



# City of Grand Island

Tuesday, August 13, 2019

Council Session

## Item G-9

**#2019-232 - Approving to Reimburse Certain Expenses in Connection with Acquiring and Constructing Street Improvements in the City from the Proceeds of Bonds issued by the City**

Staff Contact: Patrick Brown

# **Council Agenda Memo**

**From:** Patrick Brown, Finance Director

**Meeting:** August 13, 2019

**Subject:** Approving to Reimburse Certain Expenses in Connection with Acquiring and Constructing Street Improvements in the City from the Proceeds of Bonds issued by the City

**Presenter(s):** Patrick Brown, Finance Director

## **Background**

In November 2018 voters approved a half cent sales tax for (1) public highways; (2) municipal streets, bridges, and sidewalks; (3) buildings and capital equipment used in the operation of city government; (4) parking facilities; and (5) public safety equipment necessary for the provision of city public safety services, which increased rate shall terminate not more than ten years after the effective date of the increased sales and use tax or if some or all of the revenue is pledged for payment of bonds, until the payment in full of such bonds and any refunding bonds, whichever date is later.

## **Discussion**

The city has begun the planning for acquiring and constructing certain street and related improvements in the city. The City anticipates issuing bonds in the principal amount of not to exceed \$15,000,000 to finance all or a portion of the costs of the project. The City anticipates incurring a portion of the costs of the project prior to the issuance of the bonds and desires to preserve its ability to reimburse such costs.

## **Alternatives**

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Amend the resolution
3. Refer the issue to a Committee
4. Postpone the issue to future date
5. Take no action on the issue

## **Recommendation**

City Administration recommends that the Council approve the resolution approving to reimburse certain expenses in connection with acquiring and constructing street improvements in the city from the proceeds of bonds issued by the city.

## **Sample Motion**

Move to approve the resolution declaring the official intent of the city of Grand Island, Nebraska to reimburse certain expenses in connection with acquiring and constructing street improvements in the city from the proceeds of bonds issued by the city.

## RESOLUTION 2019-232

### A RESOLUTION DECLARING THE OFFICIAL INTENT OF THE CITY OF GRAND ISLAND, NEBRASKA TO REIMBURSE CERTAIN EXPENSES IN CONNECTION WITH ACQUIRING AND CONSTRUCTING STREET IMPROVEMENTS IN THE CITY FROM THE PROCEEDS OF BONDS ISSUED BY THE CITY

**BE IT RESOLVED** by the Council (the “**Council**”) of the City of Grand Island, Nebraska (the “**City**”) as follows:

#### **Section 1. Findings.**

(a) The City has begun the planning for acquiring and constructing certain street and related improvements in the City (the “**Project**”), and the City anticipates spending funds in the amount of approximately \$39,000,000 to pay the costs of the Project.

(b) The City anticipates issuing bonds in the principal amount of not to exceed \$15,000,000 (the “**Bonds**”) to finance all or a portion of the costs of the Project. The City anticipates incurring a portion of the costs of the Project prior to the issuance of the Bonds and desires to preserve its ability to reimburse such costs under the provisions of the Internal Revenue Code of 1986, as amended (the “**Code**”), and the applicable regulations thereunder, including but not limited to Section 1.150-2 thereof (the “**Regulations**”).

(c) It is necessary, desirable, advisable and in the best interests of the City that it declare its official intent to permit the City to reimburse costs of the Project made by the City from the proceeds of the Bonds in accordance with the requirements of the Code and Regulations.

#### **Section 2. Declaration of Intent and Related Matters.**

(a) The Council hereby declares the official intent of the City to reimburse all or part of the costs of the Project through the issuance of Bonds, the interest on which may be excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended.

(b) The Bonds will be issued in the amount and upon the terms and conditions provided in a bond ordinance to be passed by the Council at a meeting held for such purpose. Notwithstanding any other provision of this Resolution, nothing contained herein is intended to obligate the City to issue the Bonds or to reimburse any particular expenditure.

(c) The Mayor, City Administrator and Finance Director (each an “**Authorized Officer**”) are hereby individually authorized to take any further action as such Authorized Officer shall deem necessary or desirable without further action by the Council to carry out the transactions contemplated by this Resolution.

Approved as to Form	□
August 9, 2019	□ City Attorney

**Section 3. Effective Dates.** This Resolution will be in full force and effect from and after its passage and adoption by the Council and approval by the Mayor.

**Section 4. Conflicting Resolutions Repealed.** All resolutions of the Council, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed.

ADOPTED this 13<sup>th</sup> day of August, 2019.

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Roger G Steele, Mayor

ATTEST:

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RaNae Edwards, City Clerk