



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 23

Agenda Date: August 4, 2022

In Control: City Council A Session

DEPARTMENT: Finance Department

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Reimbursement Resolution

SUMMARY:

This Resolution by the City Council of the City of San Antonio, Texas establishes the City's intent to reimburse itself for the prior lawful expenditure of funds from the proceeds of one or more series of tax exempt or taxable obligations to be issued by the City for authorized purposes and as further designated by series and federal tax treatment; authorizes other matters incident and related thereto; and provides for an effective date.

BACKGROUND INFORMATION:

The FY 2022 Adopted Capital Budget and FY 2022 Capital Budget Amendments include the proposed sale of new money bonds to fund projects totaling \$163,870,913 in an amount not to exceed of \$64,750,000 General Improvement Bonds, Series 2022 (the "2022 Tax Exempt Bonds") and in an amount not to exceed of \$100,600,000 General Improvement Bonds, Taxable Series 2022 (the "2022 Taxable Bonds" and collectively with the 2022 Tax Exempt Bonds the "2022 Bonds"); approximately \$88,645,000 Combination Tax and Revenue Certificates of Obligation, Series 2022 ("the 2022 Certificates") in an amount not to exceed \$89,500,000; and approximately

\$49,100,934 Tax Notes, Series 2022 (“the 2022 Notes”) in an amount not to exceed \$53,500,000.

On May 7, 2022, the 2022 Bond Program was approved by the voters in the amount of \$1,200,000,000. The issuance of the 2022 Bonds represents the first issuance of bonds for the 2022 Bond Program. The total project amount to be funded from the sale of the 2022 Bonds is detailed below:

| | |
|---------------------------------|---------------|
| Streets, Bridges, and Sidewalks | \$30,653,047 |
| Drainage and Flood Control | 9,483,626 |
| Parks & Recreation | 17,088,508 |
| Library and Cultural Facilities | 2,018,451 |
| Public Safety Facilities | 4,757,281 |
| Affordable Housing* | 99,870,000 |
| Total 2022 Bonds | \$163,870,913 |

*Funding for Affordable Housing will be issued as General Improvement Bonds, Taxable Series 2022

Approval of this reimbursement resolution will provide the City with the flexibility to reimburse itself for capital expenditures which have been paid for from any lawfully available funds of the City with proceeds from the issuance of future debt obligations. The Resolution complies with IRS requirements and establishes the timeframe for reimbursement of eligible capital expenditures.

ISSUE:

Approval of this reimbursement resolution will provide the City with the flexibility to reimburse itself for capital expenditures which have been paid for from any lawfully available funds of the City with proceeds from the issuance of future debt obligations. The Resolution complies with IRS requirements and establishes the timeframe for reimbursement of eligible capital expenditures.

ALTERNATIVES:

The City could choose to not approve the resolution but would be unable to reimburse itself for the prior lawful capital expenditure of funds from future obligations.

FISCAL IMPACT:

The resolution has no impact on the City’s Operating Budget.

RECOMMENDATION:

Staff recommends approval of this resolution that establishes the City's intention to reimburse itself for prior lawful capital expenditure of funds.