



## Legislation Text

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### Agenda Information Sheet

**DEPARTMENT:** Finance

**ACM:** Bryan Langley

**Date:** October 18, 2016

#### **SUBJECT**

Consider adoption of an ordinance of the City of Denton, Texas to declare the intent to reimburse capital program expenditures of the Electric Utility (\$65,000,000), Solid Waste (\$23,580,000), and General Government (\$12,335,000) with Tax Preferred Obligations (Certificates of Obligation and General Obligation Bonds) with an aggregate maximum principal amount equal to \$100,915,000; providing an effective date.

#### **BACKGROUND**

The purpose of this item is to allow staff to begin these projects prior to the debt sale. Initially, funding for the expenditures will be provided with existing bond proceeds or unreserved fund balance. Once the debt is sold, these expenditures will be reimbursed from the debt proceeds. The debt sale is anticipated to be in early summer of 2017.

The FY 2016-17 Capital Improvement Program (CIP) Budget includes capital projects for Electric, Solid Waste, and General Government.

Denton Municipal Electric is proposing to utilize \$65,000,000 to fund ongoing capital expansion of the distribution and transmission facilities approved as part of the FY 2016-17 CIP Budget. This amount represents the portion of the Electric Fund CIP Budget for FY 2016-17 to be funded by Certificates of Obligation (CO). A complete list of the Electric CO funded projects planned for FY 2016-17 is included with the attached ordinance.

Solid Waste is proposing to utilize \$23,580,000 to fund ongoing capital expenditures for disposal, processing and construction services approved as part of the FY 2016-17 CIP Budget. A complete list of the CO funded projects planned for FY 2016-17 is included with the attached ordinance.

General Government is proposing to utilize \$10,235,000 of Certificates of Obligation to fund vehicle/equipment replacements, replacement of facility HVAC, roofs and floorings, upgrade public safety radios to digital, replace the public safety computer aided dispatch system, and acquire a fleet fuel truck. In addition, General Government is proposing to utilize \$2,100,000 of General Obligation Bonds to fund the various projects from the 2014 Bond Election. A complete list of the CO and GO funded projects is included with the attached ordinance.

## **RECOMMENDATION**

Staff recommends approval of the ordinance.

## **PRIOR ACTION/REVIEW (Council, Boards, Commissions)**

On October 10, 2016, the Public Utility Board voted to recommend that a reimbursement ordinance for Denton Municipal Electric and Solid Waste be forwarded to the City Council for consideration.

## **FISCAL INFORMATION**

This ordinance will allow the Certificates of Obligation to reimburse the respective funds totaling \$100,915,000. These capital projects were included in the FY 2016-17 Adopted CIP Budget.

## **STRATEGIC PLAN RELATIONSHIP**

The City of Denton's Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

**Related Key Focus Area:**     **Organizational Excellence**  
**Related Goal:**                **1.1 Manage financial resources in a responsible manner**

## **EXHIBITS**

1. PUB Draft Minutes
2. Ordinance

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