



## Elgin City Council Meeting Agenda Item Executive Summary

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**ITEM: COUNCIL TO CONSIDER RESOLUTION AUTHORIZING PROCEEDING WITH ISSUANCE OF CERTIFICATES OF OBLIGATIONS AND FURTHER DIRECTING THE PUBLICATION OF NOTICE OF INTENTION TO ISSUE CITY OF ELGIN, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2019A.**

**DEPARTMENT:** City Manager/Finance and Administration

**PROPOSED ACTION:** Council to approve Resolution as presented.

**BACKGROUND:**

The most immediate need for capital financing for the City of Elgin is construction of the 18” raw water transmission line from two wells to the treatment plant. This project will immediately increase the capacity of the Water System to maximize the volume of water that can be made available for current and future customers. It represents over half (almost 60%) of total funding available for this portion of the issue.

While there are other possible capital projects contemplated in the next several years, the transmission line is shovel ready and there are no questions as to the immediate need for these funds. The remaining funds that would be made available are proposed to be used to purchase new systems software; to replace a SCADA System that will no longer be supported after October 2019; and to acquire over 1,400 radio read meters to replace obsolete meters that are over 10 years old.

The other 20% of bond proceeds will be used to supplement CO 2016 funds for expansion of the wastewater treatment plant and/or upgrades and improvements to the collection system.

**BUDGET/FINANCIAL IMPACT:**

Funding for debt service related to this portion of the bond issue will come from taxes generated by the current debt portion of the total ad valorem tax rate and partially from surplus utility revenue funds.

**RECOMMENDATION:** Recommended for approval.

**ATTACHMENTS:** 1.) Resolution authorizing issuance of the bonds. 2.) Public Notice on issuance of the Bonds and 3.) List of projects and estimated costs to be financed from the bond proceeds.

**{X} Staff will provide brief comments and answer questions on this item at the meeting.**

*Councilmembers who have any detailed questions or would like to request additional information regarding this item are encouraged to contact the City Manager at their earliest convenience.*