

EXECUTIVE BRIEF REGULAR MEETING

AGENDA DATE: February 15, 2022

DEPARTMENT: Financial Services

TITLE:

Resolution No. 12-2022 – authorizing the City to reimburse itself for expenditures incurred from projects included in the upcoming bond authorization

SUMMARY:

Resolution No. 12-2022 authorizes the City to reimburse itself for expenditures incurred from projects included in the upcoming bond authorization. Finance staff intends to bring forth a supplemental resolution at a future meeting to set specific terms of the proposed Series 2022 Bonds.

BACKGROUND AND JUSTIFICATION:

The City has ongoing Capital improvement needs with respect to its utility system. This reimbursement allows the City to recapitalize itself for any incidental, or “pre-work” expenditures related to the projects provided for in the borrowing authorization. It is the intent of the City to reimburse various costs and expenditures related to capital improvements in and for the City in an amount not to exceed \$60,000,000. The Financial Services team recommends consolidating electric, water and sewer revenues into a single utility pledge to effectuate this borrowing. The expenditures to be reimbursed shall be consistent with the City's budgetary and financial policies. This funding also allows the City to reimburse itself pursuant to IRS rules which stipulates that all reimbursements must take place within a 60-day window for non-taxable issuances.

Internal discussion is taking place to evaluate the potential of appropriating 2023 and 2024 water and sewer capital projects to 2022 to take advantage of current interest rates.

MOTION:

Move to approve/disapprove Resolution 12-2022 authorizing the City to reimburse itself for expenditures incurred from projects included in the upcoming bond authorization.

ATTACHMENT(S):

Fiscal Impact Analysis
Resolution 12-2022

FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2022	2023	2024	2025	2026
Capital Expenditures	60,000,000	0	0	0	0
Operating Expenditures	0	0	0	0	0
External Revenues	0	0	0	0	0
Program Income	0	0	0	0	0
In-kind Match	0	0	0	0	0
Net Fiscal Impact	0	0	0	0	0
No. of Addn'l Full-Time Employee Positions	0	0	0	0	0