

AGENDA



Recommendation for Council Action

Austin City Council	Item ID	33456	Agenda Number	66.
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Meeting Date:	6/26/2014	Department:	Watershed Protection
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Subject

Approve a resolution declaring the City of Austin’s official intent to reimburse itself from Certificates of Obligation to be issued for expenditures in the total amount of \$35,500,000 for costs associated with the Onion Creek buyouts of single family houses in flood-prone areas and related improvements. Related to Items # 12, # 28 and # 67.

Amount and Source of Funding

This item has no fiscal impact to the total debt service or tax rate in FY 2014. The debt will be issued in August 2014 or later. There is no fiscal impact to the tax rate because the Certificates of Obligation are to be non-tax supported.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	
For More Information:	Greg Canally, Deputy Chief Financial Officer, 974-2609; Kimberly Springer, Deputy Budget Officer, 974-2924
Boards and Commission Action:	
MBE / WBE:	
Related Items:	Related to Item # 33612.

Additional Backup Information

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 reviewed by bond counsel 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.

This action expresses the City Council’s intent to authorize the reimbursement for costs associated with the Onion Creek buyouts of single family houses in flood-prone areas and related improvements in the amount of \$35,500,000.