

CIP BUDGET FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:
CONTACT DEPARTMENT(S):

3/21/13
Financial Services

SUBJECT: Approve a resolution declaring the City of Austin's official intent to reimburse itself from Contractual Obligations in the amount of \$2,575,000 for the purchase of various equipment, such as emergency-related equipment, vehicles, grounds maintenance equipment, and body armor.

CURRENT YEAR IMPACT: This item has no fiscal impact to the total debt service or tax rate in FY 2013. The debt will not be issued until FY 2014.

FIVE YEAR IMPACT: The Impact on Tax Rate represents the amount required to service the estimated debt service for this item based on issuing \$2,575,000 million in Contractual Obligations for 7 years at a 3.0% interest rate.

	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Estimated Debt Service	<u>186,688</u>	<u>392,655</u>	<u>402,215</u>	<u>411,099</u>	<u>419,500</u>
Impact on Tax Rate	<u>0.00021</u>	<u>0.00043</u>	<u>0.00042</u>	<u>0.00042</u>	<u>0.00042</u>

ANALYSIS / ADDITIONAL INFORMATION: The Financial Services Department requests approval, in accordance with Federal Treasury Regulations, of an Official Declaration of Intent to Reimburse costs to for the purchase of various equipment for \$2,575,000. During the mid-year Budget session, Council approved amending the General Fund Critical One-Time Fund to decrease appropriations for a variety of equipment such as heart monitors, automatic external defibrillators, vehicles, mowers, chippers and body armor, and approved these items being purchased through the use of contractual obligations. This resolution is required to complete the Council's intent through the action it took during the Mid-Year Budget work session. The following departments will receive equipment that will be funded through these funds: Emergency Medical Services, Austin Fire, Health and Human Services, Library, Municipal Court, Planning and Development Review, Parks and Recreation, Police.

For the City to spend money today, but reimburse itself from the issuance of debt obligations in the future, a reimbursement resolution is required by state and federal law. The resolution must contain certain information and is generally drafted to protect the tax-exempt status of the future issuance. The resolution must be passed not more than 60 days after the date that the cost to be reimbursed is paid. Failure to adopt a qualified declaration of official intent will prohibit the City from reimbursing the cost with the proceeds of tax exempt obligations. Reimbursement bonds generally must be issued 18 months after the later of, the date the expenditure was made, or the date that the project, with respect to which the expenditure was made, is placed in service.