



CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** January 11, 2021
SUBJECT: Consider Reimbursement Resolution No. 2021-002 in an amount not to exceed \$20,225,000.
PRESENTER: Mark C. Mills, Director of Finance

SUMMARY:

After the adoption of the fiscal year 2020/2021 ("FY21") Capital Project Budget and passage of the proposed bond program on November 3, 2020, it is necessary for Council to consider the adoption of a reimbursement resolution. This resolution will allow the City to begin work by providing a mechanism through which project expenditures incurred can be reimbursed through the future issuance of bonds.

GENERAL DESCRIPTION:

North Richland Hills voters passed the proposed 2020 Bond Program, with roughly 79% voting in favor. In preparation for work to begin on the bond program, it is necessary for the City Council to consider the passage of a reimbursement resolution. In addition, the FY21 adopted Capital Projects Budget included a utility project funded through the issuance of certificates of obligation ("CO's"). A reimbursement resolution authorizes the City to reimburse expenditures with the proceeds of future debt. The Council typically passes at least one reimbursement resolution each year in anticipation of a planned sale of bonds or CO's. The last such resolution was passed July 13, 2020.

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 process of issuing the associated bonds will begin during the first quarter of calendar year 2021.

The bond program includes street projects funded using General Obligation bonds ("GO's"). The total amount of bonds to be issued for these projects, based on projected debt capacity, is estimated at \$19,200,000. An additional \$840,000 in certificates of obligation have been included for the rehabilitation of the College Hill ground storage tank.



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

Debt Type	Taxable or Tax-Exempt	Project Type	Description	Amount
GO	Tax Exempt	Streets	Bedford-Eules Rd	\$3,415,000
GO	Tax Exempt	Streets	Glenview Dr West	\$4,515,000
GO	Tax Exempt	Streets	Iron Horse Blvd (Browning to Rufe Snow)	\$3,460,000
GO	Tax Exempt	Streets	Nor' East Dr	\$1,530,000
GO	Tax Exempt	Streets	North Hills Dr	\$2,120,000
GO	Tax Exempt	Streets	Meadow Oak Dr	\$570,000
GO	Tax Exempt	Streets	Diamond Lock W	\$130,000
GO	Tax Exempt	Streets	Pearl St	\$690,000
GO	Tax Exempt	Streets	Southampton Dr	\$1,080,000
GO	Tax Exempt	Streets	Stonybrooke Dr	\$870,000
GO	Tax Exempt	Streets	Nob Hill	\$820,000
CO	Tax Exempt	Utility	College Hills Ground Storage Tank Rehab	\$840,000
Sub Total				\$20,040,000
Est. Issuance Cost				\$185,000
TOTAL				\$20,225,000

RECOMMENDATION:

Approve Reimbursement Resolution No. 2021-002 in an amount not to exceed \$20,225,000.