

## Legislation Text

**File #:** 19-328, **Version:** 1

Presenter/Contact

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**SUBJECT:**

Approval of a resolution relating to establishing the City’s intention to reimburse itself for the prior lawful expenditure of funds relating to constructing various improvements from the proceeds of the tax-exempt obligations to be issued by the City for authorized purposes; authorizing other matters incident and related thereto; and providing an effective date

**BACKGROUND / RATIONALE:**

Attached is a resolution prepared by McCall, Parkhurst and Horton LLC, the City’s Bond Counsel. This resolution will allow the City to utilize existing cash reserves to pay for costs associated with various 2019 bond projects prior to the first anticipated issuance in August (debt proceeds will be delivered to the City in late September). Once the debt is issued, the reserves utilized will be repaid from the bond proceeds. The reimbursement resolution is prepared for an amount not to exceed \$4,000,000. This is an extremely conservative estimate based mainly on two factors. First, anticipated land acquisition associated with the Police Department facility as well as right of way necessary to complete one of the street projects within proposition 1. Secondly, at the June 3<sup>rd</sup> City Council retreat, a draft schedule will be considered by City Council; the resolution provides some flexibility so that staff can react to that potential project schedule.

Streets:	\$1,000,000
Parks and Recreation:	\$750,000
Public Safety:	<u>\$2,250,000</u>
<i>Reimbursement Resolution - Total</i>	<i>\$4,000,000</i>

Again, these are just broad estimates that give staff and City Council the authority to progress projects over the next several months until we have received bond proceeds. Expenditures requiring City Council approval (over \$25,000) will be brought forward for consideration in accordance with City Charter. The actual bond issuance amount will not mirror the totals referenced above. Currently, the first issuance is currently projected to be somewhere in the range of \$7,500,000-\$10,000,000. However, the actual issuance amount will be based on certified property values and direction from City Council on the 2019 bond project schedule.

**ADDRESSES A NEED/ISSUE IN A CITY PLAN OR COUNCIL PRIORITY:**

<input checked="" type="checkbox"/>	Yes	<b>Strategic Priorities:</b>	Maintain fiscal stability of City Operations
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**FISCAL IMPACT:**

There is no direct financial impact from the reimbursement resolution. However, approval does

provide the authority to utilize cash reserves to progress various 2019 bond projects until our first planned issuance later this fiscal year.

**COMMITTEE RECOMMENDATION:**

N/A

**STAFF RECOMMENDATION:**

Staff recommends approval of the resolution