
MEMORANDUM

DATE: September 1, 2006

SUBJECT: **Reimbursement Resolution for Expenditures
Relating to Purchase of Garfield School**

REPORT BY: Gary Mumford



AFFECTED COUNCIL DISTRICTS: Citywide

On August 1, 2006, the City purchased the Garfield School. The funding source was primarily fund balance in the general fund that was appropriated to the CIP fund for the 2006-07 fiscal year. The attached resolution gives the City the option to reimburse itself from bond proceeds if the City Council ultimately decides to use this site for the construction of public safety facilities. The resolution does not obligate the City, but preserves a reimbursement option. To be eligible for reimbursement, this resolution needs to be adopted by September 30th (60 days from expenditure of funds).

DANIEL A. MULE
CITY TREASURER

SALT LAKE CITY CORPORATION
DEPARTMENT OF MANAGEMENT SERVICES
TREASURER

ROSS C. "ROCKY" ANDERSON
MAYOR

TO: Rocky J. Fluhart, Chief Administrative Officer 
FROM: Daniel A. Mulé, City Treasurer 
DATE: August 29, 2006
SUBJECT: Resolution Expressing Official Intent to Reimburse Certain Capital Expenditures from Proceeds of Bonds to Be Issued for the Purpose of Constructing Public Safety Facilities

STAFF CONTACT: Daniel A. Mulé, City Treasurer

TELEPHONE NUMBER: 535-6411

RECOMMENDATION: That the City Council adopt the above-referenced resolution on September 12, 2006.

DOCUMENT TYPE: Resolution

BUDGET IMPACT: None

DISCUSSION: A reimbursement resolution needs to either describe the related project or identify the source of funds from which payment will come (such as Capital Improvement Program (CIP) funds) and it also needs to state the maximum principal amount of bonds to be issued. In addition to allowing all eligible expenditures to be paid from the named account on or after the passage of the resolution, a reimbursement resolution allows the City to recoup eligible "hard cost" expenditures (such as land purchases, building construction) from future bond proceeds, provided that these expenditures were made no longer than 60 days prior to the adoption of the reimbursement resolution. Preliminary expenditures or "soft costs" (such as design work, engineering fees) are reimbursable without a reimbursement resolution as long as these costs do not exceed 20% of the bond proceeds. Soft costs are not subject to the 60-day time limit referenced above.

On August 1, 2006, the City acquired the Garfield School at a cost of \$2,130,600. The funding source for this purchase was the Eastside Precinct cost center in the CIP. Although this resolution does not obligate the City to issue bonds, this resolution would need to be adopted by September 30, 2006 in order for this property acquisition to be eligible for reimbursement from bond proceeds yet to be received in connection with this financing.

Attachment

H:\Treas\DansDocs\Council Cover Letters\Public Safety Facilities Reimbursement Resolution.doc

451 SOUTH STATE STREET, ROOM 228, SALT LAKE CITY, UTAH 84111
TELEPHONE: 801-535-7946 FAX: 801-535-6082



RESOLUTION NO. __ OF 2006

A RESOLUTION Expressing Official Intent Regarding Certain Capital Expenditures to be Reimbursed From Proceeds of an Obligation to be Issued by the City.

WHEREAS, Salt Lake City, Utah (the "*City*"), is planning to acquire, construct, furnish and equip fire, police and other public safety facilities (the "*Project*");

WHEREAS, the City Council of the City (the "*City Council*") deems it necessary and advisable that it take such action as may be required under applicable provisions of law to authorize and issue bonds (the "*Bonds*") to finance the costs of the Project; and

WHEREAS, all or a portion of the expenditures relating to the Project (the "*Expenditures*") (i) have been paid from the City's Capital Improvement Program Fund (the "*Fund*") within the sixty days prior to the passage of this Resolution or (ii) will be paid from the Fund on or after the passage of this Resolution and prior to the issuance of the Bonds;

NOW THEREFORE BE IT AND IT IS HEREBY RESOLVED BY THE CITY COUNCIL OF SALT LAKE CITY, SALT LAKE COUNTY, UTAH, AS FOLLOWS:

Section 1. The City reasonably expects to reimburse the Expenditures with proceeds of the Bonds.

Section 2. The maximum principal amount of the Bonds expected to be issued for the Project is \$178,000,000.

Section 3. All actions of the officers, agents and employees of the City that are in conformity with the purposes and intent of this Resolution, whether taken before or after the adoption hereof, are hereby ratified, confirmed and adopted.

Section 4. All resolutions in conflict with this Resolution or any part hereof are hereby repealed.

Section 5. This Resolution shall be in full force and effect immediately upon its adoption.

ADOPTED AND APPROVED this 12th day of September, 2006.

SALT LAKE CITY, UTAH

By _____
Chair, City Council

[SEAL]

ATTEST:

By _____
Deputy City Recorder

APPROVED:

By _____
Mayor

APPROVED AS TO FORM:

By _____
Senior City Attorney