

***Collin County Community College District Board of Trustees***

2019-10-2-6

October 22, 2019

Resource: Steve Bassett  
Chief Financial Officer

**AGENDA ITEM:** Report out of the Finance and Audit Committee and Consideration of Approval of a Resolution that Provides for Reimbursement to the College from Capital Financing Proceeds for Expenditures from College Operating Funds for Capital Expenditures including the Design and Construction of Projects Related to the Approved 2017 Bond Referendum

**DISCUSSION:** A bond referendum was approved in 2017, and work on phases 1 and 2 is well underway, and budgets for phases 3 and 4 have been approved. In order to keep our costs of debt as low as possible, the College deems it necessary to use operating funds to pay for bond-funded capital expenditures prior to issuance of the general obligation bonds that have been authorized by the election.

Among the projects to be financed are capital expenditures for the construction of new buildings at new and existing campuses of the District, the acquisition of related equipment, furniture and fixtures, and the renovation of existing campus buildings, including new HVAC systems and other related capital expenditures.

Adoption of this resolution by the Board of Trustees will allow the College to reimburse its operating fund for construction expenses from the capital financing proceeds. Based on current cash flow forecasts, it is anticipated that the capital financing proceeds will be available in the spring of 2020. If the bond transaction is funded in April 2020, the reimbursement amount would be as much as \$100 million. We are including \$150 million in the resolution in order to give us more flexibility to be able to react to market conditions.

**DISTRICT PRESIDENT'S RECOMMENDATION:** The District President recommends approval of the Resolution as presented to reimburse the College from capital financing proceeds for expenditures from College operating funds.

**SUGGESTED MOTION:** "Mr. Chairman, I make a motion that the Board of Trustees of Collin County Community College District approve the Resolution as presented to reimburse the College from capital financing proceeds for expenditures from College operating funds."