



Recommendation for Action

File #: 22-2797, Agenda Item #: 2.

9/15/2022

Posting Language

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

Lead Department

Financial Services Department.

Fiscal Note

\$30,750,000 in General Obligation Certificates of Obligation to be issued in August 2022 or later; and \$36,503,000 in General Obligation Contractual Obligations to be issued in August 2022 or later. Fiscal note is attached.

For More Information:

Kerri Lang, Budget Officer, Financial Services Department, 512-974-2283.

Additional Backup Information:

A city must have budgeted for and provided a source of funds in order to enter into a contract. For the City to spend money today but reimburse itself from the issuance of debt obligation in the future, State and Federal Law require the City to approve a reimbursement resolution. The resolution must contain certain information and protect the tax-exempt status of the future issuance. Failure to adopt a qualified declaration of official intent in a reimbursement resolution will prohibit the City from reimbursing the cost with the proceeds of tax-exempt obligations. Reimbursement bonds generally must be issued no later than 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 Council's intent to authorize the reimbursement for costs associated with Fiscal Year 2022-2023 Approved Capital Budget items for general obligation debt, as described below:

General Obligation Certificates of Obligation: \$30,750,000

- \$13,000,000 for Waller Creek Improvements
- \$17,750,000 for new Fire/EMS stations

General Obligation Contractual Obligations: \$36,503,000

- \$32,123,000 for Fleet Mobility Services vehicle and equipment acquisition
- \$2,500,000 for Austin Police Helicopter
- \$1,880,000 for Emergency Medical Services equipment

Strategic Outcome(s):

Government that Works for All.