

## A G E N D A



## Recommendation for Council Action

Austin City Council	Item ID	24415	Agenda Number	65.
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Meeting Date:	5/23/2013	Department:	Treasury
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## Subject

Approve a resolution authorizing issuance by Senna Hills Municipal Utility District of Unlimited Tax and Waterworks and Sewer System Revenue Refunding Bonds, Series 2013, in a principal amount not to exceed \$6,210,000; and approving a substantial draft of the District's Bond Resolution and Preliminary Official Statement. This refunding does not authorize the extension of the maturity of the bonds being refunded.

## Amount and Source of Funding

The City is not responsible for payment of District bond debt service until dissolution of the District. Once the dissolution of the District takes place, the avoided debt service associated with the refunding would also benefit the City of Austin. There is no anticipated fiscal impact. A fiscal note is not required.

## Fiscal Note

Purchasing Language:	
Prior Council Action:	
For More Information:	Art Alfaro, Treasurer 974-7882
Boards and Commission Action:	
MBE / WBE:	
Related Items:	

## Additional Backup Information

Senna Hills Municipal Utility District, located on the north side of FM 2244, approximately 5.0 miles west of the intersection of FM 2244 and Loop 360 and 2.5 miles east of the intersection of FM 2244 and State Highway 71, has proposed a refunding bond issue to reduce annual debt service requirements. Proceeds of the issue will be used to refund and redeem \$6,210,000 outstanding Unlimited Tax and Waterworks and Sewer System Revenue Bonds, Series 2004 and Series 2009. The net present value savings for this transaction is currently projected to be \$367,195 or 5.91% of the principal amount of the refunded bonds. The projected present value savings due to the reduced market interest rates meets the City's target guideline of a 4.25% savings for its own bond refundings. Since the actual amount of savings is dependent on the terms of the sale, approval is requested for this transaction at a minimum present value savings of 4.25%, to allow for market fluctuations.

The District will realize average annual debt service savings of over \$23,500 through the remaining term of the refunded bonds, which does not extend past the term of the existing debt. The City is not responsible for debt service on the District's Bonds. Furthermore, the City would benefit from the debt service savings associated with the refunding once the District is dissolved.

Approval of Senna Hills MUD's proposed Series 2013 bond refunding is recommended, subject to final review of the offering documents by the Chief Financial Officers' designee.

The City's consent to this refunding is pursuant to the original consent agreement at the time of the Senna Hills MUD creation in 1988.