



Recommendation for Action

File #: 23-1685, **Agenda Item #:** 3.

5/4/2023

Posting Language

Approve a resolution declaring the City of Austin's official intent to reimburse itself from proceeds of Certificates of Obligations to be issued for expenditures in the total amount of \$17,000,000. Related to Items #2 and 9.

Lead Department

Financial Services Department.

Fiscal Note

A fiscal note is attached.

For More Information:

Ed Van Eenoo, Chief Financial Officer, 512-974-2638; Kerri Lang, Budget Officer 512-974-2283.

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 federal law. The resolution must contain certain information to protect the tax-exempt status of the future issuance. 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 Capital Budget items for General Obligation debt as described below:

- EMS/Fire Station renovations \$17,000,000.