

Meeting Date (?) 06/07/2016

Subject Matter* (?) BTU City Reimbursement Resolution
This must match rolling agenda entry

Department of Origin* BTU

Submitted By* Joe Hegwood

Type of Meeting* BCD Special Regular

Classification* Public Hearing Consent Statutory Regular

Ordinance* None First Read Second Read First & Only Read

Strategic Initiative* Public Safety Service
 Economic Development Infrastructure
 Quality of Life

Agenda Item Description* Resolution expressing official intent to reimburse approximately \$12,000,000 of Bryan Texas Utilities City improvements projects from an approximate \$73,000,000 of revenue bonds to be issued in FY2016.

Summary Statement* Approximately \$73,000,000 of City bonds are budgeted to be sold in FY2016. The funds will be used to finance the construction of approximately \$59,000,000 of transmission facilities and \$14,000,000 of distribution facilities over the next two (2) years. These projects will increase electric system reliability and will ensure that the BTU transmission and distribution systems have sufficient infrastructure to support future growth. Spending on several of the projects will begin prior to the issuance of the Bonds. Staff desires to declare this official intent prior to contracting for construction.

Staff Analysis & Recommendation* With this additional debt the BTU City system will still be able to maintain key minimum financial ratios of 90 days of operating cash and debt service coverage of well over 1.10 times annual debt service. Spending on several of these projects will begin prior to the issuance of the Bonds. Staff desires to declare this official intent prior to contracting for construction.

The BTU Board and the Bryan City Council approved the issuance of City bonds as a part of the FY2016 budget. BTU would normally make a formal recommendation to the City Council for this action, however, due to the timing of the City's summer meeting schedule the BTU Board will be required to ratify this action after the fact at its June 9th board meeting to become effective. The BTU Board Chairman has been consulted.

Options* (In Suggested Order of Staff Preference)

1. Approve the Resolution - Approving this resolution will allow BTU to fund City construction to ensure sufficient infrastructure to support future growth.
2. Do not approve the Resolution - Not approving this resolution will require BTU to fund City construction through cash funding, ultimately requiring higher retail rates to support or to reduce construction activity, which would reduce system reliability.

Funding Source* City Electric Revenue Bonds (as budgeted)

Attachments CR-City Bonds Resolution and Projects.doc 36.5KB

Please detail attachments and note attachments available for viewing in City Secretary's Office:

1. Proposed resolution and supporting exhibit, which lists bond projects

Dept. Head Signature

Gary D. Miller

**Deputy City Manager
Signature**

Hugh R. Walker

City Manager Signature

A handwritten signature in black ink on a light gray background. The signature is highly stylized and cursive, appearing to be the initials 'LW'.

City Attorney Signature

Janis K. Hampton