

# REIMBURSEMENT RESOLUTION

## FISCAL NOTE

**CONTACT DEPARTMENT(S):**

Financial Services

**SUBJECT:** Approve a resolution declaring the City of Austin's official intent to reimburse itself from: Certificates of Obligation in the amount of \$30,750,000; and Contractual Obligations in the amount of \$36,503,000.

**CURRENT YEAR IMPACT:** This item has no fiscal impact to the total debt service or tax rate in FY 2023. The debt will not be issued until August 2023 or later.

**FIVE YEAR IMPACT:**

	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>
Estimated Debt Service	\$5,590,000	\$8,708,875	\$8,698,125	\$8,693,750	\$8,689,625
Impact on Tax Rate	0.00244	0.00369	0.00358	0.00347	0.00337

**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. 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.