

RESOLUTION NO.

WHEREAS, a robust, regional, multi-modal transportation network is critical to Austin's current and future quality of life;

WHEREAS, all bond elections will adhere to our established financial policies such as debt-to-assessed value ratio; per capita debt calculations; and strict financial management practices;

WHEREAS, the City's financial policy provides that the total dollar amount of bond election propositions recommended to the voters shall not exceed the City's estimated ability to issue these bonds within a normal six or seven year period;

WHEREAS, the City's financial policy provides that no more than an estimated two years of authorized unissued bonds shall remain before an election will be held;

WHEREAS, City's financial policy provides that the ratio of debt service to total expenditures must not exceed twenty percent (20%);

WHEREAS, the City Manager's bond capacity projection indicates that fifty-percent of the approximate \$170 million in current bond capacity (\$85 million) is available for a November 2010 bond election;

WHEREAS, the City Council seeks the City Manager's guidance and recommendations regarding its alternatives for achieving the City's regional multi-modal transportation goals being discussed as part of the City's on-going Strategic Mobility Planning process via potential bond elections; **NOW THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The City Manager is directed to prepare a bond capacity model for a possible bond election in November 2010 using the estimated debt service rate in line with the City's fiscal policies for fiscal years 2011 and thereafter, consistent with all of the City's financial policies, for a total amount not to exceed one-half of projected total debt capacity, and preserving debt capacity for the City's next regularly scheduled general obligation bond election projected for November 2013.

BE IT FURTHER RESOLVED:

The City Manager is directed to prepare and present to City Council's Audit and Finance Committee a schedule of all authorized but unissued debt, including general obligation bonds as of May 1, 2010, which includes the purpose, date authorized, amount authorized, amount previously issued, the unused balance, and the plan for issuing this debt.

BE IT FURTHER RESOLVED:

The City Manager is directed to prepare and present to City Council's Audit and Finance Committee, an analysis that uses the assumptions below regarding general obligation bonds, assessed value of property, and impact on property tax rate:

1. A 2010 election for \$85 million focused on priority transportation projects;
2. A 2011 election for \$300 million for Phase 1 rail and associated transportation projects;
3. A 2013 election for \$600 million for the City's regular general obligation bond program excluding amounts anticipated to be authorized by November 2010 elections;
4. Assessed valuation will grow at rates presented by FASD on April 27, 2010;
5. All bond elections will adhere to the City's established financial policies of debt-to-assessed value ratio; per capita debt calculations; and strict financial management practices;

6. A projected property tax rate that is calculated to meet debt service requirements on contemplated bond authorization and issuance as set forth above.

In his analysis, the City Manager is further directed to:

1. Assess the city's bonding capacity with regard to the issuance of all debt including general obligation, certificates of obligation, and any other debt secured by the ad valorem tax base;
2. Estimate the costs of a stand-alone bond election and a bond election which occurs in conjunction with another entity's election;
3. Calculate the impact on property tax rates, including any estimated change in the property tax rate for each fiscal year;
4. Include an estimate of potential other city wide needs usually financed through general obligation bonds that have typically been issued every 6 years.

BE IT FURTHER RESOLVED:

The City Manager is directed to prepare and present to City Council's Audit and Finance Committee prior to the June 24, 2010, meeting of council, a report that includes bond capacity models, the percentage of the total principal projected to be repaid on all outstanding general obligation debt in each of the first ten years after the proposed November 2010 bond election, assuming the voters were offered a bond package in November 2010 and they approved that bond package.

The City Manager is directed to recommend to City Council its options for achieving the City's regional multi-modal transportation goals being discussed as part of the City's on-going Strategic Mobility Planning process via proposed bond elections in 2010, 2011, and 2013 no later than June 24, 2010.

ADOPTED: _____, 2010

ATTEST: _____

Shirley A. Gentry
City Clerk