

CITY OF EL PASO, TEXAS
DEPARTMENT HEAD'S SUMMARY REQUEST FOR COUNCIL ACTION (RCA)

DEPARTMENT: Environmental Services

AGENDA DATE: February 13, 2007

CONTACT PERSON/PHONE: Ellen Smyth - 621-6719

DISTRICT(S) AFFECTED: All

SUBJECT:

APPROVE a resolution / ordinance / lease to do what? **OR AUTHORIZE** the City Manager to do what? Be descriptive of what we want Council to approve. Include \$ amount if applicable.

This budget transfer requests an appropriation increase to fund future major construction projects which Environmental Services is required to initiate within the next eighteen months. These projects include: \$8 million for the closure of old Clint cells 1 & 2; \$5 million for new northeast MSC building, and \$1 million to complete the renovation of 5115 El Paso Dr. facility for a total of \$14 million dollars. The source of the funding will be revenue bonds which will be issued during the next eighteen months. Pursuant to the Reimbursement Resolution approved by Council on March 14, 2006, the Deputy City Manager has declared the expectation that the City can reimburse itself for expenditures incurred prior to the actual issuance of the revenue bonds. See attached declaration.

BACKGROUND / DISCUSSION:

Discussion of the what, why, where, when, and how to enable Council to have reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action?

The proper closing of landfill cells is a TCEQ requirement; the building of new northeast MSC facility is necessary because of the requirement to vacate the current northeast facilities; and completion of renovation to 5115 El Paso Dr. facility in order to provide additional office space.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one? If so, when?

Yes, City Council has issued Revenue Bonds in the amount of \$22,120,000 in revenue bonds in 2004.

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

Funding for these projects will be provided by revenue bonds to be issued within the next eighteen months; the bonds are payable from the net revenues of Environmental Services. The terms of the bonds will be determined at the time of issuance.

BOARD / COMMISSION ACTION:

Enter appropriate comments or N/A

N/A

*****REQUIRED AUTHORIZATION*****
CITY CLERK DEPT.
07 FEB - 5 PM 1:05

LEGAL: (if required) _____

FINANCE: (if required) _____

OTHER:

(Example: if RCA is initiated by Purchasing, client department should sign also)

Information copy to appropriate Deputy City Manager

APPROVED FOR AGENDA:

CITY MANAGER: _____

DATE: _____

07 FEB -5 PM 1:05
CITY CLERK DEPT.

**DECLARATION OF EXPECTATION TO REIMBURSE
EXPENDITURES WITH PROCEEDS OF FUTURE DEBT**

STATE OF TEXAS §
 §
COUNTY OF EL PASO §
 §
CITY OF EL PASO §

As Deputy City Manager of the City of El Paso, Texas (the "Issuer") and pursuant to the authority granted to me by Resolution of the Issuer adopted March 14, 2006, I hereby declare that the Issuer intends to issue debt for the following Solid Waste Management projects, to wit: (i) the closing of the Clint landfill, (ii) the improvement, repair, renovation and equipping of Issuer facilities, including the Northeast Corral facility and the El Paso Drive facility, and (iii) to acquire materials, equipment, machinery, buildings, land and rights-of-way in connection therewith (collectively, the items described in clauses (i), (ii) and (iii) are referred to as the "Project") and further intends to make certain capital expenditures with respect to the Project and currently desires and expects to reimburse the capital expenditures with proceeds of such debt and that the Issuer desires to preserve its ability to reimburse the capital expenditures with proceeds of tax-exempt obligations.

The maximum principal amount of obligations expected to be issued for the Project over the next 18 months is \$14,000,000.

This declaration shall constitute a declaration of official intent under United States Treas. Reg. §1.150-2.

IN WITNESS WHEREOF, I have hereunto set my hand, this 2nd day of February, 2007.



William F. Studer, Deputy City Manager
City of El Paso, Texas

07 FEB -5 PM 1:05
CITY CLERK DEPT.