CITY COUNCIL MEMORANDUM FOR RESOLUTION

AGENDA ITEM

Resolution expressing official intent by the City to reimburse certain costs related to renovating the Cornerstone building.

ORIGINATING DEPARTMENT

Finance

BACKGROUND INFORMATION

This resolution establishes how the City will cover the costs associated with the Cornerstone renovation. The City Council Memorandum/Resolution requesting the award of Bid 15-18 for \$382,618 and Bid 15-19 for \$500,267 comprises the largest portion of the project. There are two other cost components that accompany the bid awards. The first is an allowance for Information Technology (IT) to purchase items needed to facilitate the department moving into the Cornerstone building. These purchases allow for the integration of fiber connectivity, movement of core IT infrastructure, acquiring needed fixtures, and making physical security upgrades. The final component of the project is an allowance for contingencies. The City's bond counsel recommended including an allowance for contingencies due to the resolution establishing a cost reimbursement ceiling. Contingency is included at approximately 13% of total estimated project cost. Below is a summary of the cost of each component:

Bid 15-18: HVAC	\$	382,618
Bid 15-19: Building renovation	\$	500,267
Information Technology allowance to cover relocation expenses	\$	164,000
Contingency	\$	157,115
Total	\$ 1	1,204,000

DISCUSSION/CONCLUSION

After discussing the project with the City's financial advisor and bond counsel, it was determined that the best financing approach would be through the issuance of Certificates of Obligation. Project costs will be taken from fund balance of the General Fund and reimbursed with the Certificates of Obligation proceeds. A reimbursement resolution is needed to enable the General Fund to be repaid for project expenses. The not to exceed amount of the reimbursement resolution is \$1,204,000.

FISCAL IMPACT

The reimbursement resolution will allow the City to expend funds for the Cornerstone renovation project and then be reimbursed for those expenditures as the proceeds from the Certificates of Obligation are received. Funding for the project will be available on Account Number 010-2705-419.61-95.

RECOMMENDATION

Staff recommends that the City Council adopt the attached resolution.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KILLEEN:

That the above stated recommendation is hereby approved and authorized.

PASSED AND APPROVED at a regular meeting of the City Council of the City of Killeen, Texas, this the 11th day of August, 2015, at which meeting a quorum was present, held in accordance with the provisions of V.T.C.A., Government Code, § 551.001 *et seq.*

APPROVED

Scott Cosper MAYOR

APPROVED AS TO FORM:

Kathryn H. Davis CITY ATTORNEY ATTEST:

Dianna Barker CITY SECRETARY

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS	§
COUNTY OF BELL	§
CITY OF KILLEEN	§

I, the undersigned City Secretary of the City of Killeen, Texas, hereby certify as follows:

1. The City Council of said City convened in Regular Session on <u>Aug 11</u>, 2015, at the regular meeting place thereof, and the roll was called of the duly constituted officers and members of said City Council, to-wit:

Scott Cosper, Mayor
Jose Segarra, Mayor Pro Tem
Elizabeth Blackstone, Councilmember at Large
Jonathan Okray, Councilmember at Large
Juan Rivera, Councilmember at Large
Shirley Fleming, Councilmember
Jim Kilpatrick, Councilmember
Brockley Moore, Councilmember

and all of said persons were present, except for the following: _____; thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written Resolution entitled

RESOLUTION EXPRESSING OFFICIAL INTENT TO REIMBURSE FOR CERTAIN COSTS RELATED TO BUILDING RENOVATIONS

was duly introduced for consideration and passage on first reading. It was then duly moved and seconded that said Resolution be passed on first reading; and, after due discussion, said motion, carrying with it the passage of said Resolution, prevailed and carried by the following vote:

AYES:	6
NOES:	1

2. A true, full and correct copy of the aforesaid Resolution passed at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; said Resolution has been duly recorded in the official minutes of said City Council; the above and foregoing paragraph is a true, full and correct excerpt from said minutes of said meeting pertaining to the passage of said Resolution; the persons named in the above and foregoing paragraph, at the time of said meeting and the passage of said Resolution, were the duly chosen, qualified and acting officers and members of said City Council as indicated therein; each of said officers and members was duly and sufficiently notified officially and personally in advance, of the time, place and purpose of the aforesaid meeting and that said Resolution would be introduced and considered for passage at said meeting, and each of said officers and members consented in advance to the holding of said meeting for such purpose; and said meeting was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Tex. Gov't Code Ann., ch. 551.

SIGNED AND SEALED this Aug 12, 2015.



Lity Secretary, City of Killeen, Texas

RESOLUTION NO. 15-093R

RESOLUTION EXPRESSING OFFICIAL INTENT TO REIMBURSE FOR CERTAIN COSTS RELATED TO BUILDING RENOVATIONS

WHEREAS, the City Council of the City of Killeen, Texas (the "City") expects to pay expenditures in connection with the projects described on <u>Exhibit A</u> attached hereto (collectively, the "Project") prior to the issuance of obligations to finance the Project; and

WHEREAS, the City finds, considers and declares that the reimbursement of the City for the payment of such expenditures will be appropriate and consistent with the lawful objectives of the City and, as such, chooses to declare its intention, in accordance with the provisions of Section 1.150-2 of the Treasury Regulations, to reimburse itself for such payments at such time as it issues obligations to finance the Project.

THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KILLEEN, TEXAS:

- <u>Section 1</u>. The City reasonably expects to incur debt, as one or more separate series of various types of obligations, with an aggregate maximum principal amount not to exceed \$1,204,000 for the purpose of paying the costs of the Project prior to issuance of such obligations.
- Section 2. All costs to be reimbursed pursuant hereto will be capital expenditures. No tax-exempt obligations will be issued by the City in furtherance of this Resolution after a date which is later than 18 months after the later of (1) the date the expenditures are paid or (2) the date on which the property, with respect to which such expenditures were made, is placed in service.
- Section 3. The foregoing notwithstanding, no tax-exempt obligation will be issued pursuant to this Resolution more than three years after the date any expenditure which is to be reimbursed is paid.

PASSED, APPROVED AND EFFECTIVE THIS _____

Mayor City of Killeen, Texas

ATTEST:

City Secretary

City of Killeen, Texas

APPROVED AS TO FORM:

City of Killeen, Texas

EXHIBIT A

Improving, renovating and equipping the Cornerstone building, located at 101 E. Avenue D including (i) new HVAC system, electrical, insulation, and HVAC system related expenses, (ii) furniture, fixtures and equipment, and (iii) other related costs including payment of professional services in connection therewith including legal, fiscal, and engineering fees.