

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Approval of Resolution No. 371 Authorizing the Reimbursement of Expenditures Incurred for Surface Water Capital Projects Prior to the Issuance of Debt Financing
DEPARTMENT:	Administrative Services
PRESENTED BY:	Patti Rader, Interim Administrative Services Director
ACTION:	<input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

The 2015 – 2020 Capital Improvement Plan included various Surface Water Utility Fund projects in 2015 and 2016. In order to fund these projects the budget included \$2,000,000 in bond proceeds as a funding source. These projects are ready to move forward and staff is in the process of issuing bonds. With City Council approval, the IRS allows bond eligible project expenditures to begin before the bonds are issued. In order to reimburse the City for these expenditures from the debt proceeds a Reimbursement Resolution is legally required. Proposed Resolution No. 371 provides for this requirement.

Council took a similar action by adopting Resolution No. 338 on January 28, 2013, which authorized the reimbursement of expenditures incurred for the North (Brugger's Bog) Maintenance Facility acquisition and improvements prior to the issuance of debt financing. Subsequently Council approved Ordinance No. 670 on August 12, 2013 to issue \$3.565 million in Limited Tax General Obligation Bonds.

RESOURCE/FINANCIAL IMPACT:

As stated the project will be funded from debt financing. The City is expected to issue up to \$2,000,000 in debt. Proposed Resolution No. 371 serves the purpose of allowing reimbursement from future debt issuance for amounts expended on Surface water projects in advance of the bond closing.

RECOMMENDATION

Staff recommends that Council adopt Resolution No. 371 authorizing reimbursement of Surface Water capital project expenditures incurred prior to the issuance of debt financing.

ATTACHMENTS:

Attachment A - Resolution No. 371

Approved By: City Manager **DT** City Attorney **MK**

RESOLUTION NO. 371

A RESOLUTION OF THE CITY COUNCIL, CITY OF SHORELINE, WASHINGTON, AUTHORIZING REIMBURSEMENT OF EXPENDITURES FOR COSTS RELATING TO SURFACE WATER CAPITAL PROJECTS FROM BOND PROCEEDS

WHEREAS, on November 24, 2014 the City Council approved the 2015-2020 Capital Improvement Plan for the City of Shoreline; and

WHEREAS, the capital budget for the Surface Water Utility Fund included \$2,000,000 in bond proceeds as a source of funds to pay for various Surface Water capital projects; and

WHEREAS, the United States Department of the Treasury has promulgated regulations limiting the ability of the City to use the proceeds of tax-exempt obligations for reimbursement of prior expenditures without Council authorization; now therefore:

THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, HEREBY RESOLVES:

Section 1. Declaration of Official Intent.

A. The City reasonably expects to reimburse the expenditures described herein with the proceeds of debt to be incurred by the City (the “Reimbursement Bonds”).

B. The maximum principal amount of Reimbursement Bonds expected to be issued is \$2,000,000. The actual amount issued shall be determined based on the type of debt issued.

C. The expenditures with respect to which the City reasonably expects to be reimbursed from the proceeds of Reimbursement Bonds are for the repair and replacement of storm water infrastructure as included in the 2015 – 2020 Capital Improvement Plan. Expenditures could include storm water infrastructure condition assessments, design of prioritized improvements, and the repair and replacement of existing infrastructure.

D. The expenditures with respect to which the City reasonably expects to be reimbursed from the proceeds of Reimbursement Bonds will be made from the Surface Water Fund.

Section 2. Appointment of Administrative Services Director to Issue Certificate of Intent.

Pursuant to U.S. Treasury Regulations the City Council hereby designates and appoints the Administrative Services Director of the City as the responsible official for the purpose of issuing statements of official intent in compliance with Treasury Regulation Section 1.150-2, so that the Surface Water capital project expenditures may be reimbursed from the proceeds of tax-exempt obligation(s) of the City. Each certificate so executed shall become a part of the official records of the City available for public inspection and review.

ADOPTED BY THE CITY COUNCIL ON MARCH 23, 2015.

Shari Winstead, Mayor

ATTEST:

Jessica Simulcik Smith, City Clerk