



ORDINANCES AND RESOLUTIONS

RESOLUTION 22-47

**Expressing Intent To Finance Expenditures To Be
Incurred**

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Why Issue Tax Exempt Bonds



- **Issued based on Council-adopted Financial Management Policy Statements**
 - **When needed capital improvements cannot prudently be funded from current revenues or fund balances**
 - **Spreads payments over useful life of improvements**
 - **Today's residents are not responsible for full cost of projects that will benefit future generations**
 - **Allocate available resources to high priority projects**

Responsible Borrowing



- **Projects funded through debt result in capital assets with a useful life that matches or exceeds repayment term**
- **Debt not used to fund rehabilitation or maintenance**
- **High bond ratings allow the City to borrow at the lowest possible interest rates**
- **Aggressive repayment schedule minimizes interest costs**

FY23 CIP Projects



- CIP includes \$53M in projects to be funded from the issuance of various bonds
- Some projects are already out to bid
- Bonds to be issued in FY23
- Projects can move forward prior to the actual sale of bonds under IRS regulations, in certain circumstances

IRS Regulations



- **Allow the City to reimburse itself from future tax-exempt borrowings**
 - **Must declare intent to reimburse within 60 days of first expenditure of funds**
 - **Must issue bonds within 18 months to reimburse expenditures**
- **Resolution only stating the City's intent to reimburse**
 - **Not authorizing expenditure of funds**
 - **Expenditures approved when City Council awards contracts**

FY23 Bond Funded Projects

Project Type	Revenue Bonds	GO Bonds	Airport CO's
Surface Water	260,000		
Water	9,719,000		
Wastewater	6,525,000		
Drainage		11,080,000	
Streets		6,200,000	
Municipal		11,750,000	
Airport			3,560,211
Total Projects	\$ 16,504,000	\$ 29,030,000	\$ 3,560,211

Resolution 22-47



- **Resolution 22-47 states the City's intent to finance certain expenditures from the proceeds of tax-exempt debt**
 - **Amount not to exceed \$50,000,000**
 - **Includes issuance costs**
- **Allows work to begin in advance of bond sale**
- **Resolution date and amount referenced on IRS form 8038G**

Current Issuance Plan



Sale Date	Bond Issue	Funds Delivered
Nov 15th	GO Bonds	Dec 15, 2022
Nov 15th	Revenue Bonds	Dec 15, 2022
Dec 6th	Airport CO's	Jan 5, 2023

Recommendation



- **Staff recommends approval of Resolution 22-47**
 - **Stating the City's intent to reimburse expenditures from future tax-exempt bond proceeds**
 - **Amount not to exceed \$50,000,000**



CLARIFYING QUESTIONS FOR STAFF



COUNCIL MOTION & DISCUSSION

