quint fire truck to be purchased using grant funds and certificates of obligation. The total cost of the equipment is estimated to be \$1,285,000, plus an additional \$11,825 in issuance costs for a total of \$1,296,825. The City Council is requested to consider approval of a reimbursement resolution. Approving a reimbursement resolution allows the awarding of contracts before receipt of the bond proceeds.

GENERAL DESCRIPTION:

In August 2018, the City Council passed Resolution 2018-025, authorizing the submission and execution of a grant application for the Clean Fleets North Texas 2018 Grant Program. In October 2018, North Richland Hills was notified that it had been awarded a 25% matching grant, up to a maximum of \$300,000, to replace an existing fire engine unit within the fleet. A public hearing is being held January 14, 2019 on an amendment to the Fiscal Year 2018-2019 Capital Budget, which included the addition of \$1,285,000 for the purchase of a new quint fire truck. If the amendment is approved, staff would order the equipment prior to the end of the fiscal year and before the issuance of additional debt.

Since the purchase of this equipment was not in the fiscal year 2018-2019 adopted budget, it was not included in the fall 2018 debt issuance. In order to reimburse expenditures with the proceeds of future debt, a resolution must be approved authorizing such reimbursement. The reimbursement resolution itself does not authorize the issuance of debt; it only stipulates that any expenses made before the bond sale may be reimbursed with future proceeds. Any interim funding required would use existing reserves and be repaid upon receipt of the bond proceeds.

Since the grant funding is in an amount up to \$300,000, the exact amount of the match is undetermined at this time. As a result of this variable, the full cost of the project has been included in the reimbursement resolution. Certificates of obligation will only be issued for the amount required, once the grant allowable costs have been determined.



The next bond sale is anticipated for late 2019 or early 2020.

RECOMMENDATION:

Approve Reimbursement Resolution No. 2019-004 for the Amended Fiscal Year 2018-2019 Capital Program and associated equipment and services in an amount not to exceed \$1,296,825.