

A G E N D A



Recommendation for Council Action

Austin City Council	Item ID	17831	Agenda Number	82.
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Meeting Date:	8/23/2012	Department:	Finance
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Subject

Approve an ordinance authorizing the issuance of City of Austin, Public Improvement Bonds, Series 2012A in an amount not to exceed \$78,980,000, and all related documents, and approve related fees. These bonds are being issued to provide funding relating to reimbursement resolutions previously approved by Council for 2006 and 2010 bond election projects. The funds will be used as described in the Council-Approved bond sale schedule for infrastructure, including streets and signals, watershed protection, parks and recreation projects, cultural arts facilities, central library, and public safety facilities.

Amount and Source of Funding

\$7,009,000 in the first year debt service requirement and an estimated annual administration fee of \$400 for the paying agent/registrar for the proposed bond sale is included in the 2012-2013 Proposed Operating Budget of the General Obligation Debt Service Fund.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	Council approved Reimbursement Resolutions related to this bond issuance on 09/10/07, 09/08/08, 09/14/09, 09/13/10, 01/27/11, 09/14/11 and the Bond Sale Schedule on 08/16/12
For More Information:	Art Alfaro, Treasurer 974-7882
Boards and Commission Action:	
MBE / WBE:	
Related Items:	

Additional Backup Information

It is recommended that the City Council approve an ordinance authorizing the issuance of the City of Austin, Texas, Public Improvement Bonds, Series 2012A, in the amount of \$78,980,000. Attachment A shows the specific projects associated with the issuance of the \$78,980,000. The entire \$78,980,000 in Public Improvement Bonds that is being issued is being issued to provide funding for reimbursement resolutions that have already been approved by Council.

Highlights of this City of Austin, Public Improvement Bonds, Series 2012A, include:

- 2006 Bonds, Proposition 1: Street Reconstruction, Sidewalks, Signals, Bikeways - \$14,700,000
- 2006 Bonds, Proposition 2: Watershed Master Plan Projects - \$5,000,000
- 2006 Bonds, Proposition 3: Parks & recreation facilities improvements, parkland acquisition, playscape and trail renovations and improvements - \$21,080,000
- 2006 Bonds, Proposition 4: Community & Cultural facilities, including Asian American Resource Center, Zach Scott Theatre - \$5,900,000
- 2006 Bonds, Proposition 6: New Central Library - \$1,300,000
- 2006 Bonds, Proposition 7: Mueller EMS Station - \$1,000,000
- 2010 Bonds, Proposition 1: Pedestrian/ADA/Bikeways, Street Reconstruction, Mobility Enhancements, Signals - \$30,000,000

The entire \$78,980,000 in Public Improvement Bonds is being issued to provide funding for reimbursement resolutions that have already been approved by Council during the 2011-12 fiscal year and prior fiscal years. Reimbursement resolutions declare an issuer's official intent to reimburse a project expenditure with the proceeds of obligations to be issued after the expenditure is incurred. The action is required by IRS and U.S. Treasury rules. The City generally submits reimbursement resolution for Council consideration as part of the annual budget adoption in September, the same time as the new capital appropriations are adopted.

After the sale of the Series 2012A & Taxable Series 2012B bonds, the status of remaining general obligation bond authorizations will be as follows:

<u>Authorized but Unissued G.O. Bonds</u>	<u>Amount Being Issued</u>	<u>Remaining Authorization</u>
\$266,712,000	\$85,630,000	\$181,082,000

Electronic bids will be accepted beginning at 8:30 a.m. Central Daylight Time ("CDT") and ending at 9:00 a.m. CDT, on Thursday, August 23, 2012. Bids will be verified by the City's Financial Advisor, Public Financial Management, Inc.

This item has been posted for not later than 2:00 p.m. to allow City Council action prior to the close of financial markets.

After the sale of the Series 2012A & Taxable Series 2012B bonds, the City's outstanding general obligation bonds will total \$1,253,380,000 including \$218,145,240 in non-tax supported debt.

The General Obligation Debt Service cost for the \$78,980,000 (A only) issuance is estimated as follows:

	<u>2012-2013</u>	<u>Total Cost over 20 Years</u>	<u>Average Per Year</u>
Principal	\$3,060,000	\$78,980,000	\$3,949,000
Interest	\$3,949,000	\$56,730,000	\$2,836,500
Total Debt Service	\$7,009,000	\$135,710,000	\$6,785,500