



City Manager's Report
July 11, 2017, City Council Meeting
Prepared by: John Driscoll, City Attorney
Item #: 8.7

Subject: Adopt a resolution Declaring the City's Intention to Reimburse Itself from the Proceeds of One or More Tax-Exempt Financings for Certain Expenditures Made and/or to be Made in Connection with the Acquisition, Construction and Equipping of Certain Capital Improvements

Background:

For the past eighteen months City staff has been working with Johnson Controls to increase water and energy efficiency through facilities. On March 28, 2017, the City Council passed a resolution approving a contract with Johnson Controls for energy saving projects. Those projects include the acquisition, construction and/or equipping of HVAC replacement for City Hall, the Public Safety Building, and Town Hall, Solar Photovoltaic for the Waste Water Treatment Plant, and interior and exterior lighting retrofit for City Hall, Town Hall, Public Safety Building, Corporation Yard and the Waste Water Treatment Plant (the Project).

The City plans on financing the Project and is exploring several types of financing mechanisms. Included in the potential financing mechanisms are: issuing tax exempt bonds, SRF loan and certificates of participation. Financing may include one of these or a combination of these alternatives. When utilizing these types of financing, the City can reimburse itself from the financing proceeds for costs incurred relating to the Project including costs incurred prior to actual funding. However, to do so, the City must adopt a reimbursement resolution like the one before the Council tonight. It also should be noted that reimbursement for costs incurred prior to funding can only be for costs incurred within sixty days prior to adoption of the reimbursement resolution.

Options:

1. Adopt a resolution authorizing the reimbursement of costs incurred for the Project and within sixty days of the adoption of the resolution.
2. Do not adopt the resolution and direct staff to take other action.

Cost:

Other than staff time, there are no costs associated with tonight's action.

Budget Impact:

If the City proceeds with the Project, adopting the resolution will allow the City to reimburse itself for costs related to the Project from the financing proceeds.

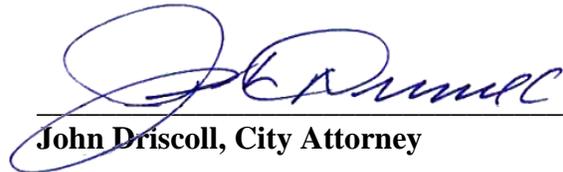
Recommendation:

Adopt a resolution:

1. Declaring the City's Intention to Reimburse Itself from the Proceeds of One or More Tax-Exempt Financings for Certain Expenditures Made and/or to be Made in Connection with the Acquisition, Construction and Equipping of Certain Capital Improvements.



M. Cleve Morris, City Manager



John Driscoll, City Attorney