

Financing Capital Projects

- **City adopted CIP includes projects funded by Certificates of Obligation & Revenue Bonds**
- **City times the issuance based on when most projects are actively under construction**

Benefit of Timing Bond Issues

- **Better aligns demand for cash with needs**
- **Reduces interest**
 - **Delaying issuance until projects are underway allows the City to reduce it's overall interest cost**

Intent to Reimburse

- **In order to ensure compliance with IRS rules, and provide for the tax exempt status of the debt an intent to reimburse resolution is required to be passed by Council**
- **Resolution must specify a maximum amount to be reimbursed**

IRS Regulations

- **Allow the city to reimburse itself from future borrowings**
- **Must declare intent to reimburse within 60 days of first expenditure**
- **Must issue bonds within 18 months to reimburse expenditures**

Additional Requirements

- **Must meet statutory requirements through this process which include a public notice process for the issuance of CO's**

FY18 Capital Projects

- **City Council began awarding contracts on some projects in October 2017**
- **Projects have moved forward prior to issuance of bonds**

FY18 CIP Funding

Bond Type	Amount (\$M)
Utility Revenue	\$ 4.51
Tax Backed CO	7.44
Total to Construction	\$ 11.95

Resolution 18-03

- **Recommend approval of Resolution 18-03 stating the City's intent to finance certain expenditures**
- **Amount not to exceed \$12 million**
- **Resolution date and amount referenced on IRS form 8038G at time of each bond closing**

Questions