

**CITY OF EL PASO, TEXAS**  
**AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM**

**DEPARTMENT:** Financial Services

**AGENDA DATE:** 3/14/06

**CONTACT PERSON/PHONE:** William Studer/541-4011

**DISTRICT(S) AFFECTED:** Citywide

**SUBJECT:**

Declaration of Expectation to Reimburse Expenditures with Proceeds of Future Debt and Corresponding Resolution

**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? What are the citizen concerns?

The attached declaration and reimbursement resolution allows the City to advance funds for ongoing and necessary capital projects with the expectation that such advances will be reimbursed with proceeds of debt obligations when issued in the future. The reimbursement resolution is authorized for sixty days prior and up to eighteen months thereafter. The amount calculated to be issued over the course of this time period is \$200 million. This will allow City staff to fund the remaining 2000 and 2004 Bond Issuances, fund the acquisition of land for parks and City open spaces and fund anticipated expenditures of the recently identified projects to be funded with contractual obligations. This reimbursement resolution is allowable under the Debt Management Policy approved by Council, Sections 4.1 and 4.2.

**PRIOR COUNCIL ACTION**

Has the Council previously considered this item or a closely related one?

Council has approved prior reimbursement resolutions.

**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?

This item will allow the City to fund up to \$200 million in anticipated capital expenditures.

**BOARD / COMMISSION ACTION:**

Enter appropriate comments or N/A

N/A

\*\*\*\*\*REQUIRED AUTHORIZATION\*\*\*\*\*

**LEGAL:** (if required) \_\_\_\_\_

**FINANCE:** (if required) \_\_\_\_\_

**DEPARTMENT HEAD:** \_\_\_\_\_

(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:** \_\_\_\_\_

3/17/06

**RESOLUTION AUTHORIZING PARTICULAR CITY OFFICERS  
TO DECLARE EXPECTATION TO REIMBURSE  
EXPENDITURES WITH PROCEEDS OF FUTURE DEBT**

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

WHEREAS, from time to time, the City of El Paso, Texas (the “Issuer”) may advance funds on hand to pay for capital projects with the expectation that such advances will be reimbursed with proceeds of debt obligations when issued in the future;

WHEREAS, under United States Treas. Reg. §1.150-2 (the “Regulation”), to issue such debt as tax-exempt obligations, the Issuer (or a person designated by the Issuer) must declare its reasonable expectation to make such reimbursement with proceeds of future debt before making such expenditures; and

WHEREAS, the Issuer desires to designate the City Manager and the Deputy City Manager – Financial and Administrative Services, each individually, as persons able to declare such expectation on behalf of the Issuer so as to make the process for issuing such debt as reliable and efficient as possible;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO, TEXAS:

That the City Manager and the Deputy City Manager – Financial and Administrative Services, each individually, are hereby designated by the Issuer as persons authorized hereby to declare the Issuer’s expectation to reimburse capital expenditures with proceeds of future debt, in accordance with the provisions of the Regulation, and such persons are each hereby authorized and directed to provide written declarations (from time to time) to evidence such expectation.

*[Signature page follows]*

DULY PASSED AND ADOPTED by the City Council of the City of El Paso, Texas, on the \_\_\_\_\_ day of \_\_\_\_\_, 2006.

APPROVED:

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John F. Cook  
Mayor

ATTEST:

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Richarda Duffy Momsen  
City Clerk

(CITY SEAL)

**Approved as to form:**

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Paul A. Braden,  
Attorney for the City

**Approved as to content:**

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William F. Studer, Deputy City Manager  
Financial and Administrative Services

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

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

As 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 “Quality of Life” Bond Projects, 2004 Bond Projects, acquisition of land for parks, City open spaces and municipal purposes such as but not limited to ponding areas and rights-of-way, storm water drainage improvements, municipal facility improvements including but not limited to rehabilitation and ADA improvements, street and bridge improvements and projects related to the arts (collectively, 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 \$200,000,000.

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 \_\_\_\_\_.

\_\_\_\_\_  
Joyce Wilson, City Manager  
City of El Paso, Texas