

Resolution 2026-49 Declaring Intent to Reimbursement Capital Costs

Council Meeting
October 6, 2026





Reimbursement Resolution

Why is staff requesting your approval of the resolution

- A procedural step required by federal tax rules
- Approving a reimbursement resolution lets the City issue new debt when the time is right, instead of borrowing before any money is spent.

Spend first

Projects move ahead using available City funds.

Borrow later

Debt is issued when needs and markets are clear.

Repay ourselves

Tax-exempt bond proceeds reimburse the earlier spending.



Reimbursement Resolution



Recent History of Approved Reimbursement Resolutions

Aug 2017

Road Repair and
Street Safety; Core
Maintenance Facility

Closed

Apr 2018

FWPP, Public Safety
Communications,
Water, Wastewater

Closed

Sep 2019

Courthouse, Water,
Wastewater,
Stormwater

Closed

Apr 2022

Water, Reclaimed,
Stormwater,
Transportation

**Sunsets with new
resolution**

Jan 2023

Nov 2022 GO ballot
measures:
infrastructure and
housing

**Still in effect for a
portion of bonds**

2026

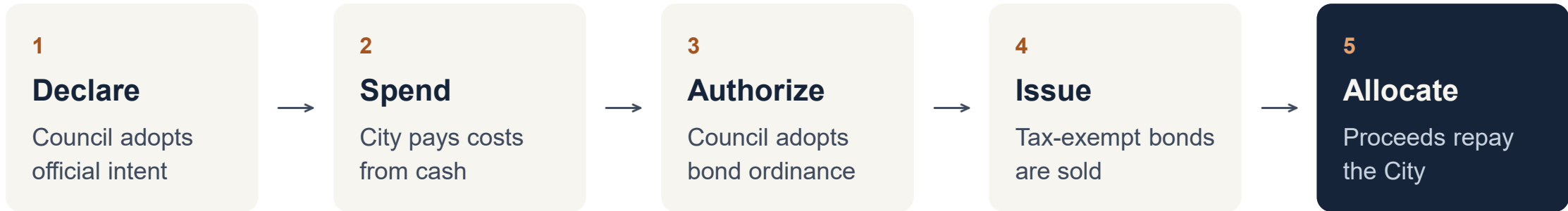
Props 405, 419,
420 and four
Water Services
funds

Proposed tonight



Reimbursement Resolution

Five steps from cash outlay to bond-funded project



- *Declaring intent can also follow spending, but only within 60 days of each payment.*



Reimbursement Resolution

What this Resolution covers

- Three voter-approved propositions, four Water Services funds

Authority	Projects	Amount	Repaid from
Prop 405 (Nov 2012)	Flagstaff Watershed Protection Project (FWPP)	\$0.65 million	Secondary property tax
Prop 419 (Nov 2018)	Roadway, pedestrian, bicycle and safety improvements	\$50 million	Transportation sales tax
Prop 420 (Nov 2018)	Lone Tree Railroad Overpass, Butler Ave to Route 66	\$35 million	Transportation sales tax
Water Fund	Water capital projects	\$16.0 million	Water revenues
Wastewater Fund	Wastewater capital projects	\$15.0 million	Wastewater revenues
Reclaimed Water Fund	Reclaimed water capital projects	\$1.8 million	Reclaimed water revenues
Stormwater Fund	Stormwater capital projects	\$21.0 million	Stormwater revenues



Reimbursement Resolution



Staff recommendation and next steps

- Council read Resolution 2026-49
- Council adopts Resolution 2026-49
 - Declares official intent for Props 405, 419, 420 and four Water Services funds
 - Sunsets the April 2022 resolution
 - Leaves the January 2023 resolution in effect
 - Does not authorize the issuance of debt
- Next steps
 - Track eligible costs paid from City funds
 - Return with an ordinance to authorize issuance of new debt
 - Issue a portion of the debt later this fiscal year and additional debt next fiscal year
 - Once issued, reimburse the City first for cost incurred