

CITY COUNCIL MEMORANDUM

AGENDA ITEM

Resolution authorizing proceeding with issuance of certificates of obligation and further directing the publication of notice of intention to issue City of Killeen, Texas, combination tax and revenue certificates of obligation

ORIGINATING DEPARTMENT

Finance

BACKGROUND INFORMATION

A reimbursement resolution allows the City to expend funds for specific projects and/or procurements and then be reimbursed for those expenditures from the proceeds of a debt issuance. Over the past few years, City Council has authorized reimbursement resolutions for projects and/or procurements that are now complete. A brief history of those reimbursement resolutions includes the following:

On October 8, 2013, City Council approved a reimbursement resolution (CCMR 13-120R) for costs related to the construction of Mustang Creek Road and Prewitt Ranch Road. The not to exceed debt issuance amount established in the resolution was \$500,000. The total project cost of \$552,032 was paid on May 1, 2015; \$500,000 of the project cost is eligible for reimbursement.

On January 27, 2015, City Council approved a reimbursement resolution (CCMR 15-010R) for costs related to the purchase of vehicles and equipment for the Solid Waste department. The not to exceed debt issuance amount established in the resolution was \$2,445,000. Total related purchases from May 2015 through October 2015 were \$2,686,065; \$2,445,000 of the vehicle and equipment purchase is eligible for reimbursement.

On August 11, 2015, City Council approved a reimbursement resolution (CCMR 15-093R) for the cost of renovating, improving, and equipping the Cornerstone building. The not to exceed debt issuance amount established in the resolution was \$1,204,000. The overall cost of the project totaled \$1,212,253; \$1,204,000 of the project cost is eligible for reimbursement.

DISCUSSION/CONCLUSION

In order to receive reimbursement for these projects and procurements, certificates of obligation will be issued. The total costs eligible for reimbursement are \$4,149,000. City Council approval is necessary for the City Manager and city staff to proceed in preparing the required documentation and publishing the appropriate notices mandated by the Texas Local Government Code.

FISCAL IMPACT

The certificates of obligation will be repaid by property tax receipts and revenues from the respective enterprise fund as appropriate.

RECOMMENDATION

Staff recommends the attached resolution authorizing the City Manager and city staff to proceed with the issuance of certificates of obligation and publication of notice of intention to issue City of Killeen combination tax and revenue certificates of obligation be approved.