

CIP BUDGET FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:

12/15/16

CONTACT DEPARTMENT(S):

Real Estate

SUBJECT: Approve an ordinance amending the Fiscal Year 2016-2017 Office of Real Estate Services Capital Budget (Ordinance No. 20160914-002) to increase appropriations by \$6,500,000 for facilities. Related to Item # 66026.

CURRENT YEAR IMPACT: This item has no fiscal impact to the total debt service or tax rate in FY 2017. The debt will not be issued until FY 2018.

FIVE YEAR IMPACT:

	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
Estimated Debt Service	\$523,250	\$519,838	\$519,350	\$521,625	\$523,250
Impact on Tax Rate	0.00039	0.00037	0.00035	0.00034	0.00033

ANALYSIS / ADDITIONAL 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 drafted 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. Tax exempt reimbursement debt 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.

