



# UNITED INDEPENDENT SCHOOL DISTRICT AGENDA ACTION ITEM

**TOPIC:** Approval of a Resolution Approving Project Scope Amendment and Intention to Reimburse Certain Expenditures with Borrowing Proceeds

**SUBMITTED BY:** Laida P. Benavides, CPA **OF:** Division of Finance

**APPROVED FOR TRANSMITTAL TO SCHOOL BOARD:** \_\_\_\_\_

**DATE ASSIGNED FOR BOARD CONSIDERATION:** November 18, 2015

**Recommendation:**

Management is recommending approval of the resolution expressing the official intent to reimburse the bond program with tax-exempt obligation proceeds the costs incurred for the approved project scope amendment as described in the resolution.

**RATIONALE:**

In the event that the District deems it necessary to approve the project scope amendment to the original renovation and improvement of J.B. Alexander High School (the "Project") as described in Exhibit "A", the district chooses to declare its intention to reimburse itself for the costs incurred for such amendment from anticipated construction savings from various projects from the Bond Capital Improvement Program.

**BUDGETARY INFORMATION:**

**BOARD POLICY REFERENCE AND COMPLIANCE:**

Treasury Regulations, Section 1.150-2

**RESOLUTION APPROVING PROJECT SCOPE AMENDMENT AND INTENTION TO  
REIMBURSE CERTAIN EXPENDITURES WITH BORROWING PROCEEDS**

WHEREAS, the United Independent School District (the "District") has previously authorized the renovation and improvement of J. B. Alexander High School (the "Project") as part of the District's Capital Improvement Program to be funded by District bonds (the "Bonds") authorized by the 2013 District bond election; and

WHEREAS, the District's Bond Oversight Committee and District staff have reviewed additional proposals for adding to the scope of the Project and based on such examination believes the improvements described in Exhibit "A" attached hereto which includes improvements to the school site and the main building would be beneficial to the school and its students; and

WHEREAS, the costs associated with these improvements were not contemplated as part of the initial Capital Improvement Program to be funded with Bond proceeds; and

WHEREAS, the District staff anticipates achieving construction savings from various projects in the Capital Improvement Program therefore having surplus Bond funds for additional projects including the improvements described in Exhibit "A"; and

WHEREAS, Chapter 1201, Texas Government Code, as amended ("Chapter 1201"), permits the District to use the proceeds of obligations to reimburse the District for costs attributable to the Project paid or incurred before the date of issuance of such obligations; and

WHEREAS, the District finds, considers, and declares that the reimbursement of the District for the payment of such expenditures will be appropriate and consistent with the objectives of the District's programs and, as such, chooses to declare its intention, in accordance with the provisions of Section 1.150-2 of the Treasury Regulations, to reimburse itself for such payments at such time as it issues obligations to finance the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES THE UNITED INDEPENDENT SCHOOL DISTRICT, TEXAS THAT:

**Section 1.** This Resolution declares the intention of the District to authorize the improvements in Exhibit "A" to the Project and reimburse the expenditures for the Project with the proceeds of obligations. The District presently intends to reimburse the expenditure by incurring obligations issued under Texas law the interest on which is excludable from gross income under section 103 of the Internal Revenue Code of 1986, as amended.

**Section 2.** The District reasonably expects to incur debt, in one or more series of obligations, in an aggregate maximum principal amount now estimated to be \$100,000,000 for the purpose of paying the costs of the Project and other improvements included in the Capital Improvement Program contemplated in the bond election.

**Section 3.** The District intends to reimburse the expenditures hereunder not later than 18 months after the date the original expenditure is paid or the date the Project is placed in service or abandoned, but in no event more than three years after the original expenditure is paid unless the Project is a construction project for which the District and a licensed architect or engineer have certified that at least five years are necessary to complete the Project in which event the maximum reimbursement period is five years after the date of the original expenditure.

**Section 4.** The District intends that this Resolution satisfy the official intent requirement set forth in Section 1.150-2 of the Treasury Regulations and evidences its intentions under Chapter 1201.

**Section 5.** This Resolution shall be liberally construed to evidence the intent of the District to comply with Texas law and federal income tax law in the issuance of tax-exempt obligations for the Project.

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## **EXHIBIT A**

Additional scope of work to the 2013 bond master plan project at JB Alexander High School consists of the following:

- 1.) Relocation of existing student parking lot, traffic loop and driveways improvements, electrical utilities upgrades/relocation, storm drainage and detention pond improvements and upgrades; and
- 2.) New road east of new property to Del Mar Blvd.