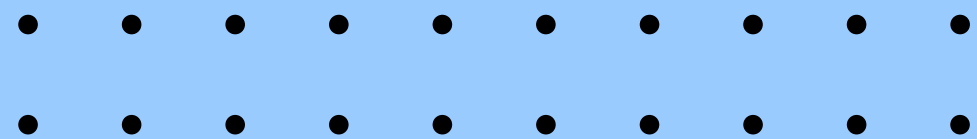


CITY COUNCIL

AUGUST 16, 2022

AGENDA ITEM 4.1



BOND SERIES 2008

\$2,500,000.00 Parks

USE OF PROCEEDS:

Proceeds from the sale of the Bonds will be used (i) **for the acquisition, construction and improvement to City parks;**

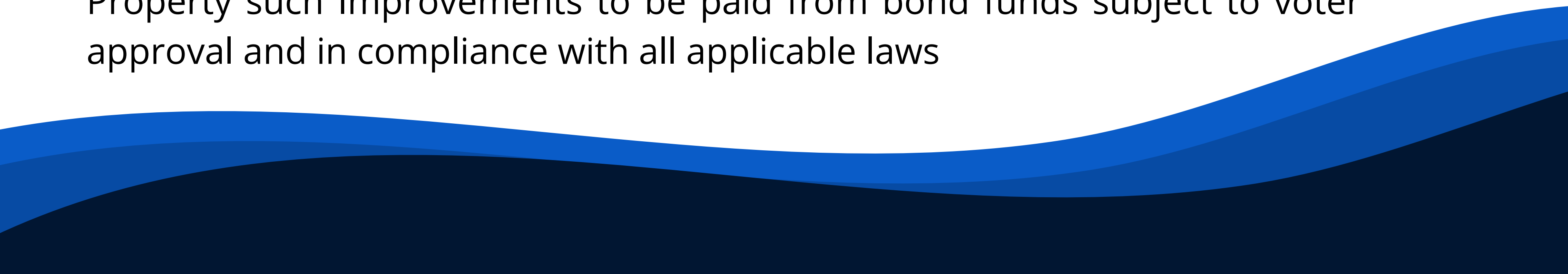


PROPOSITION LANGUAGE

CITY COUNCIL AT THE TIME OF ISSUANCE, AND TO LEVY A TAX UPON ALL TAXABLE PROPERTY IN THE CITY SUFFICIENT TO PAY THE INTEREST ON THE BONDS, AND TO PROVIDE A SINKING FUND FOR THE PAYMENT OF THE BONDS AS THEY MATURE, FOR THE PURPOSE OF MAKING PERMANENT PUBLIC PARK IMPROVEMENTS AS FOLLOWS: THE PINE GULLY ENHANCEMENT PROJECT LOCATED AT 502 PINE GULLY, SEABROOK, TEXAS, INCLUDING ACQUISITION OF APPROXIMATELY 8.433 ACRES, CONSTRUCTION AND IMPROVEMENT OF SUCH PROPERTY, ALL AS MORE SPECIFICALLY DESCRIBED IN RESOLUTION 2007-14, AND ALL MATTERS NECESSARY OR INCIDENTAL THERETO.


RESOLUTION 2007-14

- PINE GULLY ENHANCEMENT PROJECT

- Council resolved that the "project" would be in compliance with the law and not to confer a private benefit on a particular party, and is not primarily for economic benefit, but that such Property is necessary for a needed Municipal Project
 - City Manager authorized to Develop a Plan for Improvements to the Property such Improvements to be paid from bond funds subject to voter approval and in compliance with all applicable laws
- 


RESOLUTION 2007-14

– PINE GULLY ENHANCEMENT PROJECT

- Improvements to project to make it fully operational
 - Parking
 - Roads
 - Drainage
 - Recreational Facilities
 - Improvements to comply with law (ADA) requirements
- 

BOND SERIES 2008

Capital Uses and Exclusions:

- No Operations and Maintenance (O&M)
 - No Personnel (Salaries and Benefits)
 - No Service Agreements
 - No Reoccurring Costs
- 

SPECIAL FUND FOR BOND PROCEEDS

- TML Insurance Proceeds \$244,000
- Tax Accounting Implications Continue
- Tax-Exempt Obligations from Issuance and any proceeds including interest from the "project" must be accounted for within the city's financial audit annually (City must always report until expended)
- Ownership of Tax-Exempt Obligations can result in federal tax income consequences
- City annual tracking can meet requirements
- 3 Years from Deposit of Funds into Special Fund = Reasonable Time for expenditure of funds

RECOMMENDATIONS FOR PROCEEDS

1

City Control

Original Bond Issuance dictates how funds tied to the "project" should be expensed and can be audited

"Use of Proceeds" - Is the City using as advertised

2

Set Expenditure Deadline

Tracking will be required for any rebate liabilities and maintaining that reasonable timeframe from deposit to expenditure shows good faith

3

Agreement(s)

"Grant for Eligible Uses"

License to allow short term construction projects to be assembled. Anything long term can appear that a lease has been given = Tax Issues

4

Remedial Action

If the city fails to carry out legal matters in bond issuance, expensive fixes can result