

CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** September 23, 2019
SUBJECT: Consider Reimbursement Resolution No. 2019-040 for the Fiscal Year 2019/2020 Capital Improvement Program and associated equipment and services in an amount not to exceed \$9,850,000.
PRESENTER: Mark C. Mills, Director of Finance

SUMMARY:

The 2019/2020 Capital Projects Budget includes items to be funded with certificates of obligation. The City Council is requested to consider approval of a reimbursement resolution. Approving a reimbursement resolution for these items allows the bidding and awarding of contracts before receipt of the bond proceeds.

GENERAL DESCRIPTION:

In order to reimburse expenditures with the proceeds of future debt, a resolution must be approved authorizing such reimbursement. The Council typically passes at least one reimbursement resolution each year. There were three reimbursement resolutions passed in Fiscal Year 2018/2019.

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| • October 8, 2018 | FY2018/2019 Adopted Capital Budget | \$7,920,000 |
| • January 14, 2019 | Budget Amendment – Fire Aerial Apparatus | \$1,296,825 |
| • April 8, 2019 | Budget Amendment – Iron Horse Golf Course | \$3,385,000 |

Since the two budget amendments will be included as part of the next issuance, which covers Fiscal Year 2019/2020 capital projects funded through the issuance of debt, they are referenced in this resolution as well. The reimbursement resolution itself does not authorize the issuance of bonds; it only stipulates that any expenses made before the bond sale may be reimbursed with bond proceeds. Any interim funding required will be appropriated from existing reserves and will be repaid upon receipt of the bond proceeds. The debt is expected to be sold in the Fall of 2019.

Thirteen (13) capital projects utilizing Certificates of Obligation (“CO’s”) as a funding source have been identified for Fiscal Year 2019/2020. The total amount of debt for these projects, including issuance cost, is estimated at \$9,850,000.



The reimbursement resolution prepared for Council approval includes the projects and equipment contained in the following table:

Debt Type	Taxable or Tax-Exempt	Project Type	Project Number	Description	Amount
CO	Tax Exempt	Streets	ST2005	Northeast Parkway / Davis Traffic Signal	\$380,000
CO	Tax Exempt	Fleet	FS1912	Fire Truck Replacement ⁽¹⁾	\$985,000
CO	Tax Exempt	Fleet	FS2001	Ambulance Replacement	\$335,000
CO	Tax Exempt	Fleet	FS2002	Backhoe Replacement	\$140,000
CO	Tax Exempt	Fleet	FS2003	Backhoe Replacement	\$140,000
CO	Tax Exempt	Fleet	FS2007	Front-End Loader Replacement	\$220,000
CO	Tax Exempt	Fleet	FS2008	Front-End Loader Replacement	\$220,000
CO	Tax Exempt	Facilities	FC2001	Carpet Replacement - Library	\$320,000
CO	Tax Exempt	Utility	UT2004	24" Wastewater Main Replacement	\$1,255,000
CO	Tax Exempt	Utility	UT2008	Conn Pump Station Pump / Electric Rehab	\$1,500,000
CO	Tax Exempt	Utility	UT2002	Misc. Water / Sewer Main Replacement	\$445,000
CO	Tax Exempt	Utility	UT2001	Small Water Main Replacement	\$440,000
CO	Taxable	Golf Course	GC1901	Iron Horse Golf Course Improvements ⁽²⁾	\$3,285,000
Sub Total					\$9,665,000
<i>Est. Issuance Cost</i>					<i>\$185,000</i>
TOTAL					\$9,850,000

(1) Previously included in Resolution No. 2019-004 (January 14, 2019)

(2) Previously included in Resolution No. 2019-019 (April 8, 2019)

RECOMMENDATION:

Approve Resolution No. 2019-040.